

LEASE AMENDMENT

THIS AMENDMENT made November 1, 1999, between **HERNANDO COUNTY WATER AND SEWER DISTRICT**, successor and interest to the **WEST HERNANDO COUNTY WATER AND SEWER DISTRICT** whose address is 20 N Main Street, Room 460, Brooksville, Florida 34601, "**LESSOR**", which expression shall include the successors and assigns of the named **LESSOR** when the context so admits and **HERNANDO BEACH MARINE SAFETY SUPPORT GROUP, INC.**, successor to original **LESSEE**, **HERNANDO BEACH FLOTILLA-8, INC.**, 4340 Calienta Drive, Hernando Beach, Florida, "**LESSEE**", which expression shall include the successors and assigns of the named **LESSEE** when the context so admits.

RECITALS

Handwritten notes:
1977
1998
WAB 10/2/99
C/S

1. The parties hereto have entered into a Lease dated July 27, 1997 recorded in OR Book 408, page 388, public records of Hernando County, Florida, affecting the property as described therein.

2. The parties have also entered several modifications of said Lease.

3. The parties desire to enter into an amendment of the original and subsequent Lease agreements modifying the term of said Lease. The parties agree as follows:

a) The aforesaid Lease shall be modified effective November 1, 1999, as follows:

1) The term of this Lease shall expire on July 27, 2030.

2) The rental for said property shall be as originally stated in the Lease and shall be the sum of one (\$1.00) dollar per year.

All terms and provisions of the previous Leases are incorporated herein and shall

continue to be in full force and effect except as they may be modified by the provisions contained in this Lease Amendment.

IN WITNESS WHEREOF the LESSOR and the LESSEE have caused this Lease Amendment to be executed in their respective names and their respective seals to be hereunto affixed and attested by the duly authorized officers all as of the date first above



HERNANDO COUNTY WATER AND SEWER DISTRICT

Attested: *Karen Nicola*
KAREN NICOLA
Clerk

Pat Novy
PAT NOVY
Chairman

HERNANDO BEACH MARINE SAFETY SUPPORT GROUP, INC.

Attested: *Rosalind M. Lucash*
ROSALIND M. LUCASH
Sec. HBMSSG INC.

Cecil F. Spencer
CECIL F. SPENCER
PRESIDENT

Please w/ Coast ^{Beach} Auxiliary

Research Fee

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Board of County Commissioners' Meeting

July 7, 1998

that cogongrass was brought in for forage evaluation and for road side stabilization evaluation. He indicated that it was not known how the plant got off those two sites.

Interim Deputy County Administrator/Public Works Director R. Alan Holbach stated that retired Judge Monroe Treiman would like to comment on the issue since he was on the forefront of the project. He felt that the study was a tremendous benefit on furthering the control of cogongrass in the county.

Mr. Treiman approved of the work accomplished. He stated that five years ago a section of Wiscon Road was to be treated; however, that work had not occurred.

Mr. Holbach indicated that the treatment program would begin on Wiscon Road; however, he noted that the program would be inadequate if cogongrass was only controlled within the County's right of way. He stated that the staff would work with the property owners along Wiscon Road to utilize the procedures presented in the report. He commented that cogongrass was a fire hazard.

Mr. Treiman assured Mr. Holbach that the landowners in that area would cooperate with the County. He complimented Dr. Shilling on his work.

RECESS/RECONVENE

The Board recessed at 3:25 p.m. and reconvened at 3:45 p.m.

HERNANDO COUNTY WATER & SEWER DISTRICT GOVERNING BOARD

Contracts and Agreements - Hernando Beach Marine Safety Support Group, Inc. -

Approval of Lease Extension for Coast Guard Building in Hernando Beach

Assistant Utilities Director Kay Adams reviewed that on June 23, 1998, the Board postponed discussion on the request for a lease extension on the Coast Guard Auxiliary (CGA) building located on Shoal Line Boulevard in Hernando Beach, which was owned by the Hernando County Water and Sewer District (HCW&SD), as CGA members had received late notification and were unable to attend. She noted that the staff had received a letter from Mr. Cecil F. Spencer, President of the Hernando Beach Marine Safety Support Group, Inc., requesting an extension of a property lease between the HCW&SD and the Marine Safety Support Group. Mr. Spencer was requesting an additional 25-year lease, beginning in 2017, which, if approved, would expire in 2042. Mr. Spencer indicated the lease extension was necessary for long-range planning and greater lease stability.

Mrs. Adams noted that if the Board opted to reject the lease extension request and sell the land and improvements in 2017, proceeds from the sale would substantially increase the revenue for the HCW&SD due to the value of the property.

As the HCW&SD was a not-for-profit enterprise fund, the staff recommended the HCW&SD Board reject the lease request which would allow expiration of the lease in 2017. It appeared that adequate time for long-range planning was currently available under the existing lease agreement, as 19 years remained on the lease.

Comm. Sullivan asked who owned the building.

Mrs. Adams understood the building was built by the CGA.

Comm. Sullivan understood that at the end of the lease period, the HCW&SD could sell the property and the building.

Mrs. Adams understood the improvements belonged to the County.

County Administrator Bonnie S. Dyga advised that the HCW&SD would reimburse the CGA on the market value of the building if the property was sold. She noted that this payment would assist the CGA in relocation to another site. She commented that the property had the potential of being extremely valuable. She asked the CGA about their plans for capital improvements.

Mr. Spencer confirmed that the building was built by the CGA. He elaborated on the numerous services provided by the CGA and the various agencies that occasionally used their building. He replied to Ms. Dyga that there was not adequate space in the building for their group (125 members). He stated that the electrical system would have to be expanded and they were contemplating increasing their storage space or constructing a kitchen.

Ms. Dyga stated that the staff could explore the possibility of the CGA being reimbursed for any improvements on a depreciated basis. She commented that there may be other sites that would be better suited for the CGA and would be less expensive. She pointed out that the money made on the sale of the property could be utilized by the HCW&SD for development or to reduce rates. She stated that the staff could work with the CGA to devise a plan to assure the CGA that they would be "made whole" for any investments made.

Comm. Lossing was concerned that the CGA may not be financially able to relocate at the end of the lease.

Ms. Dyga discussed the potential value of the property and scarcity of land in that area. She suggested that at the termination of the lease the Board at that time have the right to decide whether the CGA should remain or whether the property was too valuable and had greater value to the community, keeping in mind the provision of assistance to the CGA for relocation.

Mr. Spencer felt the CGA at that location was an inexpensive commitment for the County because of their tremendous work for the county.

Ms. Dyga noted that the CGA could continue their tremendous work at another site. She stated that that may not be an optimal site for the CGA if the value of the property substantially increased.

Comm. Lossing stated that he had no problem with the proposal as long as there was assurance that the CGA would have an adequate facility.

Vice Chairwoman Mills asked if the Board's desires for the CGA to be provided with another facility could be incorporated into the lease.

Ms. Dyga reiterated that the County would make them whole for the investment made in the structure. She stated that an addendum to the lease could be negotiated.

Mr. Spencer stated that their real concern was losing the lease on tax-free property.

Ms. Dyga commented that it would be better to have that property back on the tax roll if the value substantially increased over the next 10 years, with the County assisting the CGA on leasing a less-expensive location or assisting in the donation to the CGA for its work. She suggested they work together on a solution.

Mr. Spencer stated that they were willing to work with the County.

Comm. Lossing commented that perhaps the CGA would have a bigger and better facility, depending on the value of the property.

Comm. Novy commented that the location for the CGA was crucial to the continuation of their vast community efforts.

Ms. Dyga stated that she was trying to leave the County's options open for its utility system and to put a prime parcel back on the tax roll while finding an alternative location for the CGA. She agreed the CGA did outstanding community work.

Comm. Novy expressed concern with finding a similar parcel in the Hernando Beach area.

Mr. Spencer indicated that their intent was not to move out of the existing facility.

Ms. Dyga assured Mr. Spencer that that would not happen before the expiration of the current lease.

Motion

Comm. Sullivan moved to extend the current lease from 2017 to 2030; seconded by Comm. Novy.

Comm. Sullivan stated that this action was a reasonable compromise of continuing the lease for another 32 years. He indicated that this would allow CGA comfort in knowing that they would not have to relocate in the next 32 years.

The vote was taken on the Motion and it carried 4-0.

Ms. Dyga added that the Board's predecessors would be dealing with this issue again and it may be a more expensive option at that time.

HERNANDO COUNTY BOARD OF COUNTY COMMISSIONERS

Boards - Canvassing - Appointment of Comm. Sullivan for Fall Elections

County Administrator Bonnie S. Dyga reported that a letter had been received from Supervisor of Elections Ann Mau requesting the Board appoint its representative to the Canvassing Board for the fall elections to be held on September 1, October 1 and November 3, 1998, in accordance with Florida Statutes, Chapter 102.141 (b) and (c).

Vice Chairwoman Mills announced that Comm. Sullivan had volunteered to serve; therefore, she appointed Comm. Sullivan to the Canvassing Board.

Comm. Sullivan accepted the appointment.

Roads - Spring Hill Drive - Status Report on Median Beautification Project

With an overhead projection, Interim Deputy County Administrator/Public Works Director R. Alan Holbach updated the Board on the median beautification project for Spring Hill Drive. He explained that they had a