
CITY OF PORT LAVACA

7

PORT COMMISSION MEETING: SEPTEMBER 19, 2023

DATE: 9.14.2023

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

FROM: JODY WEAVER, INTERIM CITY MANAGER

SUBJECT: CONSIDER RENTAL RATES AND TERMS FOR NEW LEASE FOR SPIRETEK

Spiretek lease is up on October 31 and they have requested a new lease. Their current lease requires for an MCI (2%min-5% max) increase on Oct, which will bring their rent payment up to \$1,912.50 using the 2% minimum, since the MCI has been well under 1%.

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

RENTAL RATES FOR SPIRETEK

Suite 2 (1440 sf): (Spiretek) Currently this space is leasing for a rent of \$1.21 + utilities, for an overall rental rate of \$1.37. On Oct 1, this overall amount will increase by 2%.

In considering a proposed rate for a new lease, I reached out to Russell Cain and learned that current prevailing rental rates are about \$1.25 + utilities. So, with this in mind, I offer the following proposal:

- The per sf rate for rent is established at \$1.25/sf. (a 3.8% increase)
- We charge \$15.00 extra for use of the public restrooms. (We have been charging \$25 for both the restrooms and the breakroom, but Spiretek has their own breakroom within their rented space.)
- The electric cost is increased by 18.01% to reflect the increase kwh cost from Gexa (\$236.20/mo)
- And the Utilities increase by 40.69% due to the increase in water/sewer/trash over the past year. (\$28.14)

End result is as shown in the attached spreadsheet: an overall rent of \$2,080 per month. This is a 5.7% (\$111.25) increase above the overall rent established on Nov 1, 2022. (\$64.34 of this additional monthly rent is due solely to increase in utility costs).

Introduction

The purpose of this document is to provide a comprehensive overview of the project's objectives, scope, and the methodology used to achieve the desired outcomes. This section will outline the key components of the project and the challenges faced during its execution.

The project was initiated in response to the need for a more efficient and scalable system. The primary goal was to develop a solution that could handle a large volume of data and provide real-time insights into the system's performance.

The project was divided into several phases, each with its own set of tasks and deliverables. The first phase focused on the initial planning and requirements gathering, while the subsequent phases dealt with the design, development, and testing of the system.

The methodology used in this project was a combination of agile and waterfall models. This allowed for flexibility in the development process while ensuring that the project remained on track and within budget.

The project was managed using a combination of tools and techniques. The agile framework was used for the development and testing phases, while the waterfall model was used for the planning and requirements gathering phases.

The project was a success, as it met all the key objectives and delivered a high-quality solution that exceeded the expectations of the stakeholders. The project team was able to overcome the challenges faced during the development process and deliver a solution that was both efficient and scalable.

The project was a testament to the power of a well-defined methodology and a dedicated team. The project team was able to work together effectively to overcome the challenges faced during the development process and deliver a solution that was both efficient and scalable.

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NAUTICAL LANDINGS OFFICE BUILDING LEASES: SEPTEMBER 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 with MC effective Oct 1 (2% min):	
Rent:	\$ 1.531 /sf	\$ 490.00		\$ 484.29	\$ 1.51 /sf
Elect:	\$ 0.313 /sf	\$ 100.00		\$ 118.01	\$ 0.37 /sf
Breakroom/restroom:	\$ 25.00			\$ 25.00	
	\$ 1.922 /sf	\$ 615.00	2% incr*	\$ 627.30	

Suite 2	Spiretek	1440 sf	As of Oct. 1, 22*	Rent with MC effective Oct 1 (2% min):	
Rent:	\$ 1.204 /sf	\$ 1,733.75		\$ 1,728.79	\$ 1.201 /sf
Restrooms (not breakrm):	\$ 15.00			\$ 15.00	
Elect:	\$ 0.139 /sf	\$ 200.00	18.10%	\$ 236.20	\$ 0.16 /sf
Water:	\$ 20.00		40.69%	\$ 28.14	
	\$ 1.37	\$ 1,968.75	2% incr*	\$ 2,008.13	\$ 1.39 /sf
* Min 2%/Max 5% increase on Oct 1 per MCI				* per option submitted on time	

Proposed New rate to reflect increased utilities

\$ 1,800.00	\$ 1.25 /sf
\$ 15.00	
\$ 236.20	\$ 0.164 /sf
\$ 28.14	
\$ 2,079.34	\$ 1.444 /sf
USE \$ 2,080.00	\$1.44 /sf
+ Annual increase per MCI or with 2% min/5% max	

Suite 3	Edward Jones	1055 sf		Rent per lease effective Sept 1 (4% incr):	
Rent:	\$ 1.035 /sf	\$ 1,092.00		\$ 1,135.68	\$ 1.08 /sf
Elect:	\$ 0.109 /sf	\$ 115.00		\$ 135.82	\$ 0.13 /sf
Water:	\$ 20.00			\$ 27.42	
	\$ 1.16	\$ 1,227.00		\$ 1,298.92	

\$2,080 is a 5.7% increase above what they were paying before the Oct 1 increase.

Suite 4	SMM	622 sf		Rent with MC effective Oct 1 (2% min):	
Rent:	\$ 0.932 /sf	\$ 580.00		\$ 572.98	\$ 0.92 /sf
Elect:	\$ 0.109 /sf	\$ 68.00		\$ 80.25	\$ 0.13 /sf
Water:	\$ 20.00			\$ 28.14	
	\$ 1.07	\$ 668.00	2% incr*	\$ 681.36	

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	\$ 642.27	\$ (147.98)	** This can be estimate for Day Rm and part of HM to be paid by Marina Rates)
Avg Elect. South end:	\$276	\$ 218.01	\$ (57.99)	** This would account for the conference room/kitchen/batrooms
	\$1,066	\$ 860.28		

Avg water North end:	\$80	\$ 95.56	
Avg water South end:	\$60	\$ 50.00	
	\$140	\$ 145.56	\$ 5.56

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

Water	\$ 19.50	\$ 27.18	
GBRA	\$ 9.42	\$ 11.46	
Sewer	\$ 17.75	\$ 27.02	
	\$ 46.67	\$ 65.66	40.69%