



MEMORANDUM

Date: December 2, 2025

To: Caroline Street Corridor and Bahama Village Community Redevelopment Agency

Via: Brian L. Barroso
City Manager

From: Gary Moreira
Senior Property Manager

Subject: **Second Amendment to Lease - Florida Straits Conch Company re:
Commercial Lobster Trapping Enterprise and Storage Area.
File ID: 25-4732**

Introduction

At the direction of the Key West Bight Management District Board during their meeting on September 10, 2025, it was requested staff bring forward a recommendation to be voted on 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. It is proposed the lease between the CRA and Florida Straits Conch Company, (dba Conch Republic Seafood Company), be amended to permit continued use by sub-tenant Fryde Conch, LLC at no charge.

Background

Under the tenant's original 20-year lease dated June 1, 1997, 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 tenant's original lease term in 2017, tenant's base rent for all buildings and the City lot was approximately \$390,000 annually. When tenant's current lease agreement was negotiated, (Resolution 18-158), tenant relinquished a portion of the building and much of the area shown on Exhibit A, and the area was targeted for future City development of parking and retail. During lease negotiations, tenant requested they retain 3,000 square feet of the city lot, at no cost, for repair, maintenance, and storage of lobster traps by a third party, Harvey Watkins and Fryde Conch, LLC. 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 the Fryde Conch, LLC for the continued use and in the event Mr. Watkins was no longer involved in the operation, tenant's leasehold interest in that portion of the demised premises shall terminate.

Mr. Watkins' passing in 2022 caused the leasehold rights to occupy the area to expire, with the lease providing: *"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"*. Pursuant to the CRA's lease agreement with Florida Straits Conch Co., written notice was provided to tenant on October 11, 2022, terminating tenant's right to continued use of the storage area. 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.

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 tenant along with the Fryde Conch, LLC to continue its commercial lobster trapping enterprise, using the city lot for the balance of current lease, at no charge, until the lease expiration date of April 30, 2028.

At its meeting of December 14th, 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. Mrs. Watkins passed away this past August and at their meeting of September 10, 2025 the Bight Board recommended the city again amend the Conch Republic Seafood lease and allow Fryde Conch, LLC to continue its commercial lobster trapping enterprise, using the city lot for the balance of current lease, at no charge, until the lease expiration date of April 30, 2028.

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

Staff now proposes a Second Amendment to Lease allowing 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 to permit the City to relocate the trap storage area during building renovations. If approved, the enterprise is allowed to continue as it operates today, it would be a below market, "no cost" land lease for the balance of the Conch Republic lease term or until April of 2028. Approval of a below market lease rate would be subject to City code 2-941(c) which provides, in pertinent part, "a public benefit must be shown on the record, and the lease must be approved by a supermajority vote of the city commission". Under 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 Code of Ordinances in this below market sublease. Fryde Conch, is the one of only a few historic working boats of the historic seaport. It has been the expressed and resolved desire to promote and preserve historic working boats and schooners in Key West Bight. The CRA further finds that 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 the 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”.

Procurement

The following revenue assumptions under Procurement are based on historical data provided by the Parking Department:

If the City were to assume control of the area, the City could expand its existing adjacent parking area with seven 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.

Recommendation

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.