




MEMORANDUM

Date: January 11, 2024

To: Honorable Mayor and Commissioners

Via: Albert P. Childress 
City Manager

From: Todd Stoughton
Assistant City Manager

Subject: **Park and Ride Lease Discussion regarding Lease Renewal**

Introduction

The City's Park and Ride lease located at 301 Grinnell Street with KEYS expired on December 31st, 2023. City Staff have been meeting with KEYS on new lease terms and have recently received KEYS 'best and final offer'.

Background

The City of Key West entered into a lease agreement with KEYS to build and maintain a parking lot located at 301 Grinnell Street. The park and ride was built on both KEYS and City property resulting in the City entering into a ground lease with KEYS for 30 years. This lease expired on December 31, 2023, while the City has continued negotiations with KEYS. On December 29th, 2023, the City Manager transmitted the City's best and final offer to KEYS. On January 4th, KEYS replied with their best and final counteroffer which maintained amounts in excess of the City's final offer.

Financial Impact:

The City has not budgeted money for FY-24 for lease payments, however, KEYS has offered to forego any payments in this fiscal year so we can budget in the future. A LTC was sent to the Commission on January 3rd which is attached with the last 10 years of expenditures directly tied to the Park and Ride.