
CITY OF PORT LAVACA

PORT COMMISSION MEETING: May 16, 2023

DATE: 5.15.2023
TO: PORT COMMISSION
CC: JIM RUDELLAT, HARBOR MASTER
FROM: JODY WEAVER, INTERIM CITY MANAGER
SUBJECT: **DRAFT Lease for Tract Slip CH1 and adjacent land**

Following our consideration of this lease at last month's meeting, Jim gathered the below cited commercial/shrimp boat rent amounts in our region:

Seadrift: \$2.50/LF/month

Matagorda: \$3.00/LF/month (they lease to commercial boats, but not shrimp boats)

Palacios: \$4.00/LF/month

Rockport: \$185.00/month for the 1st 25 LF and \$5.00/LF/month beyond 25 ft.

Note: These rates include access to the boat slips from land.

I did speak with Mr. Jander and he confirmed that the \$0.22 per sf of land average for the tracts that Miller's is currently leasing takes into account the adjoining boat slips. In other words, we would not be charging additional for the boat slips along these tracts.

He did acknowledge that there is some value in the 923 sf land that is included in this boat slip lease to Big Bear in addition to just access, so agreed that assigning some value to it in addition to the lease amount for the boat slip itself would be justified.

My suggestion is as follows:

- Establish the monthly commercial/shrimp boat rate for a single boat slip to be \$175.00 for the 1st 25 ft and \$5.00 for each foot thereafter, which provides a monthly rent of \$300 for a 50 ft slip. This is consistent I believe in what we've done in the past, although we've offered a discount to \$250/slip when there is two or more slips involved (example Poor Boy).
- Then add a rate of \$0.11/sf to the 923 sf of land which is 50% of the \$0.22/sf of the Miller's tract which includes the adjacent boat slips. $\$0.11 \times 923 = \101.53

So, the monthly rent would be \$401.53/month. This is an 11% increase over his current rate of \$361.12/month.

Mark and Terri Deitzel are good with this \$401.53/month and request a 2-year lease. They didn't specify a preference for the annual MCI increase - either a straight MCI or with a minimum/max rate established.