

Executive Summary



TO: Key West Bight Management District Board
Community Redevelopment Agency

CC: Doug Bradshaw, Port & Marine Director
Ron Ramsingh, Chief Assistant Attorney

FR: Michael Henriquez, Senior Property Manager

DT: May 24, 2022

RE: Lease Renewal for Red Hospitality & Leisure of Key West, LLC located at
255 Margaret Street

ACTION STATEMENT

This is a request to accept a lease renewal for Red Hospitality & Leisure of Key West, LLC, Inc. for the demised premises located at 255 Margaret Street.

HISTORY

In 2019 Red Hospitality & Leisure of Key West, LLC was assigned the current lease from McGrail and Rowley, Inc. Since then they have occupied the premises. The tenant is asking for a 5 year renewal with current terms moving forward. Below are the following terms:

Tenant Name: Red Hospitality & Leisure of Key West, LLC

Lease Term: Five years, effective June 1, 2022

Demised Premises: Building 1196 square feet
Covered Porch 255 square feet
Loading dock 161 square feet

Use: Operation of a commercial kitchen with on and off premises food sales, beer and wine sales, retail merchandise, rentals, ticket sales and/or office space

Rent: \$33.26 per square foot or \$4,467.38 per month

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

Increase: CPI increases in base rent annually

FINANCIAL STATEMENT:

The rent proposed reflects a current market rate for the demised premises. Tenant Christopher Batchelor will sign a personal guaranty for the faithful performance of the terms of the lease, the City currently has a \$8,060.00 security deposit on file, therefore no additional security deposit will be necessary. The tenant remains in great financial standing with the City of Key West and has not had any issues or violations associated with the property.

CONCLUSION: City Staff recommends renewal of the lease.

ATTACHMENTS:

Draft Lease

Exhibit B

Personal Guaranty