



MEMORANDUM

Date: February 14, 2024

To: Key West Bight Management District Board

CC: Steve McAlearney, Todd Stoughton, Albert P. Childress

From: Gary Moreira
Senior Property Manager

Subject: **Sunset Watersports Lease Renewal 201 William Street, Unit B**

Introduction

This is a request to approve a lease renewal for Sunset Watersports, Inc. DBA Hammerhead Surf Shop located at 201 William Street, Unit B.

Background

Sunset Watersports has been a long-term tenant in this location which facilitates the operations of its retail surf shop apparel in the Historic Seaport. Two previous lease renewals were approved under resolutions 14-139 and 19-146. The CRA has a satisfactory leasing history with this tenant and all rental payments due pursuant to the current lease have been made. The previously approved use remains the same therefore the lease renewal is proposed based upon the terms below.

Procurement

Use: A retail store specializing in surf shop lifestyle related apparel, accessories and boarding activity equipment in addition to ticket sales for Sunset Watersports products.

Term: 60 months, commencing May 1, 2024.

Rent: \$4,192.00 per month. (\$50.00/s/f./mo.).

Increases: Base rent adjusted annually by any increase in the Consumer Price Index.

Additional Rent: Tenant shall pay its pro-rata share of CAM, Taxes and Insurance.

Percentage Rent: 6% in excess natural breakpoint.

Utilities: Tenant shall pay for all utilities.

Recommendation

Staff recommends approval of the lease renewal.

Attachments:

Lease