



MEMORANDUM

Date: January 7, 2025

To: Caroline Street Corridor and Bahama Village Community Redevelopment Agency, (CRA)

Via: Todd Stoughton, Interim City Manager

From: Gary Moreira
Senior Property Manager

Subject: **Proposed Lease Assignment – Paradise Enterprises, LLC dba Paradise Porters**

Introduction

This is a request to consider approval of an assignment of lease from Paradise Enterprises, LLC to Zak Adam Curran for the leased premises at the Key West Bight Ferry Terminal, 100 Grinnell Street, Suite 213, Key West, FL at the Historic Seaport.

Background

At its meeting of December 11, 2024, The Key West Bight Management District Board, via Resolution 24-28, recommended the CRA approve and execute the lease assignment between the CRA and Paradise Enterprises, LLC as Assignor and Zak Adam Curran as Assignee.

The CRA entered into a five-year lease with Paradise Enterprises, LLC., on April 15, 2023, Resolution 23-093. The tenant has requested the lease be assigned to Zak Adam Curran and the lease provides for assignment in Section 10 inserted below for your reference.

10. ASSIGNMENT AND HYPOTHECATION - *This Lease is not transferable or assignable and may not be hypothecated nor sublet without the prior written consent of the LANDLORD which may be withheld and shall be at the sole discretion of the LANDLORD.*

Any assignment or sub-letting, even with LANDLORD'S consent shall not relieve TENANT from liability for payment of Rent or from the obligation to keep and be bound by the agreements of this Lease. The acceptance of Rent from any other person shall not be deemed to be a waiver of any of the agreements of this Lease or to be consent to the assignment for the benefit of creditors or by operation of law and shall not be effective to transfer any rights to any assignee without prior consent of LANDLORD. In the event

TENANT wishes to assign this Lease and LANDLORD consents to such assignment, LANDLORD may charge a reasonable fee, not to exceed \$500.00 to help offset any costs LANDLORD may have in preparing such assignment, or in examining the information, financial statements, operating history, references, etc., necessary to effectuate same. Any assignment, transfer, hypothecation, mortgage, or subletting without LANDLORD'S written consent shall give LANDLORD the right to terminate this Lease and to re-enter and repossess the Demised Premises and the LANDLORD'S right to damages shall survive.

If the TENANT is a corporation, then a sale or transfer of a controlling interest in the corporation by sale of stock or otherwise shall constitute an assignment for purposes of this provision.

Procurement

The current tenant has met all of the financial obligations of the lease, and the rents and terms set forth in the 2023 lease will remain unchanged. The assignees have provided their current credit report, and present a financial position that meets the approval of staff.

To facilitate this request and ensure that the city retains a viable tenant, there is language incorporated into the lease assignment that reflects the following:

1. The assignees will sign personal guaranty for the faithful performance of the terms, covenants and conditions of the lease.
2. The lease assignment re-states the terms of the current lease wherein the current tenant is not released from obligations for rent should the assignee default.

Recommendation

The proposed assignee has worked for Lessee J.R. Fogarty since 2019 and has been managing Paradise Porters on a full-time basis for the last two years. The financial safeguards provided by personal guaranty and the continued liability of the current tenant ensure that the CRA will continue to receive the rent provided for in this lease. Therefore, staff recommends CRA approval and execution of the lease assignment..

ATTACHMENTS:

Lease Assignment
Personal Guaranty