



MEMORANDUM

Date: June 4, 2025

To: Honorable Mayor and Commissioners as the Caroline Street Corridor and Bahama Village Community Redevelopment Agency, (CRA).

Via: Brian L. Barroso
City Manager

From: Gary Moreira
Senior Property Manager

Subject: **Request approval of Consent To Transfer Of Controlling Interest In Tenant Entity Florida Straits Conch Company, Inc., dba Conch Republic Seafood Company**

Introduction

This is a request to consider approval of transfer of controlling interest in the corporation Florida Straits Conch Company, Inc., dba Conch Republic Seafood Company at the Historic Seaport.

Background

The CRA entered into a ten-year lease with Florida Straits Conch Company, Inc., dba Conch Republic Seafood Company on May 1, 2018 via Resolution 18-158. In May of 2025 staff received a request from Mr. Jeff Gunther, President of the corporation to assign the controlling interest of himself Jeffery C. Gunther, Kerry A. Gunther and Dean E. Rollings unto Messrs. Mark Vasturo, Randal Kassewitz and Joseph Farrell for the remainder of the lease term which expires on April 30, 2028. The tenant name and trade name will remain unchanged.

At its meeting of May 14, 2024 the Key West Bight Management District Board unanimously approved via Resolution KWBB 25-13 recommending the CRA approve and execute the proposed Lessor's Consent to Transfer Controlling Interest agreement. The lease provides for such transfer upon consent of lessor under 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

Florida Straits Conch Company, Inc., has met all of the financial and non-monetary obligations of the lease, and the rents and terms set forth in the 2018 lease will remain unchanged including operating under the same name, Conch Republic Seafood Company. The assignees have provided their current credit report, current bank statements, a list of assets and have presented 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 consent agreement that reflects the following:

1. The agreement 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 assignees have extensive restaurant experience in the Florida Keys and are the current owners of Island Fish Company, Ziggy and Mad Dogs, Lazy Days Restaurant, Woody's River Roo, Boondocks Draft House, Kiki's Sandbar, Snooks Bayside, Pops Sunset Grill, and 3 Shorty's BBQ locations. The financial safeguards provide uninterrupted liability for rent and other obligations of Florida Straits Conch Company, Inc., to ensure that the CRA will continue to receive the rent provided for in this lease and continue to operate within the current use provision of the lease. Staff recommends CRA approval and execution of the Lessor's Consent to Transfer Controlling Interest agreement.

ATTACHMENTS:

Lessor Consent Agreement