



City of Pensacola

222 West Main Street
Pensacola, FL 32502

Memorandum

File #: 21-00795

City Council

9/23/2021

LEGISLATIVE ACTION ITEM

SPONSOR: Grover C. Robinson, IV, Mayor

SUBJECT:

LEASE RENEWAL - SUBMERGED LAND ADJACENT TO FORMER SCUBA SHACK PROPERTY

RECOMMENDATION:

That City Council approve the Amendment to Lease Agreement for the lease of submerged real property (portion of Parcel Ref. No. 000S009100001034) located in inland waterway Baylen Slip adjacent to 711 South Palafox Street (former Scuba Shack property) with JME of NWF, LLC through April 30, 2047.

HEARING REQUIRED: No Hearing Required

SUMMARY:

The 50-ft wide submerged parcel adjacent to the former Scuba Shack parcel has been leased since May 1, 1997 per Council action. Under the terms of the lease, the owners of the Scuba Shack were able to transfer the lease upon sale to the new owners, JME of NWF, LLC in April of this year. The initial lease expires in April 2022, and the new owner is seeking to secure this renewal immediately, with demolition of the current building and construction of new multi-level residential units pending.

The "right of first refusal" clause in the lease required the publication of a notice of intention for the parcel's disposition, per the subject parcel's location in a designated community development area (CRA) and this notice was approved by Council in May. With no redevelopment submittals received during the 60-day posting period, this lease renewal can now be actualized. The 25-year renewal has been negotiated and amended to reflect the change in ownership, clarify liability language, and increase the initial lease amount to \$1,200 annually, with CPI adjustments every 5 years per the State's submerged land lease policy.

PRIOR ACTION:

February 27, 1997 - City Council authorized the negotiation of a lease with Scuba Shack Inc.

May 27, 2021 - City Council approved the publication of the notice of intention to dispose of the submerged real property

FUNDING:

N/A

FINANCIAL IMPACT:

None

LEGAL REVIEW ONLY BY CITY ATTORNEY: Choose an item.

[Click here to enter a date.](#)

STAFF CONTACT:

Keith Wilkins, City Administrator
Amy Lovoy, Finance Director

ATTACHMENTS:

- 1) Scuba Shack Lease Renewal - draft
- 2) Depiction of Lease Parcel
- 3) Sunbiz Info - JME of NWF, LLC
- 4) Scuba Shack Lease - 1997
- 5) Council Action - Disposition Legal Notice for Submerged Land Adj to Scuba Shack - 05-27-2021

PRESENTATION: No