

ORDNER FARMS & 4S FARMS PARTNERSHIP GRAZING LEASE



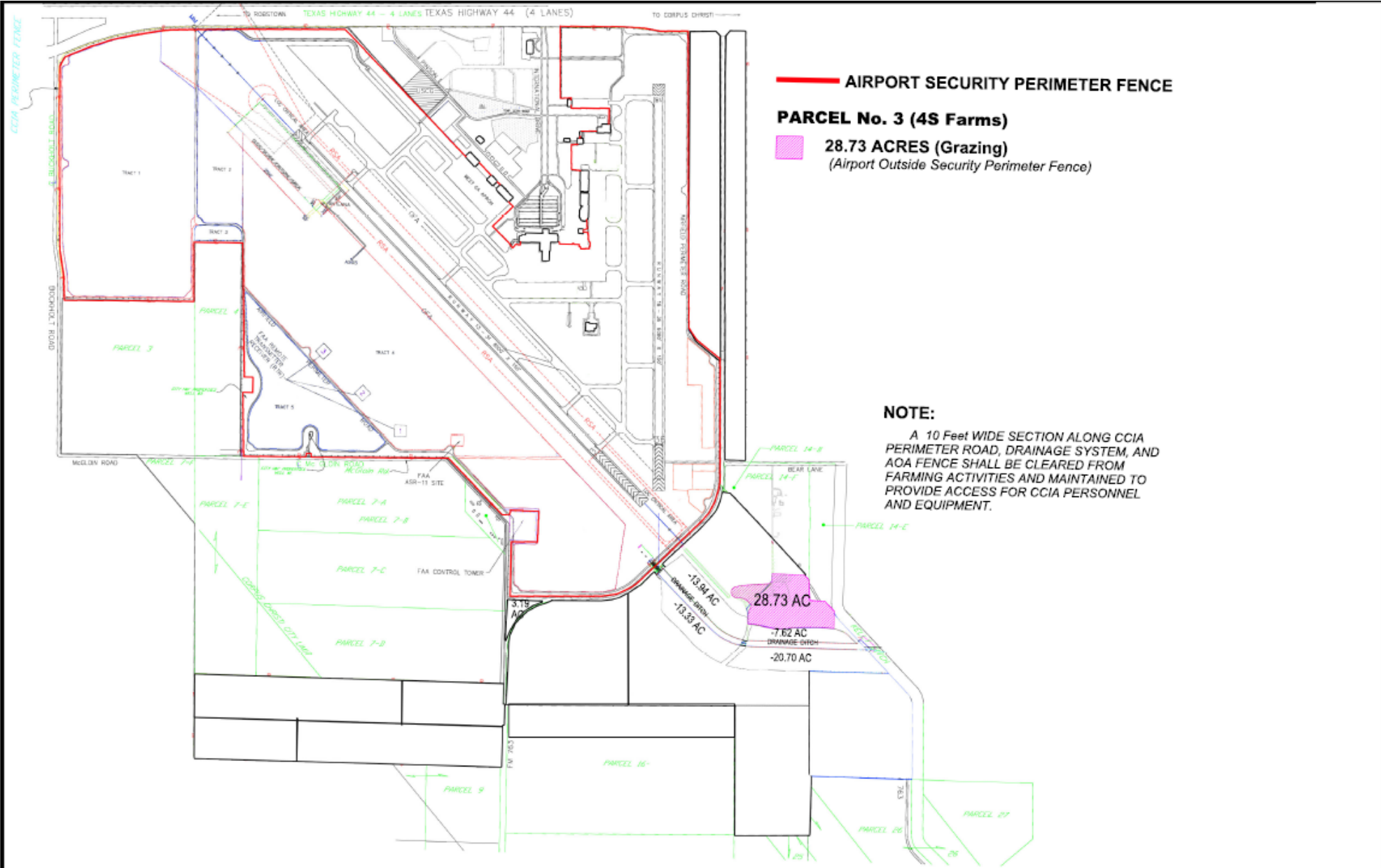
Parcel 3 Grazing Lease – Ordner Farms & 4S Farms Partnership

Background: This request pertains to a Grazing Lease for Parcel 3, a 28.73-acre tract at the Corpus Christi International Airport. The land is currently managed by the 50/50 partnership of 4S Farms Partnership and Ordner Farms. This partnership represents a continuation of the long-standing relationship between the City and these operators, who have managed various airport parcels since 2011.

Summary: The proposed lease terms are highly favorable to the City, securing a guaranteed revenue stream for a five-year term with an additional three-year option to renew. 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.

Recommendation: Airport 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.



— AIRPORT SECURITY PERIMETER FENCE

PARCEL No. 3 (4S Farms)

28.73 ACRES (Grazing)
(Airport Outside Security Perimeter Fence)

NOTE:

A 10 Feet WIDE SECTION ALONG CCIA PERIMETER ROAD, DRAINAGE SYSTEM, AND AOA FENCE SHALL BE CLEARED FROM FARMING ACTIVITIES AND MAINTAINED TO PROVIDE ACCESS FOR CCIA PERSONNEL AND EQUIPMENT.