



## AGENDA ITEM

### Consent Agenda

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**REPORT TO:** Work Session (01/09/23)

**REPORT TO:** Voting Meeting (01/12/23)

**ITEM NO:** 742/2022

**SUBJECT:** Approve the First Amendment to the Sublease Agreement with Sunrise Cove SMI Westrec, LLC so as to extend the Sunrise Cove Marina lease until July 31, 2036; and approve the Consent of Lessor so as to allow Sunrise Cove SMI Westrec, LLC to sublease a small portion of the Marina to its subsidiary for tax purposes, subject to the express approval of both items by the Army Corps of Engineers, and subject to the review and approval of the County Attorney; and allow the Chairman to execute all documents necessary to complete both transactions.

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#### Meetings:

**Work Session Date:** 01/09/23

**Voting Meeting Date:** 01/12/23

#### Executive Summary:

**Presenter:** WJLI-DCA

**Recommendation:**  
Approval

#### Purpose of Request:

To approve the First Amendment to Sublease Agreement with Sunrise Cove SMI Westrec, LLC so as to extend the Sunrise Cove Marina lease until July 31, 2036, and approve the Consent of Lessor so as to allow Sunrise Cove SMI Westrec, LLC to sublease a small portion of the Marina to its subsidiary for tax purposes, subject to the express approval of both items by the Army Corps of Engineers, and subject to the review and approval of the County Attorney, and allow the Chairman to execute all documents necessary to complete both transactions.

#### History:

The Army Corps of Engineers leased the Sunrise Cove Marina Property to the County on July 31, 1998, and that lease (as extended) will expire on July 31, 2036. The County leased the Marina property to PS Marinas 3, LP on February 12, 1999. With the County's approval, PS Marinas 3, LP assigned its rights under the lease to Sunrise Cove SMI Westrec, LLC effective February 1, 2022. On January 13, 2022 the County extended the lease of the Marina property until July 31, 2029.

#### Facts and Issues:

#### Options:

The County's lease of the Sunrise Marina property expires on July 31, 2036. The County's sublease of the Marina to Sunrise Cove SMI Westrec, LLC currently expires on July 31, 2029. Sunrise Cove SMI Westrec, LLC requests that the sublease be extended until July 31, 2036 so as to be co-terminus with the County's underlying lease. In addition, Sunrise Cove SMI Westrec, LLC wishes to sublease one dock and one other floating platform to its subsidiary corporation so as to allow the subsidiary to operate in such a manner that its income and assets will satisfy the REIT income and assets tests of the I.R.S. Code. Both transactions are subject to the express approval of the Army Corps of Engineers.

Approve or deny the First Amendment to Sublease Agreement containing the lease extension. Approve or deny the Consent of Lessor so as to allow the partial sublease of the Marina property.

**Funding Requested** \$ 0.00  
**Are funds within current budget?** No  
**Source of Funds** N/A  
**Does the action involve a Resolution, Ordinance, Contract, Agreement, etc.?** Yes  
**Has it been reviewed by the County Attorney?** Yes  
**Is there a deadline for this item?** 2023-01-31

**Approvals:**

Submit	Budget	Finance	Attorney
WLI	TS	WG	WLI
Administration		Clerk	
CR		JR	

**Attachments:**

- Subsublease of 2-1-2022
- Consent of Lessor Cover Letter
- Consent of Lessor Final
- First Amendment to Sublease Final



**HALL COUNTY BOARD OF COMMISSIONERS  
FINANCIAL SUPPLEMENT REPORT**

**AGENDA ITEM 742/2022**

**Funds Requested:** \$ 0.00

**Request Budgeted:** No

**Proposed Source of Funding:**

**Budget Transfer Requested:**

N/A

No

**Funding Source Items:**

**Budget Transfer Items:**

**Additional Information/Comments:**

**Contact for Questions:** WJLI-CA

**Phone:** 770-297-2686