

Executive Summary



TO: Key West Bight Board
Community Redevelopment Agency

CC: Jim Scholl
Doug Bradshaw

FR: Marilyn Wilbarger, RPA, CCIM

DT: April 1, 2019

RE: Lease renewal for Unit I on Lazy Way

ACTION STATEMENT

This is a request to approve a lease renewal for Mc Grail & Rowley, Inc. DBA Sebago Watersports for Unit I located on Lazy Way Lane.

HISTORY

Unit I is utilized as office space for Sebago Watersports and for storage purposes only. The tenant also has additional outdoor area for storage purposes and it has been demised as shown on Exhibit B. The terms of the proposed lease renewal are as follows:

Demised Premises:	Lazy Way Unit I containing 817 square feet and 313 square feet of outdoor storage
Use:	Facilitation of Sebago Watersports operations located in the Historic Seaport Marina including offices, ticket sales, customer check-in, and retail sales ancillary to the water sports operation, storage of equipment, inventory, and supplies. The Tenant expressly agrees that there will be no outdoor storage of any kind except in the area demised for such purposes.
Term:	Five years, effective June 1, 2020
Rent:	\$2747.65 for the office and \$440.47 for outdoor storage which will be increased by the CPI in June 2019 and again at the commencement of the new term.
Increase:	CPI increases in base rent annually
Additional Rent:	Tenant shall pay its pro-rate share of CAM, Taxes, and insurance
Percentage Rent:	None
Utilities:	Tenant shall pay for all utility usage.

FINANCIAL STATEMENT:

The rent proposed reflects the current rent for these spaces with increases as per the Consumers Price Index. The Tenant's accounts are current, and they have paid all rent payments due during the current lease term. The tenant will post a security deposit, and owners Paul Mc Grail and Sean Rowley will sign personal guaranties for the faithful performance of the terms of the lease.

CONCLUSION:

The CRA has had a satisfactory leasing experience with the tenant with no violations noted. The spaces provide facilitation of Sebago Watersports activities that have been in the Historic Seaport for over 25 years and offer a wide variety of opportunities for visitors and locals to enjoy the waters in Key West.

ATTACHMENTS:

Draft lease

Corporate Filing

Personal guaranties