



Executive Summary

TO: Key West Bight Board
Community Redevelopment Agency

FR: Marilyn Wilbarger, RPA, CCIM, Property Manager

DT: September 27, 2011

RE: Executive Summary – Lease Renewal Sails in Concert, Inc.

ACTION STATEMENT

This is a request to approve a lease renewal for Sails in Concert, Inc for the building located on Lazy Way Lane.

HISTORY

Jimmy Buffett has leased the one story concrete block structure on Lazy Way for over fifteen years for the purposes of operating a private recording studio. The terms of the renewal are as follows:

Demised Premises: 1447 square feet

Use: Recording Studio

Term: Five years, Effective November 1, 2011

Rent: \$54.88 per square foot

Increases: 5% annually

Additional Rent: Tenant shall pay its pro-rate share of CAM, Taxes, and insurance

Utilities: Tenant shall pay for all utility usage.

ADVANTAGES/DISADVANTAGES:

Advantages: This is a very low profile, light usage tenant that has never been a problem. Having a celebrity presence that is the worst kept secret in Key West does attract visitors to the Historic Seaport and ultimately benefits the other tenants located in the surrounding area.

Disadvantages: No major disadvantages to speak of.

FINANCIAL STATEMENT:

This lease reflects an increase of 5% for the renewal term and the base rent will increase annually by 5% thereafter. The tenant will pay its pro-rate share of operating expenses, tax and insurance. The tenant has not been delinquent in rental payments in the past and their account is current.

RECOMMENDATION:

Staff recommends approval of the proposed lease renewal.

ATTACHMENTS:

First Amendment to the lease
Lease