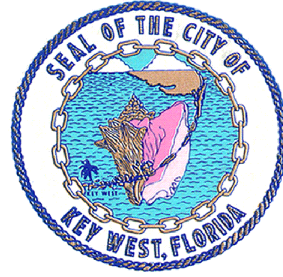


Executive Summary



TO: Key West Bight Management District Board
Community Redevelopment Agency

CC: Doug Bradshaw, Jim Scholl

FR: Marilyn Wilbarger, RPA, CCIM

DT: September 30, 2014

RE: Lost Reef Adventures, Inc. Lease Renewal

ACTION STATEMENT

This is a request to approve a lease renewal for Lost Reef Adventures at 261 Margaret Street.

HISTORY

Nick Kolessar has operated a dive shop at the Key West Bight for over twenty five years. His current term will expire at the end of November and we have proposed a renewal based upon the following terms:

Demised Premises: 1540 Square feet of Store Area
66 Square feet of Covered Storage
195 Square feet of Outdoor Fenced Storage
80 Square feet of Unsecured Outdoor Storage

Term: Five years effective December 1, 2014

Rent: A blended rate as detailed in Exhibit B of the lease which is based upon the following:

\$34.00 per square foot for Retail Store
\$16.00 per square foot for Covered Storage
\$16.00 per square foot for Outdoor Fenced Storage
\$8.00 per square foot for Unsecured Outdoor Storage

The rent for year one shall be calculated at an annualized rate of Thirty Dollars and 40/100 Dollars (\$30.40) per Net Usable Square Foot.

Additional Rent: Tenant shall pay its pro-rate share of common area maintenance, taxes, and insurance

Percentage Rent: 6% in excess of the breaking point

Use: Charter operations for diving and snorkeling; retail store with dive and snorkel equipment, swimwear and other water related apparel and equipment with apparel sales.

Utilities: Tenant shall pay for all utility usage.

FINANCIAL STATEMENT:

The base rent proposed at \$34 per square foot is a market rate for comparable space in the Key West Bight and is the same rate per square foot as Key West Bait and Tackle, Key West Ice Cream Factory, Sunset Watersports, and Hammerhead Surf Shop. The tenant's account is current and he remains in good standing. As with all renewals the tenants will sign a personal guarantee for payment of rent.

ATTACHMENTS:

Draft Lease

Personal Guaranty