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Salt7 owner speaks out after popular Fort Lauderdale restaurant evicted



A sign on Wednesday, April 2, 2025, shows Salt7 has been evicted from its iconic spot along the New River in Fort Lauderdale. (Amy Beth Bennett/South Florida Sun Sentinel)



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The owner of Las Olas hot spot Salt7 is speaking up after Broward Sheriff's Office deputies this week evicted the high-end restaurant from Fort Lauderdale's Riverwalk.

John Kostoglou and his waterfront steakhouse-nightclub at 500 E. Las Olas Blvd., on the ground floor of the Icon Las Olas tower, have been embroiled in a lawsuit with the landlord over unpaid rent. At issue: use of a boat docking area on the Riverwalk, which Salt7 says it was promised and which the landlord has disputed, calling the claim "laughable" and "brazen" in court filings.

There also have been accusations of owed wages, withheld tips and bounced checks by current and former chefs and waitstaff, who vented their frustrations on social media in past weeks.

A local news affiliate, WPLG-Ch. 10, reported a handful of these employee allegations, and Kostoglou on Wednesday told the South Florida Sun Sentinel that most — but not all — are untrue.

"Are there some tips that are owed? Yes, obviously," Kostoglou said. "But I'm not aware of any employee who hasn't received their paycheck from the payroll company. So that part is simply not true."

Kostoglou said remaining employees who haven't received tips "over the past week" would be compensated later this week: "We're going to be contacting each employee for whatever checks they have coming and meeting up with them."



Amy Beth Bennett / South Florida Sun Sentinel

The high-profile Salt7 on the tony Las Olas strip in Fort Lauderdale, seen here on Wednesday, April 2, 2025, opened in January 2021. (Amy Beth Bennett/South Florida Sun Sentinel)

The public employee backlash caps months of financial setbacks stemming from a Dec. 5 civil complaint filed by Salt7's landlord, <u>Loyca Property Owner LLC</u>, against Kostoglou for \$505,339 in back-owed rent.

Kostoglou confirmed to the Sun Sentinel that he stopped paying rent in October, and also said he owed "a certain amount" of money to at least one of Salt7's food vendors, Premier Produce.

Kostoglou opened the high-profile Salt7 on the tony Las Olas strip in January 2021, hiring "Hell's Kitchen" Season 9 winner Paul Niedermann as its executive chef for both the Fort

Lauderdale location and a second on Delray Beach's Atlantic Avenue. The Delray Beach location shuttered last June when he sold it to Ohio's One Hospitality Group, which then partnered with SubCulture Group to open Kapow! Noodle Bar, Kostoglou said.

The Icon Las Olas building and its land are valued at roughly \$184 million, according to <u>property records</u>. Kostoglou signed a 10-year lease at Salt7, paying \$450,000 a year in base rent in 2018, which jumped to \$537,323 by 2024, court records show.

Ivan J. Reich, the attorney representing Salt7, filed for Chapter 11 bankruptcy protection in February, listing \$1 million in assets and up to \$10 million in debts, according to records. Salt7 did so "in an abundance of caution," he said, due to Kostoglou's dispute with the landlord. Salt7 also filed a motion to avoid paying the alleged back-owed rent.

In a Jan. 21 court filing, the landlord described the motion as a "stunt" to avoid paying, and also alleged Salt7 made "false promises that payment would be forthcoming."

"Tenant has misrepresented to this Court that '\$0.00 is currently due as monthly rent' and 'Tenant is current with its rent obligations," Loyca Property Owner stated in the filing, referring to Salt7's "baseless position that it never received possession and usage of the 'Dockage' serving the Premises."



This 2021 file photo shows people gathered at the Fort Lauderdale hot spot Salt7, on the ground floor of the Icon Las Olas tower. (Michael Laughlin/South Florida Sun Sentinel file)

A federal bankruptcy court on March 7 appeared to side with Loyca and dismissed the Chapter 11 case, clearing the way for the eviction, according to court filings.

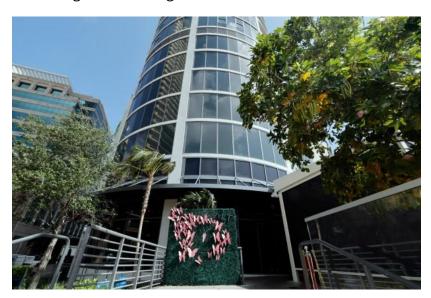
Loyca's attorney, Dana Clayton, did not respond to the Sun Sentinel's requests for comment despite multiple calls and emails on Thursday.

Loyca's position has been that so-called "dockage rights" aren't guaranteed in Salt7's lease and were "intentionally carved out."

"The Landlord had and has no obligation to construct any dockage space or slips or provide to the Tenant any greater rights than those received by the Landlord from the City of Fort Lauderdale," Loyca wrote in its court filing.

Meanwhile, Reich said his client signed the original 2018 lease agreement because it promised access to Salt7's dock on Fort Lauderdale's Riverwalk, which Kostoglou considered vital for attracting high-paying boaters and making revenue through dockage fees.

Kostoglou's <u>2018 lease</u> states the "owner hereby grants tenant ... a nonexclusive license to use, on a first come first serve basis, any boat dockage generally made available for use by owner," and that the tenant must "maintain the dockage and riverfronts areas it uses," according to court filings.



A view of Salt7's iconic spot along the New River in Fort Lauderdale, on Wednesday, April 2, 2025. (Amy Beth Bennett/South Florida Sun Sentinel)

Reich argues that because higher-paying customers couldn't dock their boats on the Riverwalk, his client was "paying twice the rent of what it should have been worth with dock access.

"Let's not mince words: Boaters spend more at a restaurant than your average customer," Reich said. "They bring a lot of people and they buy higher-ticket items. Unfortunately, it was too cost-prohibitive paying the rent at the level that wasn't warranted."

This month, Kostoglou said he was under contract to sell Salt7 to a hedge fund hospitality group, which would begin repaying back-owed rent to the landlord, but the eviction happened first.

"The landlord and I probably won't be working together," Kostoglou said, adding that he still has an active counterclaim against his landlord. "In my opinion, it's a breach of lease, so I'll let the lawyers and the judge figure that out."