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THE HOSPITALITY LAW CONFERENCE

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Food and Beverage Management Agreements

2017 HOSPITALITY LAW CONFERENCE

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- Tampa, FL based member of the hospitality industry, alcohol, food, and land use teams
- Clients include owners or operators of hotels, restaurants, grocery stores, convenience stores, private clubs, theme parks, and sporting venues.
- B.A. from Yale and J.D. from Cornell Law School







Management Agreements



A management agreement is an agreement between a business owner and a manager (usually a management company, not individual) who agrees to operate the business for the owner.





Why Hire a Management Company?

- Brand strength
- Expertise and Experience
- Marketing Resources
- Staffing and Access to Well-Trained Employees

- The type of owner (corporation, partnership, investment group)
- Owner is not geographically close
- Owner is not interested in day-to-day responsibilities





F&B Management Agreements

F&B management agreements are used when business owners want to hire management companies to operate food and beverage services at their businesses







Food & Beverage Management Agreements Are Common In a Variety of Businesses:

- Hotels
- Hospitals
- Corporate Cafeterias
- Dining Facilities at Schools and Universities

- Stadiums
- Museums
- Senior Living Facilities
- Aquariums and Zoos





Special Case: Interim Food And Beverage Agreements

An interim food and beverage management agreement is sometimes used because the incoming company to a business needs additional time to obtain its food and/or alcohol license.





Key Considerations

- Term of the agreement—how much time are the parties agreeing to operate under the agreement? Clearly define the interim period.
- Financial arrangements— how will the parties be compensated and costs paid in the interim period?
- Labor and employment managers and employees.
- Indemnification concerns





Also Key-- Are Interim Food And Beverage Agreements Allowed?

Determined based on state and/or local laws.

For example, Florida currently does not allow interim alcohol beverage agreements but Texas does.





Special Reasons That May Require Interim F&B Agreements

- Foreclosure of a business
- Bankruptcy of a business
- Failure of a franchisee
- Zoning approval delays





Questions?

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