



MEMORANDUM

Date: November 12, 2025

To: Key West Bight Management District Board

From: Gary Moreira
Senior Property Manager

CC: Steve McAlearney
Director of Port and Marine Services

Subject: **Letters of Interest – Lazy Way Recording Studio, formerly occupied by Sails in Concert, Inc. File ID: 25-4719**

Introduction

This is a request to consider the Letters of Interest and authorize lease negotiations for leasing the vacant recording studio space on Lazy Way formerly occupied by Sails in Concert, Inc.

Background

Public notice was first published on October 4, 2025 in accordance with Florida Statute Sec. 163.380 and was subsequently published for the next three weeks. During that period, we received two written proposals. One unsolicited proposal received by the City Manager's office in advance of our publishing and another in response to the public notice ad. The unsolicited proposal is from Robert Spottswood and Spottswood Management, Inc., who is interested in opening a frozen drink and margarita bar, museum and retail sales operation showcasing the City of Key West's music, arts and fishing history with indoor and outdoor seating. The second proposal is from David Bernsen, who is proposing to operate the business under Shrimpboat Sound Key West, LLC, a Nevada LLC, along with Mrs. Sharon Bernson who grew up in Key West. Their plan is to keep the space as a working recording studio, offer tours, experiences to book private recording and photo sessions, merchandise, live broadcasts, live shows and the venue for private events with

100% of the profits going directly to support Key West charities. The proposal cites preliminary commitments from Mac McAnally, Kenny Chesney, Zac Brown Band and the Coral Reefer Band and involvement with Jimmy Buffett family members, Savannah and Lulu.

Procurement Comparison

Please see table below.

Terms	Shrimpboat Sound KW, LLC	Spottswood Management, Inc.
Use	See “Background” above and attached	See “Background” above and attached
Premises	1,447+/- Square Feet	1,447 +/- Square Feet & Outdoor Area
Lease Term	5 years + 3 – 5-year options to extend*	5 years + 5 – 5-year options to extend*
Base Rent	Market – Approx \$8,000/mo. NNN	\$2,500/mo. NNN + annual CPI
Percentage Rent	@Market Rent – 6% on sales over \$1.57M+/-	10% on sales over \$300,000/year
% of Profits to KW Charities	100%	None proposed
Utilities	Paid by tenant	Paid by tenant
Tenant Improvements	None	None
Est. Bldg. Repairs – KWB Fund	\$300,000	\$300,000

* Granting options to renew will require legal and City Code review.

Rental Analysis

The proposed lease rental structures are a fixed base market rate plus percentage versus a percentage rent weighted agreement with a below market base. Under the market rate fixed base, the anticipated annual rental income is \$96,000 and under the percentage weighted/base rent structure, anticipated annual fixed base rental income will be \$30,000.

Recommendation

Staff recommends acceptance of the Letter of Interest received from Shrimpboat Sound Key West, LLC and proceeding with the negotiation of a lease based upon the proposed terms and receipt of satisfactory background and financial information and the appropriate security.

Upon satisfactory completion of these and any additional requirements the Board desires, a draft lease will be submitted to the Bight Board for approval and recommendation to the CRA.