



Staff Report

April 13, 2021

Texas City Economic Development Corporation

Subject: Consider the Ratification of a Ground Lease With Kevin Sullivan for 718 6th Street N.

I. **Background**

- a. The food truck park located at 718 6th Street was not previously managed by the TCEDC or city staff.
- b. It was determined by city staff that it was beneficial to manage the site and the lease agreements with all tenants.

II. **Current Situation**

- a. The Economic Development Corporation is requested to consider approval of a Ground Lease with Kevin Sullivan for "Spot B" at 718 6th Street.
- b. The agreement states that the Texas City Economic Development Corporation agrees to:
 - i. Lease approximately 250 square feet within the food truck park located at 718 6th Street.
 - ii. Pay for electricity, water, and the port-o-can on site.
- c. The agreement states that the owner (Kevin Sullivan) will:
 - i. Pay the TCEDC \$200 monthly for rent.
 - ii. Pay the TCEDC \$400 as a security deposit for performance of tenant's obligations.
 - iii. Tenant will need to seek prior approval from the TCEDC to sublease the space.
 - iv. The tenant agrees to comply with city ordinances and all zoning standards.

III. **Recommendation**

- a. Approve the Ground Lease between the TCEDC and Kevin Sullivan (Sully's Sandwich Shack).

IV. **Fiscal Impact Report**

- a. Staff: Garrett McLeod
- b. Funding Source: TCEDC
- c. Cost: Estimated Annual Cost (electricity, water, portable restroom): \$6,600
- d. Income: Annually per truck = \$2,400 – Four trucks = \$9,600

V. **Economic Impact**

- a. The food truck park has been an asset on 6th Street, and provides multiple dining options for patrons of 6th Street.

Respectfully Submitted,

Garrett C. McLeod
Economic Development Director