



CITY OF
CORPUS CHRISTI

AGENDA MEMORANDUM

First Reading for the City Council Meeting of February 17, 2026
Second Reading for the City Council Meeting of February 24, 2026

DATE: February 3, 2026
TO: Peter Zaroni, City Manager
FROM: Robert Dodd, Director of Parks and Recreation Department
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Lease Agreement for a Marina Fuel Station

CAPTION:

Ordinance authorizing execution of a five-year lease agreement, with two five-year options, with Big Johnson Fuel & Lubricants, LLC. of Corpus Christi, for a marine fuel station at the Coopers Alley L-Head, in consideration of monthly lease payments of \$500 for the first year, \$500 a month plus \$0.05 per gallon of all fuel sold thereafter, with a 10% increase in base rent after the first lease term, and an increase of 3% annually thereafter..

SUMMARY:

The purpose of this item is to approve a lease agreement with Big Johnson Fuel & Lubricants, LLC. (Lessee) for the use of a concrete pad and a section of the parking lot on the northeast side of the Coopers Alley L-Head (premises). This location will be used to accommodate a marine fuel station and three Conex boxes.

BACKGROUND AND FINDINGS:

The Corpus Christi Marina has been without an operable fuel station since August of 2020. The previous fuel station was installed in 2012 under a lease agreement with rental payments of \$200 a month. The location of this fuel station was also on the northeast side of the Coopers Alley L-Head. Hurricane Hanna in July 2020 caused major damage to the fuel station, rendering it inoperable. Due to this damage, the previous tenant removed the fuel station, and the lease agreement was canceled. Since then, the Marina has relied on fuel truck deliveries on a schedule of every other Saturday at a cost of \$2,000/month.

In December 2023, a Request for Qualifications (RFQ No. 5230) was issued for a fueling station for the Marina. The request sought qualified firms to provide financing, design, development, construction, operation, and maintenance of a new marina fueling station on marina property. The RFQ closed in February 2024 with no submissions.

In the spring of 2025, the Marina was approached by Big Johnson Fuel & Lubricants with a proposal to provide a full-service fuel station. Big Johnson Fuel & Lubricants, headquartered in Corpus Christi, is currently supplies large quantities of fuel to commercial vessels operating in the Port of Corpus Christi. Big Johnson Fuel & Lubricants

has reputable knowledge in the marine industry and an excellent safety record.

For the premises, the Lessee will be utilizing and retrofitting three Connex boxes to be used as office space, a small ships store, and for spill response equipment. The Connex boxes will be retrofitted to create a professional and enjoyable space to complement tourism at the Marina. Additionally, the premises may be used for outside dining, which may include a food truck/bar, to sell and serve food/alcoholic beverages, and the sale of souvenirs or other merchandise.

The Lessee must obtain all permits for the operation of the marine fuel station and install the fuel system and tanks within 60 days of the effective date. The Lessee also must have an operational marine fuel station for all boaters to utilize within 90 days of the effective date.

The lease shall begin on April 1, 2026, and the term will be for five years, with two five-year options to renew upon written consent of both City and Lessee. The monthly base lease rate shall increase by 10% after the first five-year term and increase 3% annually thereafter.

- From April 1, 2026, through April 1, 2027, the lessee shall pay the City a base lease rate of \$500 per month.
- From April 1, 2027, through April 1, 2031, the lessee shall pay the City a base lease rate of \$500 per month and \$0.05 per gallon of all fuel sold.

Staff performed a cost analysis comparing the fuel truck delivery option to the new lease agreement with Big Johnson Fuel & Lubricants, LLC. The City is currently spending \$2,000 each month, totaling \$24,000 annually, on fuel truck deliveries. The city does not generate revenue from the fuel sold by the truck. This new lease will generate \$500 a month, totaling \$6,000 for the initial year. Starting in year two, the City will generate \$500 a month in addition to \$0.05 per gallon on fuel sold. This lease will yield annual cost savings of \$24,000, along with an increase in revenue of \$6,000 per year.

ALTERNATIVES:

Council can amend or disapprove the proposed lease agreement and continue to fund the utilization of a contractor to deliver fuel by truck. However, disapproving the proposed agreement would prolong a disservice to Marina customers/tenants.

FISCAL IMPACT:

The City will earn \$6,000 annually for the five-year term of the lease.

FUNDING DETAIL:

Fund:	4700 Marina
Organization/Activity:	35300 Marina Operations
Revenue Department:	21 Marina
Project # (CIP Only):	N/A
Account:	344000 Miscellaneous
Amount:	\$6,000.00

RECOMMENDATION:

Staff recommend approval of a five-year lease agreement with Big Johnson Fuel & Lubricants, LLC. to accommodate a fuel station at the Corpus Christi Marina.

LIST OF SUPPORTING DOCUMENTS:

Ordinance

Lease Agreement

Presentation