

SUBMITTED BY: Luis Pedroza, Deputy City Manager/City Treasurer

MANAGEMENT TEAM REVIEW: Ana Urquijo, City Manager

FOCUS AREA: Advanced Infrastructure Development and Improvement

ORGANIZATIONAL IMPROVEMENTS: EnterTextHere

SUBJECT: PARTIAL TERMINATION of LEASE between City of Douglas and Industrial Development Authority of the City of Douglas

EXECUTIVE SUMMARY:

In 1978 the City of Douglas established a lease with the Douglas Industrial Development Authority (IDA) for a period of 60 years for property west of 11th Street for the purpose of developing an industrial park. The lease includes the city owned parcel that Cox is currently purchasing from the city and requires a lease release to close the sale.

BACKGROUND:

The IDA currently owns one of the parcels subject to the lease and is currently leasing it as a warehouse. The city owns the small portion encompassing the entrance to the warehouse. The other parcel that is part of this lease is the city owned parcel that the city wishes to sell to Cox to set up a broadband hub. The lease placed the IDA and the city in partnership to bring industrial development to the area. With this vacant lot proposed for sale and developed by Cox, the lease over this parcel is no longer needed.

The current lease would not allow the sale to continue and provide clear title to Cox over the property. The IDA will also need to sign the partial termination of lease agreement to effectuate this action. The IDA will meet on 6/13/23 to decide in this item.

DISCUSSION:

Cox is looking to develop the parcel and the purpose of the existing lease was to bring development to the area however would need to be terminated by the city and IDA. The partial cancellation of the lease would allow Cox to purchase and would release both the IDA and city from said terms. The 1978 lease would remain in effect over the other IDA owned parcel and the city owned parcel encompassing the entrance to the warehouse property.

FISCAL IMPACT:

None

Fiscal Year: 2023/2024

Amount Requested:

Budgeted: Y / N

Account (s):

“...I MOVE THAT THE MAYOR AND COUNCIL APPROVE PARTIAL TERMINATION OF THE LEASE BETWEEN THE CITY OF DOUGLAS AND THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF DOUGLAS.”