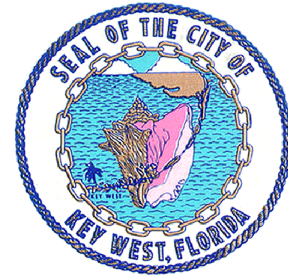


EXECUTIVE SUMMARY



TO: City Commission

CC: Bogdan Vitas

FR: Larry Erskine
Marilyn Wilbarger, RPA, CCIM

DT: March 4, 2014

RE: Third Amendment to the Comcast Lease, Franchise Agreement Payment

ACTION STATEMENT:

This is a request to approve the third amendment to the lease agreement between the City of Key West and Comcast of California/Colorado/Florida/Oregon, Inc. and to accept payment of the monies owed pursuant to the Franchise Agreement.

BACKGROUND:

The City and Comcast entered into a lease agreement in July of 1995 for the property located on College Road. The term of the lease expired in September of 2013 and the tenant has been in holdover since then. The parties desire to renew the lease as follows:

PREMISES: The current parcel located at 5700 College Road

TERM: Ten (10) years from October 1, 2013 and ending on September 30, 2023

RENEWAL: The Tenant shall have the option to renew the lease for an additional term of ten (10) years.

RENT: The rent shall be \$30,000 for year one of the renewal and the rent shall increase annually by three percent over the prior year's rent. Rent for the renewal term shall also increase annually by three percent.

FINANCIAL: The rent has been increased from \$2,103.94 to \$2,500 per month beginning October 1, 2013. Additionally, with the approval of the lease amendment Comcast will make the third and final payment of \$65,000 pursuant to the Franchise Agreement.

CONCLUSION:

Staff supports the terms and conditions of the proposed lease renewal and payment of the outstanding franchise fees.