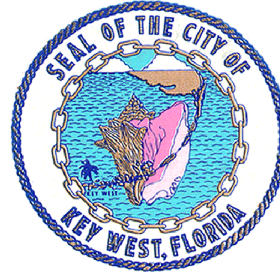


EXECUTIVE SUMMARY



TO: City Commission

CC: Jim Scholl
Doug Bradshaw

FR: Marilyn Wilbarger, RPA, CCIM

DT: April 24, 2015

RE: Lease Renewal and Submerged Land Lease for Island Tranquility, Inc.

ACTION: This is a request to approve the renewal of the lease with Island Tranquility Inc. for the upland area at Angelfish Pier on Palm Avenue and to approve a submerged lands lease at the same location.

BACKGROUND: The city has leased Angelfish Pier to the tenant for many years for the purposes of providing dockage along the pier. The last lease expired and due to the physical impediments to access the boats docked along the pier the City did not renew the lease at that time. The City and the tenant have now agreed on a plan for the Tenant to provide gated accesses to each of the slips as a condition of the lease renewal. Additionally, the upland area was subject to the completion of the property transfer back from the state, which is now completed. Therefore, the best use of the property is achieved without the resorting to the bidding process and it is in the economic interests of the city to renew the current lease. The details of the upland lease are as follows:

Demised Premises: 1848 Square Feet

Use: Providing gated access to the boat slips along the pier with one dock box per slip permitted. Additionally, the Tenant shall maintain the landscaping and remove the trash from this area.

Term: Five Years Effective June 1, 2015

Rent: \$1,833.33 monthly

Increases: CPI Annually

Additional Rent: Tenant shall pay property taxes

Utilities: Tenant shall pay for all utility usage

Improvements: Tenant shall provide 12 gated accesses to the slips at their sole cost and expense

A companion submerged lands lease will also be entered into pursuant to the corrective actions approved by the FDEP subsequent to an audit of deed restrictions and uses of the submerged land in Garrison Bight. The details of the audit and corrective procedures are attached for your reference. The economic terms of the submerged lands lease are the same as the other submerged land leaseholders in Garrison Bight and are as follows:

Term: Five Years Effective June 1, 2015

Rent: \$3,284.76 annually

Increases: CPI Annually

Additional Rent: An initial surcharge of \$821.19 and a supplemental payment of 6% of income from the slip rental if it exceeds the base rent

Utilities: Tenant shall pay for all utility usage

FINANCIAL:

The rent for the pier and submerged land area are equal to the current rent being paid and will escalate annually by any increase in the Consumers Price Index. The tenant is in good financial standing and has an excellent payment history. A total rent report for the last five years is attached for your reference.

CONCLUSION:

The lease and submerged lands lease will complete the contracts necessary for the tenant to continue to provide the services that have been at this location for decades while ensuring that the city has addressed the underlying safety concerns and also come into compliance with the corrective actions procedures as confirmed by the FDEP.

ATTACHMENTS:

Lease
Total Rent Report

Submerged Lands Lease
Florida Department of Environmental Protection Internal Audit
Non-Compliance notification dated August 19, 2013
Corrective Procedural Changes dated November 14, 2013
Confirmation of Corrective Procedural Changes dated April 14, 2014.