

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA, DIRECTING THE CITY MANAGER TO CEASE NEGOTIATIONS FOR A LEASE AGREEMENT BETWEEN THE CITY AND TROPICAL SOUP CORPORATION FOR PARCELS 1, 2, 3 AND 4 AT MALLORY SQUARE; DIRECTING THE CITY MANAGER TO MAKE RECOMMENDATIONS TO THE CITY COMMISSION/CRA FOR THE BEST USE OF THE PROPERTY; PROVIDING FOR AN EFFECTIVE DATE.**

WHEREAS, in Resolution 10-167, the City Commission accepted the proposal of Tropical Soup Corporation for the use of certain parcels at Mallory Square, and authorized the City Manager to enter into negotiations for a lease of those parcels; and

WHEREAS, over a period of ten years, the negotiation process has not been completed, and the City Commission finds that it is not reasonable to continue such negotiations; and

WHEREAS, Tropical Soup Corporation recently prosecuted a frivolous declaratory relief action against the City of Key West, Tropical Shell and Gifts, Inc. and Historical Tours of America, Inc. requesting the Court re-define the boundary of the lease between the City of Key West and Tropical Shell and Gifts, Inc. which suit was dismissed with prejudice by the Circuit Court; and

WHEREAS, Tropical Soup ceased payment of rents for the parcel of land described as 402 Wall Street on or about May 1, 2020 and has indicated its intention to vacate said property;

WHEREAS Waterfront Brewery, LLC. Whose principal owner, Joe Walsh, is the principal owner of Tropical Soup Corporation has defaulted on its lease for the Waterfront Brewery located at 201 William Street, Key West by failing to maintain a letter of credit in favor of the City of Key West as security for the payment of rent for said leasehold by allowing the prior letter of credit to expire on or about August 25, 2020;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA AS FOLLOWS:

Section 1: That the City Manager is directed to cease negotiations with Tropical Soup Corporation for parcels 1, 2, 3 and 4 at Mallory Square (as originally directed in Resolution No. 10-167).

Section 2: The Public Notice and request for proposals published January 24, 2010 is hereby withdrawn.

Section 3: The Authorization Form signed by James K. Scholl dated May 1, 2015 authorizing Tropical Soup Corporation and their professional team to act on behalf of the City of Key West for the Major Development Plan application is revoked, as are any other Authorization Forms enabling Tropical Soup Corporation to

make application on the City's behalf relating to Resolution 10-167.

Section 4: That the City Manager is directed to make recommendations to the City Commission as to the best use of the property, moving forward.

Section 5: That this Resolution shall go into effect immediately upon its passage and adoption and authentication by the signature of the Presiding Officer and the Clerk of the Commission.

Passed and adopted by the City Commission at a meeting held this \_\_\_\_\_ day of \_\_\_\_\_, 2020.

Authenticated by the Presiding Officer and Clerk of the Commission on \_\_\_\_\_ day of \_\_\_\_\_, 2020.

Filed with the Clerk on \_\_\_\_\_, 2020.

Mayor Teri Johnston	_____
Vice Mayor Clayton Lopez	_____
Commissioner Sam Kaufman	_____
Commissioner Gregory Davila	_____
Commissioner Mary Lou Hoover	_____
Commissioner Billy Wardlow	_____
Commissioner Jimmy Weekley	_____

\_\_\_\_\_  
TERI JOHNSTON, MAYOR

ATTEST:

\_\_\_\_\_  
CHERYL SMITH, CITY CLERK