



MEMORANDUM

Date: January 6, 2026

To: Honorable Mayor and Commissioners

Via: Brian L. Barroso
City Manager

From: Gary Moreira
Senior Property Manager

Subject: **Fourth Amendment to Lease between the City of Key West and Tropical Shell and Gift, Inc. File ID: 25-4839**

Introduction

This is a request to acknowledge receipt of tenant's properly exercised lease option and approving the extended term with Tropical Shell and Gift, Inc., located at 1 Whitehead Street in Key West.

Background

The City of Key West, (Lessor) and Tropical Shell & Gifts, Inc., (Lessee) entered into a Lease dated July 3, 1978 for lease of the City-owned property located at 1 Whitehead Street in Key West pursuant to City Resolution No. 78-87.

Pursuant to City Resolution Nos. 81-92 and 95-419, (collectively, the "First Amendment"), dated September 9, 1981 an Investment Credit and an Option to Renew was agreed upon allowing an extension of the original lease for an additional twenty-five years following the expiration of the original lease beginning July 15, 2003 and ending July 14, 2028.

Under Resolution 18-247 dated August 28, 2018, Lessor and Lessee entered into a Second Amendment to Lease which provided for an Investment Credit and a second option to renew the original lease for an additional ten (10) year period following the expiration of the first period, beginning July 15, 2028 and ending July 14, 2038, provided Lessee made certain improvements.

Lessor and Lessee entered then entered into a Third Amendment to Lease dated August 18, 2021 which provided for an extension of time during the COVID 19 pandemic to complete required certain improvements, pursuant to City Resolution No. 21-169 (the "Third Amendment"). Lessee has timely completed the required improvements and timely provided notice of their intent to exercise the option.

A Fourth Amendment to Lease is now proposed which acknowledges receipt of tenant's written notice formally exercising the lease option as prescribed, and approving the extended lease term.

Procurement

All other lease terms remain unchanged.

Recommendation

All conditions of the lease as amended have been met and staff recommends approval and execution of the Fourth Amendment to Lease.