



**PARK & RIDE
300 GRINNELL ST.
LEASE AGREEMENT**

This indenture made this ____ day of February, 2024, between THE UTILITY BOARD OF THE CITY OF KEY WEST, FLORIDA d/b/a KEYS ENERGY SERVICES, Lessor, hereinafter referred to as KEYS and the CITY OF KEY WEST, FL, Lessee, hereinafter referred to as CITY, for real property located in the City of Key West, Florida.

WITNESSETH:

WHEREAS, The City of Key West owns a parcel of land identified as OR1240-1155 and;

WHEREAS, KEYS owns an adjoining parcel of land identified as OR1428-1157 and;

WHEREAS, together both parcels comprise the land on which CITY's Park and Ride garage exists, and;

WHEREAS, CITY and KEYS entered into a lease agreement on January 1, 1994, for a term of thirty years which has expired on December 31, 2023, and;

WHEREAS, CITY and KEYS now desire to enter into a new lease agreement for the land owned by KEYS

NOW, THEREFORE, CITY and KEYS enter into this Lease Agreement as follows:

1. **Description of Premises.** KEYS does hereby lease to CITY the premises located in Key West, Monroe County, Florida, described as:

Part of Lot Two (2), Square Twenty (20), according to the Wm. A. Whitehead's Map of the Island of Key West delineated in 1829, but better described by metes and bounds as follows:

Commencing at the Intersection of the Southwesterly right of way line of Grinnell Street and the Southeasterly right of way line of Caroline Street, said point of Intersection to be the point of beginning of the parcel of land hereinafter described: From said point of beginning, thence run in a Southwesterly direction along the Southeasterly right of way line of Caroline Street a distance of One Hundred Twenty (120) feet to a point;

thence at a right angle run in a Southeasterly direction for a distance of Two Hundred Twenty-One (221) feet to a point, said point being on the Northwesterly right of way line of James Street: thence at a right angle run in a Northeasterly direction along the Northwesterly right of way line of James Street for a distance of One Hundred Twenty (120) feet out to the Southwesterly right of way line of Grinnell Street; thence at a right angle run in a Northwesterly direction along the Southwesterly right of way line of Grinnell Street for a distance of Two Hundred Twenty-One (221) feet back to the Point of Beginning.

2. **Term.** TO HAVE AND TO HOLD the above-described premises unto the CITY for and during the term of 20 years commencing the 1st day of January, 2024, and ending on the 31st day of December, 2044. There shall be a ten-year (10) extension option with the written consent of both parties. CITY shall notify KEYS no later than two (2) years prior to the expiration of the lease of the CITY's request to exercise the option, and KEYS shall accept or reject such extension within thirty (30) days of such notice. This lease is not assignable.
3. **Lease Payments and Security.** CITY, in consideration of the leasing of the premises aforesaid, does hereby covenant and agree to pay to KEYS Ten Dollars (\$10.00) and other consideration as set forth herein for the one-year period extending from January 1, 2024 to January 1, 2025. Beginning on January 1, 2025, CITY shall make annual lease payments to KEYS in the amount of Two Hundred Twenty-Five Thousand Dollars (\$225,000.00). There shall be a 2.5% annual lease adjustment on January 1, 2026 and on each anniversary date thereafter. CITY shall have the option to reopen the terms of this section (3) in the event there is a declared National or State of Florida state of emergency lasting more than one month. In such event, the parties shall negotiate in good faith to accommodate the conditions, but shall have no obligation to modify the terms hereof.
4. **Taxes.** This hereby covenanted, stipulated and agreed between the parties hereto that CITY will agree to pay all taxes, teas, licenses or charges whatsoever on the real property, buildings or Improvements as they become due.
5. **Use of Premises.** Generally. CITY will operate a three-story parking facility with approximately 318 spaces, or any other lawful purpose which does not impair KEYS' rights hereunder. During the term of the Lease, CITY will provide to KEYS use of the approximately fifty (50) ground floor parking spaces accessible from the James Street entrance. Such spaces are located in the paved area South and West of the vehicular ramp which adjoins the ground floor and second floor (the "KEYS Employee Area"). The KEYS Employee Area will be dedicated to KEYS employee parking. Within the KEYS Employee Area, KEYS shall have the discretion, in accordance with applicable regulations, to install/maintain access control, reconfigure parking, make improvements (including fencing, gating, and striping), and exclude unauthorized vehicles. KEYS shall at all times provide reasonable access to CITY for purposes of parking enforcement, maintenance, and use of CITY-retained offices at Western side of and accessible via KEYS Employee Area. Additionally, CITY will provide to KEYS for employee parking during KEYS business hours, the twelve (12)

spaces on the ramp which adjoins the first floor and second floor. Such spaces shall be available for CITY or public use at all times other than KEYS business hours. CITY will provide twelve (12) parking decals which shall entitle KEYS employees to occupy such spaces during KEYS business hours. Upon the issuance of a tropical storm or hurricane watch, KEYS shall have access to sixty (60) parking spaces to park KEYS-owned vehicles on the upper deck, including personal vehicles of KEYS management. Except as provided herein, CITY shall have sole control of the facility during the term of the lease.

6. **Utilities.** CITY agrees to comply with all applicable federal, state and local codes and the proper use of electricity, gas, water, sewer and other utilities to the subject premises. CITY agrees to pay all monthly fees for water, sewer, electricity, telephone, etc., for the entire facility.
7. **Control and Maintenance.** CITY shall perform and be responsible for the cost of all repair and/or maintenance necessary to keep the demised premises in good order, repair and conditions and in a clean, sanitary and safe condition in accordance with all directions, rules and regulations of governmental agencies having jurisdiction. CITY agrees to maintain the entire proposed facility, including KEYS' parking sections. CITY also agrees to actively enforce its parking regulations mechanically, electronically and/or by personnel. CITY shall maintain the restrooms, transfer shelter and related equipment for the duration of the lease. CITY shall be responsible for providing security for the facility at its discretion and determination of need. CITY shall transfer control of the ground level storage area, accessible from the James Street entrance and located under the vehicular ramp which adjoins the ground floor and second floor to KEYS within three (3) months of the effective date of this agreement. CITY shall perform all required material maintenance listed in the 2022 inspection report by Artibus Engineering by January 1, 2029. Completion of any required material maintenance shall be deemed an essential term of this lease.
8. **Capital Improvements.** Within one (1) year of the effective date of this agreement, CITY, at its option, shall construct a mutually agreeable non-permeable barrier between KEYS' ground level parking and the adjacent Caroline St. bus lot, or discontinue bus parking in such lot.
9. **Parking Fees.** All revenue generated from the spaces shall be first dedicated to the support of CITY's Transit System.
10. **Manner of Payment and Giving Notice.** The checks for rental occurring hereunder shall be forwarded to Keys Energy System, 1001 James Street, Key West, Florida 33041-6100, and all notices given to KEYS hereunder shall be forwarded to KEYS, return receipt requested, until CITY is notified otherwise in writing.

For KEYS:
General Manager & CEO
1001 James St.
Key West, FL 33040

For CITY:
City Manager
1300 White St.
Key West, FL 33040

11. **KEYS Covenant.** Upon the payment by CITY of the rents provided, and upon the observation and performance of all the covenants, terms and conditions on the CITY's part to be observed and performed, CITY shall peacefully and quietly hold and enjoy the subject premises for the term hereby demise without hindrance or interruption by KEYS or any other person or persons lawfully or equitably claiming by, through or under KEYS subject nevertheless, to the terms of this lease.

12. Indemnification/Insurance.

A. Pursuant to F.S.768.28, CITY shall hold harmless, indemnify, and defend KEYS, its directors, officers, employees and agents against any claim, action, loss, damage, injury, liability, cost and expense of whatever kind or nature (including, but not by way of limitation, attorney's fees and court costs) arising out of or incidental to this agreement, excluding *only* the negligence of KEYS, its directors, officers, employees or agents, and claims arising from improvements made by KEYS to the KEYS Employee Area.

B. At its discretion, CITY may purchase and maintain property insurance coverage for the facility. CITY, at a minimum, shall secure the following insurance coverages throughout the term of the lease.

Commercial General Liability

i. CITY's insurance shall cover those sources of liability which would be covered by the latest edition of the standard Commercial General Liability Coverage Form (ISO Form CG 00 01), as filed for use in the State of Florida by the Insurance Services Office, without the attachment of restrictive endorsements other than the elimination of Coverage C. Medical Payments.

ii. CITY shall maintain minimum limits of:

	<u>Limits</u>
General Aggregate Limit (Other than Products/Completed Operations)	\$1,000,000
Products-Completed Operations Aggregate Limit	\$1,000,000
Each Occurrence Limit	\$1,000,000
Fire Legal Liability Limit	\$50,000

iii. The Utility Board of the City of Key West, Florida shall be named Additional Insured on all insurance policies.

- C. All policies shall provide (to the extent such provisions are obtainable) CITY and KEYS with at least forty-five (45) days written notice of cancellations, non-renewal or restriction in coverage, KEYS shall be included as an Additional Insured on the general liability and automobile liability policies, if elected.

Certificates of insurance shall be provided to KEYS prior to the effective date of the lease and at least thirty (30) days prior to each renewal.

- D. CITY shall be responsible for the cost to repair or replace any of their contents or improvements and betterments in the event of damage or destruction.

13. **Observation of Laws and Ordinances.** CITY agrees to observe, comply with and execute promptly, at its expense, during the term hereof all laws, rules, requirements, orders, directives, ordinances and regulations and any and all governmental authorities or agencies and of all municipal departments, bureaus, boards and officials due to its use or occupancy of the subject premises, and to obtain and maintain during the term thereof any and all certificates, licenses, and other documents necessary for lawful occupation and operation.

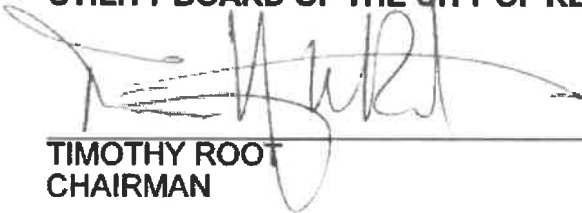
14. **Surrender at End of Term.** Upon the expiration of the term hereof or sooner termination of this lease as herein provided, CITY agrees to vacate the premises peacefully and without further notice. In the event CITY discontinues use, refuses to repair material defects, or abandons the facility, CITY shall be responsible for cost of demolition and disposal of the facility and return sole use of the KEYS parcel to KEYS. At the expiration of the lease, CITY shall have eighteen (18) months to complete demolition. CITY shall submit a demolition plan that minimizes displaced KEYS employee parking. CITY shall accommodate any off-site KEYS employee parking during demolition at no cost to KEYS.

15. **Entire Agreement.** This lease sets forth all covenants, promises, agreements and understandings between KEYS and CITY concerning the subject premises. Except as here and otherwise provided, no subsequent alteration, amendment, change, or addition to this lease shall be binding upon KEYS and CITY unless reduced to writing and signed by both parties.

16. **Partial Invalidity.** If any term, covenant or addition of this lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, insofar as is reasonable the remainder of this lease, or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held Invalid or unenforceable, shall not be affected thereby and each term, covenant or condition of this lease shall be valid and be enforced to the fullest extent permitted by law.

IN WITNESS THEREOF, the parties hereunto executed this lease the day and year first written above.

UTILITY BOARD OF THE CITY OF KEY WEST



TIMOTHY ROOT
CHAIRMAN

Date Signed: Wed Jan 17, 2024

CITY OF KEY WEST

ALBERT CHILDRESS
CITY MANAGER

Date Signed: _____

Resolution #: _____