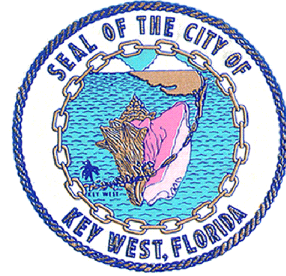


EXECUTIVE SUMMARY



TO: City Commission

CC: Jim Scholl

FR: Marilyn Wilbarger, RPA, CCIM

DT: August 28, 2017

RE: Assignment of Submerged Lands Lease for Angelfish Pier

ACTION: This a request to approve an assignment of the submerged lands lease for the submerged land located at Angelfish Pier.

HISTORY: In June of 2015 the City entered into the submerged lands lease with Island Tranquility, Inc. that is currently utilizing a portion of the submerged land area that is owned by the City of Key West pursuant to the Internal Improvement Fund, State of Florida Deed 19529 A, B, C.

The current owner has entered in to an agreement to sell the upland property at 711-717 Eisenhower and has requested an assignment of the upland and submerged land leases with that sale. The submerged lands lease does include the right to assign the lease with the Landlord's approval as excerpted below:

10. ASSIGNMENT OF LEASE: This lease shall not be assigned or otherwise transferred without prior written consent of the Lessor, which consent may be withheld in the sole discretion of the Lessor. Such assignment or other transfer shall be subject to the terms, conditions and provisions of this lease, current management standards and applicable laws, rules and regulations in effect at that time. Any assignment or other transfer without prior written consent of the Lessor shall be null and void and without legal effect.

There is no change of use requested and the submerged lands will continue to be utilized exclusively as a commercial docking facility in conjunction with the upland use. The assignee may not change or add to the approved use of the leased premises without the Landlord's approval pursuant to Section 7 of the Lease, as follows:

7. AGREEMENT TO EXTENT OF USE: This lease is given to the Lessee to use or occupy the leased premises only for those activities specified herein and as conditioned by the Lessor. The Lessee shall not (i) change or add to the approved use of the leased premises as defined herein; (ii) change activities in any manner that may have an environmental impact; or (iii) change the type of use of the riparian uplands or as permitted by the Lessee's interest in the riparian upland property that is more particularly described as shown in Attachment A without first obtaining, the Lessor's written authorization, which authorization may be withheld in the sole discretion of the

Lessor, in the form of a modified lease, the payment of additional fees, if applicable, and, if applicable, the removal of any structures which may no longer qualify for authorization under the modified lease.

FINANCIAL: The lease rates charged will remain unchanged and are consistent with the fees charged under F.A.C. 18-21.011 (b) to include the lease fees, supplemental payments, discounts, surcharges and other payments as may be required. In addition, pursuant to current management standards, a \$500 transfer fee will be charged to offset the Landlord's costs associated with the preparation of the assignment necessary to effectuate the same.

CONCLUSION: The requested lease assignment meets the requirements of the submerged lands lease terms and conditions.

ATTACHMENTS:

Lease Assignment and Consent of Lessor
Submerged Lands Lease