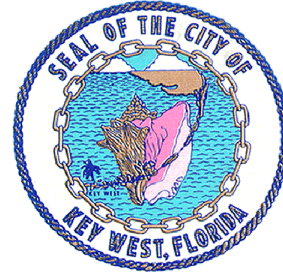


# Executive Summary



**TO:** Community Redevelopment Agency

**CC:** Jim Scholl

**FR:** Marilyn Wilbarger, RPA, CCIM

**DT:** June 17, 2010

**RE:** Lease Amendment to Adjust Surveyed Square Feet and Rental Rate

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## **ACTION STATEMENT**

This is a request to approve a lease amendment for Jack Anderson DBA Local Color to adjust the net usable square footage of the demised premises and adjust the base rent rate. This lease amendment was approved by the Key West Bight Board on June 16, 2010.

## **HISTORY**

The CRA entered into a five year lease renewal in July of 2007 that contemplated a re-measurement of the net usable square feet as previously these were two separate spaces under separate agreements and are now combined into one. Island Surveying was contracted to perform the re-measurement and completed a new survey based upon the BOMA –ANSI standard for measuring space. Jack Anderson objected to the measurement methodology and after lengthy discussion and a second survey, an agreement has been reached to adjust the rental rate while accepting the square footage measurement to arrive at a compromised base rent for the remainder of this lease term.

Therefore the net usable square footage will be adjusted to 3048 per the new survey and the base rent per square foot has been reduced to arrive at the dollar amount that would have been owed per an interior space measurement. In summary:

Current Annual Base Rent Paid	Re-Surveyed Annual Base Rent 3048 Sq. Ft	Proposed Annual Base Rent
\$92,832.26	\$98,785.68	\$95,032.68

The CAM charges will be calculated based upon the new survey of 3048 square feet.

## **FINANCIAL:**

The proposed reduced base rent reflects a \$3,753 decrease in the rent scheduled per the lease with a new survey; however it is also a \$2,200 increase over what the tenant is currently paying. The rental rate remains at a market rate of \$32.74 per square foot.

## **RECOMMENDATION:**

Staff believes that this is a fair compromise and recommends approval of the proposed terms of the lease amendment.

## **ATTACHMENTS:**

Lease Amendment  
Lease