



THE CITY OF KEY WEST
201 William Street Key West, FL 33040 (305) 809-3790

EXECUTIVE SUMMARY

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TO: Gregory W. Veliz, City Manager
CC: Patti McLauchlin, Assistant City Manager
FROM: George Wallace, Assistant City Attorney
DATE: March 18, 2021
SUBJECT: 0 Duval Submerged Land Lease Renewal.

ACTION STATEMENT

Approving the renewal of the submerged land lease between the Board of Trustees of the Internal Improvement Trust Fund of the State of Florida and the City of Key West for the sovereignty submerged lands located out from 0 Duval pursuant to BOT File No. 440026265 at the initial annual rate of \$8821.78 subject to annual adjustments per Rule 1818-21.011 of the Florida Administrative Code.

This site is currently leased to GRM Enterprises and generates a base rent of \$150,700.00 per year to the City.

PROJECT ISSUE

On January 29, 2016 the City entered into a 5-year submerged land lease with the State of Florida for a 4,498 square feet docking facility. The lease expired on February 1, 2021 and has been going through routine renewal inspection and auditing processes which have been completed.

This is a continuance of the submerged land lease which authorizes the City to allow the private operation of a glass bottom boat tourist excursion and related activities from the Southern end of Duval Street adjacent to Sunset Pier.

OPTIONS

There are two options:

1. Authorize the extension of the current agreement based on the above conditions per Key West City Ordinance Section 2-797(4) b.
2. Disapprove the renewal of the lease which would terminate the ability of the City's tenant to operate the glass bottom boat under its current lease from the City.

ADVANTAGES/DISADVANTAGES

Approval of the extension protects the City from financial loss of lease payments.

FINANCIAL ISSUES

There are no financial downsides to extending the agreement. Failure to renew the lease would ultimately lead to the loss of approximately \$150,700.00 annual rent to the City.

RECOMMENDATION

It is recommended that the Commission approve the renewal of the 5 year submerged lands lease for the docking facility.