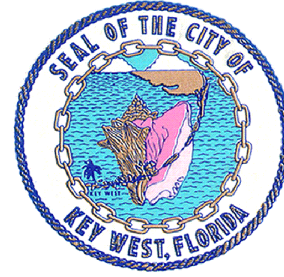


# EXECUTIVE SUMMARY



**TO:** City Commission

**CC:** Patti McLauchlin  
Todd Stoughton  
Ron Ramsingh

**FR:** Michael Henriquez Jr, Senior Property Manager

**DT:** January 4<sup>th</sup> , 2022

**RE:** Lease Approval for Garrison Bight SMI, LLC for the property located at the Corner of Eisenhower Drive and Palm Ave

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## ACTION STATEMENT

This is a request to approve a lease between the City of Key West and Garrison Bight Marina, LLC for the upland marina property located at the corner of Eisenhower Drive and Palm Avenue.

## BACKGROUND

The City of Key West owns the large corner portion of land historically occupied by Garrison Bight Marina, Inc. FDOT quitclaimed the property back to the City of Key West in 2015. This portion of the property has been without a lease since that time. The new owners of the marina, Garrison Bight SMI, LLC are seeking a new lease for the historical use of the property. The Marina currently has 4 leased properties, 2 upland and 2 submerged land leases. The corner portion of land, referred to in this executive summary, would be the 5<sup>th</sup>.

With the adjacent marina parcel having the same permitted use, along with the current assignment of leases being processed to the same entity, in addition to the long term revenue for the associated parcel, approval of this lease waiving the bidding process with Garrison Bight SMI, LLC would be in the best interest of the City pursuant to Sec. 2-941(c), making all five parcels of the Historical Garrison Bight Marina leased by the same entity.

The rental terms are in line with the dates of the existing leases. The rental rate reflects an existing comparable market rate for properties currently leased by the city, with similar permitted uses. The details are as follows:

**Demised Premises:** 17,833.49 Square Feet more or less

**Use:** Marina purposes only

**Term:** 6 Years, Effective February 2022 with Commission Approval

<b>Lease Fees:</b>	\$6,033.67 Monthly, plus sales tax
<b>Rent Increases:</b>	CPI Annually
<b>Security Deposit:</b>	Equal to two (2) months base rent, <b>totaling \$12,067.34</b>
<b>Additional Rent:</b>	Tenant shall pay all taxes and insurance
<b>Utilities:</b>	Tenant shall pay for all utility usage
<b>Strategic Plan:</b>	This lease is consistent with Goal Number 5 'Cleanliness', numbers 6 & 7: Lease Agreements and Clean Marinas.

The lease may be assigned with the consent of the Landlord pursuant to Section 10, excerpted here for your reference, as follows:

**10. ASSIGNMENT AND HYPOTHECATION** - This Lease is not transferable or assignable and may not be hypothecated nor sublet without the prior written consent of the LANDLORD which may be withheld and shall be at the sole discretion of the LANDLORD.

Any assignment or sub-letting, even with LANDLORD's consent shall not relieve TENANT from liability for payment of Rent or from the obligation to keep and be bound by the agreements of this Lease. The acceptance of Rent from any other person shall not be deemed to be a waiver of any of the agreements of this Lease or to be consent to the assignment for the benefit of creditors or by operation of law and shall not be effective to transfer any rights to any assignee without prior consent of LANDLORD. In the event TENANT wishes to assign this Lease and LANDLORD consents to such assignment, LANDLORD may charge a reasonable fee, not to exceed **\$500.00** to help offset any costs LANDLORD may have in preparing such assignment, or in examining the information, financial statements, operating history, references, etc., necessary to effectuate same. Any assignment, transfer, hypothecation, mortgage, or subletting without LANDLORD'S written consent shall give LANDLORD the right to terminate this Lease and to re-enter and repossess the Demised Premises and the LANDLORD'S right to damages shall survive.

If the TENANT is a corporation, then a sale or transfer of a controlling interest in the corporation by sale of stock or otherwise shall constitute an assignment for purposes of this provision.

**CONCLUSION:** The use remains unchanged and will continue to be used only for Marina purposes. The rental rate reflects similar market value for commercial waterfront property, with comparable permitted usage.

**ATTACHMENTS:**

Current Lease

Exhibit A – Demised Area

Exhibit B – Rent Schedule

Survey of Property