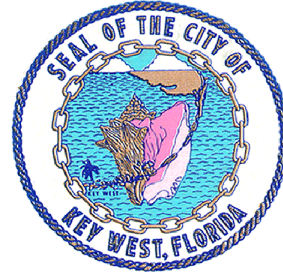


Executive Summary



TO: Key West Bight Management District Board
Community Redevelopment Agency

CC: Doug Bradshaw, Greg Veliz

FR: Marilyn Wilbarger, RPA, CCIM

DT: October 10, 2019

RE: Lost Reef Adventures, Inc. Lease Renewal at 261 Margaret Street

ACTION STATEMENT

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

HISTORY

Nick Kolessar has operated this dive shop at the Key West Bight for over thirty 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, 2019
- Rent:** The rent for year one shall be calculated at an annualized rate of \$32.52 per net usable square foot plus the increase in the consumers price index. This is a blended rate that was established based upon the retail and storage areas.
- Rent increases:** The base rent shall be increased annually throughout the term of the lease by the increase in the consumers price index.
- Additional Rent:** Tenant shall pay its pro-rate share of common area maintenance, taxes, and insurance
- Percentage Rent:** 6% in excess of the percentage rent base amount
- 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 rent is at a market rate and will keep pace with inflation through the consumers price index increases that are included annually. The tenant's account is current, and he remains in good standing. Additionally, the tenant will sign a personal guaranty as security for the payment of rent.

ATTACHMENTS:

Draft Lease

Prior Lease

Corporate Filing

Personal Guaranty