
CITY OF PORT LAVACA

PORT COMMISSION MEETING: JUNE 8, 2021

DATE: 6.03.2021

TO: PORT COMMISSION

CC: JIM RUDELLAT, HARBOR MASTER

FROM: JODY WEAVER, INTERIM CITY MANAGER

SUBJECT: STATUS REPORT ON NEW LEASE WITH MILLER SEAFOOD AT CITY HARBOR

Miller Seafood's Lease at City Harbor expires on July 31, without an option for renewal. I am working with Curtis Miller on a new lease document that will be effective on August 1st. I am using the Standard Lease document that was established for Helena at the Harbor of Refuge as a starting point. I am making edits and will consult with the City Attorney in preparing the final document that I will bring to the Port Commission in July for comments and a recommendation(s) for Council action.

With the uncertainty of the oyster market in the next few years because of the ship channel dredging project, Mr. Miller is asking to commit to only a one-year lease. I am suggesting that we add the possibility of two each 1- year extensions with 90 days written notice prior to each expiration.

Because Mr. Miller has been paying full price for his lease, despite the fact that he had limited access to it over the last year due to the construction project, my proposal will include no change in the lease rate for the first year of the term. If either or both of the options are exercised, we want to establish what those lease increases will be now, under this current document. Jim and I are gathering information and working with Curtis to establish these rates. I suspect we will end up with a MCI adjustment each year, but to be supportive and work with our tenant, we would want to establish a maximum % rate.

The Port Commission is welcome and encouraged to provide documentation and other insight to me to help establish these rates or include certain language. The negotiations will be performed between the Tenant, Jim Rudellat and myself, with input as may be necessary from the City Attorney. After the Port Commission has the opportunity to make comments and recommendations at the July meeting, I will take the lease to the City Council on July 12 with my recommendation for their approval. The Board's recommendation(s) will be included in the memo to Council regarding my recommendation for approval.