

RESOLUTION NO. 2025-10-27-04

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CISCO, TEXAS, ESTABLISHING THE POLICY REGARDING CISCO LAKE LOT LEASES AND THE SALE OF LAKE LOT LEASES; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Cisco, Texas owns hundreds of lots at Lake Cisco (the “Lake Lots”) that it leases (the “Lake Lot Lease(s)”) for residential and/or recreational uses;

WHEREAS, many of the lessees of the Lake Lots have built homes on the Lake Lots and desire to have a long-term lease and/or ownership of the property that will allow them to enjoy the significant investment that they have made on the Lake Lots;

WHEREAS, State law (a) limits the length of time that governmental entities such as the City of Cisco may lease real property before it becomes a sale of real property requiring the City to seek competitive bids for the property and (b) requires that governmental entities lease real property for fair market value;

WHEREAS, many of the Lake Lot Leases exceed the length of time that a City may lease real property before it becomes a sale and the lease consideration is below fair market value;

WHEREAS, the City Council of the City of Cisco, Texas desires to comply with State law regarding the leasing of City real property and adopt a policy regarding the administration of Lake Lot Leases and/or the sale of Lake Lots that will benefit both the City of Cisco and the lessees of the Lake Lots; and

WHEREAS, the City Council of the City of Cisco, Texas desires to annex the Lake Lots and Lake Cisco both of which are owned by the City, prior to offering the sale of Lake Lots to lessees of Lake Lots.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CISCO, TEXAS, as follows:

Section 1. Policy Regarding Lake Lot Leases. The following policy is adopted by the City Council of the City of Cisco:

(a) In the event of a requested assignment of a Lake Lot Lease, the lessee must obtain the prior consent of the City Council pursuant to the terms of the Lake Lot Lease and the Assignee must either (i) sign an assignment of lease prepared by the City, agreeing to comply with the terms of the Lake Lot Lease; (ii) sign a new lease with the City if the Lake Lot Lease being assigned provides for a renewal of the term as part of the Lake Lot

Lease and/or if the Lake Lot Lease being assigned was entered into or renewed by the City after September 1, 2023; or (iii) sign a new lease with the City if the City so desires, in its sole and absolute discretion.

(b) Provided that the lessee is not in default under its current lease or the lease has expired, and following the annexation of Cisco Lake and the Lake Lots, the City shall offer the Lake Lots for sale to the current lessee (the "Lessee") pursuant to Local Government Code Section 272.001(h) on the following terms and conditions:

(i) the Lessee will have to pay the City for the Lake Lot an amount equal to the fair market value of the land as determined by: (a) a certified appraiser licensed by the Texas Appraisal Licensing and Certification Board (hereinafter a "Certified Appraiser"), such appraiser to be selected by the City to appraise the Lake Lot; or (b) a Certified Appraiser selected by the financial institution financing the Lessee's purchase of a Lake Lot, provided that the City agrees with the use of the Certified Appraiser and their appraisal, such agreement by the City to be within its sole and absolute discretion.

(ii) the City shall sell the Lake Lot "As-Is" and without warranty of any kind, including any environmental risks, by a special warranty deed. The special warranty deed shall contain terms stated above, along with the following statement and provisions: The exemption provided by Water Code Section 11.142(a) shall not apply to this conveyance.

(iii) the Lessee shall be required to pay for the costs of the appraiser (such amount to be paid in escrow as part of the sales contract); the premiums and costs of the Title Policy in the event that a Title Policy is desired by the Lessee; a survey of the Lake Lot if necessary or desired; one-half of the Escrow Fee charged by a Title Company; the costs to obtain certificates or reports of ad valorem taxes; and Lessee's expenses and attorney's fees.

(iv) the City shall be required to pay the costs to prepare and record a special warranty deed; the costs to record all documents to cure Title Objections agreed to be cured by the City; the costs to obtain, deliver, and record releases of all liens of the City to be released at closing; pay one-half of the Escrow Fee charged by a Title Company; and the City's expenses and attorney's fees.

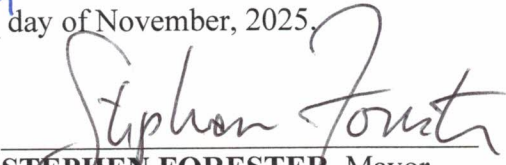
(v) the Lessee acknowledges and agrees that their ownership and use of the Lake Lot and Lake Cisco shall be subject to the ordinances, rules and regulations adopted by the City of Cisco, which may be amended from time to time. Specifically, the Lessee understands and agrees that as a condition of purchasing the Lake Lot it shall be required to either purchase treated water from the City of Cisco, if available, or if the Lake Lot is a waterfront Lake Lot, they may be permitted to draw water from Lake Cisco for residential, domestic purposes conducted on said lot. All raw water withdrawals from Lake Cisco require a water contract with the City, the payment of a fee for the water as established by the City and shall be metered, such meter costs to be paid for by the Lessee.

The withdrawal of raw water shall be subject to, and in accordance with, the City's Drought Contingency Plan that is adopted by the City and amended from time to time.


(vi) the lessee shall enter into a sales agreement with the City on terms and conditions approved by the City Attorney, and in accordance with the foregoing, before the Lessee may be eligible to purchase the Lake Lot.

Section 2. This resolution shall be in full force and effect immediately following its enactment.

PASSED AND APPROVED this the 10th day of November, 2025.


STEPHEN FORESTER, Mayor

ATTEST:


TAMMY OSBORNE, City Secretary

APPROVED AS TO FORM:


WILLIAM P. CHESSER, City Attorney

