



AGENDA MEMORANDUM

First Reading Item for the City Council Meeting of June 12, 2018
Second Reading Item for the City Council Meeting June 19, 2018

DATE: May 15, 2018
TO: Keith Selman, Interim City Manager
FROM: Dan Grimsbo, Executive Director of Utilities
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6 month Extension for Lease Agreement for Lake Corpus Christi Campground

CAPTION:

Ordinance authorizing lease extension with Kamping Pleasures, Inc. for up to 6 months to operate a 40-acre campground on Lake Corpus Christi, for \$1500 monthly rent or 8% of gross sales, whichever is greater.

PURPOSE:

The Water Utilities Department seeks approval to enter into lease extension for up to six (6) months so that negotiations can be completed for a longer term lease agreement with Kamping Pleasures, Inc. (Lessee) for the parcel and improvements located on the North side of Lake Corpus Christi off of County Road 3024 on County Rd 371.

BACKGROUND AND FINDINGS:

Legal and Water Utilities Staff have been working with current lessee since December of 2017 to finalize terms and conditions for a new lease agreement. The current lease agreement expires in July 2018 and in order to prevent a lapse in the lease, an extension for up to 6 months is being requested.

Kamping Pleasures, Inc. has been leasing 40 acres of City property on Lake Corpus Christi for over 47 years. The Lessee is responsible for all campground improvements and maintenance.

Currently operating under the name of 'Mustang Hollow Campground', the site amenities include tent and RV sites, cabins and cottages, year-round pool, outdoor kitchen, snack bar and wi-fi.

ALTERNATIVES: Do not extend lease.

OTHER CONSIDERATIONS: Not applicable.

CONFORMITY TO CITY POLICY:

This purchase conforms to the City’s purchasing policies and procedures and State statutes regulating procurement.

EMERGENCY / NON-EMERGENCY: Non-emergency.

DEPARTMENTAL CLEARANCES:

Water Utilities Department - Wastewater

FINANCIAL IMPACT:

Operating X Revenue Capital Not applicable

Fiscal Year: 2017-2018	Project to Date Expenditures (CIP only)	Current Year	Future Years	TOTALS
Line Item Budget				
Encumbered / Expended Amount				
This item				
BALANCE				

Fund(s): n/a

Comments: This item will not have an impact on the operating expenditure or revenue budget.

RECOMMENDATION:

Staff recommends approval of the ordinance as presented.

LIST OF SUPPORTING DOCUMENTS:

Ordinance
Lease Extension Agreement with Kamping Pleasures, Inc.