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## CITY OF PORT LAVACA

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**MEETING:** August 18, 2026 **AGENDA ITEM** \_\_\_\_

**DATE:** 8.16.2026

**TO:** PORT COMMISSION BOARD MEMBERS CC: JIM RUDELLAT, HARBOR MASTER

**FROM:** JODY WEAVER, CITY MANAGER

**SUBJECT:** NEW LEASE FOR SOMETHING MORE MEDIA

In reviewing the rent for a new lease for SMM, I discovered that the calculation for the annual adjustment last year had an error. The new rate for water/sewer last year should have been \$56.60, but she was charged \$94.17 instead. She will be credited for the overpayment.

The expiring lease was based upon \$1.28/sf. For a new rent rate, we can apply a MCI of 4.95% (from last increase July 2025 to latest published of June 2026) and come up with \$1.34/sf

| NEW LEASE RATE OCT 1 2026 MCI JL 25 to JN 26 |      |     |    |          |              |
|----------------------------------------------|------|-----|----|----------|--------------|
| \$                                           | 1.34 | /sf | \$ | 836.30   | RENT         |
|                                              |      |     | \$ | 32.50    | TRASH SVC*   |
| \$                                           | 1.40 | /sf | \$ | 868.80   | SUBTOTAL     |
| \$                                           | 0.18 | /sf | \$ | 125.70   | ELECT.**     |
|                                              |      |     | \$ | 35.50    | WATER/SWR*** |
| \$                                           | 1.65 | /sf | \$ | 1,027.00 |              |

\* Tenants were paying \$30/mo in 2024. We have had 2 each 4% increases from Republic Services, so  $30 \times 1.04 \times 1.04 = \$32.50$

\*\* based upon a current KW/hr rate of \$0.07182 (the 2024 lease was \$110/mo based upon .06287 kW/hr.  $110 \times .07182 / .06287 = 125.66$  rounded to \$125.70.

\*\*\* Based upon water rates effective Oct 1, 2026. The water account is shared by SMM, Bay Ltd., Spiretek, Suite 3, Day Room. The water bill has drastically been reduced over the past two years after addressing water line and meter leaks. This amount, pooled with the other accounts, should provide adequate revenue to pay the water bill + some irrigation.

Note, because of some errors in last year's annual contract adjustment, SMM has been paying \$1,041.36 since Oct. 2025. The new monthly rent will be \$1,027.00 with a new lease.

The current agreement between the City and the Chamber for events/marketing expires on Sept 30, 2028. SMM uses this office space primarily to coordinate events for the Chamber on behalf of the City in accordance to the City/Chamber agreement. We propose that this new lease be a 2 -year lease with an available one-year option. Annual MIC and utility expense adjustments will still apply, but we'll have no change to the lease document itself.