



## MEMORANDUM

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Date: August 8, 2024

To: Honorable Mayor and Commissioners

Via: Todd Stoughton  
Interim City Manager

From: Gary Moreira  
Senior Property Manager

Subject: **File 24-6140 - Lease Renewal for Submerged Lands Lease - SBY Key West, LLC (formerly A-1 Boat Services, Inc.), 701 Palm Avenue in Garrison Bight**

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### **Introduction**

This is a request to approve a Lease with the SBY Key West, LLC., for the submerged lands lease at 701 Palm Avenue, Key West.

### **Background**

On September 1, 2019, the City of Key West entered into the submerged lands lease with A-1 Boat Services, Inc., via Resolution 19-311 for the submerged property adjacent to 701 Palm Avenue. On November 17, 2021 the City of Key West approved an assignment of the lease to SBY Key West, LLC. SBY Key West, LLC is also the Assignee of the adjacent Upland Riparian Lease with the City. The five-year Submerged Lands Lease will expire on August 31, 2024. Assignee is requesting SBY Key West, LLC be named Lessee and requests a renewal 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 new one-year 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 Garrison Bight are deposited into City Marina account 413-0000-362.29-00 and used toward operations at City Marina.

SBY Key West, LLC is a tenant in good standing and has promptly met all its leasehold obligations.

**Procurement**

- Demised Premises:** A Parcel of submerged land in section 33, Township 67 South Range 25 East, in Monroe County, containing approximately 25,021 square feet, more particularly described and shown on Exhibit A attached.
- Term:** September 1, 2024 through August 31, 2025.
- Rent:** \$21,267.82/year or \$0.85/s.f. paid in monthly installments of \$1,772.32.
- Increases:** Proposed rent represents a \$0.10/s.f. per year increase as prescribed in the current lease.

**Recommendation**

Staff recommends approval and execution of the one-year Lease between the City of Key West and SBY Key West, LLC.

Attachments:  
Lease  
Exhibit A