



MEMORANDUM

Date: June 10, 2026

To: Key West Bight Management District Board

From: Gary Moreira
Senior Property Manager

CC: Steve McAlearney

Subject: **File ID 26-5533 Lease Renewal – Key West Seaport, LLC, dba Schooner Wharf Bar, 202R William Street in the Historic Seaport**

Introduction

This is a request to approve a lease renewal for Key West Seaport, LLC d/b/a Schooner Wharf Bar located at 202R William Street, Key West, FL.

Background

The lease current lease term approved under Resolution 17-135 expires on September 30, 2026 and the tenant has requested a ten-year renewal of the lease. An inspection by the Chief Building Official was conducted in January to assess the current state of maintenance and repairs and identified an issue with a roof mounted sign that is required to be flashed and properly sealed. The lease renewal is presented for your consideration, based upon the following terms:

Procurement

Use: Operation of a retail bar and restaurant containing **205 licensed seats**, with live entertainment, retail merchandise sales, and ticket sales for excursions/tours for other businesses located in the Historic Seaport Marina. Notwithstanding anything in the Lease to the contrary, the Tenant shall be permitted to have amplified music in the Premises so long as the volume of the amplified music is not in violation of the City of Key West Noise Ordinance and does not unreasonably disturb or interfere with neighboring tenants or property owners.

Use of Right of Way: The premises at 202 William St. is bordered by a waterfront walkway (*known as the Harborwalk*) on the North and by Lazy Way on the South. TENANT agrees not to use these rights of way for commercial purposes, including, without limitation, solicitation and display, except as may be expressly permitted by LANDLORD for special events. Additionally, no special event may be held on Lazy Way without approval by the City of Key West in conformity with its Special Events authorization procedure.

The annual special events known as Minimal Regatta (Memorial Day weekend), Open Air Art and Music Fair (first weekend in March) and Battle of the Bars (a charity event, held on a weekend in August) are deemed to have continuing approval unless and until such approval is expressly revoked by the City; provided, however, that if alcoholic beverages are intended to be served on a public right of way during any of these three special events, then the TENANT must obtain City of Key West approval pursuant to section 18-88 of the Code of Ordinances.

Demised Premises: 9,917 square feet

Term: 120 months commencing October 1, 2026.

Rent: \$454,396.94 per year or an average of \$45.82 per square foot effective October 1 and reflects a 3% increase over the current base rent.

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

Additional Rent: Approximately \$60,807.00 per year in estimated Triple Net charges allowing recovery of CRA expenses for taxes, insurance and maintenance.

Percentage Rent: 6% of gross sales in excess of natural breakpoint of \$7,573,282.00.

Utilities: Tenant shall pay for all utilities.

Tenant Repairs: Flashing and seal repair as noted following inspection by Chief Building Official.

Recommendation

This lease renewal represents Evalena Worthington's renewed commitment to the continued growth and prosperity of the Historic Seaport and the iconic Schooner Wharf Bar. In addition, many local charities will continue to benefit from their annual fund-raising events as they continue to give back to the community year after year.

The proposed terms of the lease renewal represent a market rate for the property and the rent will increase annually based upon the Consumers Price Index which will maintain the base rental rate as adjusted for inflation. The triple net lease with its percentage rent feature will ensure substantial income for the City over the lease term while offsetting City incurred tax, insurance and maintenance costs. The lease will continue to be personally guaranteed by Evalena Worthington and the use will remain unchanged. The Tenant is current with the rent and has an excellent payment history. Staff recommends approval of this lease and renewal.