

RESOLUTION NO. 09-163

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA, APPROVING A RELEASE AND CANCELLATION OF THE LEASE BETWEEN THE CITY OF KEY WEST AND THE OLD ISLAND RESTORATION FOUNDATION FOR THE PROPERTY LOCATED AT MALLORY SQUARE KNOWN AS THE HOSPITALITY HOUSE; PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, the current non-profit tenant that occupies the real property pursuant to a \$1.00 per year lease, which expires in June 2011, has asked to be released from the lease agreement.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA, AS FOLLOWS:

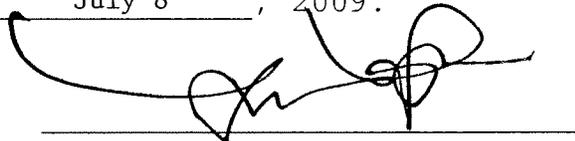
Section 1: That the City Manager is authorized to execute the attached Release and Cancellation of Lease.

Section 2: That this Resolution shall go into effect immediately upon its passage and adoption and authentication by the signature of the presiding officer and the Clerk of the Commission.

Passed and adopted by the City Commission at a meeting held this 7<sup>th</sup> day of July, 2009.

Authenticated by the presiding officer and Clerk of the Commission on July 8, 2009.

Filed with the Clerk July 8, 2009.



MORGAN MCPHERSON, MAYOR

ATTEST:



CHERYL SMITH, CITY CLERK

# EXECUTIVE SUMMARY



**TO:** Key West City Commission

**CC:** Jim Scholl

**FR:** Marilyn Wilbarger, RPA, CCIM

**DT:** June 17, 2009

**RE:** Old Island Restoration Foundation Hospitality House Lease Release

## **ACTION STATEMENT:**

This is a request to approve a release and cancellation of the lease between the City of Key West and the Old Island Restoration Foundation for the property located at Mallory Square known as the Hospitality House.

## **HISTORY**

The current lease is dated July 17, 2001 and is for a ten year term expiring in June of 2011. The tenant is a not for profit corporation that currently pays \$1.00 per year in rent in addition to any taxes imposed, and insurance costs.

On June 5<sup>th</sup> a written request to terminate the lease was received as the Old Island Restoration Foundation can no longer afford to operate the Hospitality House and therefore it serves no beneficial function to the City or to the Foundation.

The lease calls for approximately \$27,500 in renovations to be performed by the tenant and not all of the items were completed; most substantially a new handicapped ramp was not installed. However the bulk of the work was done including adding a new central A/C system and repair of the front porch.

The City building department has inspected the property and has determined that general maintenance items need to be completed yet there does not appear to be any major cause for concern.

## **RECOMMENDATION:**

Staff recommends approval of the action requested to facilitate the re-utilization of this property as a market rate lease opportunity.

## **ATTACHMENTS:**

Release and Cancellation  
Written request for release

**RELEASE**

This Release executed and delivered effective as of this 8<sup>th</sup> day of July, 2009, by the CITY OF KEY WEST, a municipal corporation established and existing pursuant to Florida law ("Grantor"), for itself and on behalf of the general public, whose address is c/o City Manager, 525 Angela Street, Key West, Florida, 33040, to OLD ISLAND RESTORATION FOUNDATION, INC., a Florida not-for profit corporation whose address is P.O. Box 689, Key West, Florida, 33041 ("Grantee").

WITNESSETH:

That, pursuant to a certain Lease dated July 17, 2001, to which Grantor and Grantee are parties, which was approved by Grantor as evidenced by City of Key West Resolution 01-211, and for and in consideration thereof, and of the sum of Ten Dollars (\$10.00), and other good and valuable consideration paid by Grantee, the receipt and sufficiency of which is hereby acknowledged, Grantor does hereby release Grantee from Grantee's obligation to pay rent unto the Grantor pursuant to paragraph 2 of the said lease for the remainder of the term provided for in paragraph 1 of the said Lease. However, nothing herein shall be construed to release Grantee from any other conditions or covenants contained in the said Lease, which covenants and conditions shall survive this release. The said lease pertains to that certain real property located in Monroe County, Florida, and more particularly described in Exhibit "A" attached hereto and made a part hereof.

IN WITNESS WHEREOF, the Grantor has signed and sealed these presents the day and year first above written.

WITNESSES:

Maria Ratcliff  
Print Name: Maria Ratcliff

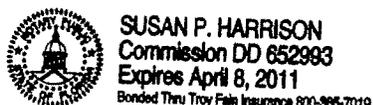
Portia Navarro  
Print Name: PORTIA NAVARRO

CITY OF KEY WEST

By: JK Scholl  
Jim Scholl, City Manager

STATE OF FLORIDA )  
 ) SS:  
COUNTY OF MONROE )

The foregoing instrument was acknowledged before me this 8<sup>th</sup> day of July, 2009 by Jim Scholl, City Manager of the City of Key West. He [check one]  is personally known to me or \_\_\_ produced evidence satisfactory to me as to his identity.



NOTARY PUBLIC

Sign: Susan P. Harrison

Print: Susan P. Harrison

(SEAL)

EXHIBIT A

A parcel of land and the one story frame building situated on the property known as the Hospitality House on the Island of Key West and known as part of Mallory Dock property and more particularly described as follows:

From the intersection of the northwesterly property line of Wall Street (as constructed) and the centerline of Tift's Alley (as constructed) go northwesterly along the center line of Tift's Alley (extended) a distance of 162.5 feet to a point; thence southwesterly and at right angles a distance of 107 feet to a point which is the point of beginning; thence continue southwesterly along the previously described course a distance of 60 feet to a point; thence northwesterly and at right angles a distance of 60 feet to a point; thence northeasterly and at right angles a distance of 60 feet to a point; thence southeasterly and at right angles a distance of 60 feet to the point of beginning.

# Old Island Restoration Foundation, Inc.

P.O. BOX 689, KEY WEST, FL 33041  
TEL. (305) 294-9501; FAX (305) 294-4509  
OIRF@BELLSOUTH.NET  
WWW.OIRF.ORG

June 5, 2009

Marilyn Wilbarger  
Property Manager  
City Of Key west, FL  
525 Angela Street  
Key West, Fl 33040

Dear Ms. Wilbarger,

This is to inform you that OIRF has finished cleaning out the building at Mallory Square, known as the Hospitality House.

We respectfully ask that the Foundation be released from the lease that we have with the City Of Key West.

The foundation has determined that we can no longer afford to operate the Hospitality House as we are a Non-profit organization that has limited Funds. The property no longer serves any function that would be beneficial to the Foundation or the City of Key west.

While we appreciate the consideration that the city has shown the foundation it would most probably be adventitious to the city to have the property available for its use or as rental at market rate considering its location.

We thank the city for its understanding as to the need for the foundation to be released from the lease. The keys will be turned in today.

Sincerely,



Anthony S. Minore  
President OIRF