

COUNCIL AGENDA STATEMENT



Meeting Date: December 14, 2021

To: Honorable Mayor and Council Members

From: George Garrett, City Manager

Agenda Item: **Resolution 2021-118**, Ratifying A Motion To Authorize The Purchase Of Real Property From Grand Keys Llc (Re Nos. 00101780-000100 & 00101780-000200) Made At The November 9, 2021 City Council Meeting; Authorizing The City Manager To Execute The Contract For Sale, Negotiate Terms, And To Consummate The Purchase Through All Closing Documents In An Amount Not To Exceed Three Million Dollars (\$3,000,000); Appropriating Funds And Providing For An Effective Date.

BACKGROUND

The 7 Mile Marina property become available for purchase immediately before the November regular meeting of the City Council. At that meeting, the City Council approved the City Manager signing a contract For Sale with the owner which was completed the day following that meeting.



The asking price was \$3,150,000. The owners of the 7 Mile Marina had come to both the City and the Pigeon Key Foundation asking whether there is an interest in purchase. They also had a current

offer, but preferred that the property be purchased for a public purpose which would both serve the City and Pigeon Key. In discussions with the owner, we have agreed to a price of \$3,000,000 to paid with a \$1,000,000 initial installment and the remaining to be paid out over three years at 3% simple interest.

The City Attorney and I have developed this Resolution approving previous direction, including the authorization to negotiate and signature on a Contract For Sale, followed by the approval and signing of necessary closing documents.

Renovation of structures on the site will be necessary. Staff has looked at the property and entered the remaining building on the property. The existing seven perpendicular and parallel wooden docking structures are in disrepair, particularly those closest to the Sally's building fire of several years ago. The seawall is in passable shape. The building is sound and secure from weather.

It is anticipated that the marina will be made a part of the City Marina and operated under of that Department and its enterprise fund. At a minimum, staff would anticipate developing an agreement with Pigeon Key for the use of the site. Dock spaces could then be made available for local charter fisherman and other commercial ventures as can some portion of the existing building.

CONSISTENCY CHECKLIST:

	Yes	No
1. Comprehensive Plan	<u> X </u>	<u> </u>
2. Other – 2010 Sewer Mandate	<u> </u>	<u> X </u>

FISCAL NOTE:

APPROVED BY FINANCE DIRECTOR:

RECOMMENDATION:

Approval

**CITY OF MARATHON, FLORIDA
RESOLUTION 2021-118**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MARATHON, FLORIDA, RATIFYING A MOTION TO AUTHORIZE THE PURCHASE OF REAL PROPERTY FROM GRAND KEYS LLC (RE NOS. 00101780-000100 & 00101780-000200) MADE AT THE NOVEMBER 9, 2021 CITY COUNCIL MEETING; AUTHORIZING THE CITY MANAGER TO EXECUTE THE CONTRACT FOR SALE, NEGOTIATE TERMS, AND TO CONSUMMATE THE PURCHASE THROUGH ALL CLOSING DOCUMENTS IN AN AMOUNT NOT TO EXCEED THREE MILLION DOLLARS (\$3,000,000); APPROPRIATING FUNDS AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Marathon, Florida approved a time sensitive motion at a regular noticed meeting of the City Council on November 9, 2021 to authorize the purchase of real property from Grand Keys LLC for purchase price not to exceed three million, (\$3,000,000) and authorized the City Manager to execute a Contract For Sale; and

WHEREAS, said terms of purchase include, but are not limited to:

- a. Grand Keys LLC agreement to sell the Property to the City and the City's agreement to pay an amount of \$3,000,000 at 3.0% interest subject to the following:
 - i. City site review of the property
 - ii. Survey, including Phase I environmental determination, if warranted.
 - iii. pending confirmation of clear title and any issues pertinent to same;
- b. Payment by the City to the Seller as proposed would be made as follows, pursuant to a Letter of Intent, and subject to final negotiation of terms:
 - i. \$1,000,000.00 upon consummation of sale subject to the final Contract for Sale; and
 - ii. Payment of the remaining \$2,000,000.00 at 3 % interest in three (3) equal amounts paid in the consecutive annual installments including simple interest on the remaining balance.

WHEREAS, the Monroe County Property Appraiser's description of the property attached as Exhibit "A"; and

WHEREAS, the signed Contract For Sale is attached as Exhibit "B;" and

WHEREAS, the Closing Documents shall be attached as consolidated Exhibits "C,"

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MARATHON, FLORIDA, THAT:

Section 1. The above recitals are true and correct and incorporated herein.

Section 2. The City Council hereby ratifies the Motion to Authorize the purchase of Real Property, RE Nos. 00101780-000100 & 00101780-000200, from Grand Keys LLC made at the November 9, 2021 meeting of the city Council.

Section 3. The City Manager or his designee is authorized to execute the Contract for Sale based on a negotiation of terms, to work with the City Attorney to prepare such other documents and take such actions as may be necessary to consummate the purchase, and finally, to consummate the purchase through all closing documents in an amount not to exceed three million dollars (\$3,000,000), and

Section 4. Effective Date. This Resolution shall become effective immediately upon its adoption.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF MARATHON, FLORIDA, THIS 14TH DAY OF DECEMBER, 2021.

THE CITY OF MARATHON, FLORIDA

John Bartus, Mayor

AYES:
NOES:
ABSENT:
ABSTAIN:

ATTEST:

Diane Clavier, City Clerk

(City Seal)

APPROVED AS TO FORM AND LEGALITY FOR THE USE AND RELIANCE OF THE CITY OF MARATHON, FLORIDA ONLY:

Steve Williams, City Attorney

EXHIBIT "A"
Monroe County Property Appraiser's Data

EXHIBIT "B"
Contract For Sale

EXHIBIT "C"
Closing Documents

Disclaimer

The Monroe County Property Appraiser's office maintains data on property within the County solely for the purpose of fulfilling its responsibility to secure a just valuation for ad valorem tax purposes of all property within the County. The Monroe County Property Appraiser's office cannot guarantee its accuracy for any other purpose. Likewise, data provided regarding one tax year may not be applicable in prior or subsequent years. By requesting such data, you hereby understand and agree that the data is intended for ad valorem tax purposes only and should not be relied on for any other purpose.

By continuing into this site you assert that you have read and agree to the above statement.

Summary

Parcel ID 00101780-000100
 Account# 8868936
 Property ID 8868936
 Millage Group 50CM
 Location 1090 OVERSEAS Hwy, MARATHON
 Address
 Legal 8 66 32 HOG KEY PT LOT 1 OR817-1458 OR1358-1294/98 OR1669-1694/99
 Description OR2047-1772/74 OR2197-1345/50RES#2005-098 OR2203-1746/48E OR2569-1702CERT
 (Note: Not to be used on legal documents.)
 Neighborhood 10040
 Property Class AIRPORT, MARINAS, BUS TERM (2000)
 Subdivision
 Sec/Twp/Rng 08/66/32
 Affordable No
 Housing



Owner

[GRAND KEYS LLC](#)
 1144 Bulevar de Palmas
 Marathon FL 33050

Valuation

	2021	2020	2019	2018
+ Market Improvement Value	\$0	\$0	\$0	\$0
+ Market Misc Value	\$140,911	\$143,750	\$146,586	\$125,502
+ Market Land Value	\$1,680,281	\$1,680,281	\$1,097,620	\$901,626
= Just Market Value	\$1,821,192	\$1,824,031	\$1,244,206	\$1,027,128
= Total Assessed Value	\$1,154,839	\$1,049,854	\$954,413	\$867,649
- School Exempt Value	\$0	\$0	\$0	\$0
= School Taxable Value	\$1,821,192	\$1,824,031	\$1,244,206	\$1,027,128

Land

Land Use	Number of Units	Unit Type	Frontage	Depth
(2000)	38,715.00	Square Foot	0	0
(9500)	1.00	Lot	0	0

Yard Items

Description	Year Built	Roll Year	Quantity	Units	Grade
CONC PATIO	1977	1978	1	276 SF	2
CONC PATIO	1977	1978	1	87 SF	2
CONC PATIO	1984	1985	1	120 SF	2
WOOD DOCKS	2005	2006	1	162 SF	3
WOOD DOCKS	2005	2006	1	108 SF	3
SEAWALL	2005	2006	1	1134 SF	1
WOOD DOCKS	2008	2009	1	108 SF	3
WOOD DOCKS	2008	2009	1	224 SF	3
WOOD DOCKS	2008	2009	1	94.5 SF	3
CONCRETE DOCK	1978	1979	1	255 SF	5
CONCRETE DOCK	1978	1979	1	425 SF	3
SEAWALL	1978	1979	1	800 SF	3
WOOD DOCKS	2005	2006	1	707 SF	3
CONCRETE DOCK	1978	1979	1	525 SF	3
UTILITY BLDG	2000	2001	1	100 SF	4

Description	Year Built	Roll Year	Quantity	Units	Grade
CONC PATIO	2008	2009	1	620 SF	2
CONC PATIO	1978	1979	1	410 SF	3
CONC PATIO	2012	2013	1	115 SF	2
CH LINK FENCE	2016	2017	1	1980 SF	1

Sales

Sale Date	Sale Price	Instrument	Instrument Number	Deed Book	Deed Page	Sale Qualification	Vacant or Improved
9/29/2004	\$1,415,000	Warranty Deed		2047	1772	Q - Qualified	Improved
6/1/1995	\$116,000	Warranty Deed		1358	1294	I - Unqualified	Improved

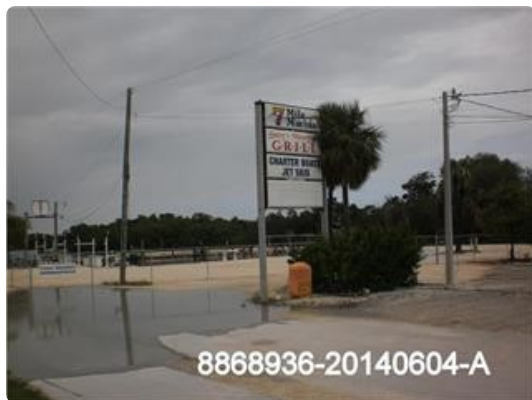
Permits

Number	Date Issued	Date Completed	Amount	Permit Type	Notes
P2018-1610	8/3/2018	8/8/2018	\$4,850	Commercial	REPAIR AND REPLACE 400 L.F. OF 6' CHAIN LINK FENCE
P2016-0248	2/25/2016	9/6/2016	\$1,500	Commercial	INSTALL (130LF) OF SECURITY CHAIN LINK FENCE
P2014-0341	3/7/2014	2/24/2014	\$15,000	Commercial	CLEAN UP DEBRIS FROM FIRE (SALTY'S) AND DEMO BLDG
P2014-0234	2/4/2014	5/22/2014	\$2,400	Commercial	INSTALL 330 LF OF 6 FT TEMP SECURITY CHAIN LINK FENCE
P2012-0029	2/10/2012	2/10/2012	\$3,400	Commercial	REMOVE / REPLACE BAR AND NEW SIDEWALK IN FRONT OF BATHROOM
P2011-1592	12/16/2011	12/30/2011	\$1,000	Commercial	RENOVATION TO THE PLUMBING AT THE BAR
P2011-0851	8/9/2011	1/23/2012	\$25,000	Commercial	BATHROOM BLDG AND TIKI HUT - TIKI HUT WALKWAY OUT TO EXISTING TIKI AT THE END OF THE JETTY - BATHROOM AND TIKI OVERHANG
P2010-0781	6/30/2010	7/16/2010	\$5,150	Commercial	APPLY HYDROSTOP ROOFING AT 34 X 28 FT AREA (ROOF 30 FT HIGH)
P2010-0553	5/18/2010	6/25/2010	\$4,000	Commercial	NEW TIKI HUT
P2008-0415	6/9/2008	12/30/2008	\$0	Commercial	INSTALL 1 PREP SINK, 1 D/WASHER, 3-3HOLE SINKS, 2 HAND WASH SINKS, 1 MOP SINK, 2 WATER HEATERS, 1 FLOOR DRAIN
P2008-0356	5/30/2008	6/30/2008	\$0	Commercial	CONSTRUCT 1ST FLOOR STORAGE ROOM AND INSTALL PROPANE TANK WITH FOUNDATION
P2008-0416	5/29/2008	6/27/2008	\$4,500	Commercial	ADDING ADDITIONAL OUTLETS
P2007-1307	12/4/2007	12/29/2008	\$35,000	Commercial	5 NEW FINGER PIERS
p2007-0920	8/10/2007	12/4/2007	\$2,500	Commercial	REPLACE SLAB
P2007-0725	6/22/2007		\$500	Commercial	CONNECTION OF CEILING FANS AND EXIT LIGHTS
P2007-0604	5/21/2007	12/4/2007	\$13,000	Commercial	STAIRCASE
P2006-0838	5/31/2006	12/4/2007	\$2,500	Commercial	RELOCATE EXISTING 200AMP ELECTRIC FROM POLE TO BUILDING
P2006-0267	4/12/2006	12/4/2007	\$50,000	Commercial	NEW COMMERCIAL BUILDING - SHELL PERMIT NO OCCUPANCY SET cO# 2006-0267
p2005-0801	6/7/2005	12/4/2007	\$25,000	Commercial	DOCK /PIER REPAIR

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Photos



Map



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2021 TRIM Notice (PDF)

2021 Notices Only

No data available for the following modules: Buildings, Commercial Buildings, Mobile Home Buildings, Exemptions, Sketches (click to enlarge).

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Summary

Parcel ID 00101780-000200
 Account# 9102523
 Property ID 9102523
 Millage Group 50CM
 Location 1098 OVERSEAS Hwy, MARATHON
 Address
 Legal 8 66 32 HOG KEY PT GOVT LT 1 AND PT OF STATE RD 5 AND PARCEL PT PARCEL 17
 Description AND W 1/2 OF PARCEL 16 G31-267/68 G32-441/42 G33-308 G43-368/69
 OR231-482/485 OR234-581/84 OR237-128/29 OR372-526/32 OR387-764E
 OR803-1669 OR805-2201/05 OR805-2209 OR812-1980/83 OR812-1984/87
 OR817-1454 OR817-1457 OR817-1458/59 OR933-55 OR936-1299/1301E
 OR1180-941AFF OR1197-2197/99 OR1197-2200/01 OR1197-2202/03
 OR1260-1033/35 OR1260-1036/38 OR1260-1039/40 OR1261-1486
 OR1329-2194/2205ORD OR1347-675/83F/J OR1347-841/49F/J OR1369-996/98
 OR1440-1044/46 OR1473-336/41 OR1546-506/08 OR1669-1694/99C
 OR2187-2258/74(TIIF RENEWAL) OR2203-1746/48E OR2684-369/72
 OR2756-14/16
 (Note: Not to be used on legal documents.)
 Neighborhood 10040
 Property Class RETAIL-SINGLE TENANT (1100)
 Subdivision
 Sec/Twp/Rng 08/66/32
 Affordable No
 Housing



Owner

[GRAND KEYS LLC](#)
 4 Earling Ct
 Oconomowoc WI 53066

Valuation

	2021	2020	2019	2018
+ Market Improvement Value	\$180,243	\$180,243	\$180,243	\$168,760
+ Market Misc Value	\$11,898	\$12,095	\$12,294	\$11,052
+ Market Land Value	\$397,312	\$397,312	\$385,272	\$200,341
= Just Market Value	\$589,453	\$589,650	\$577,809	\$380,153
= Total Assessed Value	\$505,982	\$459,984	\$418,168	\$380,153
- School Exempt Value	\$0	\$0	\$0	\$0
= School Taxable Value	\$589,453	\$589,650	\$577,809	\$380,153

Land

Land Use	Number of Units	Unit Type	Frontage	Depth
(1100)	16,053.00	Square Foot	0	0

Commercial Buildings

Style 1 STY STORE-D / 11D
 Gross Sq Ft 7,700
 Finished Sq Ft 3,600
 Perimeter 0
 Stories 1
 Interior Walls
 Exterior Walls C.B.S.
 Quality 300 ()
 Roof Type
 Roof Material
 Exterior Wall1 C.B.S.
 Exterior Wall2
 Foundation
 Interior Finish
 Ground Floor Area

Floor Cover
 Full Bathrooms 0
 Half Bathrooms 0
 Heating Type
 Year Built 1958
 Year Remodeled
 Effective Year Built 1976
 Condition

Code	Description	Sketch Area	Finished Area	Perimeter
EFD	ELEVATED FOUND	3,600	0	0
FLA	FLOOR LIV AREA	3,600	3,600	0
OPF	OP PRCH FIN LL	500	0	0
TOTAL		7,700	3,600	0

Yard Items

Description	Year Built	Roll Year	Quantity	Units	Grade
ASPHALT PAVING	1985	1986	1	3600 SF	1
FENCES	2000	2001	1	420 SF	2
CH LINK FENCE	1980	1981	1	150 SF	1
FENCES	1985	1986	1	246 SF	2
UTILITY BLDG	2000	2001	1	296 SF	3
UTILITY BLDG	2010	2011	1	96 SF	3

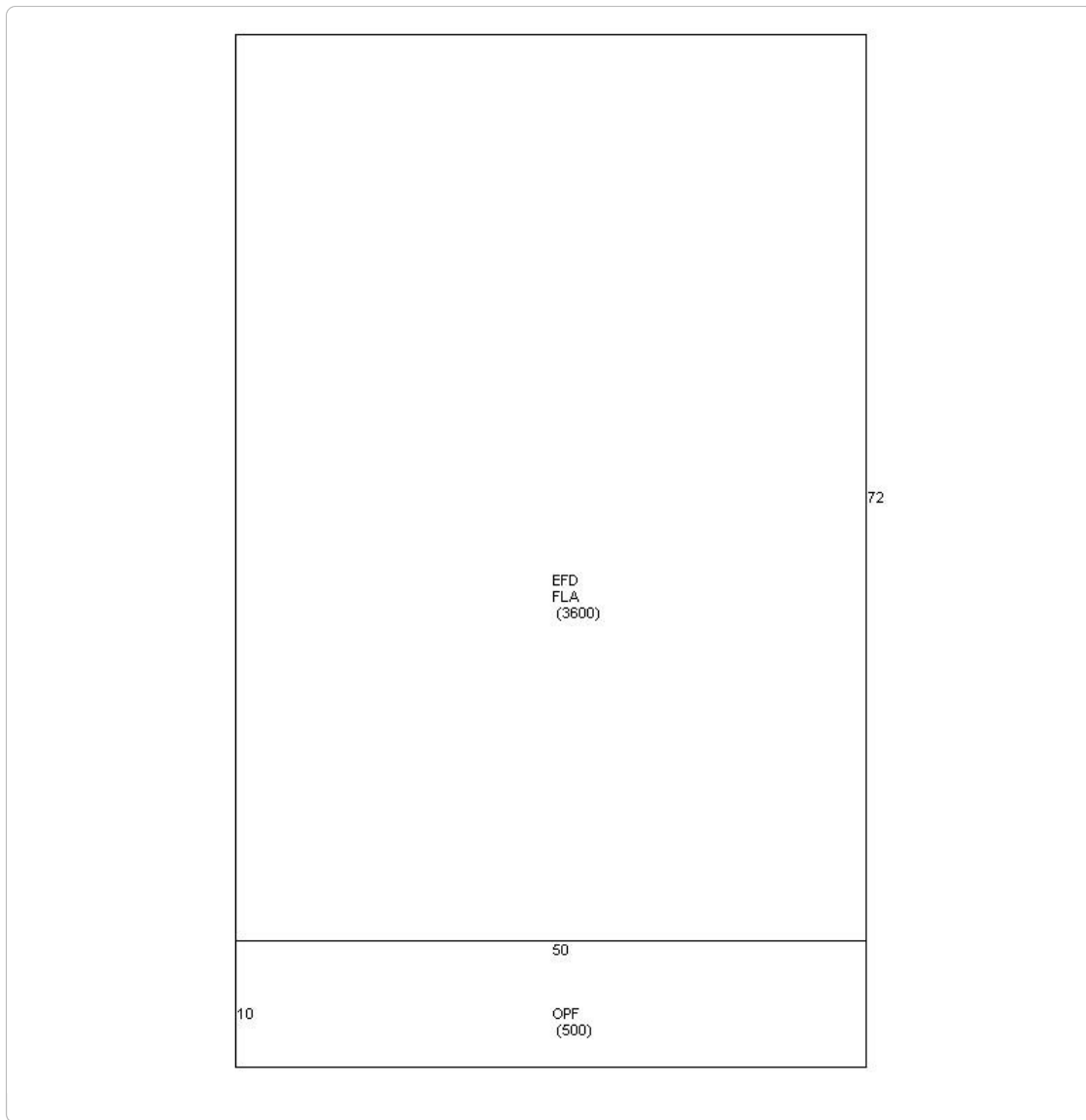
Sales

Sale Date	Sale Price	Instrument	Instrument Number	Deed Book	Deed Page	Sale Qualification	Vacant or Improved
8/5/2015	\$409,800	Warranty Deed		2756	14	37 - Unqualified	Improved
4/1/2014	\$465,000	Warranty Deed		2684	369	30 - Unqualified	Improved

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Sketches (click to enlarge)



Photos



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Prepared by and return to:

City of Marathon Legal Department
9805 Overseas Highway
Marathon, FL 33050
(305) 289-4108

CONTRACT FOR SALE

WHEREAS, at its November 9, 2021 regular meeting, the City Council granted approval to the City Manager to draft and present this Contract For Sale to Grand Keys LLC; and

WHEREAS, the City of Marathon wishes to utilize the Property for the purposes of creating marina slips, dockage and additional maritime activities used to complement Pigeon Key and to further goals in line with the Comprehensive Plan such as the promotion of Florida Keys history, tourism, commercial fishing and ecological; and

WHEREAS, the Parties to this Contract For Sale ("Contract") hereby enter into an arms-length agreement for the purchase of parcels of land located at 1090 & 1098 Overseas Highway, Marathon, FL 33050, having Real Estate numbers: 00101780-000100 & 00101780-000200, respectively (the "Property"); and

WHEREAS, this Contract memorializes the details of a Contract for Sale between the CITY OF MARATHON (the "City") and GRAND KEYS LLC (the "Seller"); and

WHEREAS, the City represents and agrees that all information provided to Grand Keys LLC is correct and complete. No material adverse change may occur in, nor may any adverse circumstance be discovered as to, the financial condition of the City prior to closing; and

WHEREAS, Grand Keys LLC's obligations under this Contract For Sale are conditioned on the fulfillment to Grand Keys LLC's sole satisfaction of each term and condition referenced by this Commitment. However, Grand Keys LLC commits to

1. Confirmation of clear title and any issues pertinent to same; and
2. City site review of the property and acceptance of site conditions; and
3. Final approval by the City Council of this Contract For Sale at its December 14, 2021 meeting;

WHEREAS, this Contract For Sale is contingent upon final approval by Resolution of the City of Marathon Council, which shall be formally presented December 14, 2021, at the regularly scheduled Council Meeting occurring at 5:30 P.M. EST, and is subject to the approval and signature of all parties and all pertinent state and federal laws; and

NOW, THEREFORE, the Parties agree as follows:

TERMS AND CONDITIONS:

1. The City is a municipal corporation established under the Constitution of Florida and administered under the Marathon City Council.
2. The Seller is an independent corporation formed under the laws of Florida.

7B

3. The Seller agrees to sell the Property to the City and the City agrees to pay an amount of \$3,000,000 at 3.0% interest subject to the following:
 - a. Pending confirmation of clear title and any issues pertinent to same;
 - b. City site review of the property and acceptance of site conditions.
 - c. Final approval by the City Council of this Contract For Sale at its December 14, 2021;
4. Seller agrees to provide financing to the City for the Term on the agreement under this Contract For Sale to be signed under separate agreement.
5. City agrees to secure this Contract for Sale and all relevant financing under the Terms herein utilizing the City's Capital Infrastructure Funds.
6. Parties agree that closing shall occur as immediately as feasible upon confirmation of valid title and after the December 14, 2021 City Council meeting and no later than December 31, 2021.
7. Payment by the City to the Seller as agreed will be made as follows, pursuant to this Contract For Sale:
 - a. One million dollars (\$1,000,000.00) upon consummation of sale subject to be remitted to the Seller by no later than December 31, 2021;
 - b. Payment of the remaining \$2,000,000.00 at 3 % in the following consecutive annual installments including simple interest on the remaining balance.
 - i. December 31, 2022 \$700,000.00
 - ii. December 31, 2023 \$700,000.00
 - iii. December 31, 2024 \$600,000.00

SIGNATURES

For CITY OF MARATHON

George Garrett
Signature

11/18/2021
Date

George Garrett
Printed Name

City Manager
Title

For GRAND KEYS LLC

Paul Bielik
Signature

11-18-21
Date

Paul Bielik
Printed Name

Member
Title