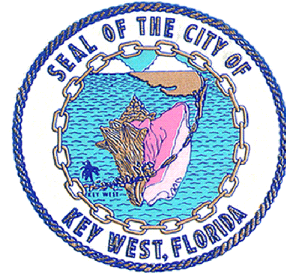


# Executive Summary



**TO:** Key West Bight Board  
Community Redevelopment Agency

**CC:** Bogdan Vitas, Doug Bradshaw

**FR:** Marilyn Wilbarger, RPA, CCIM

**DT:** March 21, 2014

**RE:** Letter of Interest and Lease 251 A, 251 B Margaret Street Vacant Space

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## **ACTION STATEMENT**

This is a request to consider the letter of interest and approve a new lease for the vacant space at 251 A-B Margaret Street pursuant to the public notice therefore.

## **BACKGROUND:**

Public notice was first published on June 16, 2013 in accordance with Florida Statute Sec. 163.380 and was most recently published February 15, 2014. During the prior advertising periods we did not receive any market rate proposals. We have now received a proposal for both of the spaces as follows:

**Tenant:** Chris King, Joe Garr, and Joe King LLC DBA Key West Bait and Tackle

**Use:** Expansion of the current Bait and Tackle store with no additional retail uses requested in addition to the upstairs for private offices and storage.

## **Demised Premises: 3,444 Square Feet comprised of:**

Existing Retail	1,116
New Retail	1,000
2 <sup>ND</sup> Floor	1,000
Covered Porch	216
Covered Storage	112

**Term:** Seven Years beginning June 1, 2014 which represents the remaining two years on the current term with an additional five year term

**Rent:** \$34.00 per square foot for the entire first floor retail space  
\$25.00 per floor for the second floor offices/storage  
\$26.00 for the covered porch/eating area  
\$16.00 per square foot for the rear covered storage area

**This represents a blended rate of \$30.30 per square foot**

**Tax, Insurance and CAM:**

Per Maximus the covered outdoor areas are charged at 50% therefore the square footage for this additional rent is 3,280

**Percentage Rent:** 6% over the break point

**Building Improvements:**

The tenant will accept the space in an “as is” condition and will be solely responsible for any improvements. Tenant may create an interior opening between 241 and 251A Margaret.

**Parking Lot:**

The tenant has specifically requested that the parking lot in front of the store not be closed for special events during business hours as his customers have no access and it is highly detrimental to the business.

**FINANCIAL IMPACT:**

The base rent proposed at \$34 per square foot is a market rate for comparable space in the Key West Bight and the blended rate breaks down as follows:

	Sq.ft	Rate	Annual	Monthly	Cam	Annual	Monthly	
		per sq.ft	rent	rent	sq.ft	cam	cam	
Retail						\$4.05		
Existing	1116	\$34.00	\$37,944.00	\$3,162.00	1116	\$4,519.80		
New	1000	\$34.00	\$34,000.00	\$2,833.33	1000	\$4,050.00		
Office	1000	\$25.00	\$25,000.00	\$2,083.33	1000	\$4,050.00		
Covered porch eating area	216	\$26.00	\$5,616.00	\$468.00	108	\$437.40		
Covered storage	112	\$16.00	\$1,792.00	\$149.33	56	\$226.80		
	3444		\$104,352.00	\$8,696.00	3280	\$13,288.05	\$1,107.34	
Blended base rate		\$30.30						
Monthly rent+ cam	Sales tax	Monthly total						
\$9,803.34	\$735.25	\$10,538.59						

**RECOMMENDATION:**

Staff recommends acceptance of the letter of interest and approval of the lease as proposed.

**ATTACHMENTS:**

Letter of Interest  
Draft lease  
Personal Guaranties