

**CITY OF BILOXI
AGENDA ITEM
FACT SHEET**

Item No.: 5Y

Council Meeting Date: June 16, 2026

ITEM TITLE: RESOLUTION
INTRODUCED BY: Mayor Andrew "FoFo" Gilich
CONTACT PERSON: Richard Weaver, Chief Administrative Officer
 Peter Abide, City Attorney

SUMMARY EXPLANATION:

Resolution authorizing Lease Extension with James R. McElroy, Inc., for building located at 695 Beach Blvd., known as McElroy's Harbor House in the Biloxi Small Craft Harbor

Resolution Ordinance _____ Public Hearing _____ Routine Agenda _____

Exhibits for Review

Contract Minutes _____ Plans/Maps _____ Deed _____ Lease _____

Other (Specify): Exhibit A: Second Amendment

Submittal Authorization: Council President _____ Mayor

STAFF RECOMMENDATION: Staff recommends approval

COUNCIL ACTION: Motion By: _____ Second By: _____

| Vote: | Councilmember | Yes | No | AFR | ABST | Councilmember | Yes | No | AFR | ABST |
|-------|---------------|-----|-----|-----|------|---------------|-----|-----|-----|------|
| | Gray | ___ | ___ | ___ | ___ | Tisdale | ___ | ___ | ___ | ___ |
| | Marshall | ___ | ___ | ___ | ___ | Glavan | ___ | ___ | ___ | ___ |
| | Nail | ___ | ___ | ___ | ___ | Shoemaker | ___ | ___ | ___ | ___ |
| | Creel | ___ | ___ | ___ | ___ | | | | | |

ACTION TAKEN:

Resolution No.

RESOLUTION AUTHORIZING LEASE EXTENSION WITH JAMES R. MCELROY, INC.,
FOR BUILDING LOCATED AT 695 BEACH BLVD., KNOWN AS MCELROY'S HARBOR
HOUSE IN THE BILOXI SMALL CRAFT HARBOR

WHEREAS, the Biloxi Small Craft Harbor is an area set aside for commercial purposes and economic development purposes as contemplated by Section 57-7-1, Mississippi Code of 1972, as amended;

WHEREAS, the building known as McElroy's Harbor House in the Biloxi Small Craft Harbor is a building located within that commercial development constructed by James R. McElroy, Inc. after the original building leased by James R. McElroy, Inc. was destroyed by Hurricane Katrina;

WHEREAS, pursuant to the Amended Lease Agreement, approved by Resolution No. 260-12, James R. McElroy, Inc. is currently leasing the area where the restaurant building is located, for a term beginning October 19, 2010 and ending October 18, 2040;

WHEREAS, the property has been leased over fifteen (15) years;

WHEREAS, the Amended Lease Agreement provides that all improvements constructed on the Leased Premises are the property of the City of Biloxi;

WHEREAS, James R. McElroy, Inc. constructed significant improvements to the building by adding 1,300 square feet of dining area at a cost of over \$380,000.00, constructed a 100 foot awning at the front entrance, sandblasted the underside metal and support beams of the building, treated existing rust, applied anti-rust treatment and applied two coats of exterior paint to the entire area, thereby significantly increasing the value and aesthetics of the building and extending the useful life of the building; and

WHEREAS, James R. McElroy, Inc. has requested an extension of the Amended Lease for

an additional ten (10) years, or until October 18, 2050, in order to allow capitalization of the significant improvements and to encourage future investment and development.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND THE CITY COUNCIL OF THE CITY OF BILOXI, MISSISSIPPI, THAT:

SECTION ONE: The findings, conclusions, and statements of fact contained in the foregoing preamble are hereby adopted, ratified, and incorporated herein.

SECTION TWO: The Mayor, on behalf of the City of Biloxi, is authorized to execute the Second Amendment to the Amended Lease Agreement, attached hereto as Exhibit "A," with James R. McElroy, Inc.

SECTION THREE: This resolution shall take effect and be in force from and after adoption.

**SECOND AMENDMENT TO THE
AMENDED LEASE AGREEMENT**



THIS, SECOND AMENDMENT TO THE AMENDED LEASE AGREEMENT (this “Amendment”), is made this the ____ day of June, 2026, by and between the CITY OF BILOXI, MISSISSIPPI, a Mississippi municipal corporation (the “City”) and JAMES R. MCELROY, INC. (“McElroy”).

WITNESSETH:

WHEREAS, the City and McElroy entered that certain Amended Lease Agreement (the “Agreement”), effective October 19, 2010, which provides the terms and conditions under which McElroy leases the building known as McElroy’s Harbor House in the Biloxi Small Craft Harbor from the City;

WHEREAS, from and since entry into the Agreement, McElroy has requested an additional ten (10) years be added to the term of the Agreement; and

WHEREAS, the parties mutually desire to amend the Agreement to provide for the above-referenced circumstances.

NOW THEREFORE, in consideration of the provisions set forth in the foregoing recitals, and the consideration set forth in the Agreement, all of which is incorporated herein by reference, the sufficiency and adequacy of which is hereby acknowledged, the Parties agree as follows:

1. Paragraph 1.3 is hereby amended to read as follows:

The Lease Term shall be the period from and including October 19, 2010, through and including October 18, 2050.

2. All remaining terms and conditions of the Agreement, and the Amendment to Lease Agreement, dated October 10, 2018, will remain in full force and effect.

Signatures on following page

IN WITNESS WHEREOF, the parties by their duly authorized officers have caused these presents to be subscribed on the day and year first above written.

CITY:

MCELROY

THE CITY OF BILOXI, MISSISSIPPI, a
Mississippi municipal corporation

JAMES R. MCELROY, INC., a Mississippi
corporation

By: _____
Name: Andrew M. Gilich, Jr.
Title: Mayor

By: _____
Name: _____
Title: _____

ATTESTED BY:

Stacy L. Thacker, Municipal Clerk