CITY OF PORT LAVACA

PORT COMMISSION MEETING: August 15, 2023

DATE:

8.11.2021

TO:

PORT COMMISSION

CC:

JIM RUDELLAT, HARBOR MASTER

FROM:

JODY WEAVER, INTERIM CITY MANAGER

SUBJECT:

CONSIDER RENTAL RATES AND TERMS FOR NEW LEASE FOR SPIRETEK

Spiretek's lease is up on October 31 and they have requested a new lease. Their current lease provides for an increase per the MCI on October 1 with a min 2%/Max 5% increase. Looking at how the MCI is trending vs last year, it appears that we will be applying the 2% minimum increase on October 1, which will bring their monthly payment to \$1,912.50.

The attached spreadsheet provides the current Nautical Landings Office Building leases, showing our internal calculations of how the total monthly amount collected is distributed between rent and utilities. Note: Edward Jones' lease breaks this out in the lease document, but the others just pay a lump sum amount which includes utilities.

CURRENT RENTAL RATES FOR SPIRETEK:

Suite 2 (1440 sf): (Spiretek) Currently this space is leasing for an overall rent of \$1.37/SF. (Suite 2 has a view of the bay, and access to the deck from the adjoining hallway). As of October 1, the rent will increase in accordance to the MCI with a 2% minimum which will bring the rent to \$1.39/SF overall.

We are proposing for consideration a starting rent for a new lease of \$1.40/sf as shown in the attached spreadsheet. This would increase each year by the MCI or provide a 2% min/5% max.

NAUTICAL LANDINGS OFFICE BUILDING LEASES: August 2023

Rent: \$ 1.33 At \$ 356.50	Suite 1D	PL Plumbing		268	sf	10.00			
Suite 1E/F GAS 320 sf S 1.80 /sf S 481.50		Rent:	\$	1.33	/sf	\$	356.50		
Suite 1E/F GAS 320 st		Elect:	\$	0.37	/sf	\$	100.00		
Suite 1E/F G4S 320 sf Rent:		Breakroom/rest	room	:		\$	25.00		
Rent:			\$	1.80	/sf	\$	481.50		
Rent:									
Elect: \$ 0.313 /st \$ 100.00	Suite 1E/F	G4S		and the same of the same of	TO ALL				
Breakroom/restroom:		Rent:	\$	1.531	/sf	\$	490.00		
Suite 2 Spiretek 1440 sf		Elect:	\$	0.313	/sf	\$			
Suite 2 Spiretek 1440 sf As of Oct. 1, 22*		Breakroom/resti	room				25.00		
Suite 2 Spiretek			\$	1.922	/sf	\$	615.00		
Rent: \$ 1.197 /sf \$ 1.723.75 Elect: \$ 0.139 /sf \$ 200.00 Water: \$ 25.00 Breakroom/restroom: \$ 25.00 \$ \$ 1.37 \$ 1.968.75 * Min 2%/Max 5% increase on Oct 1 per MCI Suite 3 Edward Jones 1055 sf Rent: \$ 1.035 /sf \$ 1.092.00 Elect: \$ 0.109 /sf \$ 115.00 Elect: \$ 0.109 /sf \$ 115.00 Suite 4 SMM 622 sf Rent: \$ 0.932 /sf \$ 580.00 Elect: \$ 0.109 /sf \$ 68.00 Water: \$ \$ 20.00 \$ 1.07 \$ 6668.00 Suite 5 Bay Ltd 1160 sf Elect: \$ 0.164 /sf \$ 1.356.56 Elect: \$ 0.164 /sf \$ 1.900.00									
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Water: \$ 20.00 \$ 25.		Rent:	\$				1,723.75	\$ 1,721.93 \$ 1.196 /sf	/sf
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*Min 2%/Max 5% increase on Oct 1 per MCl *per option submitted on time *Suite 3 Edward Jones 1055 sf		Breakroom/restr	room			\$			
Suite 3 Edward Jones 1055 sf									/sf
Suite 3 Edward Jones 1055 sf		* Min 2%/Max 5	% inc	rease o	n Oc	ct 1 per	MCI	* per option submitted on time USE \$ 2,016.00 \$1.400	/sf
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		Elect:	\$	0.164	/sf	Þ			
\$ 1.35 /sf \$ 1,566.56		Water:			_	\$	20.00		
		Water:			_	\$	20.00		

Avg Elect. North end:	\$790	\$ 630.02	\$	** This can be estimate for Day Rm and part of HM to be paid by Marina Rates)	\$ 630.02	\$ (160.23)
Avg Elect. South end:	\$276	\$ 200.00	\$ 	** This would account for the conference room/kitchen/batrooms		,
	\$1,066	\$ 830.02				
Avg water North end:	\$80	\$ 92.42			\$ 100.32	
Avg water South end:	\$60	\$ 50.00			\$ 50.00	
	\$140	\$ 142.42	\$ 2.42		\$ 150.32	\$ 10.32

	rat	te in 2022	cu	rrent rate	
Gexa electric cost rate increase		0.03883		0.04586	18.01%
[14		_		
Water	15	19.50	\$	24.68	

Water	\$ 19.50	\$ 24.68
GBRA	\$ 9.42	\$ 11.46
Sewer	\$ 17.75	\$ 25.27
	\$ 46.67	\$ 61.41

31.58%