



Legislation Text

File #: ID#20-7414, **Version:** 1

SUBJECT/RECOMMENDATION:

Declare surplus certain city-owned real property located at 1730 Overbrook Avenue for the purpose of entering into a Ground Lease with Jolley Trolley Transportation of Clearwater, Inc. for development and lease of the site; approve the related Ground Lease Agreement between Jolley Trolley Transportation of Clearwater, Inc. and the City of Clearwater, and authorize the appropriate officials to execute same. (APH)

SUMMARY:

The City acquired a 4.1-acre site on the Southwest corner of Overbrook Avenue and Betty Lane on November 9, 2002 for \$750,00.00. The site was acquired for the Stevenson Creek Estuary Restoration Project. The Stevenson Creek Estuary Restoration Project was completed and a new Fire station 51 built on the east +/- 1.6 acres of the Overbrook Avenue site. The remaining +/- 2.50 acres of unimproved land on the west side of the site at 1730 Overbrook Avenue is not being used for municipal use. Jolley Trolley Transportation of Clearwater, Inc. requested the +/- 2.50-acre site at 1730 Overbrook Avenue be declared surplus for the purpose of a long-term ground lease with the City of Clearwater. Jolley Trolley intends to build their new corporate complex on the site.

An independent appraisal was performed by James Millsbaugh and Associates on the city-owned 1730 Overbrook Ave site and was determined to have a \$450,000 fair market value as of January 17, 2019.

The initial term of the proposed Ground Lease Agreement between Jolley Trolley Transportation of Clearwater, Inc. (Lessee) and the City of Clearwater (Lessor) shall be 25 years commencing on the date of execution of the lease. Lessee is hereby granted an option to renew the Lease Agreement with Lessor for up to 3 successive additional periods of 5 years each, upon the same terms and conditions of the original ground lease.

Lessee agrees to pay annual rent in monthly installments to Lessor for use of 1730 Overbrook Ave. site as follows: for the first 10 years during which this lease remains in effect the Annual Rent shall be Zero Dollars (\$0.00). At the end of year 10, the Annual Rent shall be adjusted for years 11 through 17 calculated to be an amount equal to 50% of the Market Rental Rate, as defined in the lease agreement. At the end of year 17, the Annual Rent shall be adjusted for years 18 through 25 calculated to be an amount equal to 100% of the Market Rental Rate as defined in the lease agreement.

The Ground Lease agreement between Lessee and Lessor provides Jolley Trolley a new site to build a complex for their general business practices and parking of their trolleys in support of public transportation on Clearwater Beach and throughout Pinellas County.

City staff have reviewed and support declaring the 1730 Overbrook Avenue property surplus and the Ground Lease Agreement between Jolley Trolley Transportation Clearwater Inc. and the City of Clearwater.