



City of Pensacola

222 West Main Street
Pensacola, FL 32502

Memorandum

File #: 21-00161

City Council

2/25/2021

LEGISLATIVE ACTION ITEM

SPONSOR: Grover C. Robinson, IV, Mayor

SUBJECT:

AMENDMENT NO. 1 TO LEASE WITH MARITIME ONE, LLC

RECOMMENDATION:

That City Council approve Amendment No. 1 to the Ground Lease with Maritime One, LLC, providing for the partial deferral and repayment of their lease obligations. Further, that City Council authorize the Mayor to take all actions necessary to execute and administer the amendment.

HEARING REQUIRED: No Hearing Required

SUMMARY:

Maritime One, LLC is the leaseholder for the developed Lot 1 of the Community Maritime Park (CMP) and manage a multi-story, mixed-use building. In April 2020, managing member Justin Beck contacted the City administration requesting a rent deferral due to the adverse economic conditions resulting from the COVID-19 pandemic. Due to the delayed impact to revenue collection and expected long-term ongoing recovery to the rental market, the request was for a partial deferment over a longer period than the 3-month total lease deferment offered to non-airport, non-port leases in the summer of 2020.

The Maritime One lease was initiated in June 2013 and currently expires in May 2069 under the CMP Master lease terms. The lease has an auto-increase of 7% after the first ten years and 7% every five years until expiration. In December 2020, after discussion and negotiation of a longer deferment, Maritime One and City staff settled on a \$500 reduction per month in rent due for 36 months, with repayment of the deferred \$18,000 amortized at 4% interest over the remaining 45+ years of lease payments. No other terms of the lease are to be affected by this deferment, including auto-increases and payment of common area maintenance (CAM) fees.

PRIOR ACTION:

None

FUNDING:

N/A

FINANCIAL IMPACT:

The City's financial impact will be minimal, as the terms of the Amendment require the deferred amount to be repaid with interest.

CITY ATTORNEY REVIEW: Yes

2/5/2021

STAFF CONTACT:

Keith Wilkins, City Administrator
Amy Lovoy, Finance Director

ATTACHMENTS:

- 1) Amendment to Maritime One Lease - draft

PRESENTATION: No