



## **AGENDA MEMORANDUM**

First Reading Item for the City Council Meeting of April 23, 2013  
Second Reading Item for the City Council Meeting of April 30, 2013

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**DATE:** April 8, 2013  
**TO:** Ronald L. Olson, City Manager  
**FROM:** Fred Segundo, Director of Aviation  
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Approval of two farm lease agreements for 1,462 acres at Corpus Christi International Airport at a rate of \$55 per acre. The agreement is for a five-year period.

### **CAPTION:**

Ordinance authorizing the City Manager, or designee, to execute 1) a Farm Lease Agreement with Matt Danysh Farms, Inc. to lease and farm approximately 870.703 acres of farm land located at the Corpus Christi International Airport and 2) a Farm Lease Agreement with S & S Farms Partnership to lease and farm approximately 591.374 acres of farm land located at the Airport, both in consideration of an annual payment to the City of \$55 per leased acre, both for a term of five (5) years.

### **PURPOSE:**

The City leases airport acreage to farming entities for agricultural use. The farm lease agreements are mutually beneficial as the Airport is able to reduce mowing costs on unimproved property and also generate revenue. The farmers are able to plant crops and receive market value.

### **BACKGROUND AND FINDINGS:**

Corpus Christi International Airport is located on approximately 2,400 acres of land. A significant portion of the land remains unimproved and available for agricultural use. Approximately 1,462 acres is proposed for lease-farming purposes with two separate tenants. The Federal Aviation Administration (FAA) periodically requires portions of the acreage be removed from agricultural use to enhance runway safety or capital projects. Consequently acreage amounts may be adjusted during the term of the lease. In addition, a recent Federal Aviation Administration directive states that no grain crops are allowed on airport property due to the natural attraction of birds and other wildlife to the crop. Wildlife poses significant hazards to air traffic. These restrictions reduce the level of interest from other prospective tenants.

### **ALTERNATIVES:**

The only alternative is for the Airport to retain the property and include the acreage as part of the regular mowing and maintenance cycle thus increasing operating costs.

**OTHER CONSIDERATIONS:**

Not Applicable

**CONFORMITY TO CITY POLICY:**

Lease of agricultural acreage is consistent with the Airport Master Plans. ,

**EMERGENCY / NON-EMERGENCY:**

Non-Emergency

**DEPARTMENTAL CLEARANCES:**

Legal

**FINANCIAL IMPACT:**

☐ Operating      ☒ Revenue      ☐ Capital      ☒ Not applicable

<b>Fiscal Year: 2012-2013</b>	<b>Project to Date Expenditures (CIP only)</b>	<b>Current Year</b>	<b>Future Years</b>	<b>TOTALS</b>
Line Item Budget		\$50,000	\$321,640	\$371,640
Encumbered / Expended Amount				
This item ( <i>additional revenue</i> )		\$30,410		30,410
BALANCE		\$80,410	\$321,640	\$402,050

Fund(s): Airport Fund

**Comments:** None

**RECOMMENDATION:**

Staff requests approval of Ordinance.

**LIST OF SUPPORTING DOCUMENTS:**

Ordinance  
Matt Danysh Farms, Inc. - Farm Lease Agreement  
S & S Farms - Farm Lease Agreement