



CITY OF CORPUS CHRISTI

AGENDA MEMORANDUM

First Reading for the City Council Meeting of June 2, 2026
Second Reading for the City Council Meeting of June 23, 2026

DATE: June 2, 2026

TO: Peter Zaroni, City Manager

FROM: Richard McCurley, Director of Aviation
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Ordinance authorizing a three-year grazing lease agreement with Ordner Farms and 4S Farms Partnership to lease approximately 28.73 acres farmland at Corpus Christi International Airport for grazing cattle, in consideration for \$1,102.66 annually with 1% annual increases.

CAPTION:

Ordinance authorizing a three-year grazing lease agreement with Ordner Farms and 4S Farms Partnership to lease approximately 28.73 acres farmland at Corpus Christi International Airport for grazing cattle, in consideration for \$1,102.66 annually with 1% annual increases.

SUMMARY:

The proposed lease terms are highly favorable to the City, securing a guaranteed revenue stream for a three-year term. Key highlights of the agreement include:

- **Market Position:** The starting rental rate is positioned above the current Fair Market Value (FMV).
- **Revenue Growth:** A fixed annual escalation of 1% ensures consistent growth over the life of the lease.
- **Utility:** Utilizing this parcel for grazing ensures the grass is maintained at appropriate levels, reducing the airport's maintenance burden and mitigating potential wildlife hazards.

The proposed agreement replaces a 2013 contract originally awarded through a competitive RFP process. This new lease recognizes a thirteen-year history of successful tenancy characterized by consistent compliance and reliable revenue generation. By executing a new agreement rather than an amendment, the Airport modernizes the legal framework to meet 2026 federal safety standards, resets the rental rate to current Fair Market Value, and streamlines the administrative management of the parcel.

BACKGROUND AND FINDINGS:

This is a Grazing Lease for Parcel 3, on a 28.73-acre tract. The land is currently managed by the 50/50 partnership of 4S Farms Partnership and Ordner Farms. The current operators, 4S Farms

and Ordner Farms have a long-standing history with the Corpus Christi International Airport farming this land and other airport land parcels since 2010.

Airports strategically lease non-aeronautical land for agricultural purposes to transform idle assets into steady revenue streams while simultaneously addressing critical safety and maintenance needs. By hosting crops or grazing operations, an airport can effectively manage wildlife hazards, as professional farming keeps vegetation at controlled levels that discourage the nesting of birds and other animals that pose a risk to flight operations. Turning these vacant assets into consistent sources of non-aeronautical revenue provides a critical funding mechanism for Capital Improvement Program (CIP) projects, allowing the airport to invest in infrastructure without increasing the financial burden on airlines. This diversification of income directly helps lower the cost per enplanement, making the airport more competitive and financially resilient. Furthermore, farming serves as a compatible land use for essential buffer zones and runway protection areas, maintaining necessary clearance for aircraft and noise mitigation without the risks associated with high-density development. Because these leases are often flexible, they allow the airport to preserve land for future infrastructure expansion while ensuring the property remains productive and compliant with federal mandates for financial self-sustainability.

The Master Plan identifies airport property for future aviation related growth. We would be developing this land.

The Master Plan doesn't speak to agricultural or grazing leases directly. Our draft land use plan suggests aviation, industrial manufacturing, and light industrial within the current agricultural lease space. This is why we do short-term agricultural leases so when we have a higher and better use, we can terminate the lease and execute a new lease for that purpose. Agricultural leases are beneficial to utilize the land until there is demand for other aeronautical and non-aeronautical facilities.

ALTERNATIVES:

The alternative to the recommended action is to decline the lease agreement and allow the current tenancy to expire. This would result in the immediate cessation of non-aeronautical revenue from this parcel and shift the full financial and operational responsibility for land maintenance, vegetation control, and wildlife hazard mitigation to the Airport's operating budget. This alternative is not recommended as it increases the Airport's cost per enplanement and creates an unfunded maintenance liability.

FISCAL IMPACT:

The lease establishes an annual rental rate of \$38.38 per acre. This negotiated rate positions the airport favorably, as it sits significantly above the average historical market cash rents for both cropland and pastureland in Texas according to USDA National Agricultural Statistics Service (NASS) data from 2023 and 2024 of \$10.11 per acre. Additionally, a fixed annual rate increase of 1% will be applied each year to ensure consistent revenue growth and long-term economic stability for the airport's land management portfolio.

Revenue for the grazing lease during FY25 was \$1,091.74.

FY	ANNUAL REVENUE
2026	\$ 1,102.66
2027	\$ 1,113.68
2028	\$ 1,124.82

FUNDING DETAIL:

Fund:	4610
Organization/Activity:	35000
Department:	53
Project # (CIP Only):	N/A
Account:	320200
Amount:	\$1,102.66

RECOMMENDATION:

City staff and the Airport Board Staff recommend approval of this lease. 4S Farms and Ordner Farms have proven to be valued partners who consistently meet their obligations and maintain the land to airport standards.

LIST OF SUPPORTING DOCUMENTS:

Ordinance
Grazing Lease Agreement