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Title: Discussion Regarding Existing Lease With Hernando Beach Marine Group, Inc., for Property Located at 4340 Calienta Street

Sponsors:

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Attachments: 1. Lease Amendment 10.21.08, 2. Correspondence 03.17.22 - Notic to Cure Breach of Lease Agreement, 3. Correspondence 04.20.22 - Response to Notice of Cure Breach of Lease Agreement, 4. Correspondence 04.25.22 - Response to 04.20.22 Letter, 5. Correspondence 07.01.22 - Sikes Law Group, 6. Correspondence 07.22.22 - Sikes Law Group, 7. Correspondence 08.16.22 - Email Regarding 60-Day Extension of Cure Period, 8. Key 1758850 Property Record Card, 9. Key 1758850 Aerial

Date	Ver.	Action By	Action	Result
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TITLE

Discussion Regarding Existing Lease With Hernando Beach Marine Group, Inc., for Property Located at 4340 Calienta Street

BRIEF OVERVIEW

Currently, Hernando County has a lease agreement with Hernando Beach Marine Group, Inc., for property located at 4340 Calienta Street in Hernando Beach.

Staff is requesting discussion to be held with the Board for direction regarding the current lease between Hernando County and Hernando Beach Marine Group Inc. Staff is further requesting direction regarding curing the breach of the current lease agreement, settlement of the current breach of the lease agreement, or renegotiation of the current lease agreement's terms. The Hernando Beach Marine Group, Inc., has proposed a settlement of the issues related to the current lease agreement.

As of March 17, 2022, the date of the initial notice to cure breach of the lease agreement, the Hernando Beach Marine Group, Inc., owed a total (including interest at the maximum legal rate) of \$48,532.77 for the past due profits of the cell phone antennae subleases on the communications tower on the property.

Since March 17, 2022, the Hernando Beach Marine Group, Inc., owes an additional (including interest at the maximum legal rate) \$4,566.56. As of September 13, 2022, the total amount owed by the Hernando Beach Marine Group, Inc., for the past due communication tower profits is \$53,099.33.

Additionally, the Hernando Beach Marine Group, Inc., owes \$6,067.65 in back taxes, but has paid that amount directly to the Hernando County Tax Collector.

In general, there are three potential options to resolve the Hernando Beach Marine Group, Inc.'s breach of the current lease:

1. If the Hernando Beach Marine Group, Inc., does not cure the default of the lease agreement by paying the full amount owed, \$53,099.33 by September 31, 2022, then Hernando County can move forward with a lawsuit to evict the Hernando Beach Marine Group, Inc., from the leased property for this breach.
2. If the Hernando Beach Marine Group, Inc., does cure the default by paying the full amount owed by September 31, 2022, then the lease will continue until its natural expiration in 2030 pursuant to the provisions of the 1982 base lease agreement.
3. The Hernando Beach Marine Group, Inc., proposed a settlement of the current breach of the lease agreement, which is outlined in detail in the e-mail from their attorney sent on August 12, 2022.

FINANCIAL IMPACT

To be determined.

LEGAL NOTE

The Board is authorized to act on this matter pursuant to Chapter 125, Florida Statutes. Any renegotiation of the lease agreement's terms would require that the leased property be first declared as surplus property pursuant to Chapter 2, Article VII, Division 2 of the Hernando County Code of Ordinances.

RECOMMENDATION

It is recommended that the Board provide direction on resolution of the Hernando Beach Marine Group, Inc.'s current breach of lease agreement.