



MEMORANDUM

Date: August 6, 2025

To: Honorable Mayor and Commissioners

Via: Brian L. Barroso
City Manager

From: Gary Moreira
Senior Property Manager

Subject: **Lease Renewal for Submerged Lands Lease - SBY Key West, LLC, DBA Spencer's Boat Yard, 701 Palm Avenue in Garrison Bight**

Introduction

This is a request to approve a five-year lease renewal with SBY Key West, LLC, for the submerged lands lease at 701 Palm Avenue, Key West.

Background

On September 1, 2019, the City of Key West entered into the submerged lands lease with A-1 Boat Services, Inc., via Resolution 19-311 for the submerged property adjacent to 701 Palm Avenue. On November 17, 2021 the City of Key West approved an assignment of the lease to SBY Key West, LLC. SBY Key West, LLC is also the Assignee of the adjacent Upland Riparian Lease with the City. The five-year lease was to expire on August 31, 2024. Via resolution 24-171 the leasehold was extended for an additional twelve (12) month term which will expire on August 31, 2025. Lessee is requesting an extension of the term for an additional five-years effective September 1, 2025.

Historically the submerged lands lease rates at Garrison Bight have been set using rates the City is charged as Lessee for submerged land leases it has with the State as Lessor. A recent market rate study concluded that the City is charging rates in the "upper range" when compared to other leases "rates are considered in line with current market pricing and demand"

All submerged land lease payments for the Roosevelt/Eisenhower areas are deposited into City Marina account 413-0000-362.29-00 and used toward operations at City Marina.

Procurement

Demised Premises:	A Parcel of submerged land in section 33, Township 67 South Range 25 East, in Monroe County, containing approximately 25,021 square feet, more particularly described, and shown on Exhibit A attached.
Term:	September 1, 2025 through August 31, 2030.
Rent:	\$21,267.85/year or \$0.85/s.f. paid in monthly installments of \$1,772.32.
Percentage Rent:	6% on wet slip rental income in excess of annual base rental amount.
Increases:	Increased annually by the Consumer Price Index.

Recommendation

Staff recommends approval of the renewal and execution of the First Amendment to Lease.

Exhibits:

First Amendment to Lease

Submerged Lands Lease

Exhibit A