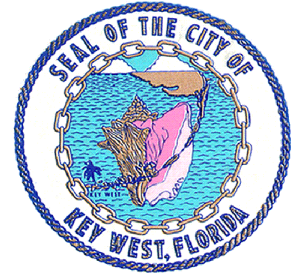


Executive Summary



TO: Key West Bight Board
Community Redevelopment Agency

CC: Doug Bradshaw
Patty McLauchlin
Ron Ramsingh

FR: Michael Henriquez Jr, Senior Property Manager

DT: December 15th, 2021

RE: Vacation Key West, Inc. Lease Renewal

ACTION STATEMENT

This is a request to discuss approving a lease renewal for Vacation Key West, Inc. located in Suite 207 at the Ferry Terminal, 100 Grinnell Street, Key West with new terms requested by the tenant, or to not approve the lease with the requested terms.

HISTORY

This long term tenant is located in the Ferry Terminal immediately across from the ticket counter for the Ferry Terminal and depends greatly on passenger traffic from disembarking passengers being funneled through the Terminal upon their arrival. Due to Covid -19 passengers were prohibited from entering the Terminal upon arrival and this had a heavy impact on the tenant's business. Certain arrangements were made between the tenant and city staff to postpone the renewal of her lease pending the outcome of the covid pandemic and the use of the terminal.

The Interim City Manager has recommended a waiver any rental payments from July 2020 through April 2021 due to the very unique nature and location of this tenant's business in the Ferry Terminal.

We received a request from the tenant to renew the lease at the Ferry Terminal with changes to the renewal terms initially discussed. The tenant has proposed a renewal based upon the following terms:

Demised Premises: Suite 207 containing 250 square feet. The CRA shall have the right to re-locate the tenant as necessary or to terminate the lease in the event that the building use is changed or the building is renovated eliminating the demised premises.

Term: Decreased 5 year term to 2 years effective January 1, 2022, with 90 day right to terminate

Rate: Decreased base rent from \$1,170.31 per month with annual CPI increases, to \$935.38 per month with annual CPI increases

Additional Rent: Tenant shall pay its pro-rated share of CAM, taxes, and insurance

Use: Visitor Center, ticketing and booking service and office space

Utilities: Tenant shall pay for all utility usage as pro-rated by the Landlord

FINANCIAL STATEMENT:

Vacation Key West has been a valued tenant for many years and has always paid the rent in a timely fashion. Vanessa McCaffrey has also signed a personal guarantee ensuring that the rental obligations will be met during this renewal term.

CONCLUSION:

Vacation Key West continues to provide visitor services that are immediately available for disembarking ferry passengers in a friendly and professional manner. Since the Covid-19 Pandemic, the tenant has stated that passengers no longer stop by the booth and rather continue to exit the terminal as quickly as possible, therefore asking for the renewal terms of a base rent reduction, and shorter term of the lease. Although staff understands the hardship the pandemic had on most travel related businesses, we do not recommend a reduction in the base rent for renewal terms.

ATTACHMENTS:

Lease
Tenant request
Corporate filings