

Executive Summary



TO: Key West Bight Board
Community Redevelopment Agency

CC: Bogdan Vitas, Doug Bradshaw

FR: Marilyn Wilbarger, RPA, CCIM

DT: April 23, 2014

RE: Letter of Interest and Lease for Ferry Terminal Advertising Space

ACTION STATEMENT

This is a request to consider the letters of interest and approve a new lease for the advertising space available at the Key West Bight Ferry Terminal pursuant to the public notice therefore.

BACKGROUND:

Public notice was first published on February 16, 2014 in accordance with Florida Statute Sec. 163.380. During the prior advertising period we received three letters of interest as follows:

Pat Croce & Co.	Elevator face only	\$250 per month
Anderson Outdoor Advertising	All interior and exterior space available	\$1000 per month OR 30% of gross sales
Vacation Key West	All interior space available	\$2000 per month plus 12% over \$5000 per month in revenue

A draft lease is proposed for Vacation Key West based upon the following terms:

Tenant: Vacation Key West, Inc.

Use: TENANT shall have the right to utilize the Demised Premises as follows: wall space to display aesthetically pleasing images with no sound track; the quantity, size, location, and formats approved by the LANDLORD, graphic door wraps on the elevator doors, framed displays inside the elevator cab for event advertising and one display rack for brochures. In addition TENANT shall have the right to utilize greeters and offer welcome bags in the public area of the terminal.

Demised Premises: Interior Wall Space, 4 areas approximately 27 square feet each
Elevator Exterior Doors
Elevator Cab Interior walls
Floor space for one brochure rack not to exceed 20 square feet

Term: Five years effective July 1, 2014

Rent: \$2000 per month with annual CPI increases

Tax, Insurance and CAM: N/A

Percentage Rent: 12% of sales in excess of \$60,000 in year one

Utilities: Landlord will pay for the utilities associated with the uses allowed

FINANCIAL IMPACT:

The prior agreement called for \$30,000 minimum rent annually so this agreement represents a decrease of \$6,000 annually in guaranteed income however the prior tenant decreased his rent offer to \$12,000 annually. The proposed agreement will provide additional rent to the city should the tenant be successful; in marketing the advertising opportunities at the Ferry Terminal.

RECOMMENDATION:

Staff recommends acceptance of the letter of interest and approval of the lease as proposed.

ATTACHMENTS:

Letters of Interest
Draft lease