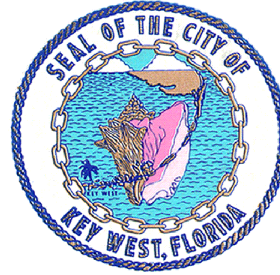


EXECUTIVE SUMMARY



TO: City Commission

CC: Jim Scholl

FR: Marilyn Wilbarger, RPA, CCIM

DT: March 2, 2015

RE: Lease Amendment for Island Tranquility, Inc.

ACTION: This is a request to approve a lease amendment to adjust the area of the parcel and associated rent leased to Island Tranquility Inc. at 711 Eisenhower Drive.

BACKGROUND:

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 a 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 comes before you to adjust the square footage back to the original area in the lease and to adjust the rent accordingly.

FINANCIAL:

The lease amendment adjusts the square footage and therefore the rent payable based upon the same per square foot rate that was applied to the decreased area for the remainder of the term. This amendment was not anticipated in the current fiscal year revenue therefore an increase in income will be reflected.

RECOMMENDATION:

Based upon the documentation provided by the state and the current lease, staff recommends approval of the lease amendment.

ATTACHMENTS:

Third Lease Amendment

State Notification of Lease Termination

Second Lease Amendment

First Lease Amendment

Original Lease