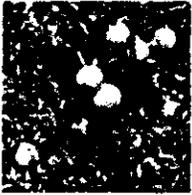




CITY
OF
LEESBURG

The Complete City



December 5, 1991

Mr. A. J. Bielak
Leesburg Boating Club, Inc.
P. O. Box 491043
Leesburg, FL 34749-1043

RE: Leesburg Boating Club, Inc. Lease Renewal

Dear Mr. Bielak:

This letter is to acknowledge receipt of your intent to exercise the renewal option on the boating club facility lease for an additional thirty (30) year period.

Upon consulting with the City Attorney, it was determined that no formal procedures or actions are necessary to exercise the renewal option. Therefore, please allow this letter to serve as official notification that the lease on the boating club building in Venetian Gardens is extended for an additional thirty (30) years. The remaining lease provisions will continue in effect throughout the duration of the agreement.

There has, however, been a change regarding County taxes related to this property. As you are aware, the Boat Club parcel is municipal property leased to a non-governmental body which is not exclusively literary, scientific, religious or charitable. Therefore, the leasehold interest of the Boat Club is subject to taxation under Chapter 196.001, Florida Statutes. This is nothing new. What is new, at least for this County, is the bill to the City for its fee interest in the property. Normally, municipal property is used for public purposes and is therefore exempt from taxation, but when it is leased to a non-exempt entity, Chapter 196, Section 199(4) states that the property itself is taxable, as well as the leasehold interest of the lessee. In other words, if the City of Leesburg did not lease this property to the Boat Club, there would be no tax liability.

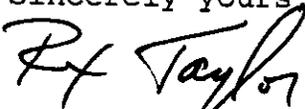
Given this scenario, we are enclosing the annual property tax bill for payment by your organization. This is the same arrangement that the City has in place with individuals and

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organizations in similar situations. Your portion of the tax liability is calculated at \$2,164.91. This amount subtracts the property tax for the City of Leesburg and the discount which was forfeited by paying the amount due after November 30, 1991. Please pay the total amount of the bill to the Lake County Tax Collector, and the City will reimburse you \$664.91 for the above stated items.

I realize that this is an unexpected development and hope that I have explained it thoroughly. The City of Leesburg appreciates your understanding in this matter and looks forward to the continued good relationship with the Leesburg Boating Club.

Sincerely yours



Rex Taylor
City Manager

RT:JB:mo

cc: City Commission
City Attorney
City Records ✓
Recreation & Parks

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