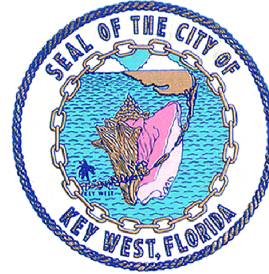


Executive Summary



TO: Key West Bight Board
Community Redevelopment Agency

FR: Marilyn Wilbarger, RPA, CCIM

DT: October 27, 2011

RE: Executive Summary - Piano Shop Lease Renewal

ACTION STATEMENT

Thus is a request to approve the second amendment to the lease for a five year renewal term.

HISTORY

Tim Wegman, the Piano Shop, has been a tenant at 907 Caroline for many years. The lease term has expired and Mr. Wegman has requested an additional five year lease. The lease will be in Mr. Wegman's name alone as Donford Warricks is no longer a partner. Mr. Wegman has also requested additional uses to include the retail sale of packaged health food and related products such as lotions, soaps, etc. He anticipates changing the name of the business to Caroline Street Music and Health Garden Too. The proposed terms are as follows:

Demised Premises: 975 square feet

Term: Five Years, Effective July 1, 2011

Rate: \$23.00 per square foot in year one of the renewal

Increases: 5% fixed annual increase

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

Percentage Rent: 6% in excess of the breaking point

Utilities: Tenant shall pay for all utility usage

FINANCIAL:

The renewal rate is proposed at the current rate for an additional year with five percent increases thereafter which contemplates the condition of the building and the flooding that occurs there. There is a budgeted capital project to address the structure that is planned for this fiscal year.

RECOMMENDATION:

Mr. Wegman has related that due to the economy he needs to expand his offerings to continue to run a viable business. Mr. Wegman will draw upon his experience as a former health food store proprietor to bring in new inventory. Staff recognizes the need and is supportive of additional efforts on the tenant's part and recommends the lease renewal as proposed.

ATTACHMENTS:

2nd Lease Amendment
Lease and First Amendment