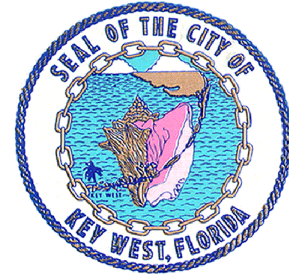


# EXECUTIVE SUMMARY



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

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

**DT:** November 30, 2015

**RE:** Lease Renewal for Mac's Sea Garden/Curio Shop

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## ACTION STATEMENT

This is a request to approve a lease renewal between the CRA and Tropical Shell and Gifts for Mac's Sea Garden/Curio Shop located at 208 Margaret Street in the Historic Seaport.

## BACKGROUND:

The lease was previously renewed in 2006 for ten years and will expire at the end of February 2016. The Tenant has requested a ten year renewal and the proposed basic lease terms are as follows:

### Demised Premises:

Interior space	1,689 Square Feet
Covered Porch	581 Square Feet
Outdoor Display Area	1,139 Square Feet

**Use:** Retail sale of souvenirs and marine related clothing and gifts and no other purpose. Additionally, sale of T-shirts may not exceed 25% of the retail sales.

**Term:** 10 years, Effective March 1, 2016

**Rent:** The rent for the interior space will remain at the current rent of \$5,521.62 monthly and the rent for the porch and display area will continue at \$701.72 monthly.

**Increases:** The rent will be increased annually based upon the increase in the Consumers Price Index

**Additional Rent:** Tenant shall pay its pro-rate share of common area maintenance, property taxes, and insurance. Pursuant to the Maximus expense allocation study outdoor areas are calculated at 50% of the total

square footage and therefore the charges will be based upon 2,550 square feet which is calculated as follows:

Buildings @100%	1689 sf
Covered Porch @50%	291 sf
Outdoor Display Area @50%	570 sf

**Total Net Usable square feet for Operating Expense purposes 2,550**

**Percentage Rent:** 6% in excess of the percentage rent base amount which is established based upon the rent paid for the interior retail area, as shown on Exhibit B of the lease.

**Utilities:** Tenant shall pay for all utility usage.

**FINANCIAL STATEMENT:**

This lease reflects a market base rent for this space and as there is no current increase in the Consumers Price Index the rent will continue for another year at the current rate. Thereafter, the rent will be adjusted annually as indicated by the index.

**CONCLUSION:**

The Tenant remains in good financial standing with no outstanding rents due and has a favorable leasing history with the CRA. There is no change of use requested and the rent is at market rate.

**ATTACHMENTS:**

Draft Lease  
Public Notice Lease Renewal Negotiations  
Total Lease Payment Report