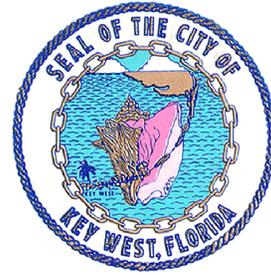


Executive Summary



TO: Key West Bight Board
Community Redevelopment Agency

FR: Marilyn Wilbarger, RPA, CCIM

DT: February 26, 2018

RE: Lease Renewal for 907 Caroline

ACTION STATEMENT

This is a request to approve a lease renewal for the demised premises located at 907 Caroline Street.

HISTORY

Tim Wegman, DBA the Piano Shop, who was a tenant at 907 Caroline for many years has sadly passed away. In 2013, Mr. Wegman added new partners Lisa and Randy Althouse and changed the name of the business to Good Day on a Happy Planet. At that time, they expanded the uses to include the retail sale of clothing, gifts, art, accessories in addition to the sale of musical instruments. The lease has been on a month to month basis since the plan to demolish the building has been in the design and approval process. That plan was not approved and the Tenant has now requested a lease renewal to enable them to plan and order inventory going forward. The lease does include a 180 day termination provision so that in the event the CRA decides to move forward with a new plan the space can be vacated. The proposed terms of the renewal are:

Demised Premises: 975 Square Feet

Use: Retail sale of clothing, gifts, art, musical instruments, and accessories from around the world

Term: Five years effective March 1, 2018

Rate: \$35.00 per square foot

Increases: Annual increases based upon the CPI

Percentage Rent: 6% over the percentage rent base amount

FINANCIAL:

The rent will be increased to a market rate and the tenant will personally guaranty the lease. The tenant's rent is not delinquent and the leasing history is satisfactory.

CONCLUSION: The lease is at a market rate and the tenant is willing to work with the CRA on vacating the space should a new plan move forward. With the approval of the lease renewal, the space will remain occupied and producing revenue until that time.

ATTACHMENTS:

Lease

Personal Guaranty

Corporate Filings

Insurance