



THE CITY OF KEY WEST

Post Office Box 1409 Key West, FL 33041-1409 (305) 809-3700

TO: Key West Bight Management Board

FROM: Doug Bradshaw, Director Port and Marine Services

DATE: June 5, 2019

SUBJECT: Assignment of Sebago Commercial Dockage Agreements for Flyer, Cubed, Marquesa, Pelican, Sebago X, and Jet Ski Barge

PROJECT ISSUE

McGrail and Rowley dba Sebago Watersports has agreed to sale their business to Ashford, Inc. As part of the sale Sebago has requested approval to transfer their current dockage agreements for Flyer, Cubed, Marquesa, Pelican, Sebago X, and the Jet Ski Barge to the new owner. All of Sebago's current dockage agreements allow for a transfer upon Bight Board approval if certain conditions are met as described in the dockage language below.

"Except as provided herein, this dockage agreement is not transferable to a new LESSEE; nor shall the slip transfer to a new LESSEE of the vessel without the prior consent of the Key West Bight Management District Board. In the event that both the business and the vessel are sold by LESSEE to a single purchaser, as evidenced by appropriate proof of sale such as transfer of City and County occupational licenses, transfer of title to the vessel, transfer of telephone number and credit card operations, and provided that said purchaser meets all qualifications required under this Agreement, the purchaser shall have the option of entering into a new dockage agreement for the subject berth upon the same terms and conditions as are offered at the time by LESSOR to other LESSEE's.

If LESSEE is a corporation, partnership or other business entity, the names of all persons owning an interest and the percentage of LESSEESHIP shall be submitted in writing to the LESSOR. If LESSEE is a corporation, partnership or other business entity, any proposed sale or transfer of any percentage of such interest therein shall be submitted in writing to LESSOR prior to the transfer. The sale or transfer of any such interest without prior notice to LESSOR shall constitute a material breach of this Agreement. The sale of 51% or more of the stock in a corporation to another individual, partnership or corporation shall constitute an assignment of this Agreement requiring approval by the Key West Bight Management District Board. The sale of a partnership interest constituting 50% or more of the partnership shall constitute an assignment of this Agreement requiring approval by the Key West Bight Management District Board.

Upon change of LESSEESHIP or a controlling interest in a corporation or a partnership, as described herein, requiring approval of the Key West Bight Management District Board, LESSEE shall pay to the LESSOR a transfer fee of \$400.00."

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

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FINANCIAL ISSUES

The Key West Bight will collect a \$400 transfer fee for each vessel.

RECOMMENDATION

City staff recommends authoring the transfer of each dockage agreement to the new owner as long as the proper paperwork is provided as required in the lease language.