



MEMORANDUM

Date: June 10, 2026

To: Key West Bight Management District Board

From: Gary Moreira
Senior Property Manager

CC: Steve McAlearney

Subject: **File ID 26-5366 Lease Renewal - Boat House Key West, LLC, dba Boat House
231 Margaret Street in the Historic Seaport**

Introduction

This is a request to approve a fifteen-year lease renewal for Boat House Key West, LLC, located at 231 #1 Margaret Street at the Historic Seaport.

Background

The current owners of the Boat House are tenants by assignment following their purchase of Turtle Kraals via Resolution 20-100. The current lease term expired on March 31, 2026. The tenant requested the lease renewal prior to expiration and therefore on January 3, 2026, the City published notice of commencement of lease renewal negotiations. Roderick Gill and Timothy Ryan, the managing members of Boat House Key West, LLC have invested over \$2M in the remodel and reconstruction of this City building since 2020, with additional planned to reopen the tower portion of the restaurant. An inspection by the Chief Building Official was conducted in January to assess the current state of maintenance and repairs and found no outstanding issues.

Procurement

Use: Operation of restaurant containing 340 licensed seats, limited to 257 seats downstairs and 83 seats upstairs, alcohol sales, retail area for logo apparel, gifts, souvenirs, retail sales of alcohol and beer, sale of tickets and check-in for businesses conducted by LANDLORD'S other tenants within the Historic Seaport and no other purpose.

Demised Premises: 13,229 square feet.

Term: 180 months commencing April 1, 2026.

Renewal Option: One five-year option to renew upon renegotiated market rate rent.

Rent: \$542,388.00 per year, or an average of \$41.00 per square foot, comprised of a \$55.18 per square foot rate for the improved main area and a reduced per square foot rate for 36% of the space that includes walkways, storage, waiting areas, and dirt courtyard.

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

Percentage Rent: 6% of gross sales in excess of a natural breakpoint of \$9,039,800.00.

Additional Rent: Approximately \$91,377.00 per year in estimated Triple Net charges allowing recovery of CRA expenses for taxes, insurance and maintenance.

Utilities: Tenant shall pay for all utilities.

Repairs: None noted following January inspection by Chief Building Official.

Recommendation

The Boat House has been very successful since taking over Turtle Kraals from Moro Management and are great addition to the tenant mix at the Historic Seaport. The triple net lease with its percentage rent feature will ensure substantial income for the City over the lease term while offsetting regular recurring City tax, insurance and maintenance expenses. The lease will continue to be personally guaranteed by Messrs. Gill and Ryan. The CRA has an excellent payment history with them having met all of their leasehold obligations. Proposed rent is considered market rate and staff recommends approval of this lease and renewal.