



# City of Pensacola

222 West Main Street  
Pensacola, FL 32502

## Memorandum

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**File #:** 21-00450

City Council

5/27/2021

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### **LEGISLATIVE ACTION ITEM**

**SPONSOR:** Grover C. Robinson, IV, Mayor

**SUBJECT:**

ASSIGNMENT OF SUBLEASE AND APPROVAL OF ESTOPPEL CERTIFICATE -  
HARBORMASTER BUILDING, 997 SOUTH PALAFOX STREET

**RECOMMENDATION:**

That City Council consent to the assignment of the sublease of the Harbormaster Building (also referred to as the Jaco's Building) located at 997 South Palafox Street from Downtown Property Group USA, LLC to Harbourmaster Pensacola, LLC and approve an estoppel certificate relevant to the same transaction. Further, that City Council authorize the Mayor to execute all pertinent documents necessary to facilitate and complete this action.

**HEARING REQUIRED:** No Hearing Required

**SUMMARY:**

In November 1998, the City Council approved a South Palafox Commercial Lease Agreement with Palafox Pier & Yacht Harbor Inc. (now Marina Management Corp.), as part of the South Palafox Street Community Redevelopment Project. This lease co-terminates with the South Palafox Marina Lease Agreement approved in June 1997. Under the terms of the Commercial Lease, construction of two buildings were completed - the former "Icehouse Building", a mixed-use building near the terminus of Palafox, and the Harbormaster Building, another mixed-use building which houses Jaco's Bayfront Bar & Grille.

There have been several amendments to both the Commercial and Marina Leases since their inception, with various assignments for portions of the properties of the leases. The latest one relevant to the Harbormaster Building in this memo is the assignment and lessor estoppel certificate related to the Downtown Property Group USA's purchase of the building, approved by Council in March 2014.

In mid-April, representatives of sublessee Downtown Property Group USA (via American Healthcare Partners LLC) contacted City staff regarding the need to obtain an estoppel certificate from the ground lease lessor (the City of Pensacola), required by the lender, ServiFirst Bank, for closing on the sale of the 997 South Palafox building to Harbourmaster Pensacola, LLC, owned by restaurateur David Hambrick. (Verification via the Florida Division of Corporations' Sunbiz.org is not available at this time due to the newness of the entity's formation, per counsel representing the sale.)

After various discussions and transmittals between the various parties and City staff, including the City Attorney's office, the attached consent to assignment and lessor estoppel certificate were agreed upon. These documents are expressly limited in their scope and do not subordinate the City's fee simple interest, nor alter the terms or rights of the Commercial Lease.

**PRIOR ACTION:**

November 30, 1998 - City Council approved the original South Palafox Commercial Lease to Palafox Pier & Yacht Harbor, Inc (now Marina Management Corp.)

March 13, 2014 - After various other amendments and assignments of buildings under the Commercial Lease, the City Council approved the Assignment of the Amended and Restated Lease and Lessor Estoppel Certificate to Downtown Property Group USA, LLC for the Harbormaster Building.

**FUNDING:**

N/A

**FINANCIAL IMPACT:**

None

**CITY ATTORNEY REVIEW:** Yes

5/13/2021

**STAFF CONTACT:**

Keith Wilkins, City Administrator

Kerrith Fiddler, Deputy City Administrator - Community Development

Amy Lovoy, Finance Director

**ATTACHMENTS:**

- 1) Council Action - Approval of Assignment and Estoppel for Harbormaster Bldg - 03-14-2014
- 2) Assignment of Amended and Restated Lease Agreement - Harbourmaster Pensacola LLC - May 2021
- 3) Lessor Estoppel Certificate with Exhibit for Jacos Bldg - May 2021

**PRESENTATION:** No