



# City of Pensacola

222 West Main Street  
Pensacola, FL 32502

## Memorandum

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**File #:** 17-00647

City Council

12/14/2017

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### **LEGISLATIVE ACTION ITEM**

**SPONSOR:** Ashton J. Hayward, III, Mayor

**SUBJECT:**

LEASE AGREEMENT WITH KAPLE HOLDINGS, INC. FOR RESTAURANT OUTDOOR SEATING AREA

**RECOMMENDATION:**

That City Council authorize the Mayor to take all action necessary to execute a Lease Agreement with Kaple Holdings, Inc. for exterior space to be used for restaurant and bar outdoor seating.

**HEARING REQUIRED:** No Hearing Required

**SUMMARY:**

On May 21, 2010, the Community Redevelopment Agency of the City of Pensacola (“CRA”) entered into a Lease Agreement with Kaple Holdings, Inc. (“Tenant”), as subsequently amended and restated, for lease of real property and improvements located at 16 Palafox Place (“16 Palafox Place Lease”) to be operated as the “Wine Bar” restaurant and bar, with additional exterior areas in the breezeway and behind the building.

On December 27, 2016, the CRA assigned the existing 16 Palafox Place Lease to Cat-Den, LLC due to a sale by CRA to Cat-Den, LLC of the real property and improvements located at 16 Palafox Place.

Kaple Holdings, Inc., as current Tenant under the 16 Palafox Place Lease, seeks City Council approval for a Lease Agreement of approximately 632 sq ft of City-owned outdoor space located immediately adjacent to the rear boundary of the 16 Palafox Place parcel, as depicted on Exhibit A to the draft agreement attached hereto.

The proposed Leased Premises are located within the boundaries of the Jefferson Street Parking Garage, Escambia County Property Appraiser Parcel Reference # 000S009001002228. The City has received a request from the Pensacola Downtown Improvement Board dated October 19, 2017 in support of the proposed outdoor seating area lease.

The proposed Lease Agreement allows for certain installations to be made by Tenant, at Tenant’s sole expense, as depicted in Exhibit B to the draft agreement attached hereto, to improve the property for a restaurant and bar outdoor seating area.

The proposed Lease Agreement provides for the same monthly rental payment amount as calculated in the existing 16 Palafox Place Lease, and for the lease to be coterminous with the 16 Palafox Place Lease.

**PRIOR ACTION:**

May 21, 2010 - Community Redevelopment Agency of the City of Pensacola entered into a Lease Agreement with Kaple Holdings, Inc., as subsequently amended and restated, for lease of real property and improvements located at 16 Palafox Place.

December 27, 2016 - CRA assigned the existing 16 Palafox Place Lease to Cat-Den, LLC due to a sale by CRA to Cat-Den, LLC of the real property and improvements located at 16 Palafox Place.

**FUNDING:**

N/A

**FINANCIAL IMPACT:**

Approval of the proposed lease provides for \$1,580 in rent per year, divided into twelve monthly payments of \$131.67, based on 632 sq ft, at \$2.50 per sq ft., with an annual increase of 2%.

**CITY ATTORNEY REVIEW:** Yes

12/1/2017

**STAFF CONTACT:**

Eric W. Olson, City Administrator  
Richard Barker Jr., Chief Financial Officer  
Stephanie Tillery, Contract and Lease Counsel

**ATTACHMENTS:**

- 1) Draft Lease Agreement
- 2) Letter from Pensacola Downtown Improvement Board dated October 19, 2017 in support of proposed lease

**PRESENTATION:** No