
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

Suite 1D	PL Plumbing	268 sf
Rent:	\$ 1.33 /sf	\$ 356.50
Elect:	\$ 0.37 /sf	\$ 100.00
Breakroom/restroom:	\$ 25.00	
	\$ 1.80 /sf	\$ 481.50

Suite 1E/F	G4S	320 sf
Rent:	\$ 1.531 /sf	\$ 490.00
Elect:	\$ 0.313 /sf	\$ 100.00
Breakroom/restroom:	\$ 25.00	
	\$ 1.922 /sf	\$ 615.00

Suite 2	Spiretek	1440 sf	As of Oct. 1, 22*
Rent:	\$ 1.197 /sf	\$ 1,723.75	
Elect:	\$ 0.139 /sf	\$ 200.00	
Water:	\$ 20.00		
Breakroom/restroom:	\$ 25.00		
	\$ 1.37	\$ 1,968.75	
* Min 2%/Max 5% increase on Oct 1 per MCI			

Rent with MC effective Oct 1 (2% min):			
	\$ 1,721.93	\$ 1.196 /sf	
18.10%	\$ 236.20	elect. Rate incr.	
	\$ 25.00	water rate incr	
	\$ 25.00		
2% incr*	\$ 2,008.13	\$ 1.39 /sf	
* per option submitted on time			

Proposed New rate to reflect increased utilities

\$ 1,721.93	\$ 1.20 /sf
\$ 236.20	\$ 0.164 /sf
\$ 32.90	
\$ 25.00	
\$ 2,016.03	\$ 1.400 /sf
USE \$ 2,016.00	\$1.400 /sf

+ Annual increase per MCI or with 2% min/5% max

Suite 3	Edward Jones	1055 sf
Rent:	\$ 1.035 /sf	\$ 1,092.00
Elect:	\$ 0.109 /sf	\$ 115.00
Water:	\$ 20.00	
	\$ 1.16	\$ 1,227.00

Rent per lease effective Sept 1 (4% incr):	
\$ 1,135.68	
\$ 135.82	
\$ 27.42	
\$ 1,298.92	
4% annual increase for Yr 2 thru 5	

Suite 4	SMM	622 sf
Rent:	\$ 0.932 /sf	\$ 580.00
Elect:	\$ 0.109 /sf	\$ 68.00
Water:	\$ 20.00	
	\$ 1.07	\$ 668.00

Suite 5	Bay Ltd	1160 sf
Rent:	\$ 1.169 /sf	\$ 1,356.56
Elect:	\$ 0.164 /sf	\$ 190.00
Water:	\$ 20.00	
	\$ 1.35 /sf	\$ 1,566.56

Avg Elect. North end:	\$790	\$ 630.02	\$ (160.23)	** 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	\$ (76.00)	** 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	

	rate in 2022	current rate	
Gexa electric cost rate increase	0.03883	0.04586	18.01%

Water	\$ 19.50	\$ 24.68	
GBRA	\$ 9.42	\$ 11.46	
Sewer	\$ 17.75	\$ 25.27	
	\$ 46.67	\$ 61.41	31.58%