



AGENDA MEMORANDUM

First Reading Ordinance for the City Council Meeting February 15, 2022
Second Reading Ordinance for the City Council Meeting February 22, 2022

DATE: February 15, 2022

TO: Peter Zaroni, City Manager

FROM: Kevin Smith, Director of Aviation
KevinS4@cctexas.com
(361) 289-0171

Ordinance authorizing the City Manager to execute an Estoppel Lease Amendment for MREIC Corpus Christi TX lease agreement with the Corpus Christi International Airport.

CAPTION:

Ordinance approving a lease estoppel and amendment to the ground lease with MREIC Corpus Christi TX, LLC ("Tenant") at the Corpus Christi International Airport to include language required for a merger and loan transaction by the Tenant; authorizing the City Manager to execute all documents necessary and related to the amendment and refinancing transaction; and providing for an effective date.

SUMMARY:

MREIC, is a current tenant since 2011, as part of a planned merger and refinancing of mortgage loan transaction of their leasehold interest, has requested that the City agree to amend the Lease and execute all documents as may be necessary and related to the transaction. No financial impact to the Airport Fund. All other terms and conditions to remain the same. Attached is survey of the subject premises.

BACKGROUND AND FINDINGS:

The City and Corpus Christi Developments 1, LLC, doing business as Corpus Christi FXG, LLC, executed a ground lease dated October 12, 2010, and which commenced December 12, 2010, for 8.18 acres at the Corpus Christi International Airport for development and construction of a build-to-suit cargo and shipping facility. Corpus Christi Developments 1, LLC, subleased the acreage to FedEx Ground Package System, Inc.

The City Council agreed to an assignment and assumption of the Leased premises on August 23, 2011, to MREIC Corpus Christi TX, LLC, having an address at 101 Crawfords Corner Road, Suite 1405, Holmdel, NJ 07733

As permitted under the existing lease agreement, the tenant MREIC wishes to undergo a merger, and has requested a lease estoppel from the City of Corpus Christi to provide agreement information to refinance the loan process. As part of refinancing process, the merger requires an amendment to the current contract to provide language identifying the new lender on the leasehold interest for the premises located at the Corpus Christi International. The closing date of the Tenant's merger and loan transaction is expected on February 24, 2022.

ALTERNATIVES:

None

FISCAL IMPACT:

None

FUNDING DETAIL:

Fund:	N/A
Organization/Activity:	N/A
Mission Element:	N/A
Project # (CIP Only) :	N/A
Account:	N/A

RECOMMENDATION:

City staff recommend approval of this action item.

LIST OF SUPPORTING DOCUMENTS:

Ordinance
Ground Lease Estoppel