



## MEMORANDUM

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Date: June 4, 2025

To: Honorable Mayor and Commissioners as the Caroline Street Corridor and Bahama Village Community Redevelopment Agency, (CRA).

Via: Brian L. Barroso  
City Manager

From: Gary Moreira  
Senior Property Manager

Subject: **Proposed Early Lease Termination and buyout – Sails in Concert, Inc.**

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### **Introduction**

This is a request to approve the early termination and buyout of the lease with Sails in Concert, Inc. at the Historic Seaport.

### **Background**

Sails in Concert, Inc. is the current tenant under the lease with the CRA approved via resolution 22-015. The lease was for five years commencing November 1, 2021 and is due to expire on October 31, 2026. The space has been under lease for over twenty years as the private recording studio of Jimmy Buffett. With his passing, staff recently met with tenant representatives and have been asked to consider terms for an early termination of the lease with a buyout provision effective June 1, 2025. The Buffett estate has no interest in continuing to rent the space at lease expiration or have the Buffett name associated with any activity there now or in the future.

In considering the proposal, staff notes the building is in need of major repairs which have been budgeted with plans in place to conduct the work while the tenant was still occupying the space. Coordination during the construction period will require substantial downtime for any activity at the space and rent relief, plus the expense of displacing the contents of the building while under construction.

At its meeting of May 14, 2025, the Key West Bight Management District Board unanimously approved via Resolution KWBB 25-14, the early termination and buyout of the lease with Sails In Concert, Inc.

### **Procurement**

<b>Current Rent:</b>	\$9,335.00 per month plus NNN
<b>Balance of Lease Payments 6/1/25 - 10/31/26</b>	\$158,695.00
<b>Rent Relief During Construction:</b>	\$56,010.00 (6 mos. x \$9,335.00)
<b>Balance Due Under Lease After Rent Relief:</b>	\$102,685.00
<b>Proposed Termination Buyout:</b>	\$41,904.00 (\$40,000 + Security Deposit)

### **Recommendation**

The lease is just 17 months from expiration of the term and there is approximately six months' time needed to have the building repaired and refurbished. During and prior to the end of the repair period, staff can recommend the highest and best conforming use for the space, advertise for tenants accordingly, and strive to have a new tenant in place upon completion, minimizing any rent loss. Additionally, the long-time lease relationship the City has enjoyed with Jimmy Buffett et al, sadly came to an end with his passing.

Staff recommends CRA approval and execution of the lease termination agreement.

### **ATTACHMENTS:**

Lease Termination Agreement