



## **AGENDA MEMORANDUM**

First Reading Ordinance for the City Council Meeting March 17, 2020  
Second Reading Ordinance for the City Council Meeting March 24, 2020

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**DATE:** February 27, 2020  
**TO:** Peter Zaroni, City Manager  
**FROM:** Dan Grimsbo, Executive Director of Water Utilities  
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<b>Padre Island Yacht Club lease amendment</b>
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### **CAPTION:**

Ordinance authorizing an amendment to the Lease Agreement with Padre Island Yacht Club revising rent payments from greater of 10% of gross income or \$2300 annually to greater of 5% gross income or \$2500 quarterly.

### **SUMMARY:**

This ordinance will amend the Payment Terms and Insurance Requirements for the current lease agreement with the Padre Island Yacht Club located at 13403 Whitecap Blvd.

### **BACKGROUND AND FINDINGS:**

The current lease between the City of Corpus Christi and the Padre Island Yacht Club was originally authorized in 1995 and includes a total leased area of 2.69 acres adjacent to the Whitecap Wastewater Treatment Plant. The Padre Island Yacht Club was built by members and opened in 1996. The current lease expires July 11, 2025.

The Padre Island Yacht Club approached the City to ask for a change in the method used for lease payment calculation. The current method is \$2300 annually or 10% of monthly gross income from membership fees and slip rentals. Over the last 7 years, lease payments have increased over 140%, averaging \$15,800 annually.

The proposed lease payment will change to the greater of \$2,500 or 5% of quarterly gross income from membership fees and slip rentals. Payments will be made quarterly instead of monthly and be effective the 1<sup>st</sup> quarter of 2020. The Insurance Requirements have been reviewed by Risk Management and updated effective upon execution of the lease amendment.

### **ALTERNATIVES:**

Do not approve the change in lease payments or accept the updated Insurance Requirements for the Padre Island Yacht Club.

**FINANCIAL IMPACT:** Net revenue from the lease payments will not vary significantly from budgeted amounts.

**Funding Detail:** n/a

**RECOMMENDATION:**

Staff recommends approval of the amendment to the lease with the Padre Island Yacht Club.

**LIST OF SUPPORTING DOCUMENTS:**

Amendment #2

Exhibit A – Current Survey

Exhibit B – Insurance Requirements

Current Lease and Amendment #1