



AGENDA MEMORANDUM

First Reading for the City Council Meeting of April 21, 2015
Second Reading for the City Council Meeting of May 19, 2015

DATE: February 13, 2015

TO: Ronald L. Olson, City Manager

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**Amendment No. 1 to U.S. Government Lease for Real Property
for U.S. Coast Guard Navigational Marker ACLL 7817**

CAPTION:

Ordinance authorizing the City Manager or designee to execute Amendment No. 1 to the US Government Lease for Real Property for the US Coast Guard Aid to Navigation Marker ACLL 7817, amending Paragraph four (4) NOTICE section, of the current lease of real property to the U.S. Government in connection with a navigation marker mounted on the east wall of the South Texas Institute for the Arts building, an aid to navigation (ATON) structure known as the "Corpus Christi Channel Cut "B" West Range Front Light (ACLL 7817)"; and providing for publication.

PURPOSE:

The purpose of this agenda item is to execute an amendment to the original Lease for Real Property with the U.S. Coast Guard approved by Ordinance No. 027905 which changes Section 4 Notice, which permits the Coast Guard and the City to terminate the lease, without cause or reason, by giving the other party thirty (30) days notice in writing.

BACKGROUND AND FINDINGS:

On March 28, 1962, the City approved City Ordinance No. 6471 which granted the U.S. Coast Guard a revocable permit to install a navigation marker located near the City barge docks on the south shore of the ship channel. This marker is one of the most critical navigation aids for ships entering the Ship Channel. In 2008, the Coast Guard requested a new long term lease for nineteen years at an annual rate of \$1.00 per year, which was the same fee of the original 1962 permit. The new nineteen year lease was approved on October 21, 2008 under Ordinance No. 027905.

The U.S. Coast Guard recently notified the City that they would like to amend Section 4 of the lease which pertains to Notices. Section 4 currently states that the Coast Guard may terminate the lease for cause at any time by giving at least 30 days written notice. The Coast Guard must state the reason or cause of the termination. The lease further states that the City may terminate the lease at any time, without cause by giving at least ninety days notice. To meet new government regulations affecting all their leases, the Coast Guard has requested that the current lease be amended to state that the Coast Guard and the City may now terminate the lease, without cause, by giving a 30 day notice to the other party. All of the other terms and conditions of the original lease remain intact.

Generally, an ordinance granting or authorizing the execution of a lease of City property for more than five years must be read at two regular meetings of the City council. The ordinance will not be acted upon until the twenty-eighth day after the first reading and requires a publication of notice of the proposed lease amendment within five days following each of the two readings. City Council approval of this change is requested.

ALTERNATIVES:

1. Execute Amendment No. 1 to U.S. Government Lease for Real Property (recommended).
2. Do not execute Amendment No. 1 to U.S. Government Lease for Real Property (not recommended).

CONFORMITY TO CITY POLICY:

The Lease Agreement is authorized by Chapter 272.005, Lease of Property to Governmental Entity and conforms to the City's policies for property leases.

EMERGENCY / NON-EMERGENCY:

Not applicable

DEPARTMENTAL CLEARANCES:

Not applicable

FINANCIAL IMPACT:

Fiscal Year 2014-2015	Project to Date Expenditures	Current Year	Future Years	TOTALS
Budget	\$0.00	\$0.00	\$0.00	\$0.00
Encumbered / Expended Amount	\$0.00	\$0.00	\$0.00	\$0.00
This item	\$0.00	\$0.00	\$0.00	\$0.00
Future Anticipated Expenditures This Project	\$0.00	\$0.00	\$0.00	\$0.00
BALANCE	\$0.00	\$0.00	\$0.00	\$0.00

Fund(s): Not applicable

RECOMMENDATION:

City staff recommends approval of the Lease Agreement amendment and passage of the Ordinance.

LIST OF SUPPORTING DOCUMENTS:

Location Map
Amendment No. 1 to Lease Agreement
Ordinance