
CITY OF PORT LAVACA

DATE: 7.14.2023
TO: PORT COMMISSION CC: J. RUDELLAT
FROM: JODY WEAVER, INTERIM CITY MANAGER
SUBJECT: POOR BOYS BAIT LEASE

The current lease for Poor Boys Bait expires on August 31, 2023.

Ausencio requests a longer lease, even 5 years if possible, but I think he will be OK with another 2 year lease while we are still looking at grant opportunities to make the Waterfront Master plan a reality and work with him on how Poor Boy Bait can be a part of this.

The current lease is \$1365/month which includes two shrimp boat slips as part of Poor Boys.

In consideration of a reduced cost of rent, the current lease requires Poor Boy Bait Stand to place a minimum half page ad in the Fall and Summer Visitors Guide of each year during the term of the lease. This value is approximately \$1,070 per year. Advertising dollars are a win-win for both the City and Poor Boy Bait. The City may not directly see this increase in cash payments of rent, but will see benefit in increased tourism and dollars spent in the City, not only at Poor Boy, but at gas stations, restaurants, hotels, etc. Tourists drawn to his bait shop will also see and be able to visit our Bayfront Park.

Ausencio did place a ½ page ad in the Fall/Winter 2021, but because he was not timely with his payment, he was not included in the Spring/Summer 2022, but then placed a full-page ad in the Fall/Winter 2023, but again because he didn't pay on time, was not included in the Spring/Summer issue. So, he is ½ page behind.

I would like to propose the following for consideration:

- 2-year lease (year 2 increases per the MCI)
- \$1,375.00/month beginning September 1, 2023.
- He places a ½ page color ad in the Fall/Winter 2024 Visitors Guide
- He places a full-page color ad in the Spring/Summer 2024 Visitor's Guide
- He places a ½ page color ad in the Fall/Winter 2025 and Spring/Summer 2025 Visitor's Guides
- If he fails to place any of these ads or not make payment on time, then the monthly rent will be increased by \$95.00/month effective immediately upon notification that an ad deadline or payment deadline was missed and will remain in place through the expiration of the lease.

Jim Rudellat reports that Keith Barrett at Aransas County Navigation District who has many small bait stands with one or more boat stalls that they rent out. The Rent runs \$1100 - \$2,500 per month depending on location, size, condition, number of stalls etc. The ACND owns the permanent structures and often times puts them out for bids when a lease is up. In our case, the structure is a portable building and is owned by Poor Boys Bait.

I hope we can all agree that having a bait stand and working shrimp boats located right in our harbor offering a quaint fisherman's atmosphere is of value to our tourism. But it's not much value if the out-of-town people don't know it's there. I appreciate the Port Commissioners thinking outside of the box and giving some consideration and value to out-of-town advertising when setting rental rates. However, it is noted that if the tenant does not comply fully with this requirement, then an increase in rent is warranted.