



## Agenda Item Summary

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**File ID:** 19-0544

**DEPT-2**

**Meeting Date:** 6/4/2019

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**PLACEMENT:** Departmental

**TITLE:**

**CONSIDERATION OF OPTION TO LEASE WITH MARTIN COUNTY FAIR ASSOCIATION, INC.**

**EXECUTIVE SUMMARY:**

The Board is requested to consider the Option to Lease and form Lease Agreement between Martin County and the Martin County Fair Association, Inc. (Association) for the site on SW Citrus Boulevard, adjacent to the Village of Indiantown.

**DEPARTMENT:** Administration

**PREPARED BY:** **Name:** George M. Stokus  
**Title:** Asst. County Administrator

**REQUESTED BY:**

**PRESET:**

**PROCEDURES:** None

**BACKGROUND/RELATED STRATEGIC GOAL:**

1. Lease Documents Prepared By: Martin County and Association
2. Parties to the Lease Documents: Martin County, Lessor  
Fair, Lessee
3. Purpose of the Lease Documents: To allow for the continuation of the Martin County fair and other expositions by the Fair at the SW Citrus Blvd. location
4. New/Renewal/Modified: New Option to Lease and a Public Purpose Lease Agreement
5. Duration: Option: Expires November 15, 2020  
Lease: 40 Years with two renewal options of 10 years each
6. Benefits to Martin County: Option: Provides for assurances the Association will meet public benefit and investment thresholds at the new location  
Lease: Current fairgrounds property on SE Dixie Hwy will be

available for other uses

7. Cost to Martin County: None

In January 2019, the Board authorized entering into an Option to Lease (Option) to the Association the 107-acre County owned property on the north side of SW Citrus Boulevard east of the Village of Indiantown (Property), subject to final approval by the County Attorney's Office. The Board directed the Option will expire November 15, 2020, and the attached form Public Purpose Lease Agreement (Lease) will be for a term of 40 years with two renewal options of 10 years each. Due to the complexities and unique nature of this transition for the Association, staff is bringing the Lease Documents to the Board for final approval.

Staff and representatives for the Association have been negotiating the terms of the Option and Lease. The Option requires basic improvements be made on the Property in the first five (5) years of the Lease, including site work required for a rustic fair and vertical facilities necessary for an office for the Association, restrooms available to the public, a year round agriculture and livestock exhibit building, and all infrastructure necessary to support these improvements. All contemplated improvements must be made within fifteen (15) years. To support its intentions for the Property and assure success, the Option requires the Association submit documents related to that first five (5) years of improvements, including preliminary engineering design plans (at least 50% plans), a development schedule, certified cost estimates, a Phase I Environmental Site Assessment, a Plan of Operation, and certification of assets or pledged assets no less than the full amount of the certified cost estimates. Upon satisfactory submittals and approval by County staff, the Association may exercise the Option and the parties will enter into the attached form Lease. At the time the Option is exercised, the Lease between the County and the Association for the SE Dixie Highway location will terminate, and the Association will execute a Quit Claim Deed conveying property owned by the Association at that location to the County. The Option provides that the Association is solely responsible for notifying users of its facilities as to the relocation.

The Lease allows the Association to use the Property for hosting the Martin County fair and other expositions, as defined in Chapter 616, Florida Statutes, as well as to license or rent space on the Property for other users for expositions. The Association may charge a fee for such uses, which must be reasonable as determined by the County, and for not-for-profit charitable entities any fees will be nominal as necessary to cover actual expenses of the use. Overnight use of the Property is allowed solely in association with an event held on the Property. Otherwise, hours of operation by the Association on the Property are set a minimum five (5) days a week from 10am to 4pm and the Property may be open to the public from 7am to midnight on weekdays and 7am to 2am on weekends. Rent is one dollar (\$1) due annually.

The Lease incorporates the design plans, development schedule and estimated costs submitted and approved through the Option and includes the same timeframe requirements for making improvements as are detailed in the Option. The Lease sets out that the Association is responsible for all improvements, maintenance, repairs, and utilities to the Property. Consistent with Florida Statutes, there is a bond requirement for improvements. The Lease provides for background checks for volunteers and employees of the Association. The Lease includes provisions regarding contaminations, including requirements to comply with the County's National Pollutant Discharge Elimination Systems Permit. The Lease provides for termination for events of default and for termination for convenience. The Lease also includes an attachment with a process for approval of temporary use facilities as it has been recognized that the Association will need to hold the annual Martin County fair in temporary facilities as it progresses through development of the Property.

As directed by the Board, staff has sent letters to both the South Florida Water Management District (SFWMD) and the United States Department of the Army (ARMY) on January 14, 2019 requesting consent for the use of 107-acre parcel, consistent with the Funding Agreement between the County and SFWMD. Staff has provided additional requested information and documentation to SFWMD and ARMY but has not received consent (written or verbal) from SFWMD or ARMY.

**ISSUES:**

Staff and representatives for the Association are still negotiating the terms of the Option and Lease. An update will be provided at the meeting.

**LEGAL SUFFICIENCY REVIEW:**

This item has been reviewed for legal sufficiency to determine whether it is consistent with applicable law, has identified and addressed legal risks, and has developed strategies for legal defensibility.

**RECOMMENDED ACTION:**

**RECOMMENDATION**

Move that the Board approve the Option to Lease and the attached Public Purpose Lease Agreement with proposed amendments and authorize the Chairman to execute any and all documents to complete the transaction.

**ALTERNATIVE RECOMMENDATIONS**

Provide staff with further direction as it relates to the Fairground.

**FISCAL IMPACT:**

**RECOMMENDATION**

None

Funding Source	County Funds	Non-County Funds
Subtotal		
Project Total		

**ALTERNATIVE RECOMMENDATIONS**

None

**DOCUMENT(S) REQUIRING ACTION:**

- ☐ Budget Transfer / Amendment   ☐ Chair Letter   ☒ Contract / Agreement  
☐ Grant / Application   ☐ Notice   ☐ Ordinance   ☐ Resolution  
☐ Other:

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