



THE CITY OF KEY WEST

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TO: Key West Bight Management Board

FROM: Gary Moreira, Senior Property Manager

CC: Patti McLauchlin, Todd Stoughton, Steve McAlearney

DATE: March 2, 2023

SUBJECT: Approve a new lease for Paradise Enterprises, LLC, dba Paradise Porters. for the demised premises located at 100 Grinnell St Key West Ferry Terminal, Office Space #213, 225 & 225A

ACTION STATEMENT

This is a request to accept the letter of interest and approve a new lease for Paradise Enterprises, LLC, dba Paradise Porters, for the demised premises located at 100 Grinnell St Key West Ferry Terminal, Office Space(s) 213/225/225A.

HISTORY

Tenant presently occupies Suites 213/225/225A and had been on a month-to-month lease awaiting execution of a new lease to relocate to Suite 207. The relocation was approved by the Bight Board on January 11, 2023 however the City & Port were directed by the USCG to permanently occupy Suite 207 for security purposes precluding the CRA from executing the 207 lease. Since tenant had been occupying their space month-to-month, the City, pursuant to Florida Statute Sec. 163.380 was required to give public notice seeking letters of interest for the lease of the space located at 100 Grinnell St Key West Ferry Terminal, Office Space #213/225/225A: Notice was published in the Key West Citizen on February 1, 2023.

The city received one letter of interest from the current tenant as follows:

- Tenant:** JR Fogarty, Paradise Enterprises, LLC.

Lease Term: Five (5) years.

Premises: 388 Sq. Ft of office space as advertised.

Use: Office space for porter services.

Rent: Year 1 - \$31.55 per sq. ft. annually
Year 2 - \$36.00 per sq. ft. annually
All rents include electricity.

Key to the Caribbean – Average yearly temperature 77° F.

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SUMMARY

Increase: Annual increases to base rent adjusted by the Consumer Price Index beginning with year three.

Additional Rent: Tenant shall pay its proportionate share of CAM, Real Estate Taxes, Insurance, Sales, Use or Excise Taxes together with Management and Administrative fees.

Percentage Rent: 6% on sales in excess natural breakpoint.

Improvements: None.

FINANCIAL:

Rent proposed for year 1 is only slightly below average for other similar ferry spaces however second year adjustment brings rent in line with other spaces and reflects at least market rate for the demised premises considering its unusual floor plan.

CONCLUSION: Lessee is a presently a tenant in good standing that provides services complimentary to ferry services using the terminal. Staff recommends entering into an agreement with Paradise Enterprises, LLC. under the terms and conditions of the attached draft lease.

ATTACHMENTS:

Draft Lease

Exhibit C