



## THE CITY OF KEY WEST

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**TO:** Jim Scholl, City Manager

**FROM:** Key West Bight Management District Board  
Doug Bradshaw, Director Port and Marine Services

**CC:** Greg Veliz, Asst. City Manager  
Sarah Spurlock, Asst. City Manager  
George Wallace, Assistant City Attorney

**DATE:** July 14, 2016

**SUBJECT:** BOs Fish Wagon Lease Amendment

### ACTION STATEMENT

This is a request to approve a lease amendment to provide a one-time rent waiver for B.O.'s Fishwagon located at 801 Caroline Street.

### HISTORY

The Key West Caroline Street and Bahama Village Community Redevelopment Agency (CRA) entered into a lease agreement per Resolution 13-243 for the building located at 801 Caroline Street, B.O.'s Fishwagon.

In November 2015, the City began construction on the Caroline Street project which included roadwork, sidewalk construction, landscaping, storm water, etc. A significant portion of the construction occurred in front of or adjacent to 801 Caroline Street which severely impacted their ability to do business. At times the tenant was unable to open for business because of the construction. According to the tenant's calculations they suffered a loss of over \$104,000 as shown on their attached letter.

The tenant has submitted a request to the CRA for a 50% rent reduction for the months November 2015 to August 2016.

The lease does not provide for an abatement of rent as stated in Section 14 of the lease excerpted below as follows:

*In the event that LANDLORD shall deem it necessary or be required by any governmental authority to repair, alter, remove, reconstruct or improve any part of the Demised Premises or of the property (unless the same result from TENANT'S act, neglect, default or mode of operation, in which event LANDLORD shall make all such repairs, alterations or improvements at TENANT'S sole cost and expense), then the same shall be made by*

*Key to the Caribbean – Average yearly temperature 77° F.*

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*LANDLORD with reasonable dispatch, and should the making of such repairs, alterations and improvements cause any interference with TENANT'S use of the Demised Premises, such interference shall not relieve TENANT from the performance of its obligations hereunder nor shall such interference be deemed an actual or constructive eviction or partial eviction or result in abatement of rental.*

Therefore, this is a request to amend the lease to provide a one-time reimbursement and abatement of rent as requested by the tenant to compensate them for a portion of their losses.

The Key West Bight Management Board at their July 13, 2016 meeting approved a rent wavier of back rent due by the tenant.

**FINANCIAL STATEMENT:**

The current monthly rent paid by the tenant is \$7,159.50. Based on the tenant's request, the loss revenue to the CRA would be \$35,497.01. However, Key West Bight Management Board's recommendation would result in a loss of revenue of \$33,682.84 which is the current amount of back rent that the tenant owes the CRA.

**RECOMMENDATION**

Although the lease does not provide for a reimbursement or abatement of rent due to interference with the Tenants business, Key West Bight Management Board believes that the tenant was severely impacted by the construction on Caroline Street. The substantial losses as describe by the tenant warrants consideration of such a reimbursement or abatement (or waiver) through a lease amendment. Key West Bight Management Board recommends the following:

1. Provide one-time rent waiver to the tenant in the amount of \$33,682.84.