



## AGENDA MEMORANDUM

First Reading for the City Council Meeting of January 12, 2021  
Second Reading for the City Council Meeting of February 9, 2021

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**DATE:** November 9, 2020

**TO:** Peter Zanoni, City Manager

**THRU:** Michael Rodriguez, Chief of Staff  
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<p style="text-align: center;"><b><u>15-Year Lease Agreement</u></b> <b><u>Lady Lex Museum on the Bay Association</u></b></p>
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**CAPTION:**

Ordinance authorizing the renewal of a 15-year lease agreement with Lady Lex Museum on the Bay Association that authorizes the use of a portion of the submerged lands owned by the City of Corpus Christi and adjoining City property for the U.S.S. Lexington for the operation of the museum and authorizing an annual rental fee of \$1.00. (City Charter requires a 28-day delay between 1<sup>st</sup> & 2<sup>nd</sup> readings.)

**SUMMARY:**

The Lady Lex on the Bay Association operates the Lexington Museum on submerged lands located on Corpus Christi Bay. The Association has requested a renewal of the lease agreement.

**BACKGROUND AND FINDINGS:**

The Lady Lex Museum on the Bay Association operates the USS Lexington Museum on submerged lands located in the Corpus Christi Bay that are owned by the City. The first lease was authorized February 18, 1992 for five years and renewed in 1996 and 2001. In 2004, the City Charter was amended to permit up to 15-year terms for this type of lease. In 2006, the lease was renewed for 15 years, January 16, 2006 to January 15, 2021. The Association is requesting the

renewal of the lease agreement which will expire January 15, 2021.

The leased land shall be used for the U.S.S. Lexington, for operation as a museum, construction and maintenance of a pier and small accessory buildings, such as ticket booths. Under this lease agreement the Association is required to maintain hours of operation open to the public and admission fees similar to other attractions. The Association is responsible for all maintenance and upkeep of the facilities and leased land. The U.S.S. Lexington is not owned by the City and is under the operation of the Lady Lex on the Bay Association.

Per City Charter, the lease agreement renewal will be effective 60 days after final reading of the ordinance.

**ALTERNATIVES:**

If the lease is not renewed the museum would not be able to functionally operate. City Charter requires a 28-Day delay between readings for approval of the lease. Second Reading of this item will be February 9, 2021.

**FISCAL IMPACT:**

The fiscal impact in FY 2021 is the appropriation of the annual lease payment in an amount of \$1.00 to the General Fund.

**Funding Detail:**

Fund:	1020 General Fund
Organization/Activity:	11020 General Government
Mission Element:	888 Revenues
Project # (CIP Only):	n/a
Account:	343400 Property Rentals

**RECOMMENDATION:**

City staff recommends passage of the Ordinance approving the 15-year lease agreement with the Association.

**LIST OF SUPPORTING DOCUMENTS:**

Location Map  
Ordinance  
Ground Lease agreement