



## MEMORANDUM

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Date: February 18, 2026

To: Key West Bight Management District Board

CC: Steve McAlearney

From: Gary Moreira  
Senior Property Manager

Subject: **Letters of Interest – Lazy Way Recording Studio, formerly occupied by Sails in Concert, Inc.**

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### **Introduction**

This is a request to consider the letters of interest and authorize lease negotiations for leasing the vacant recording studio space on Lazy Way formerly occupied by Sails in Concert, Inc.

### **Background**

Public notice was published on December 13, 2025 in accordance with Florida Statute Sec. 163.380 and was subsequently published for the next three weeks. During that period, we received three written proposals, the first from Mr. John Bolte proposing preservation and continuation and “to maintain the studio as a living creative space-one that reflects the generosity, authenticity, and artistic spirit that Jimmy embodied throughout his life.” The complete details of the Bolte proposal are contained in the attached submittal.

The second proposal is from Ms. Lisa Milko of WT Chapel, LLC dba The Chapel on Sycamore in Decatur Georgia. Ms. Milko is proposing an “Express wedding chapel inspired by Key West’s island lifestyle and musical culture, specifically the legacy associated with Jimmy Buffett and the Parrothead community.” See attached for complete details.

The third proposal is a proposal from Messrs. David Bernsen and Robert Spottswood who proposed separately for independent uses at the November 2026 meeting of the Bight Board when letters of interest were first solicited in October. This is a unified proposal to keep the space as a working recording studio, offer museum tours, frozen drink and margarita bar, and retail sales showcasing the City of Key West’s music, arts and fishing history with indoor and outdoor seating experiences to book private recording and photo sessions, merchandise, live broadcasts, live shows and the venue for private events with 100% of the

profits, (recording studio only), going directly to support the Key West charities. The proposal cites preliminary commitments from Mac McAnally, Kenny Chesney, Zac Brown Band and the Coral Reefer Band and involvement with Buffett family members, Savannah and Lulu. See attached for complete details.

**Procurement Comparison**

Please see table below.

<b>Terms</b>	<b>John Bolte</b>	<b>Lisa Milko</b>	<b>Bernsen/Spottswood</b>
<b>Use</b>	See “Background” above and attached	See “Background” above and attached	See “Background” above and attached
<b>Premises</b>	1,447+/- Square Feet	1,447 +/- Square Feet & Outdoor Area	1,447+/- Square Feet
<b>Lease Term</b>	None proposed	10 years	5 years + 4 – 5 year options to extend*
<b>Base Rent</b>	None proposed	Abated/reduced rent years 1&2. Market at year 3	12 mos. abated rent and market thereafter
<b>Percentage Rent</b>	None proposed	@ market in year 3	8% over natural break
<b>% of Profits to KW Charities</b>	Unknown	Unknown	100% from recording studio operations only
<b>Utilities</b>	Paid by tenant	Paid by tenant	Paid by tenant
<b>Tenant Improvements</b>	None proposed	Abated/reduced rent years 1&2 to offset \$200K tenant improvement contribution.	Abated rent year 1 to offset contribution by tenant for improvements.
<b>Est. Bldg. Repairs – KWB Fund</b>	\$300,000	\$300,000	\$300,000

\* Granting options to renew will require legal and City Code review.

**Rental Analysis**

While details remain to be negotiated, a triple net market rate fixed base rent with a percentage component is most desirable. Anticipated annual base rental income is \$96,000.00 with percentage rent at 6 to 8 percent of sales over a natural breakpoint. Triple net charges allowing the CRA to recover the tenant’s share of CRA/Seaport operating expenses including taxes, insurance and common area maintenance will be approximately \$13,000 annually.

Milko and Bernsen/Spottswood proposals offer lease rental structures that are a fixed base plus percentage. The Bolte proposal does not specify a proposed lease structure. Additionally, the Milko and Bernsen/Spottswood proposals ask for abated and/or reduced base rents during the initial year or two of the lease term to help offset improvement costs. Again, this is subject to negotiation.

**Recommendation**

The former recording studio is prime commercial rental space that can command a high per square foot triple net rent with a relatively small amount of landlord repair expense and staff feels the opportunity to

achieve this income should not be overlooked. Staff also recognizes the significance of preserving the connection of Jimmy Buffett to the former recording studio use of the building. The Milko proposal may offer basic terms that could result in a successful lease negotiation, we don't believe an express wedding chapel would satisfy the community's desire to preserve the history of the space as opposed to a working studio that we're told has the backing of some Buffett family members, the Margaritaville franchise and members of the Coral Reefers band. Therefore, staff is recommending approval to proceed with negotiations with Messrs. Bernsen and Spottswood as they propose to preserve the space as a working recording studio honoring the Buffett legacy as well as a commercial component that will generate the desired income to the City and subject to receipt of satisfactory background and financial information and the appropriate security.

Upon satisfactory completion of these and any additional requirements the Board desires, a draft lease will be submitted to the Bight Board for approval and recommendation to the CRA.

**ATTACHMENTS:**

Bolte Proposal

Milko Proposal

Bernsen/Spottswood Proposal