
CITY OF PORT LAVACA

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PORT COMMISSION MEETING: September 20, 2022

DATE: 09.15.2021
TO: PORT COMMISSION
CC: JIM RUDELLAT, HARBOR MASTER
FROM: JODY WEAVER, INTERIM CITY MANAGER
SUBJECT: CONSIDER LEASE OF TRACTS 3, 11 AND 12 HOR

Status of current leaseholders:

Due to nonpayment of the agreed upon amount per the settlement agreement, written notice was provided to the leaseholders on September 7, providing 10 days to cure this payment default.

The settlement agreement states "Should the Debtors fail to cure such payment default by the cure deadline, the automatic stay shall terminate as to the Property and the City shall be immediately authorized to pursue its state law and contractual rights to the Property including eviction proceedings".

The deadline for payment is Saturday, September 17. We have in fact THIS FRIDAY AFTERNOON received payment of the post petition amount owed through August 31st. As of 4:20 pm we have not received the payment for September's rent which is also due. If an EFT does not show up for September's rent in the bank by Monday morning, we will place our own locks on the property Monday, and consult with Casey Cullen to begin eviction proceedings.

If we do receive the September month's payment, the next payment due date is October 1. If payment is not received then, we will submit notice on Monday, October 3 which will provide another deadline of October 13.

Encore has expressed interest in leasing Tract 3 once we regain possession of the property. There is no requirement to readvertise for proposals, if the Port Commission would prefer to negotiate a lease with Encore, in consideration of the proposal they submitted last year. They have informed us that they have purchased much of the equipment that is presently stored on the Tract 3 dock. I have already mentioned to them that the minimum rent amount will be greater than what it was in January of 2022.

We have had not had any interest in a lease of Tract 11 or 12.