



MEMORANDUM

Date: March 5, 2026

To: Caroline Street and Bahama Village Community Redevelopment Agency

Via: Brian L. Barroso
City Manager

From: Gary Moreira
Senior Property Manager

Subject: **Lease renewal of Mac's Sea Garden/Curio Shop**
File ID: 26-4919

Introduction

This is a request to approve a lease renewal between the CRA and Tropical Shell and Gifts, Inc. for Mac's Sea Garden/Curio Shop located at 208 Margaret Street in the Historic Seaport.

Background

The lease was previously renewed in 2016 for ten years and will expire at the end of February 2026 and the tenant has requested another ten-year renewal. The Tenant requested a lease renewal prior to the expiration and therefore on January 3, 2026 the City published notice of commencement of lease renewal negotiations. The tenant has proven to be a successful and desired business at the Historic Seaport for over twenty years and sells souvenirs and marine related clothing and gifts and is a natural addition to the tenant mix.

At their meeting of February 18, 2026, the Key West Bight Management District Board unanimously approved renewal of the lease via Resolution KWBB 26-04 under the following terms and conditions:

Procurement

Demised Premises:	Interior Space	1,689 Square Feet
	Covered Porch	581 Square Feet
	Outdoor Display Area	1,139 Square Feet

Use: Retail sale of souvenirs and marine related clothing and gifts and no other purpose. Additionally, sale of T-shirts may not exceed 25% of the retail sales.

Term:	10 years, effective March 1, 2026,
Rent:	Monthly rent for the interior space will be \$7,641.00 and rent for the porch and display area will be \$1,433.00 per month with annual increases based upon increases in the Consumer Price Index.
Percentage Rent:	6% on gross sales in excess of the percentage rent base amount.
Triple Net:	The tenant's share is estimated to be \$1,912.50/month allowing the CRA to recover approximately \$22,950.00 per year of CRA/Seaport operating expenses including taxes, insurance and common area maintenance.
Utilities:	Tenant shall pay for all utility usage including, but not limited to, electricity and trash removal.

Recommendation

Tropical Shell and Gifts, Inc. remains in good standing and has met all financial and other leasehold obligations since the outset of their tenancy. There is no requested change of use and the rent is market rate. Staff recommends the CRA approve the renewal and execution of this lease.