MEMORANDUM

Date: April 1, 2026

To: Honorable Mayor and Commissioners

Via: Brian L. Barroso
City Manager

CC: Patrick Wright, Growth Management Director

From: Tina Burns, Community Development Program Manager

Subject: **File ID 26-5224** Approving the Ground Lessor Estoppel Certificate for Bahama Village Community LTD a Florida Partnership for mortgaging of the leasehold interest for the Lofts of Bahama Village Rentals located at 918 Fort Street.

Introduction

This is a request to approve the Ground Lessor Estoppel Certificate for Bahama Village Community, LTD as the Lessee regarding the mortgaging of leasehold interest for the Lofts of Bahama Village rentals located at 918 Fort Street.

Background

The Naval Properties Local Redevelopment Authority of the City of Key West (LRA) , as the Lessor entered into 99-year ground lease agreement and subsequent amendments with Bahama Village Community, LTD to construct 98 affordable work force rental housing units at the Lofts of Bahama Village.

The ground lease under Section 15.14 provides that in the event the Lessee requests whether due to a sale, assignment or mortgaging of interest in the ground lease that the Naval Properties Local Redevelopment Authority of the City of Key West as the Lessor will provide an estoppel or offset statement to confirm that the ground lease is in full force and effect there are no known defaults under the terms of the lease, defenses or offsets which may be asserted by the Lessor against the Lessee with respect to any obligations of the Lease. The Estoppel additionally provides consent of the Lessor to the mortgaging of the leasehold interest, subject to the terms of the Lease.

Bahama Village Community LTD has requested a Ground Lessor Estoppel Certificate in connection with a mortgage loan from Grandbridge Real Estate Capital LLC to be secured by the Lessee's leasehold interest in the premises. The developer is closing the construction loan for the project to a permanent loan that has more favorable terms now the development is completed.

Procurement

There are no costs or related expenses associated with this request.

Recommendation

Staff recommends the Naval Properties Local Redevelopment Authority of the City of Key West to approve the Ground Lessor Estoppel Certificate for Bahama Village Community LTD for the purpose of mortgaging the leasehold interest for the Lofts of Bahama Village rentals located at 918 Fort Street.