



## MEMORANDUM

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Date: May 6, 2025

To: Honorable Mayor and Commissioners

Via: Brian L. Barroso  
City Manager

From: Gary Moreira  
Senior Property Manager

Subject: **File ID 25-3699 Waterfront Playhouse - Second Amendment to Lease extending the current lease term for an additional six-month period effective November 1, 2025.**

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### **Introduction**

This is a request to approve a Second Amendment to Lease with Waterfront Players, Inc., (lessee of the Waterfront Playhouse), extending the term of the current below market lease for a period of six months.

### **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. The term is now set to expire on October 31, 2025.

The requested six-month extension will allow time for the City to conduct a structural assessment of the building and reviews consistent with the Mallory Square master plan. The master plan reviews include, but are not limited to, proposed plaza modifications, adding commercial space to the rear of the playhouse and a revenue study. Additionally, the tenant has secured approximately \$270,000.00 in TDC funding earmarked for building repairs that include the roof, mechanical, plaster, emergency doors and building fascia that will commence during the current production off-season.

This term extension ahead of any long-term extension allows the tenant to secure programming for the 2025/26 theater season, allows for tenant funded building repairs, and provides an opportunity for the City to consider and/or implement recommended actions from the resulting assessment and study.

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**

<b>Demised Premises:</b>	The building located at 407 Wall Street in Mallory Square.
<b>Term:</b>	Six months commencing November 1, 2025.
<b>Current Rent:</b>	\$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. (Monthly base rent reflects an increase of \$174.80 over the current rent of \$325.20).
<b>Expenses:</b>	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:**

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 Second Amendment to Lease.

Exhibits:  
Second Amendment to Lease