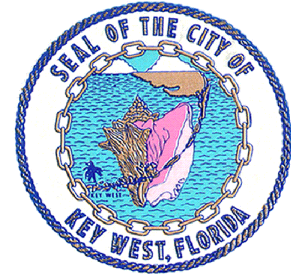


EXECUTIVE SUMMARY



TO: City Commission

CC: Jim Scholl

FR: Marilyn Wilbarger

DT: April 15, 2019

RE: Key West Community Sailing Center Submerged Land Lease Renewal

ACTION STATEMENT:

This is a request to enter into a lease renewal with the Key West Community Sailing Center at an under market rent for the submerged land lease.

BACKGROUND:

The City originally entered into a lease agreement for the submerged lands in September of 2014. In 2016, the Tenant requested that the rent be lowered to \$1.00 per year as the organization is a 501(c)3, classified as a public charity and that lease amendment was approved. The organization's stated mission is to advance sailing education and encourage the public and sailors of all ages to experience the joy of sailing in a safe and fun environment.

The Sailing Center also currently leases an upland parcel at the same location that houses their clubhouse and boat storage. That companion lease was approved for an under market rent for five years beginning in 2017, although it has a 90-day cancellation provision.

FINANCIAL IMPACT:

The annual market rent for submerged land leases in Garrison Bight is income that accrues to Fund 413 which funds all of the City Marina public services. Approval of an under-market rent will have a negative impact on revenue.

CONCLUSION:

Pursuant to City Ordinance Section 2-941 (c) In order for the city to lease property below market rate in any circumstance, a public benefit must be shown on the record, and the lease must be approved by a supermajority of the city commission.

Additionally, pursuant to City Ordinance 2-872 (c) Any individual or organization that receives grant funds or subsidies from the city shall permit inspection of its books and records upon demand by the city as a precondition to the receipt of such funding. The city may also conduct program results audits to determine whether the desired results or benefits are being achieved and whether objectives of funding established by the city are being met.

ATTACHMENTS:

Lease

Public Benefit statement

Corporate Filing