



## **AGENDA MEMORANDUM**

First Reading for the City Council Meeting of September 18, 2012  
Action Item for the City Council Meeting of October 16, 2012

**DATE:** August 14, 2012  
**TO:** Ronald L. Olson, City Manager  
**FROM:** Michael Morris, Director  
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361-826-3494

Lease for a portion of Manuel Q. Salinas Park to South Texas BMX for purposes of building and operating a bicycle motocross track

### **CAPTION:**

Ordinance authorizing the City Manager, or his designee to execute a 5 year sublease agreement with South Texas BMX, LLC for the use of approximately 3 acres out of Manuel Q. Salinas Park located at 1354 Airport Road, for construction and operation of a bicycle motocross facility, with options to extend for up to two additional five year terms, in consideration of monthly rental payments of ten percent of net revenues; providing for severance; and providing for publication.

### **PURPOSE:**

The Parks and Recreation Department seeks approval to enter into a five year lease agreement with South Texas BMX to build and operate a Bicycle Motor Cross (BMX) track at Manuel Q. Salinas Park. The lease requires South Texas BMX to design, construct and operate the BMX track at their own expense, payment of a 2% of gross revenues to serve as a capital improvement reserve for the track and payment of 10% of net revenues to the City. There is an option for two (2), five (5) year extensions for the agreement.

### **BACKGROUND AND FINDINGS:**

In August 2011, Jeffery and Rebecca Click of South Texas BMX approached the Parks and Recreation Department about partnering to build a public BMX park. Undeveloped open space and excess fill dirt remaining from construction at nearby parks, and proximity to major thoroughfares and bus routes led the department to select Manuel Q. Salinas Park as the site for the potential track. South Texas BMX made an initial presentation to the Parks and Recreation Advisory Committee on May 9, 2012. PRAC members supported efforts to move forward with plans to lease the park for the purpose of the BMX track. On May 1, 2012 the Parks and Recreation Department held a public meeting at Greenwood Senior Center to gather input about the potential development from neighbors and nearby stakeholders. Positive feedback was given during the meeting.

### **ALTERNATIVES:**

Do not approve the lease and allow this area of Manuel Q. Salinas Park to remain undeveloped.

### **OTHER CONSIDERATIONS:**

Not applicable.

**CONFORMITY TO CITY POLICY:**

The Strategic Parks and Recreation Master Plan calls for the development of specialty parks and facilities at each Community and Regional Park.

**EMERGENCY / NON-EMERGENCY:**

Non-Emergency. Per City Charter, leases with a term of more than five years require a 28-day delay between first and second reading. Second reading will take place on October 16.

**DEPARTMENTAL CLEARANCES:**

Legal Department

**FINANCIAL IMPACT:**

☐ Operating      ☒ Revenue      ☐ Capital      ☐ Not applicable

<b>Fiscal Year: 2011-2012</b>	<b>Project to Date Expenditures (CIP only)</b>	<b>Current Year</b>	<b>Future Years</b>	<b>TOTALS</b>
Line Item Budget				
Encumbered / Expended Amount				
This item				
BALANCE			(14,300)	(14,300)

Fund(s):

**Comments:** Revenues shown are based on initial year estimates provided by South Texas BMX and extrapolated for the remainder of the lease agreement.

**RECOMMENDATION:**

Staff recommends approving the lease agreement.

**LIST OF SUPPORTING DOCUMENTS:**

Contract with South Texas BMX, LLC.

Ordinance