



## **AGENDA MEMORANDUM**

First Reading for the City Council Meeting of December 8, 2020  
Second Reading for the City Council Meeting of January 12, 2021

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**DATE:** November 9, 2020

**TO:** Peter Zanoni, City Manager

**THRU:** Michael Rodriguez, Chief of Staff  
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<p style="text-align: center;"><b><u>Five-Year Ground Lease</u></b> <b><u>Haas-Anderson Construction, Ltd.</u></b></p>
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**CAPTION:**

Ordinance authorizing the renewal of a five-year ground lease with Haas-Anderson Construction, Ltd., Corpus Christi, TX, for a 3.89-acre City owned tract of land located on the former Hala Pit Landfill, next to the City's vehicle impound yard off of Greenwood Drive, and authorizing an annual rental fee of \$9,600.00.

**SUMMARY:**

The City of Corpus Christi owns a 25.06-acre abandoned landfill known as the Hala Pit located near Greenwood Drive and Holly Road. The Police Vehicle Impound Yard has been constructed on 11.2 acres of this landfill. The adjacent landowner, Haas Anderson Construction, Ltd., has requested a third lease renewal for a five-year term for 3.89 acres between their property and the City's impound yard area.

**BACKGROUND AND FINDINGS:**

The former Hala Pit Landfill, 25.06 acres, was acquired by the City on March 26, 1965 from V. Hala and 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 as such until 1971. An affidavit of Closed Municipal Solid Waste Landfill was granted in August 2001. The notice places restrictions on the development or lease of the land as required by the Texas Health and Safety Code and Texas Administrative

Code. The lot is zoned I-3, Heavy Industrial, and the land is suitable for surface use as a storage area of vehicles or equipment. No construction is permitted on this area.

In 2005, Haas-Anderson Construction, Ltd., contacted the City to lease the southern 3.89-acre portion of the 25.06-acre tract. The City has leased out the tract of land to Haas-Anderson Construction, Ltd. for three 5-year terms. The current lease expired on September 30, 2020 and Haas-Anderson has submitted a written request to the City for the renewal of a five-year term for the continued use of the 3.89-acres.

The City and Haas-Anderson have negotiated a renewal for another five-year term at the rental rate of \$9,600.00 per year based on similar terms and conditions. The lease rate is calculated at 3.89 acres at a market value of \$24,680 per acre with an annual rate of return of 10%. 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. As part of the lease agreement, they 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:**

If the City does not renew the lease with Haas-Anderson Construction Ltd., it will lose out on revenues and the land will remain vacant until future use is determined.

#### **FISCAL IMPACT:**

The fiscal impact in FY 2021 is the appropriation of the annual lease payment in an amount of \$9,600.00 to the General Fund.

#### **Funding Detail:**

Fund:	1020 General Fund
Organization/Activity:	11020 General Government
Mission Element:	888 Revenues
Project # (CIP Only):	n/a
Account:	343400 Property Rentals

#### **RECOMMENDATION:**

City staff recommends passage of the Ordinance approving the five-year ground lease with Haas-Anderson Construction, Ltd.

#### **LIST OF SUPPORTING DOCUMENTS:**

Location Map  
Ordinance  
Ground Lease agreement