



**Mayor & Board of Aldermen
SPECIAL CALL MEETING**

Monday, June 22, 2026 @ 5:30 PM

Location: City Hall Boardroom - 1018 Porter Avenue - Ocean Springs, MS 39564

The object of the meeting will be any matters pertaining to:

1. Discussion and action regarding proposals for Parking Garage Lease Agreement between the City of Ocean Springs and OHOS Development, LLC, for the lease of parking spaces located at 1515 Government Street, and authorization for the Mayor to execute an agreement if approved.

No other business shall be considered.



Mayor Cox



City Clerk Millard

PARKING GARAGE LEASE AGREEMENT

THIS PARKING GARAGE LEASE AGREEMENT (this “**Agreement**”) is made and entered into as of _____, 2026 (the “**Effective Date**”), by and between OHOS Development, LLC, a Mississippi limited liability company (“**Lessor**”), and the City of Ocean Springs (“**Lessee**”).

WHEREAS, Lessor is the owner of that certain parking garage located at os1515 Downtown Development (the “**Property**”), as more particularly depicted in **Exhibit A**; and

WHEREAS, Lessor desires to lease to Lessee, and Lessee desires to lease from Lessor, the parking structure consisting of one hundred fifty seven (157) parking spaces on the second and third levels and related components thereof, including but not limited to foundations and other structural members, access to/from the upper levels including ramps, stairs, elevators, and their enclosures (the “**Premises**”); and Lessor retains sixty-seven (67) parking spaces on the first ground level and ascending ramp to the second level, on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. TERM. The term of this Agreement shall commence on the Effective Date and shall continue in full force and effect until June 30, 2029, subject to renewal for the term of the Board of Aldermen of the City of Ocean Springs and subject to earlier termination as provided herein. This Agreement may be renewed by mutual consent on acceptable terms for an additional four (4) years beginning July 1, 2029, and ending June 30, 2033, unless terminated or amended in the manner required by Mississippi law.

2. RENT. Lessee shall pay to Lessor a lease rate of Ten Dollars (\$10.00) per annum, payable annually in advance on the first day of each lease year during the term of this Agreement.

3. INSURANCE.

3.1 Liability Insurance. The Lessor shall procure and maintain comprehensive liability insurance for the garage structure for its use and occupation of the garage. The liability insurance shall provide coverage against claims for bodily injury, death, and property damage. The Lessor shall pay the premiums for its liability insurance. Lessee shall also procure and maintain comprehensive liability insurance for the leased portion of the Premises. Lessee’s liability insurance shall provide coverage against claims for bodily injury, death, and property damage for its use of the Premises occupied by Lessee.

3.2 Certificates of Insurance. Both parties agree to provide each other with certificates of insurance evidencing the coverage as required by this clause, upon request.

4. **SECURITY.** In consideration of the safety and security of the Premises leased under this Agreement, the Lessee agrees to pay the amount of Six Hundred Sixty Dollars (\$660.00) per month as set forth in “**Exhibit B**” for the Lessor to provide, install, maintain, and operate security cameras at strategically designated locations within the Premises. Lessor shall provide Lessee access to all security cameras and footage as necessary to provide for the safety and security of the Premises. The installation and operation of said security cameras shall be conducted in a manner that complies with all applicable local, state, and federal laws and regulations governing privacy and surveillance. The Lessor shall bear all costs associated with the installation, maintenance, and operation of the security cameras. Lessee agrees to make available regular patrols of the Premises by personnel of the Ocean Springs Police Department for the purpose of providing adequate security for the Premises at the cost of the Lessee. The Lessor reserves the right to review and approve the locations of the cameras to ensure they do not infringe upon the privacy rights of other tenants or violate any lease provisions.

5. **UTILITIES.** In consideration for the use of utilities, Lessee will pay the amount of Six Hundred Dollars (\$600.00) per month as set forth in “**Exhibit B**” in consideration for eighty-five percent (85%) of the total electricity bill, broken down as follows: thirty percent (30%) for the second floor, thirty percent (30%) for the third floor, and twenty-five percent (25%) for elevator usage. Lessee acknowledges that Lessor has paid utilities for the Property from May 1, 2025, through the Effective Date. Within thirty (30) days of the Effective Date, Lessor shall provide Lessee with documentation of all utility costs paid during this period, including electricity, water, sewer, and any other utilities attributable to the Premises. Lessee shall reimburse Lessor for eighty-five percent (85%) of electricity costs and one hundred percent (100%) of water and sewer costs paid during such period, calculated using the same allocation methodology set forth in this Section 5 up to total \$7,200.00. Payment of such reimbursement shall be due within forty-five (45) days of Lessee's receipt of the documentation and invoice from Lessor.

6. **MAINTENANCE OF STRUCTURE.**

6.1 **General Maintenance Obligations.** In consideration for the general maintenance and cleaning of the Premises, Lessee shall pay Two Thousand Two Hundred Forty Dollars (\$2,240.00) monthly, every month, beginning the first day of the first month after execution of the Lease in consideration for general maintenance and cleaning obligations of the Premises. Maintenance obligations include, but are not limited to, the routine cleaning of the Premises, restriping, and replacement of lighting fixtures as necessary. The monthly payment is based, in part, upon the actual cost's associated with the maintenance obligations for the Premise as attached as “**Exhibit B**”. The Lessee reserves the right to inspect the premises for maintenance services.

6.2 **Standards of Maintenance.** The Lessor shall be responsible for all cleaning, changing of lights, and other general maintenance throughout the Premises. All maintenance activities shall be conducted in a manner consistent with the prevailing standards for similar properties within the jurisdiction of Mississippi and shall adhere to all applicable local, state, and federal regulations.

6.3 **Elevator Maintenance and Repairs.** In consideration for the maintenance, repair, and if necessary, replacement of the garage elevators located within the Premises, the

Lessee shall pay Five Hundred Dollars (\$500.00) per month as set forth in “**Exhibit B**”. The Lessor shall ensure that all maintenance and repairs are performed in a timely and professional manner, in accordance with the manufacturer’s recommendations and applicable laws and regulations of the State of Mississippi. The Lessor shall keep records of all maintenance and repair work carried out on the garage elevators and shall make such records available to Lessee upon request.

7. **COSTS OF LITIGATION.** Each party shall bear its own costs, expenses, and attorney’s fees incurred in any litigation arising out of or related to this Lease Agreement, unless otherwise ordered by a court of competent jurisdiction.

8. **DAMAGE AND REPAIR.**

8.1 **Lessee's Responsibility.** The Lessee shall be responsible for any damage to the Premises caused by the Lessee, its employees, agents, or invitees. The Lessee agrees to promptly repair any such damage at its own expense, restoring the Premises to its original condition, normal wear and tear excepted.

8.2 **Repair Procedure.** In the event of damage, the Lessee shall notify the Lessor in writing within five (5) days of occurrence. The Lessee shall commence repairs within ten (10) days of such notice or as soon as practicable and shall complete repairs within a reasonable time frame. All repairs must be performed by qualified contractors approved by the Lessor.

8.3 **Lessor's Right to Inspect.** The Lessor reserves the right to inspect the Premises following any reported damage and to verify the completion and adequacy of repairs.

8.4 **Failure to Repair.** If the Lessee fails to commence or complete repairs within the specified time, the Lessor may, at its discretion, perform the necessary repairs and charge the cost thereof to the Lessee, payable within thirty (30) days of receipt of an invoice.

9. **DEFAULT.** In the event that either party defaults in the performance of any of its obligations under this Lease Agreement, the non-defaulting party shall provide written notice to the defaulting party, specifying the nature of the default. The defaulting party shall have thirty (30) days from the date of receipt of such notice to cure the default. If the default is not cured within this period, the non-defaulting party shall have the right to terminate this Lease Agreement and pursue any other remedies available at law or in equity.

10. **ASSIGNMENT AND SUBLETTING.** The Lessee shall not assign this Lease Agreement or sublet the leased Premises, or any part thereof, without the prior written consent of the Lessor, which consent shall not be unreasonably withheld.

11. **FORCE MAJEURE.** Neither party shall be liable for any failure to perform its obligations under this Lease Agreement if such failure is caused by events beyond its reasonable control, including, but not limited to, acts of God, war, terrorism, strikes, lockouts, or other labor disputes, natural disasters, or governmental regulations, provided that the affected party gives prompt notice of the force majeure event to the other party and uses reasonable efforts to mitigate the effects of such event.

12. NOTICE. Any notice required or permitted to be given under this Lease Agreement shall be in writing and shall be deemed to have been duly given if delivered personally, sent by registered or certified mail, return receipt requested, postage prepaid, or sent via email to the designated email addresses, provided that a read receipt is requested and obtained. Notices shall be sent to the following addresses or email addresses, or to such other address or email address as either party may designate by written notice to the other in accordance with this provision:

Lessor:	OHOS DEVELOPMENT, LLC
Address:	1515 Government Street Ocean Springs, Mississippi 39564
Email:	joropesa@os1515.com
Lessee:	CITY OF OCEAN SPRINGS
Address:	1018 Porter Ave Ocean Springs, MS 39564 228-875-6722

Notices shall be deemed to have been received: (i) if delivered personally, on the date of delivery; (ii) if sent by mail, on the third business day following deposit in the United States mail.

13. JURISDICTION. This Lease Agreement shall be governed by and construed in accordance with the laws of the State of Mississippi. The parties agree that any legal action or proceeding arising out of or related to this Agreement shall be brought exclusively in the courts of Jackson County, Mississippi.

14. SUBORDINATION TO MORTGAGES. This Lease Agreement is and shall be subordinate to any mortgages or deeds of trust now or hereafter placed upon the leased Premises, and to all advances made or to be made upon the security thereof. The Lessee agrees to execute any further instruments that may be required to effectuate such subordination.

15. ENVIRONMENTAL COMPLIANCE.

15.1 Compliance with Laws. The Lessee shall comply with all applicable local, state, and federal environmental laws and regulations in its use and occupancy of the Premises.

15.2 Prohibited Activities. The Lessee shall not use or permit the use of the Premises for any activities that may result in the release of hazardous substances or waste, as defined under federal or state law.

15.3 Notification and Remediation. The Lessee shall immediately notify the Lessor of any environmental incident or violation occurring on the Premises. The Lessee shall be responsible for any necessary remediation to bring the Premises into compliance, at its own expense, and in accordance with applicable laws.

16. MISCELLANEOUS. This Lease Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements, whether written or oral. No modification or waiver of any provision of this Agreement shall be binding unless in writing and signed by both parties. If any provision of this Agreement is held to be invalid or unenforceable, the remaining provisions shall remain in full force and effect. The headings in this Agreement are for convenience only and shall not affect its interpretation.

IN WITNESS WHEREOF, this Agreement is hereby executed as of the date first above stated.

LESSOR

OHOS DEVELOPMENT, LLC

By: _____

Name: _____

Title: _____

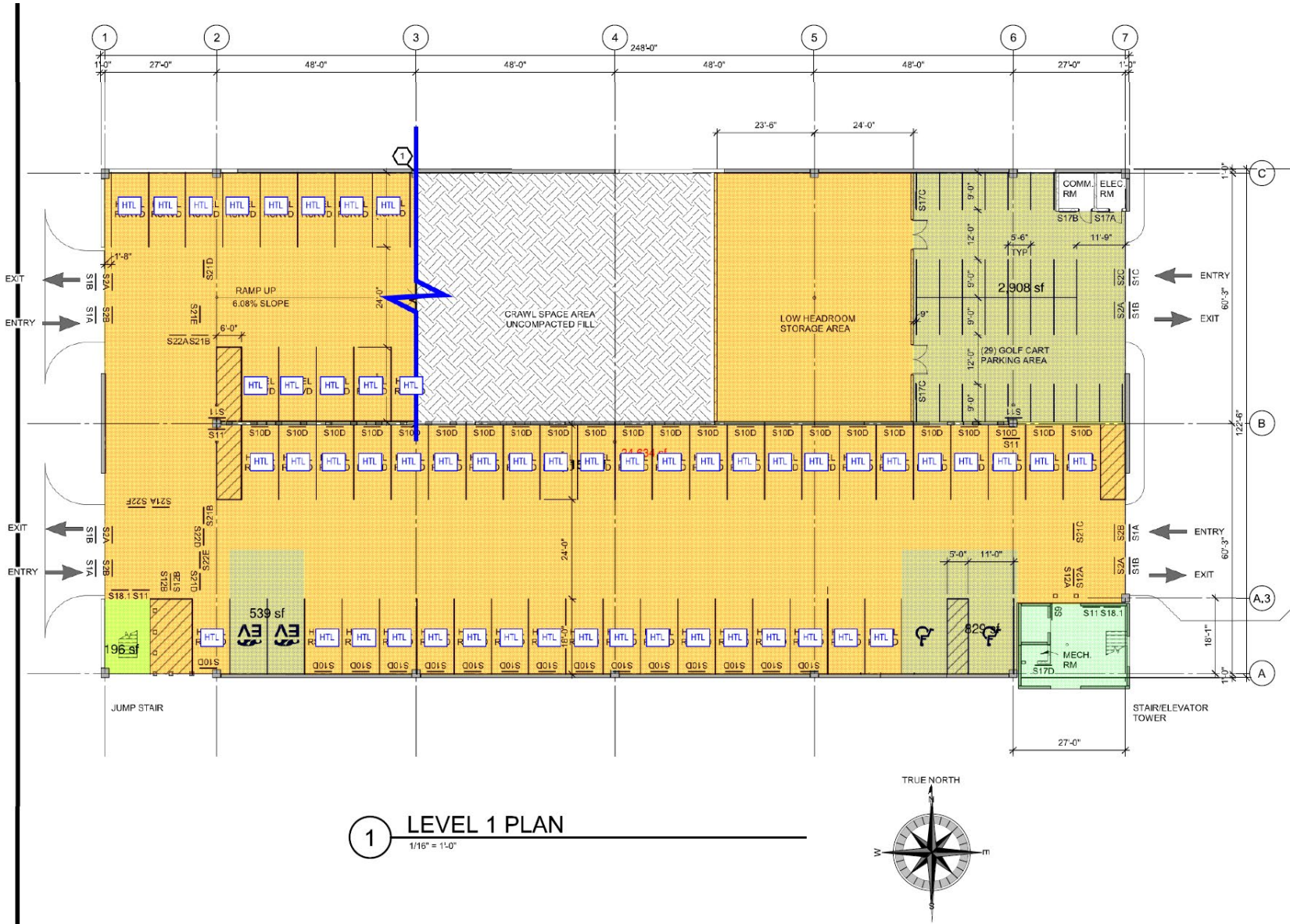
LESSEE

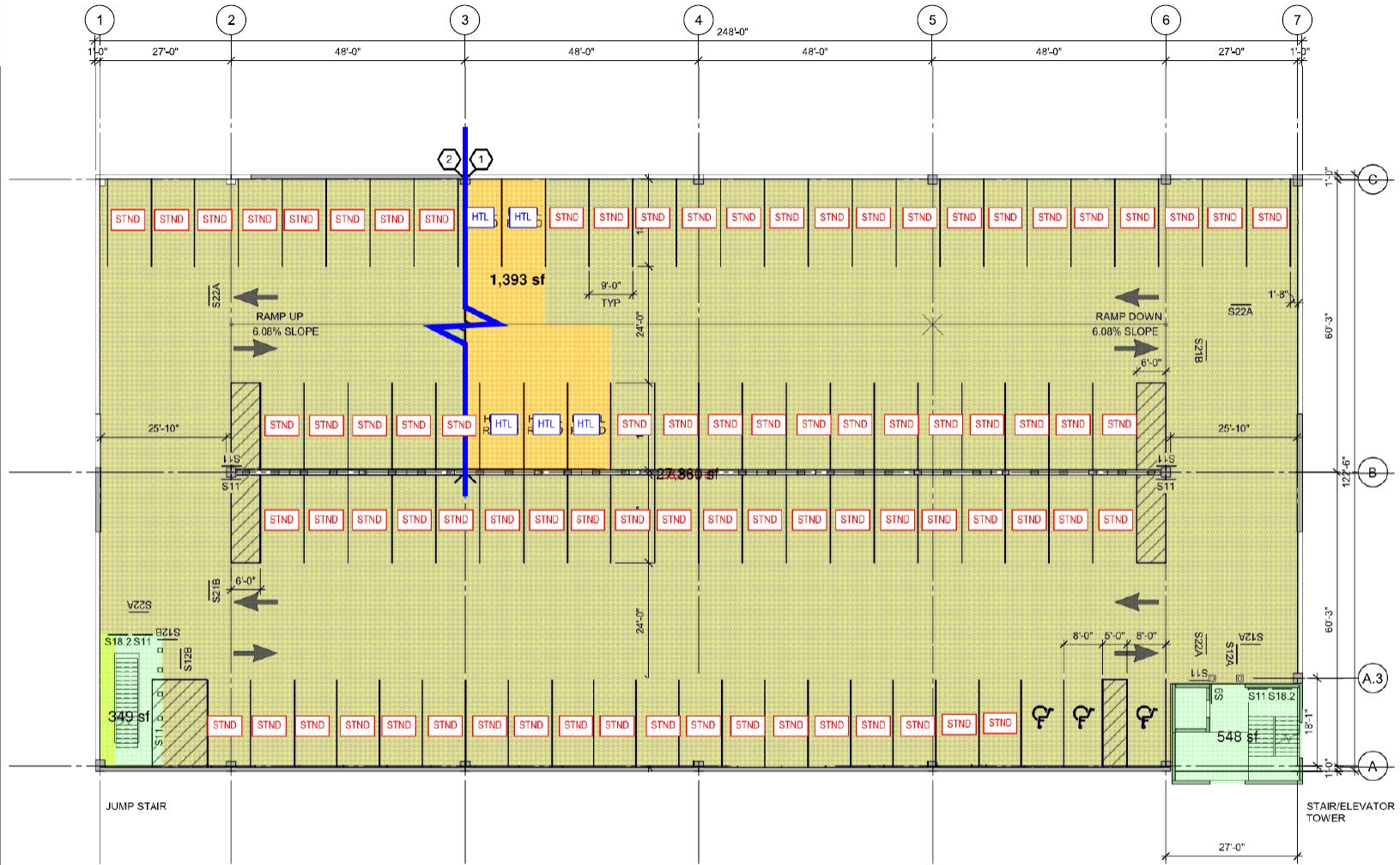
THE CITY OF OCEAN SPRINGS

By: _____

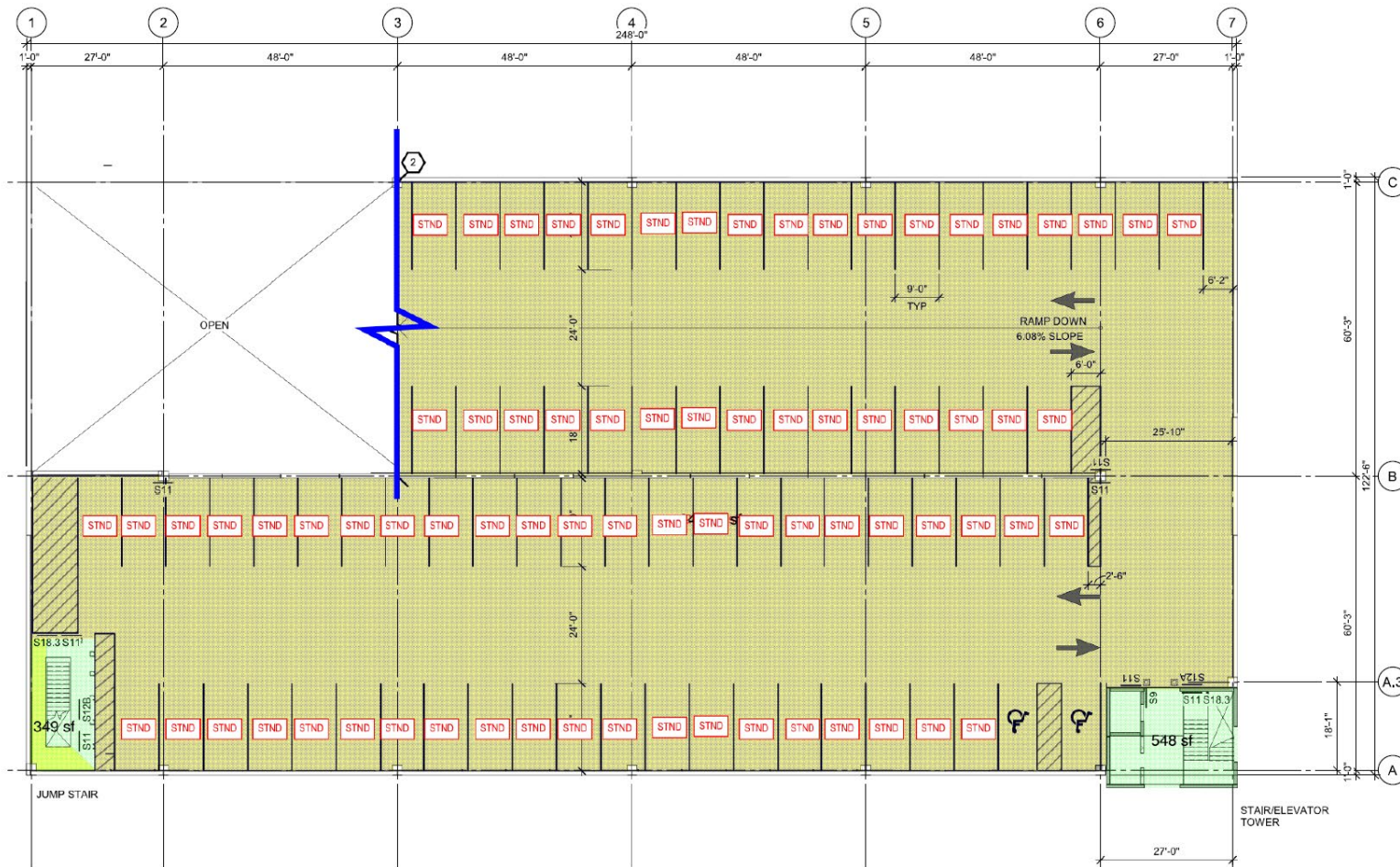
Name: _____

Title: _____





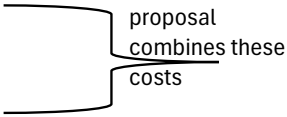
2 LEVEL 2 PLAN
1/16" = 1'-0"



1 LEVEL 3 PLAN
1/16" = 1'-0"



Estimate of Cost to City - Parking Garage (1515 Government St)

Monthly Estimate	Proposal	
OS Personnel (PW - maintenance) \$ 1,893.50		\$ 2,240.00
Street Sweeper Cost (1x per week) \$ 1,500.00		
Camera Recurring Fee Monthly \$ 660.00		\$ 660.00
Elevator Maintenance Estimate \$ 500.00		\$ 500.00
Cost to City Estimate <u>\$ 4,553.50</u> <u>\$ 54,642.00</u> Annual Est		<u>\$ 3,400.00</u> <u>\$ 40,800.00</u> Proposed Annual Est
Electricity Cost Est per Month \$ 600.00		\$ 600.00
Estimate with Electricity <u>\$ 5,153.50</u> <u>\$ 61,842.00</u> Annual Est		<u>\$ 4,000.00</u> <u>\$ 48,000.00</u> Proposed Annual Est

Other Assumptions:

- Public Works Maintenance = \$1,693.50 personnel cost + \$200 replacement lights/mo = \$1,893.50
- Camera Equipment & Install will be a one-time ~\$3,500 cost
- Camera Recurring Monthly is based on average of 4 proposal estimates
- OS Personnel (PD - patrol) will patrol regardless of lease agreement
- Street Sweeper cost is based on FEMA \$125/hr @ 3hrs, incl \$25/hr of labor (\$125 x 3hrs x 4 wks = \$1,500)
- Assumption City will pay Electricity (\$600 electric is 85% of overall bill)

	Flock Est1	Flock Est2	Flock Est3	Grand View
Camera Equip & Install (one-time)	\$ 2,700.00	\$ 2,250.00	\$ 1,500.00	\$ 3,486.00
Camera Recurring Annual Cost	\$ 10,500.00	\$ 9,750.00	\$ 8,000.00	\$ 3,060.00

Supervisor @ \$23.95 per hour	\$ 23.95		
Grade 9 labor @ \$17.00 per hour	\$ 17.00		
Grade 6 labor @ \$15.50 per hour	\$ 15.50		
Estimate 6 hours per week + benefits (25%)	\$ 56.45	\$ 1,693.50	PW Labor Cost/month