



**AGENDA ITEM SUMMARY SHEET
CITY COUNCIL REGULAR**

MEETING DATE: January 6, 2020

AGENDA ITEM NO. 3.10

WARD: 4

QUASI-JUDICIAL: No

CONSENT AGENDA

MOTION: Approve the Lease Assignment of the Municipal Submerged Lands Lease from 2220 West First Street-Fort Myers, LLC (Seller) to ESH Fort Myers, LLC (Buyer) for the operation of a marina located waterward of the riparian upland property located at 2220 West First Street and 1901 Altamont Avenue.

MANAGEMENT RECOMMENDATION:
Approve

FUNDING SOURCE:

ESH Fort Myers, LLC

FISCAL IMPACT (\$):

\$500.00 per year until acquisition of first marina building permit from the City

One-Time Cost:

No

Budget Year:

2020

Budgeted Item:

No

Person Initiating Request: Steven Belden, AICP, Community Development Director

Department: Community Development - Admin

BACKGROUND INFORMATION:

On December 17, 2019, Jenna Persons of Strayhorn & Persons notified the City that their client, ESH Fort Myers, LLC, is purchasing the riparian upland property located at 2220 West First Street and 1901 Altamont Avenue from 2220 West First Street-Fort Myers, LLC, and requests that the 50-year municipal Submerged Lands Lease dated March 20, 2012 and later amended on May 20, 2019 be assigned to ESH Fort Myers, LLC, the Buyer upon successful closing of the sale.

On May 20, 2019, the City Council approved the First Amendment to the Submerged Lands Lease in order correct an error between the legal survey and exhibit sketch, which is part of the Submerged Lands Lease Agreement. No changes of substance were made at that time to the lease agreement. The original lease with the erroneous legal description was terminated on August 5, 2019.

On March 3, 2008, City Council approved a Submerged Lands Lease with Fort Myers Development, LLC, lessee for 211,200 square feet, more or less, of submerged lands located waterward and adjacent to the real property at 2220 West First Street and 1901 Altamont Avenue. The lease was terminated on August 2, 2010. The Lease was reactivated on March 5, 2012 by iStar Financial in order to help marketing efforts of the property.

The initial Submerged Lands Lease fee is in the amount of \$28,614 plus applicable sales tax for a term of fifty (50) years with one additional renewal of fifty (50) years. Annual increases are based on the change in the Consumer Price Index averaged over the 5 years immediately preceding the effective date, with a minimum increase of 3% per year and a cap of

10% per year. The Lessee's obligation to remit full lease payment is postponed until the date the Lessee acquires the first marina building permit for improvements to the submerged lands. The Lessee will pay \$500 annually in the interim and provide sufficient liability insurance coverage naming the City as an additional insured.

ATTACHMENTS:

[2019 Lease Assignment - 2220 W First Street.pdf](#)

[2019 Notice of Request for Lease Assignment - 2220 W First Street.pdf](#)

[2019 2220 W First Street Ft Myers LLC Original Lease Termination.pdf](#)

[Loc Map - Submerged Land - 2220 W First Street.pdf](#)