



MEMORANDUM

Date: August 8, 2024

To: Honorable Mayor and Commissioners

Via: Todd Stoughton
Interim City Manager

From: Gary Moreira
Senior Property Manager

Subject: **File 24-6158 - Lease Term Extension for Submerged Lands Lease - Harborside Motel and Marina, Inc., 903 Eisenhower Drive in Garrison Bight**

Introduction

This is a request to approve a First Amendment to Lease with the Harborside Motel and Marina, Inc., extending the term for the submerged lands lease at 903 Eisenhower Drive, Key West.

Background

On September 1, 2019, the City of Key West entered into the submerged lands lease with the Harborside Motel and Marina, Inc., via Resolution 19-306 for the property at 903 Eisenhower Drive. The five-year lease will expire on August 31, 2024. Lessee is requesting an extension of the term for an additional five years effective September 1, 2024. 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. These rates are regulated by Florida's Administrative Code. Submerged lands at Garrison Bight however were deeded to the city in 1947 and are not subject to the same regulations and rate restrictions. Staff is proposing a one-year extension to this lease in order to engage an appraiser during Fiscal Year 24/25 to determine the fair market rates for lease renewals going forward. All submerged land lease payments for the Eisenhower area 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 18,486 square feet, more particularly described and shown on Exhibit A attached.

Term: September 1, 2024 through August 31, 2025.

Rent: \$15,713.10/year or \$0.85/s.f. paid in monthly installments of \$1,309.43

Increases: Proposed rent represents a \$0.10/s.f. increase as prescribed in the current lease.

Recommendation

Staff recommends approval and execution of the First Amendment to Lease granting a one-year extension.

Exhibits:
First Amendment to Lease
Submerged Lands Lease
Exhibit A