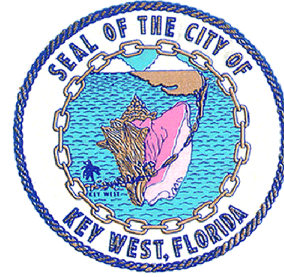


Executive Summary



TO: Key West Bight Board
Community Redevelopment Agency

CC: Bogdan Vitas

FR: Marilyn Wilbarger, RPA, CCIM

DT: March, 26, 2014

RE: Lease Renewal for Unit B on the Harborwalk at 201 William Street

ACTION STATEMENT

This is a request to approve a lease renewal for Sunset Watersports, Inc. DBA Hammerhead Surf Shop located in Unit B on the Harborwalk at 201 William Street.

HISTORY

Sunset Watersports took over the Old School Board Shoppe lease and built the Hammerhead Surf Shop in a lease assignment approved by City Resolution 11-257. The lease term expired in February 2013 and a lease renewal was delayed until the completion of the City audit of the Sunset Concession on Smather's Beach. It is now satisfactorily complete and the tenant has requested the completion of the renewal. The proposed terms are as follows:

Demised Premises: Harborwalk Unit B containing 1006 square feet

Use: The operation of a retail store specializing in surf shop lifestyle related apparel, accessories, and boarding activity equipment in addition to ticket sales for Sunset Watersports products and no other purpose.

Term: Five Years

Base Rent: \$34.00 per square foot which represents the current market rate for similar uses and it will be adjusted annually by any increase in the Consumer Price Index as published by the United States Department of Labor for All Urban Consumers consistent with all of the leases in the Key West Bight.

Additional Rent: Tenant shall pay its pro-rate share of CAM, property tax, and insurance

Percentage Rent: 6%

Utilities: Tenant shall pay for all utility usage.

FINANCIAL STATEMENT:

The Tenant has an excellent payment history and is not in default of the lease. Additionally, the tenant will continue to post a one month security deposit and personal guaranty for the faithful performance of the terms of the lease.

RECOMMENDATION:

Staff recommends approval of the lease renewal.

ATTACHMENTS:

Lease, Personal Guaranty