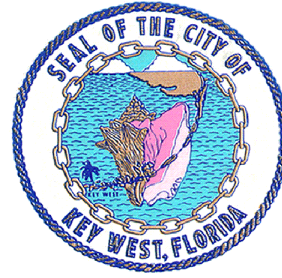


Executive Summary



TO: City Commission

CC: Jim Scholl

FR: Marilyn Wilbarger, RPA, CCIM

DT: August 28, 2017

RE: Island Tranquility Marina Parcel Lease Assignment

ACTION STATEMENT

This is a request to approve a lease assignment from Island Tranquility, Inc. to Garrison Bight Marina, Inc. for the property located at the 700 block of Eisenhower Drive.

HISTORY

The City entered into a lease agreement dated December 2, 2008 per Resolution 08-324, and subsequently amended pursuant to Resolution 11-042, Resolution 14-016 and Resolution 15-133 for a small triangular shaped unimproved upland area located in the 700 block of Eisenhower Drive which is utilized as a part of the commercial marina.

Pursuant to the original lease for this parcel there was language in Section 20 that stated that there was a title problem with the State of Florida and that it may be determined at a further date that the City is not the owner of the property which is the subject of the lease.

In 2011 the State notified the City that a portion of demised premises was owned by the State and therefore the city entered into the first lease amendment to properly reflect the demised area that was owned by the city and leased to Island Tranquility which was 3393 square feet.

In December of 2013 the City renewed the lease at the reduced square footage for five years, in the second amendment to the lease, per City resolution 14-016.

On February 25, 2015 the state notified the city that this parcel of land has been transferred back to the City and that they have terminated the lease with Island Tranquility.

Therefore, this Third amendment to the lease adjusted the square footage back to the original area in the lease and adjusted the rent accordingly.

The Assignor has entered into an agreement to sell the marina and desires to assign the lease.

FINANCIAL STATEMENT:

The rental rates will continue according to the terms of the lease. The Assignee will post a letter of credit equal to six month's rent (\$10,955.36) and will also provide a personal guaranty. In addition, a \$500 lease 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 lease may be assigned with the consent of the Landlord pursuant to Section 10, excerpted here for your reference, as follows:

10. ASSIGNMENT AND HYPOTHECATION - This Lease is not transferable or assignable and may not be hypothecated nor sublet without the prior written consent of the LANDLORD which may be withheld and shall be at the sole discretion of the LANDLORD.

Any assignment or sub-letting, even with LANDLORD'S consent shall not relieve TENANT from liability for payment of Rent or from the obligation to keep and be bound by the agreements of this Lease. The acceptance of Rent from any other person shall not be deemed to be a waiver of any of the agreements of this Lease or to be consent to the assignment for the benefit of creditors or by operation of law and shall not be effective to transfer any rights to any assignee without prior consent of LANDLORD. In the event TENANT wishes to assign this Lease and LANDLORD consents to such assignment, LANDLORD may charge a reasonable fee, not to exceed **\$500.00** to help offset any costs LANDLORD may have in preparing such assignment, or in examining the information, financial statements, operating history, references, etc., necessary to effectuate same. Any assignment, transfer, hypothecation, mortgage, or subletting without LANDLORD'S written consent shall give LANDLORD the right to terminate this Lease and to re-enter and repossess the Demised Premises and the LANDLORD'S right to damages shall survive.

If the TENANT is a corporation, then a sale or transfer of a controlling interest in the corporation by sale of stock or otherwise shall constitute an assignment for purposes of this provision.

The lease assignment requested meets the requirements of the lease terms and conditions.

ATTACHMENTS:

- Assignment of Lease and Consent of Lessor
- Lease and amendments
- Assignee Corporate Documents
- Assignee Personal Guaranty