



THE CITY OF KEY WEST  
201 William Street Key West, FL 33040 (305) 809-3790

# EXECUTIVE SUMMARY

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**TO:** Jim Scholl, City Manager

**CC:** Sarah Spurlock, Assistant City Manager  
Greg Veliz, Assistant City Manager

**FROM:** Key West Bight Board  
Doug Bradshaw, Port and Marine Services Director

**DATE:** March 10, 2015

**SUBJECT:** Approving the Request for Rent Credit to Turtle Kraals due to Unusable Space.

### ACTION STATEMENT

Approving the request for rent reimbursement to Turtle Kraals due to unusable space in the amount of \$15,968.09 and approve reducing current rent by \$503.45 plus sales tax and CAM per month until such time as City completes repairs.

### PROJECT ISSUE

Turtle Kraals has requested a rent reimbursement for 253 square feet of unusable and unsafe storage room space (\$15,968.09) at the restaurant due to the exterior wall of the room having significant cracks in the concrete. It is the current Port and Marina staff's understanding that the space has been unusable since December 2012 when the current tenant took over the existing lease. Previous management initiated a wall repair by tasking Chen Moore & Associates with a design task order (\$9,500) for the repairs. Draft engineered drawings were completed in July 2013. Shortly thereafter, the project manager for Chen Moore left the company and the project was put on hold until a new project manager could be assigned. Unfortunately continued turmoil at Chen Moore as well as changes with City Staff project management continued to delay the project for over a year. The current City project manager who took over the project in September 2014 has moved the project forward by reengaging Chen Moore. The City has received final stamped and sealed drawings. The project was bid, but no bids were received. Staff is currently working with two contractors to obtain a price to complete the work. Staff expects to have the project complete in 90 days once a purchase order is issued.

The current lease (see attached Section 13B) for Turtle Kraals allows for rent abatement or rebate in the rent when the tenant cannot reasonably conduct business operations in the premises. This lease, which is almost 20 years old is different than our existing leases which does not allow for rent abatement or rebates.

*Key to the Caribbean – Average yearly temperature 77° F.*

## **OPTIONS**

There are two options:

1. Issue the rent reimbursement for 253 square feet of unusable and unsafe storage room space (\$15,968.09) and approve reducing current rent by \$503.45 plus sales tax and CAM per month until such time as City completes repairs.
2. Do not issue the rent reimbursement for 253 square feet of unusable and unsafe storage room space (\$15,968.09).

The Key West Bight Board approved option1 at their February 11, 2015 meeting.

## **FINANCIAL ISSUES**

The City would be reimbursing the tenant \$15,968.09 plus reducing rent by approximately \$503.45 per month until repairs are complete. Repairs should take three to four months to complete. Total rent per month for Turtle Kraals is approximately \$24,000.

## **RECOMMENDATION**

Based on the fact that the City has failed to complete the repairs with due speed and diligence as required by the lease, the Key West Bight Board and staff recommend approving the rent reimbursement for \$15,968.09 and approve reducing current rent by \$503.45 plus sales tax and CAM per month until such time as City completes repairs.