



# CITY OF GULFPORT CITY COUNCIL VIRTUAL MEETING NOTICE AGENDA MEMORANDUM

**FROM:** James O'Reilly, City Manager

**DATE:** August 4, 2020

**AGENDA ITEM:** 6.b

**RESOLUTION NO:** Ord. 2020-07

**SUBJECT:** Ordinance No. 2020-07: Second Reading and Public Hearing - An Ordinance authorizing the City Manager to enter into a Lease Agreement with the Gulfport Yacht Club, Inc.

**RECOMMENDATION:** Authorize the City Manager to enter into a new lease agreement with the Gulfport Yacht Club; with terms and charges as provided for within the attached lease exhibit.

## **BACKGROUND:**

Section 309 of the City of Gulfport Charter and Code of Ordinances, as amended by Ordinance No. 2011-11, July 19, 2011; requires that City owned real property to be placed under lease, be done so by ordinance.

The Gulfport Yacht Club presently occupies a parcel of land located within the City of Gulfport owned Marina tract. Their clubhouse constructed in 1961 and the adjacent 12 wet slips are located at 4638 Del Rio Way South, Gulfport. As of August 2010, the Gulfport Yacht Club's lease with the City of Gulfport is set to expire. The Gulfport Yacht Club has approached the City in regards to renewal of its lease and the continuation of a positive working relationship.

Previously, in August, 2005, April 2010 and September 2015 the City of Gulfport and the Gulfport Yacht Club negotiated and entered into financially appropriate - five (5) year lease agreements. The agreements provided the City the opportunity to maintain the presence of the Gulfport Yacht Club, while providing revenue generated by the lease (an amount more reflective of a waterfront facility) and to provide a length of lease in continuity with other leaseholders within the Marina tract.

Previous increases in revenue were initially achieved by instituting an escalating rent increase. The initial lease's annual payment amount was \$12,500.00 annually. The present proposed annual rent payment is \$20,000.00 annually for a period of three (3) years.

Subsequent, to the present (2015) lease agreement - Per City Council's direction at that time, the lease agreement was revised include a provision acknowledging the required compliance with the provisions provided for within the City of Gulfport's Code of Ordinances Chapter 26 - CIVIL RIGHTS (City's Human Rights Ordinance) Ord. 2014 -02; in the conduct of its activities

on the premises, and shall not unreasonably deny access or participation based on age, race, color, religion, national origin, ancestry, disability, marital status, gender, gender identity or expression, sexual orientation, or physical characteristic.

City Council approved Ordinance No. 2020-07 on First Reading during their meeting of July 7, 2020.

### **ANALYSIS:**

The presently proposed lease presented to City Council for consideration continues to achieve the previously set goals, while maintaining revenues to the City of Gulfport. Foremost in discussion, City staff recognizes the value of the small scale Gulfport Yacht Club's presence at their existing location. The Gulfport Yacht Club in its present form serves as an excellent buffer between adjacent residential and Marina interests, with its small boat sailing activities with no power boats on site, this groups activities compliment the transition to the more intensive larger boats located in the City of Gulfport Municipal marina and the adjacent Boca Ciega Yacht Club. The club is proud of the fact that it has been on various sites within Gulfport since the 1950's.

The 2020 proposed lease is shorter in term as it only provides for an initial term of three (3) years. The premise behind the proposed shorter term is to allow the city to maintain future site flexibility, in the event the City Council should determine the parcel should be included in any future large-scale Marina expansion or expanded/increased public access project or endeavor.

Additionally, the proposed lease provides for two (2) renewal clauses of three (3) years should in the future the parties mutually agree to continue the use of the location at acceptable terms.

### **FINANCIAL IMPACT:**

As with any revenue generating aspect of City activities, it is staff's responsibility to recognize the importance of maintaining and increasing when at all possible the amount of funds realized from a City resource. Acknowledging the value of this waterfront parcel, the Gulfport Yacht Club was very realistic in negotiations with the City, understanding the costs related to maintaining their present arrangement. The terms and conditions of the lease allows the Gulfport Yacht Club to recognize that the City of Gulfport is committed to their continued existence and provides for them to be comfortable with continuing to improve and invest in the facility; and continue to provide the City with an annual revenue stream.

The proposed lease will pay the City of Gulfport \$20,000.00 annually for a period of three (3); all facility insurances, costs and expenses will be the responsibility of the Gulfport Yacht Club.

### **MOTION:**

Move to approve/deny Ordinance No. 2020-07 on Second (2nd) Reading authorizing the City Manager to enter into a three (3) year lease agreement with renewal clauses for City owned property with the Gulfport Yacht Club (GYC) at an annual rent of \$20,000.00.

### **ATTACHMENTS:**

[Item 6.b - Ordinance No. 2020-07.pdf](#)

[Item 6.b - Ordinance 2020-07 Exhibit.pdf](#)

[Item 6.b - Contact the Clerk's Office - Property Usage Request Form.pdf](#)