
CITY OF PORT LAVACA

CITY COUNCIL MEETING: November 14, 2022

DATE: 11.11.2021

TO: HONORABLE MAYOR AND CITY COUNCIL MEMBERS

FROM: JODY WEAVER, INTERIM CITY MANAGER

SUBJECT: CONSIDER LEASE OF TRACTS 17 and 17Ar and New Lease of Tract 11 HOR

Attachments:

- Exhibit A of Proposed Lease of Tract 11 to Encore

In order to have full access to the tracts that Encore is now leasing at the Harbor or Refuge, so that the City can perform required restoration of the ground surface above areas of the closed landfill, Encore has agreed to terminate their lease of tracts 17 and 17Ar at the Harbor of Refuge and lease instead a newly established Tract 11 as shown in the attached Exhibit A. Tract 11 is a combination of what was previously identified as Tracts 11, 12, and an unnumbered tract and some right-of-way. The original configuration of the tracts of this peninsula are no longer valid due to the extreme erosion that has occurred over the past 30 years. The boundary of the tract measures 17 acres. There is approximately 13.5 acres of land, as some of this tract includes an inlet on the north side of the channel.

Encore and the Port Commission have agreed to a 3-year lease at \$2,500/month with an annual increase on October 1 of each year based upon the municipal cost index. The new lease will be effective November 15, 2022 and expire on November 30, 2025. They will begin relocating immediately and be fully off the existing tracts by the end of December 2022. Encore will be investing an estimated \$60,000 in constructing a new road leading to and an operations pad within Tract 11.

It is noted that the Port Commission is in the process of having this and other ports and harbor properties appraised for use in establishing future rental rates.

Recommendation:

The Port Commission and staff recommend the following:

Council agrees to terminate the existing lease of Tracts 17 and 17Ar with Encore Dredging and enter into a new lease for the newly established Tract 11 as shown on Exhibit A, effective November 15, 2022. The new lease will use the standard lease document to be reviewed and approved by the City Attorney and will be effective November 15, 2022 and expire on November 30, 2025, with a rent increase per the municipal cost index on October 1 of each year. Council agrees to allow Encore Dredging until December 31, 2022 to remove their materials and equipment from the existing lease site.

