



AGENDA MEMORANDUM

First Reading for the City Council Meeting of November 19, 2024
Second Reading for the City Council Meeting of December 3, 2024

DATE: October 31, 2024

TO: Peter Zanoni, City Manager

FROM: Jeffrey Edmonds, P. E., Director of Engineering Services
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<p style="text-align: center;">Transfer of Five-Year Ground Lease From Haas-Anderson Construction, Ltd. to Longyards Development Ltd.</p>
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CAPTION:

Ordinance authorizing execution of an assignment for the remaining year of the 5-year ground lease with Haas-Anderson Construction, Ltd. to Longyards Development LLC for 3.89-acres out of a 25.06-acre tract formerly known as the Hala Pit Landfill located next to the City of Corpus Christi Vehicle Impound Yard on Greenwood Drive in the amount of \$9,600.00 per year from October 1, 2024, to September 30, 2025; and authorizing a new 5-year lease with Longyards Development LLC for a fee of \$10,000.00 per year from October 1, 2025 to September 30, 2030.

SUMMARY:

The City owns a 25.06-acre abandoned landfill known as the Hala Pit located off of Greenwood Drive, north of Holly Road. The Corpus Christi Police Department's (CCPD) Vehicle Impound Yard occupies 11.2 acres of this landfill. The adjacent landowner, Haas Anderson, has leased 3.89 acres of this site since 2005 and is selling their property to Longyards Development Ltd. Longyards Development Ltd. is an industrial equipment storage company. Haas Anderson has requested a transfer of the remaining one year of their ground lease to Longyards Development Ltd.

BACKGROUND AND FINDINGS:

The subject tract of land, containing 25.06 acres, was acquired by the City on March 26, 1965 from V. Hala and wife, Marie Hala. This site is located west of Greenwood Drive and north of Holly Road as shown on the attached Location Map. The tract was acquired primarily for landfill operations as a disposal site. The landfill was operated for such purposes until 1971. Since that time, the land has not been used for any City operations. An affidavit of Closed Municipal Solid Waste Landfill was recorded for public record in August 2001. This notice places restrictions on the development or lease of this land as required by the Texas Health and Safety Code, Chapter 361 and Title 30, Chapter 330, Subchapters R and T, Texas Administrative Code. Since it is zoned I-3, Heavy Industrial, the land remains suitable for surface use as a storage area of vehicles or equipment. No construction is permitted on this lease area. The lease is not assignable and can be terminated by the City with a ninety (90) day notice.

In 2005, Haas-Anderson contacted the City to lease the southern 3.89-acre portion of the 25.06-acre tract. This acreage encompasses an area approximately 300 feet by 565.7 feet. Mr. Anderson co-owns a tract of land directly south and abutting the City property. The City entered into a 5-year lease for \$3,600 per year which began October 1, 2005, and expired on September 30, 2010. The lease was renewed for another 5-year term in October 2010 at \$4,800 per year. The lease was renewed for another 5-year term in October 2015 at \$9,600 per year. This lease was renewed for another 5-year term in October 2020. Haas-Anderson is selling their property to Longyards. The closing date is scheduled for the week of November 25, 2024. Haas-Anderson and Longyards have submitted requests for the transfer and Longyards also requested a renewal extension for five additional years. City of Corpus Christi Police Department (CCPD) has agreed to the transfer and renewal.

The City and Longyards have negotiated the lease transfer rental fee of \$9,600.00 for the transfer of the lease and renewal rental fee of \$10,000.00 per year based on similar terms and conditions. The renewal lease fee is approximately a 5.00% increase from the current lease fee. As part of the original lease, Haas Anderson erected a chain link security fence between their property and the City's remaining property. In addition, they have placed a caliche base on the leased area for their parking use. Those improvements will remain. As part of the lease document, Longyards will abide by the restrictions imposed by the Texas Health and Safety Code and the Texas Administrative Code for use of this closed landfill.

ALTERNATIVES:

The alternative is not to execute the Ground Lease transfer and renewal and retain the 3.89-acres.

FISCAL IMPACT:

NA

Funding Detail:

NA

RECOMMENDATION:

City staff recommends passage of the Ordinance approving the transfer of the remaining year lease and lease renewal to Longyards.

LIST OF SUPPORTING DOCUMENTS:

Location Map
Ordinance