



MEMORANDUM

Date: October 9, 2025

To: Honorable Mayor and Commissioners

Via: Brian L. Barroso
City Manager

From: Gary Moreira
Senior Property Manager

Subject: **File ID 25-4490 Request to approve a ten (10) year lease commencing May 1, 2026 with Key West Players, Inc., Lessee of the Waterfront Playhouse**

Introduction

This is a request to enter into an under market lease renewal with Waterfront Players, Inc, a Florida non-profit corporation, commencing May 1, 2026, for occupancy of the Waterfront Playhouse located at Mallory Square.

Background

Via Resolution 14-069, the City of Key West entered into the current ten-year lease agreement with Waterfront Players, Inc., a Florida non-profit organization, to operate a theater playhouse supporting the city's arts and culture. The lease was amended by a First Amendment to Lease on October 10, 2024 via Resolution 24-249, extending the lease term for an additional twelve-month period and again on May 6, 2025 via Resolution 25-098 extending the lease through April 2026. The short-term lease extensions allowed the City to complete its structural assessment of the playhouse building and allowed the tenant to seek and receive TDC funding for building repairs as required under their lease.

The structural assessment done by Keister Web Structural Engineers noted "In general, the Waterfront Playhouse is in good condition but does need repair". With approximately \$270,000.00 they've received from the TDC, Key West Players, Inc., has made substantial progress making repairs to the metal and flat roofs, building fascia, HVAC, and have installed new fire doors. The tenant's contractor is in the process of repairing the structural steel beam at the wall opening to the stage, identified by and in the manner prescribed by the structural engineer.

The monthly rental of \$500.00 is below market rate that must demonstrate public benefit and require approval by a super-majority vote pursuant to Section 2-941(c) of the Code of Ordinances. Key West Players, Inc., will continue to produce professional theater productions, providing valuable public benefit by supporting the Key West arts community. This lease extension is otherwise consistent with City of Code of Ordinances 2-941(C).

Procurement

Demised Premises:	The building located at 407 Wall Street in Mallory Square.
Term:	Ten (10) years commencing May 1, 2026.
Current Rent:	\$500.00 minimum base rent per month in addition to 50% of net revenue generated by use of the theater by third party for profit uses.
Expenses:	The tenant will pay for operating costs including all utilities, repairs and maintenance, replacements and renovation necessary to keep the premises in good repair and condition.

Recommendation:

Staff is satisfied and pleased with the progress the tenant has made in repairing and maintaining this historic City building pursuant to their obligations under the current lease agreement. With the City's continuing support, the Key West Players will remain a valuable element of the Key West arts community and continue to provide a public benefit with utilization of the City owned Waterfront Playhouse building at Mallory Square. Staff recommends approval and execution of the Lease.