

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

**A RESOLUTION OF THE CAROLINE STREET CORRIDOR AND BAHAMA VILLAGE COMMUNITY REDEVELOPMENT AGENCY (CRA) RECOMMENDING APPROVAL OF THE SECOND AMENDMENT TO THE LEASE BETWEEN THE CRA AND FLORIDA STRAITS CONCH COMPANY, INC. D/B/A CONCH REPUBLIC SEAFOOD COMPANY, AS ATTACHED HERETO AND MADE A PART HEREOF, REPLACING THE NAME DALE WATKINS WITH FRYDE CONCH, LLC FOR LOBSTER TRAP STORAGE IN THE NORTHWEST CORNER OF THE PARKING LOT AND ADDING A PROVISION ALLOWING RELOCATION OF THE STORAGE AREA DURING THE 631 GREENE STREET RENOVATION; AND PROVIDING FOR AN EFFECTIVE DATE.**

WHEREAS, at the direction of the Key West Bight Management District Board at their meeting held September 10, 2025, it was requested staff bring forward a recommendation to allow the continued use of a portion of the City owned Greene Street parking lot for a commercial lobster trapping enterprise at no charge; and proposing the lease between the CRA and Florida Straits Conch Company d/b/a the Conch Republic Seafood Company be amended to permit continued use by the sub-tenant Fryde Conch, LLC at no charge; and

WHEREAS, under the tenant's original 20-year lease dated June 1, 1997, the tenant's rentable area included the above-referenced 3,000 square foot City lot, as well as the existing structures and much of the common areas shown on the attached lease as Exhibit A. At the end of the tenant's original lease term in 2017, the tenant's base rent for all buildings and the City lot was approximately \$390,000 annually; and

WHEREAS, when the tenant's current lease agreement was negotiated and approved via Resolution 18-158, the tenant relinquished a portion of the building and much of the area shown on Exhibit A. which was targeted for future City parking and retail development. During lease negotiations, the tenant requested they retain 3,000 square feet of the City lot, at no cost, for the repair, maintenance and storage of lobster traps by a third party, Harvey Watkins and Fryde Conch, LLC; and

WHEREAS, the new lease was executed and commenced on May 1, 2018. In the lease it specifically requires "Harvey Watkins" operate and/or retain controlling interest in Fryde Conch, LLC for the continued use and, in the event Mr. Watkins was no longer involved in the operation, the tenant's leasehold interest in that portion of the demised premises shall terminate; and

WHEREAS, Mr. Watkins' passing in 2022 caused the leasehold rights to occupy the area to expire, with the lease providing: *".. the right to store traps will cease and TENANT'S leasehold interest in that portion of the demised premises shall terminate with no further action by LANDLORD. LANDLORD agrees to continue to provide storage of the lobster traps and ancillary equipment for up to eighteen months to facilitate re-location thereof"; and*

WHEREAS, pursuant to the CRA's lease agreement with Florida Straits Conch Co., written notice was provided to the tenant on October 11, 2022 terminating the tenant's right to continued use of the storage area; and

WHEREAS, during the December 14, 2022 meeting of the Key West Bight Management District Board, the Board heard from several members of the public and the tenant who spoke to the value of maintaining the lobster operation as a part of the character of a working historic seaport. Following public comment, members of the Key West Bight Management District Board recommended staff review and provide a solution for the continued lessee use of the lobster trap area for the balance of their 10-year lease term; and

WHEREAS, at the July 12, 2023 meeting of the Key West Bight Management District Board, the Board recommended the City amend the Conch Republic Seafood lease and allow the tenant, along with the Fryde Conch, LLC, to continue its commercial lobster trapping enterprise, using the City lot for the balance of the current lease, at no charge, until the lease expiration date of April 30, 2028; and

WHEREAS, at its meeting of December 14<sup>th</sup>, 2023, the CRA unanimously approved Resolution 23-353 allowing the lobster enterprise to continue under the First Amendment to Lease replacing Harvey Watkins with Dale Watkins, the wife and partner

under Fryde Conch, LLC, as the operator and controlling interest of the LLC. All other lease terms remained the same including the provision terminating the agreement in the event Mrs. Watkins no longer held the controlling interest; and

WHEREAS, Mrs. Watkins passed away this past August and, at their meeting of September 10, 2025, the Bight Board recommended the City once again amend the Conch Republic Seafood lease to allow Fryde Conch, LLC to continue its commercial lobster trapping enterprise, using the City lot for the balance of the current lease, at no charge, until the lease expiration date of April 30, 2028; and

WHEREAS, at the October 8, 2025 meeting of the Bight Board, staff was also asked to provide additional language to the amendment to allow the City to relocate the trap storage during the proposed renovation of the building at 631 Greene Street; and

WHEREAS, staff is proposing approval of a Second Amendment to Lease to allow Fryde Conch, LLC, under its current members, to continue the lobster operation for the remaining term of the Conch Republic Seafood lease of 2018 and permit the City to relocate the trap storage area during building renovations; and

WHEREAS, if approved, the enterprise will be allowed to continue as it operates today, as a below market, "no cost" land lease for the balance of the Conch Republic lease term or until

April 2028 and, as a below market lease rate, subject to Section 2-941(c) of the City's Code of Ordinances which states as follows:

"Sec. 2-941.- Leases.

(c) All other city leases must be advertised for requests for proposals unless: (i) the city commission finds that the best use of the property would be achieved without resort to the bidding process; or (ii) the city manager recommends waiver in consideration of the economic interests of the city. In order for the city to lease property below market rate in any circumstance, a public benefit must be shown on the record, and the lease must be approved by a supermajority vote of the city commission."; and

WHEREAS, via Resolution 23-353, the CRA found "the referenced operations of Fryde Conch, LLC to be a valid public purpose pursuant to Sec. 2-941 of the City's Code of Ordinances in this below market sublease." And

WHEREAS, Fryde Conch is one of only a few historic working boats of the historic seaport. It has been the expressed and resolved desire of the CRA, the Key West Bight Management District Board and the City Commission to promote and preserve historic working boats and schooners in the Key West Bight; and

WHEREAS, the CRA further finds the visual presentation of the harvesting of Florida spiny lobster to residents and visitors alike is consistent with the historic spirit of the working waterfront at the Key West Bight that was typical of the

foundational industries of the City that also included shrimping, turtle harvesting and sponging. This visual presentation of lobster harvesting also serves as an economic engine for the Key West Bight by regularly attracting spectators to the area who, in turn, are customers of the various business there; and

WHEREAS, based on historical data provided by the Parking Department, the revenue assumptions under procurement find if the City were to assume control of the area, the City could expand its existing adjacent parking area with seven (7) parking spaces and potentially achieve new revenue estimated at \$83,700 annually. Should the CRA decide to allow the lobster trapping enterprise to continue, no measurable revenue to the City is anticipated; and

WHEREAS, the Key West Bight Management District Board via KWBB Resolution 25-28 has approved and recommends the CRA execute the Second Amendment to Lease as prepared by staff and as attached hereto and made a part hereof;

NOW THEREFORE, BE IT RESOLVED BY THE CAROLINE STREET CORRIDOR AND BAHAMA VILLAGE COMMUNITY REDEVELOPMENT AGENCY (CRA) AS FOLLOWS:

Section 1: That the City's Community Redevelopment Agency hereby finds the referenced operations of Fryde Conch, LLC, as one of only a few historic working boats in the historic seaport

of the City of Key West, to be a valid public purpose as it relates to this below market sublease, pursuant to Sec. 2-941 of the Code of Ordinances of the City of Key West, Florida.

Section 2: That the City's Community Redevelopment Agency hereby approves and authorizes execution of the Second Amendment to Lease Agreement, as attached hereto and a made a part hereof, to permit the continuation of the existing use of approximately 3,000 square feet of the northwesternmost area of the demised premise by Fryde Conch, LLC, as represented by its current members, for the remainder of the 2018 lease and adding a provision to relocate the storage area during the planned renovation of 631 Greene Street.

Section 3: 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 Agency.

\*\* REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK \*\*

Passed and adopted by the Agency at a meeting held this  
\_\_\_\_\_ day of \_\_\_\_\_, 2025.

Authenticated by the Presiding Officer and Clerk of the  
Agency on the \_\_\_\_\_ day of \_\_\_\_\_, 2025.

Filed with the Clerk on \_\_\_\_\_, 2025.

Chair Danise Henriquez	_____
Vice Chair Donald "Donie" Lee	_____
Commissioner Lissette Carey	_____
Commissioner Aaron Castillo	_____
Commissioner Monica Haskell	_____
Commissioner District V	_____
Commissioner Sam Kaufman	_____

\_\_\_\_\_  
DANISE HENRIQUEZ, CHAIR

ATTEST:

\_\_\_\_\_  
KERI O'BRIEN, CITY CLERK