



Pinellas County

Staff Report

File #: 22-2056A, **Version:** 1

Subject:

Award of contract to Marine Max, Inc. to lease the property owned by the St. Pete-Clearwater International Airport.

Recommended Action:

Approval of the award of contract to Marine Max, Inc. to lease the property owned by the St. Pete-Clearwater International Airport (PIE).

- A request for negotiations was advertised on November 5, 2021 to lease the property owned by PIE.
- The property, located 900 front feet east of Bayside Bridge, north of Roosevelt Boulevard and west of PIE, was originally developed in the mid 1970's as a restaurant and banquets facility by Specialty Restaurants. Over time, the business closed and was subleased to another establishment, The Turtle Club. The Turtle Club eventually closed, and the County terminated the existing lease with Specialty Restaurants and demolished the remaining structure to market.
- One proposal was received from Marine Max, Inc. with award recommended following negotiations with the one responsive and responsible vendor, Marine Max, Inc.
- The agreement establishes a rate of \$.60 per square foot and allows for payment in monthly rental installments on a scaled approach for the first thirty-six months based on an annual revenue amount of \$248,987.40. Months 0-12 are \$0 annual rental payment, months 13-24 are 25% of the annual payment (or \$62,246.85), months 24-36 are 75% of the annual payment (or \$186,740.55), and months 37 and beyond are 100% of the annual payment (\$248,987.40).
- The scaled rental payment schedule above is based on the time it will take for the vendor to develop the property.
- After the five-year initial term of the lease and on the five-year anniversary date, the annual rental rate shall be increased based on the Consumer Price Index (CPI). The term of this lease agreement is fifty calendar years.
- Florida Statute Chapter 125.35(1)(a) states the Board of County Commissioners is expressly authorized to sell and convey any real or personal property, and to lease real property, belonging to the County.

Contract No. 22-0066-RN in the annual revenue amount of \$248,987.40 following negotiations with the one responsive and responsible vendor meeting the requirements of the solicitation documents

and providing the best net revenue to the County; Authorize the Chairman to sign and the Clerk of the Circuit Court to attest.

Strategic Plan:

Deliver First Class Services to the Public and Our Customers

5.2 Be responsible stewards of the public's resources

5.3 Ensure effective and efficient delivery of county services and support

Summary:

Approval of this agreement with Marine Max, Inc. will allow for the lease of the former Turtle Club property owned by the County. The agreement establishes a rate of \$.60 per square foot and allows for payment in monthly rental installments on a scaled approach for the first thirty-six months based on an annual revenue amount of \$248,987.40. Months 0-12 are \$0 annual rental payment, months 13-24 are 25% of the annual payment (or \$62,246.85), months 24-36 are 75% of the annual payment (or \$186,740.55), and months 37 and beyond are 100% of the annual payment (\$248,987.40).

The scaled rental payment schedule above is based on the time it will take for the vendor to develop the property.

After the five (5) year initial term of the lease and on the five-year anniversary date, the annual rental rate shall be increased based on the CPI. The term of this lease agreement is fifty (50) calendar years.

A proposal was received from Marine Max, Inc. with award recommended following negotiations with the one responsive and responsible vendor, Marine Max, Inc.

Background Information:

A Request for Negotiations was advertised on November 5, 2021, to lease property owned by the St. Pete-Clearwater International Airport (PIE).

The property, located 900 front feet east of Bayside Bridge, north of Roosevelt Boulevard and west of PIE, was originally developed in the mid 1970's as a restaurant and banquets facility by Specialty restaurants. Over time, the business closed and was subleased to another establishment, The Turtle Club. The Turtle Club eventually closed, and the County terminated the existing lease with Specialty Restaurants and demolished the remaining structure to market.

Fiscal Impact:

Per the agreement (Attachment 1, Section 3a), annual revenues via an Annual Rental Rate of \$.60 per square foot totals \$62,246.85 (FY24), \$186,740.55 (FY25) and \$248,987.40 (FY26-FY83).

This revenue will be payable in monthly rental installments via the following scaled approach (Attachment 1, Exhibit C): Months 0-12 = \$0 Total Annual Payments (TAP) / Monthly Rental Installments (MRI); Months 13-24 = 25% TAP (or \$62,246.85) / \$5,187.24 (MRI); Months 24-36 = 75% TAP (or \$186,740.55) / \$15,561.71 MRI; and Months 37 forward = 100% TAP (\$248,987.40) / \$20,748.95 MRI. The scaled rental payment schedule above is based on the time it will take for the vendor to develop the property.

The Annual Rental Rate is subject to increases beginning five years from the Rent Commencement Date and every five years thereafter based on the Consumer Price Index for all Urban Consumers.

Since there are no fiscal impacts until FY24, no negative budgetary impacts are anticipated for FY23. All future fiscal impacts will be proposed in the respective fiscal year budgets.

Staff Member Responsible:

Thomas Jewsbury, Director, St. Pete-Clearwater International Airport

Merry Celeste, Division Director, Purchasing & Risk, Administrative Services

Joe Lauro, Director, Administrative Services

Partners:

N/A

Attachments:

Agreement

Ranking