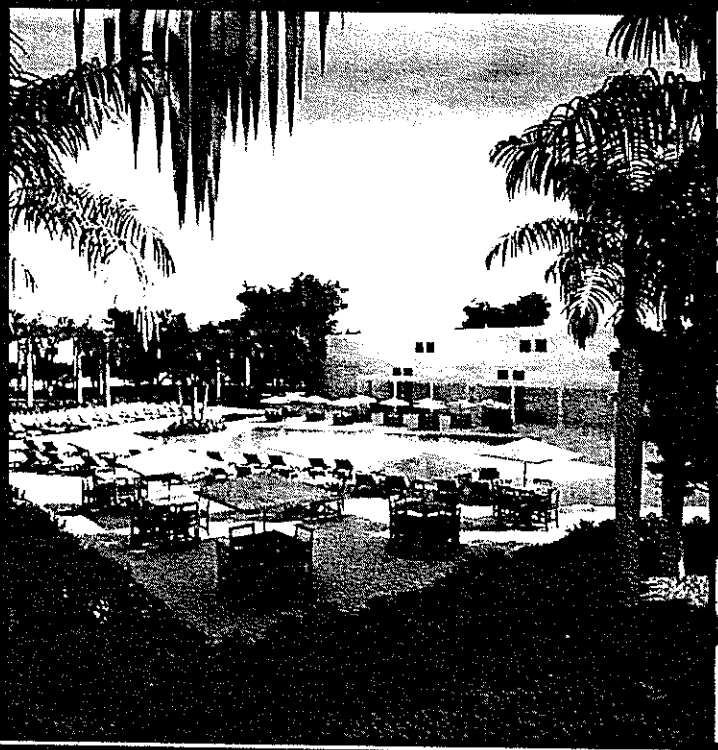
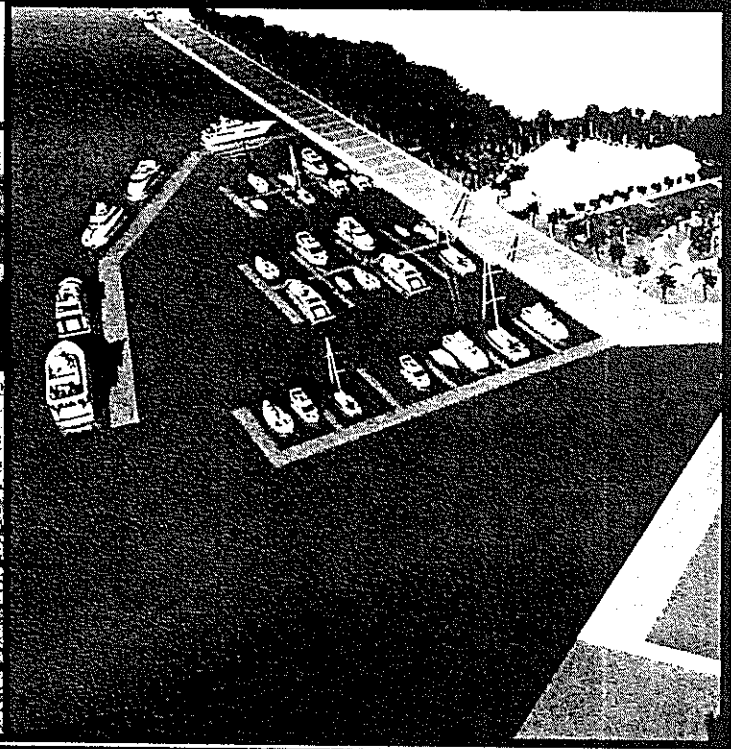
MEISEL & SPOTTSWOOD

MARINA MANAGEMENT COMPANY, LLC





PROJECT

TRUMAN WATERFRONT

MARINA & UPLAND DEVELOPMENT OPPORTUNITY

DATE JUNE 24, 2009

RFP 08-011

AGENDA

- Project Team
- Objective & Vision
- Plans
- Construction
- Camper & Nicholsons
- Economics
- Conclusion

MEISEL CAPITAL PARTNERS, LLC

- One of the pre-eminent marina operators on the Chesapeake Bay since 1974
- Operates more than 1,100 slips at 3 properties situated on nearly 140 acres
- Properties include pools, health clubs, food and beverage outlets and other marina amenities

OBJECTIVE

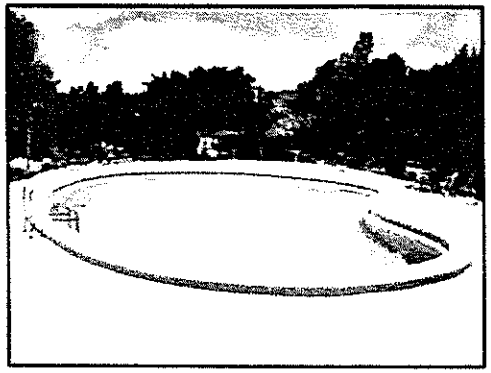
To create a world class marina facility at the Truman Waterfront property based upon the following premises:

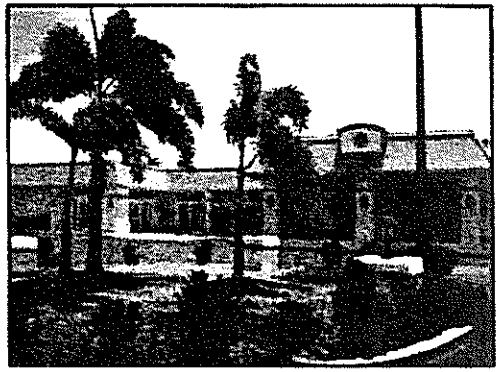
- No Cost Or Financial Risk To The City Of Key West
- Maximize Cash Flow To The City And Create Long Term Value
- Benefit The Community And The Residents Of The City Of Key West Through Job Creation And Public Access To Facilities

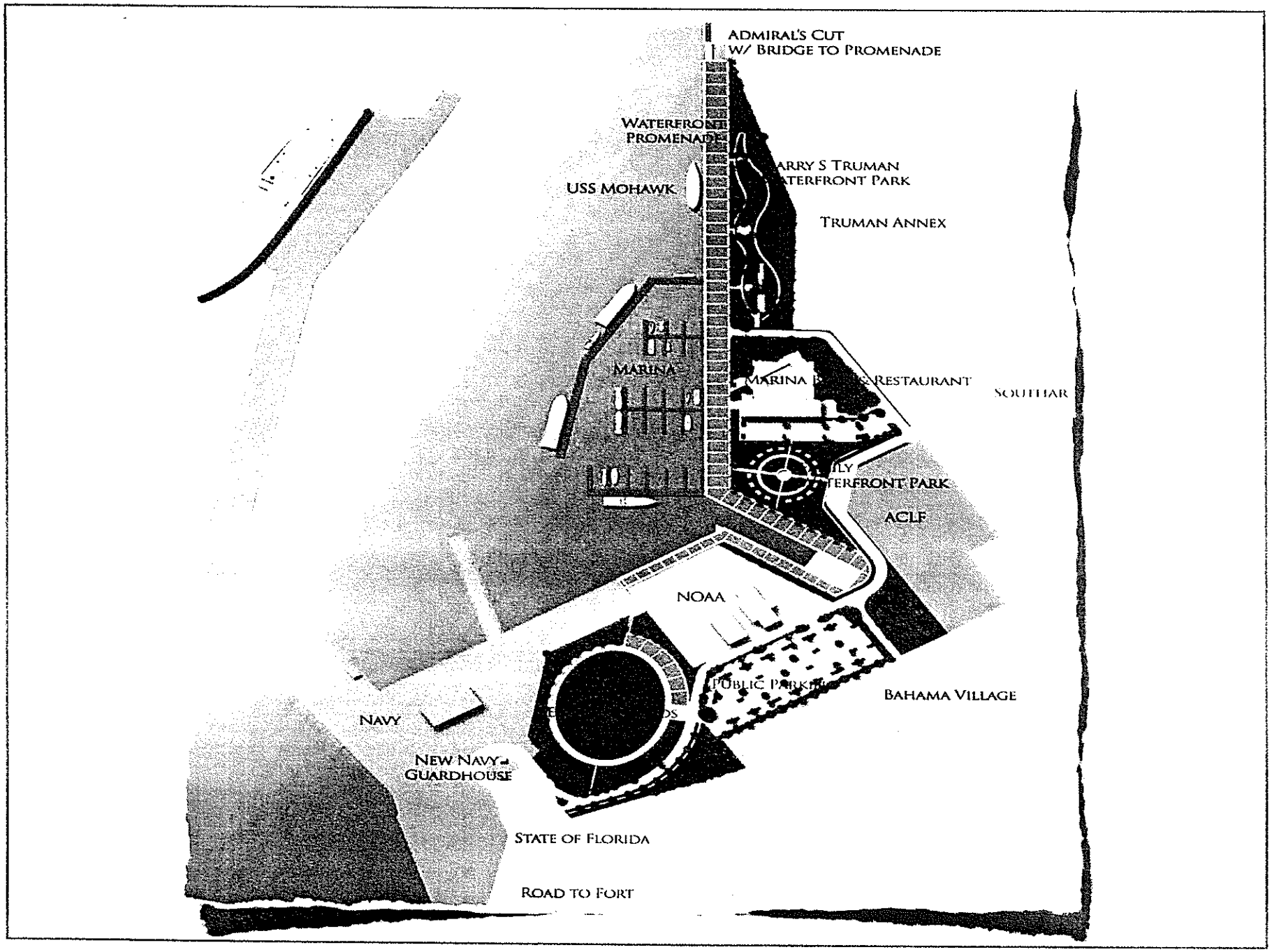
SPOTTSWOOD® Companies

spottswood.com

- Real estate development, management and hospitality organization.
- Family has been in the Florida Keys since 1820.
- Owns and/or Manages more than 1,000 hotel rooms and over 300,000 s/f of commercial property in the Florida Keys.
- One of the largest private employers in the Keys.






ADMIRAL'S CUT
W/ BRIDGE TO PROMENADE
WATERFRO
PROMENAD
USS MOHAWK
ARRY S TRUMAN
TERFRONT PARK
TRUMAN ANNEX
MARINA
MARINA
RESTAURANT
SOUTHAR
TERFRONT PARK
ACLF
NOAA
PUBLIC PARKI
BAHAMA VILLAGE
NAVY
NEW NAVY
GUARDHOUSE
STATE OF FLORIDA
ROAD TO FORT

VISION

HARRY S TRUMAN PRESIDENTIAL PARK & MARINA

To create a world class waterfront park in downtown Key West overlooking Key West Harbor and the famous Key West sunset featuring a world class marina as its central component.

By approaching the design of the project in this manner we not only create a world class marina - we take advantage of this historic opportunity to develop the balance of the Truman Waterfront property as a public park for the benefit of Our Community.

VISION

BY DEVELOPING THE ENTIRE PROPERTY WE ACHIEVE THE STATED OBJECTIVES AND MUCH MORE:

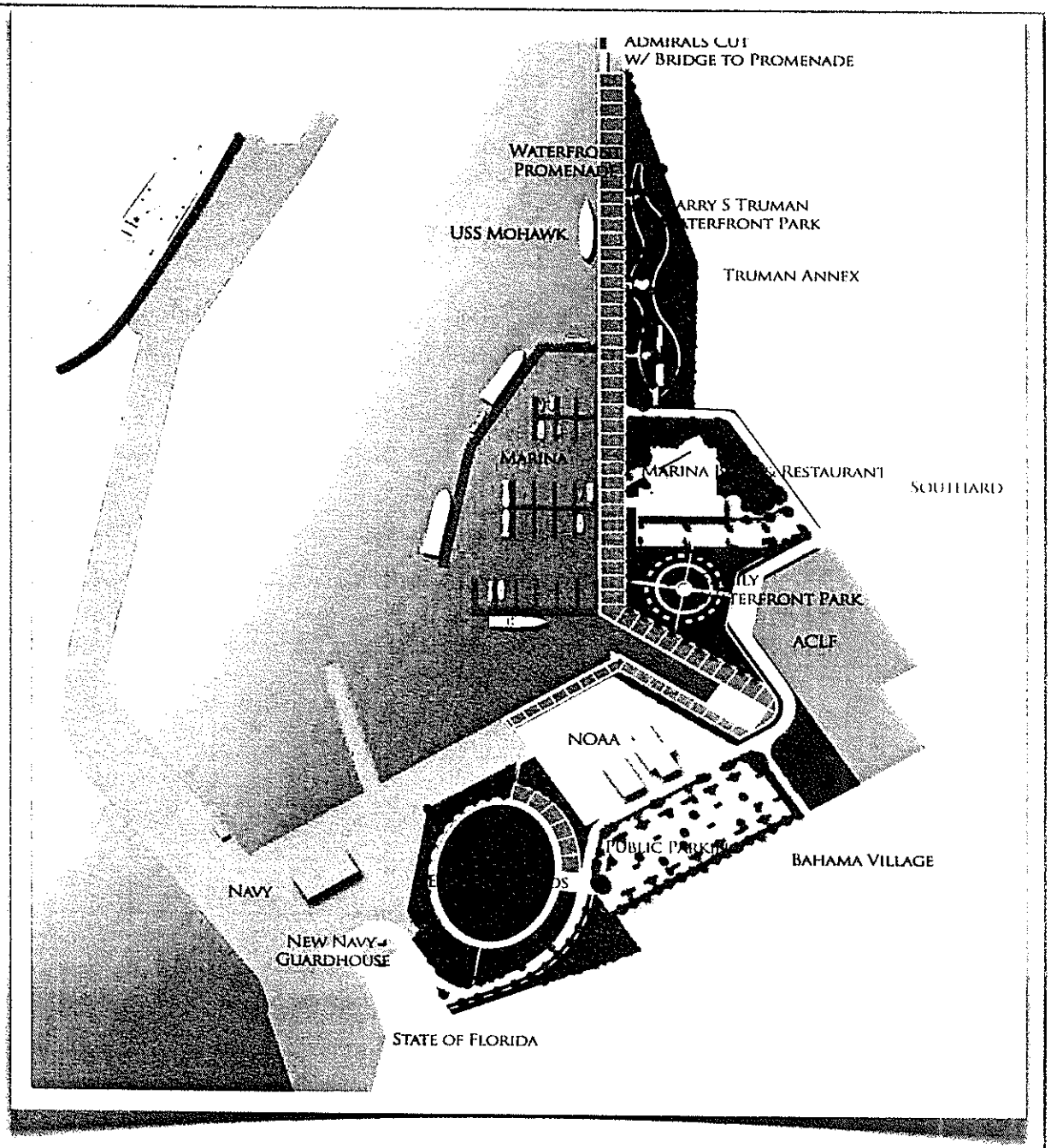
- Our vision keeps all of the Truman Waterfront property under public ownership and control.
- Our vision allows us to create a public park for the benefit of our residents and visitors alike.
- Our vision takes advantage of this historic opportunity to use tourist bed tax dollars to improve the quality of life of our residents while creating an asset that will sustain our tourism industry for decades to come.
- Our vision contemplates the development of all 23.9 acres of the Truman Waterfront property remaining after the allocations to the assisted care and workforce housing facilities.
- Our vision contemplates a single, harmonious plan for the overall development of the Truman Waterfront property, including both the marina and the public park. Any attempt to independently design the marina and the park will lead to inferior designs and operational plans for both.

VISION

BY DEVELOPING THE ENTIRE PROPERTY WE ACHIEVE THE STATED OBJECTIVES AND MUCH MORE:

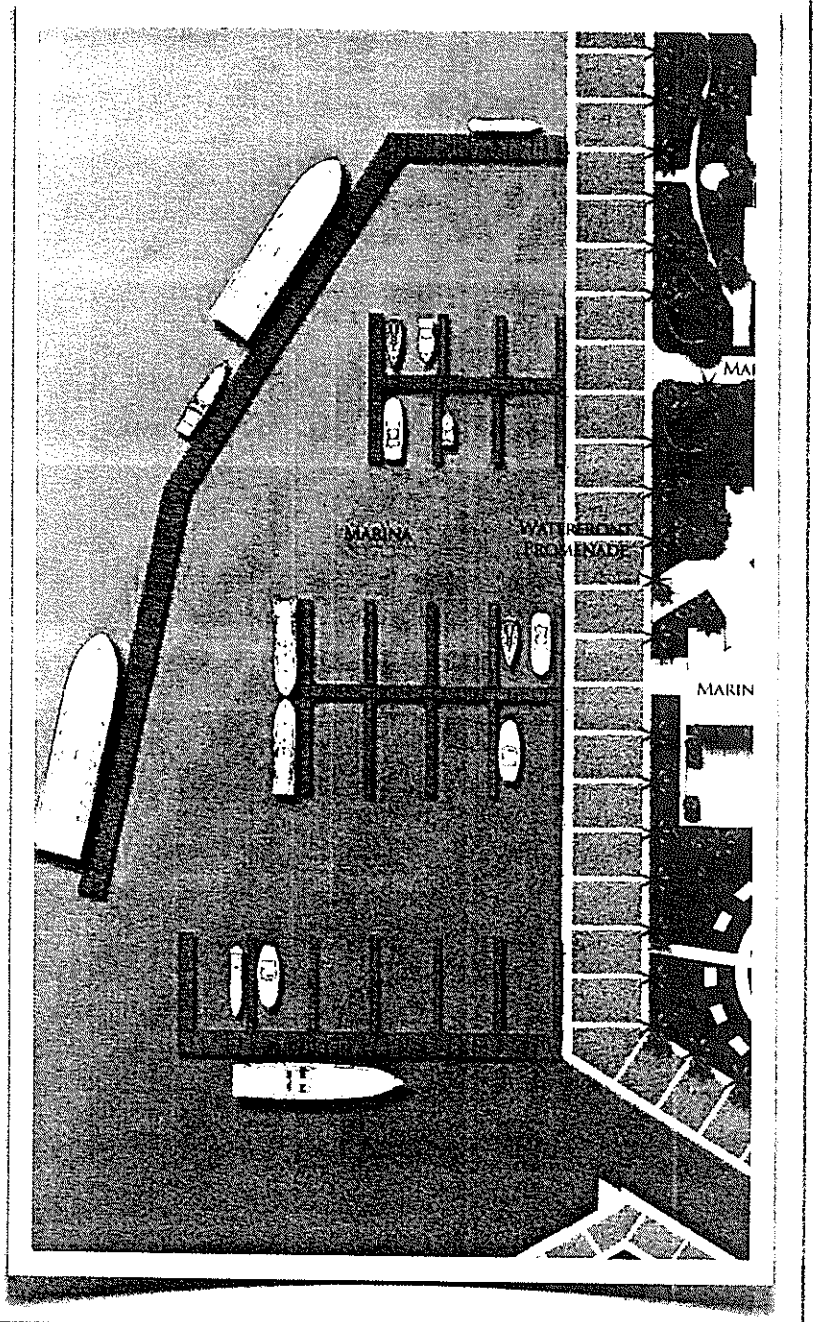
- Improve the continuity of the waterfront and connectivity with Fort Zachary Taylor Beach.
- Improve upon the connectivity and buffer areas for the benefit of the adjoining residential neighborhoods.
- Introduce new tourism opportunities; mega-yacht owners, destination park for visitors, amphitheater for concerts and other events.
- Provides us with the opportunity to highlight Key West's rich Naval history.
- In our vision, Meisel & Spottswood will undertake the design, construction and management of the Harry S Truman Presidential Park & Marina on behalf of the City of Key West.
- By adopting this vision, the City takes **NO RISK** and obtains a fully paid for, debt free public park and marina and over **$28,000,000 in cash flow.**

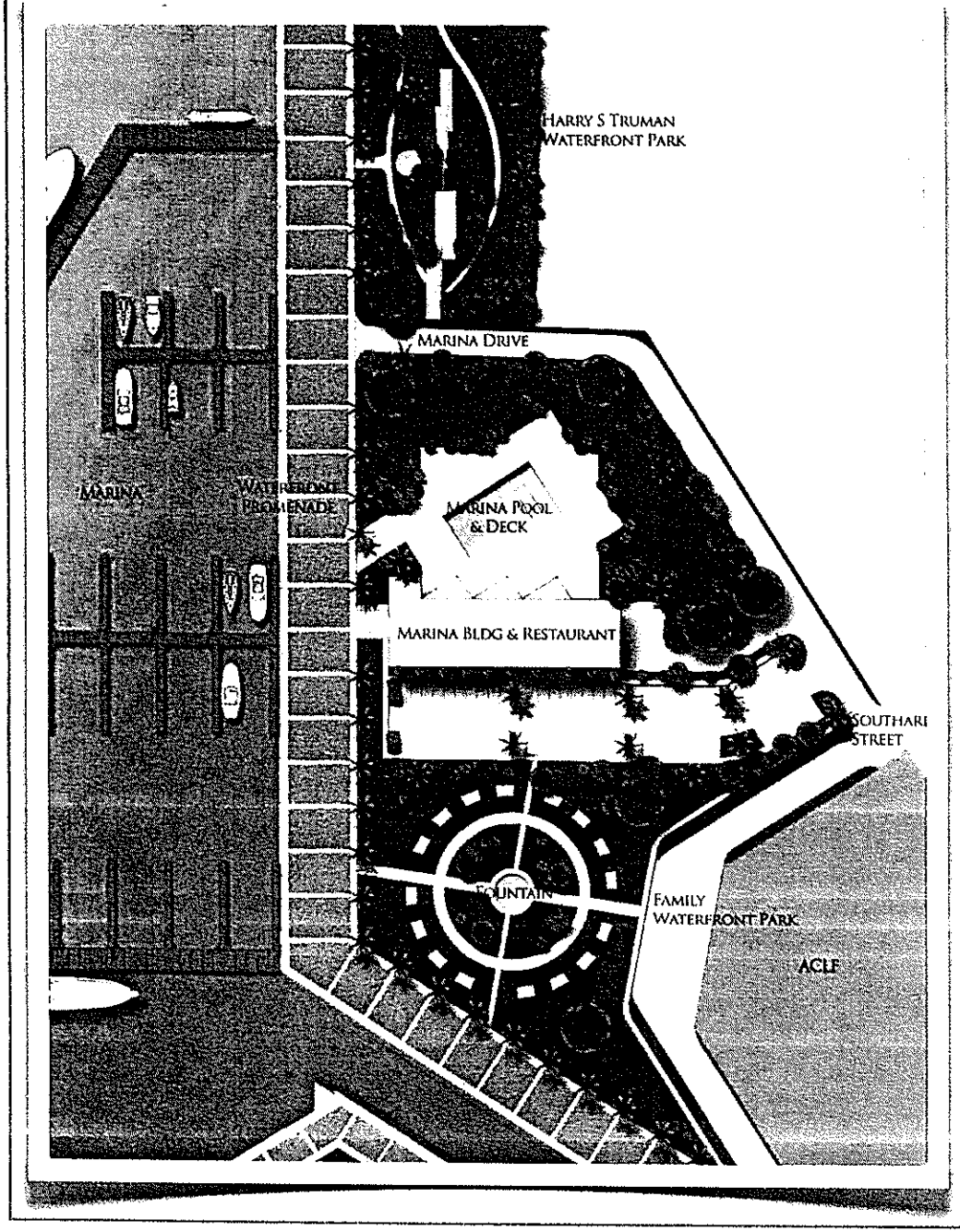
SITE PLAN


ADMIRALS CUT
W/ BRIDGE TO PROMENADE
WATERFRO
PROMENAD
USS MOHAWK
ARRY S TRUMAN
TERFRONT PARK
TRUMAN ANNEX
MARINA
MARINA
RESTAURANT
SOUTHARD
TERFRONT PARK
ACLF
NOAA
PUBLIC PARKIN
BAHAMA VILLAGE
NAVY
NEW NAVY
GUARDHOUSE
STATE OF FLORIDA

MARINA

- Total: 4480 Linear Feet of Net Rentable Dockage
  - 15-30 tie-along slips based on boat length
  - Up to 69 Slips accommodating vessels form 50 ft to over 250 ft in length.
- Wave Attenuation Wall
- Promenade
- Marina Building
- Restaurant & Pool Area



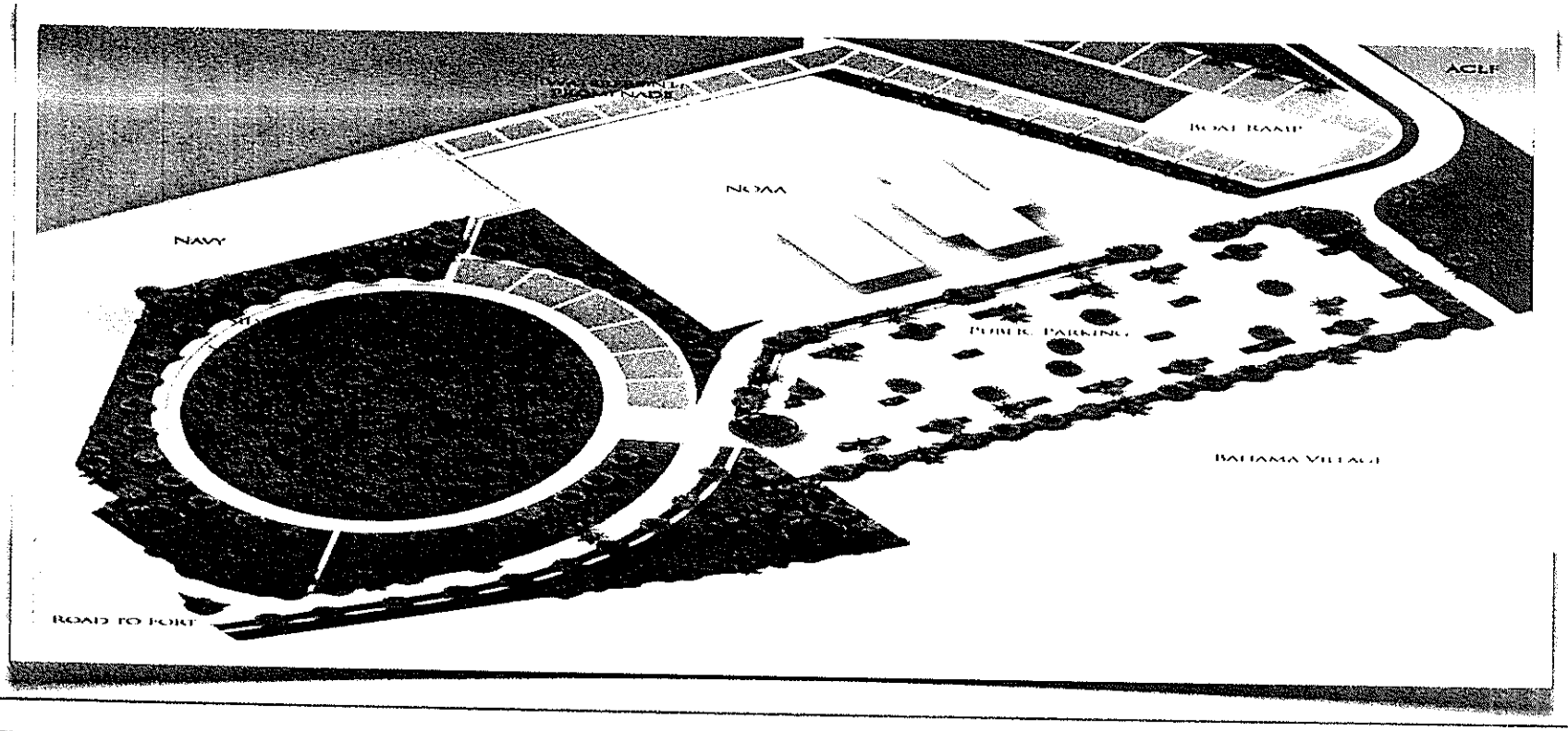


UPLAND MARINA

- A promenade to stroll and view the mega-yachts
- A scenic route to the Eclipse Park and Fort Zachary Taylor
- Create high visibility for the USS Mohawk
- Renovate existing 14,000 SF building to contain:
  - Welcoming check-in and concierge desk
  - Dock Master's office, marina security, modern bathrooms, ship chandlery and a crew/boater's leisure facility
  - Decorated with a Naval theme
- A public Naval-themed outdoor restaurant (e.g. "The Officers' Club")

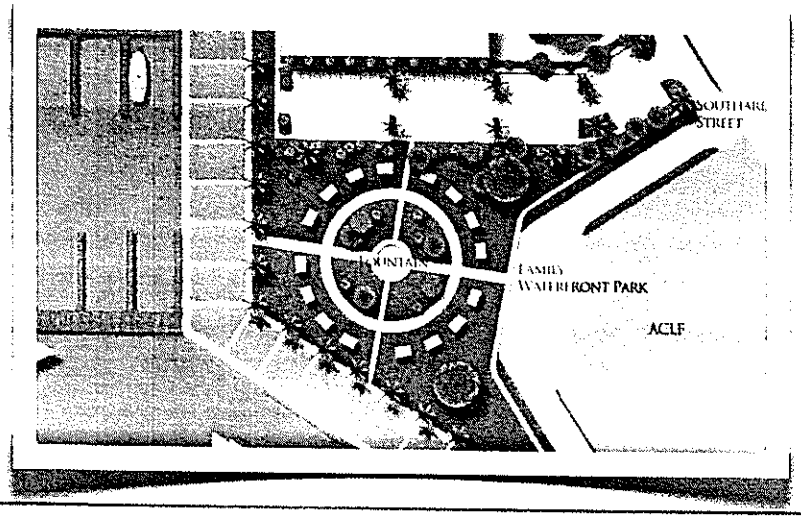
THE ELLIPSE EVENT GROUNDS

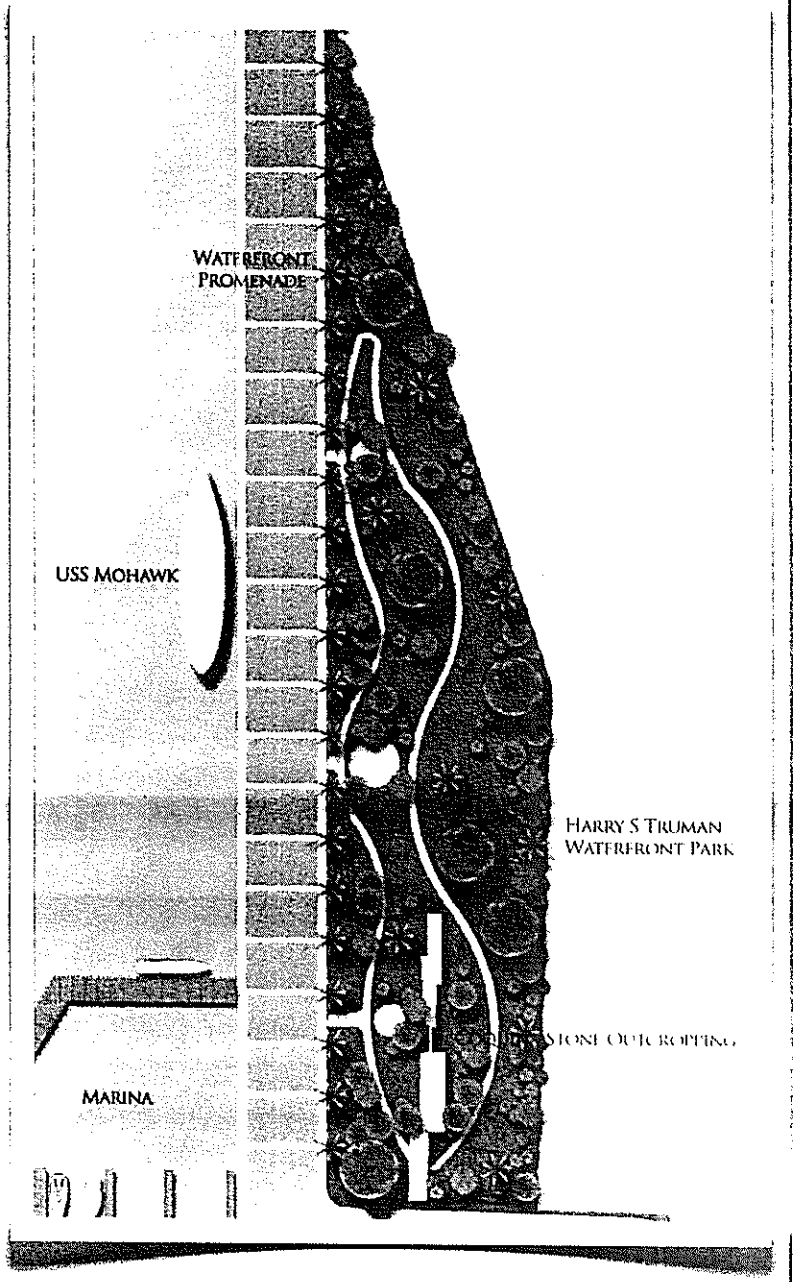
- Amphitheater for out-of-town concerts and performances
- Vendor location for marina based events
- Staging for festivals, craft fairs, etc.
- Picnic grounds for the community
- A perimeter track designed for walkers, joggers or bikers
- Sunset lawn



THE MARINA PARK & FAMILY PARK AREAS

- Interactive water feature for children to play in
- A shaded area to relax
- Local vegetation displayed and several water features
- A gathering place for friends
- A place to have food and drink vendors





INTERACTIVE FOUNTAIN

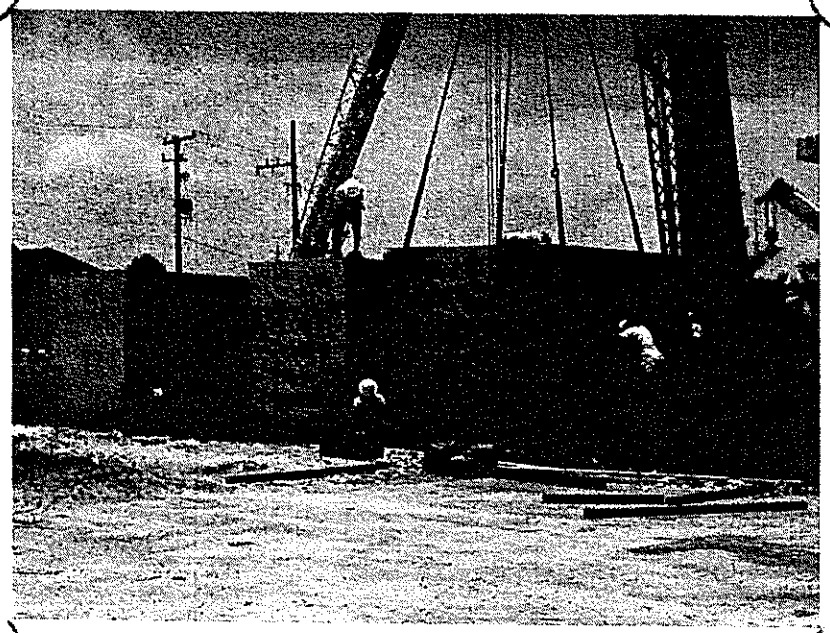
CONSTRUCTION

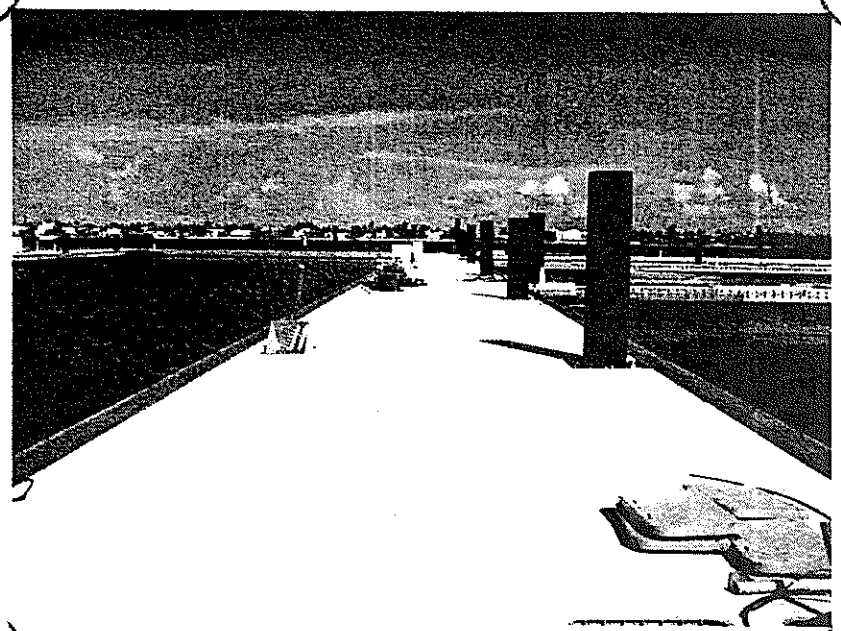
- Environmental studies and permitting between 18-24 months; marina construction approximately 6-8 months
- Compliant with Navy set-back requirements
- Oversight would be provided by MSMMC
- Local contractors to be used where practical
- Floating dock construction
- Clean Marina Certification

WAVE ATTENUATION

- Functional
- Effective Wave Management
- Durable Construction
- Engineered Design
- Site Specific

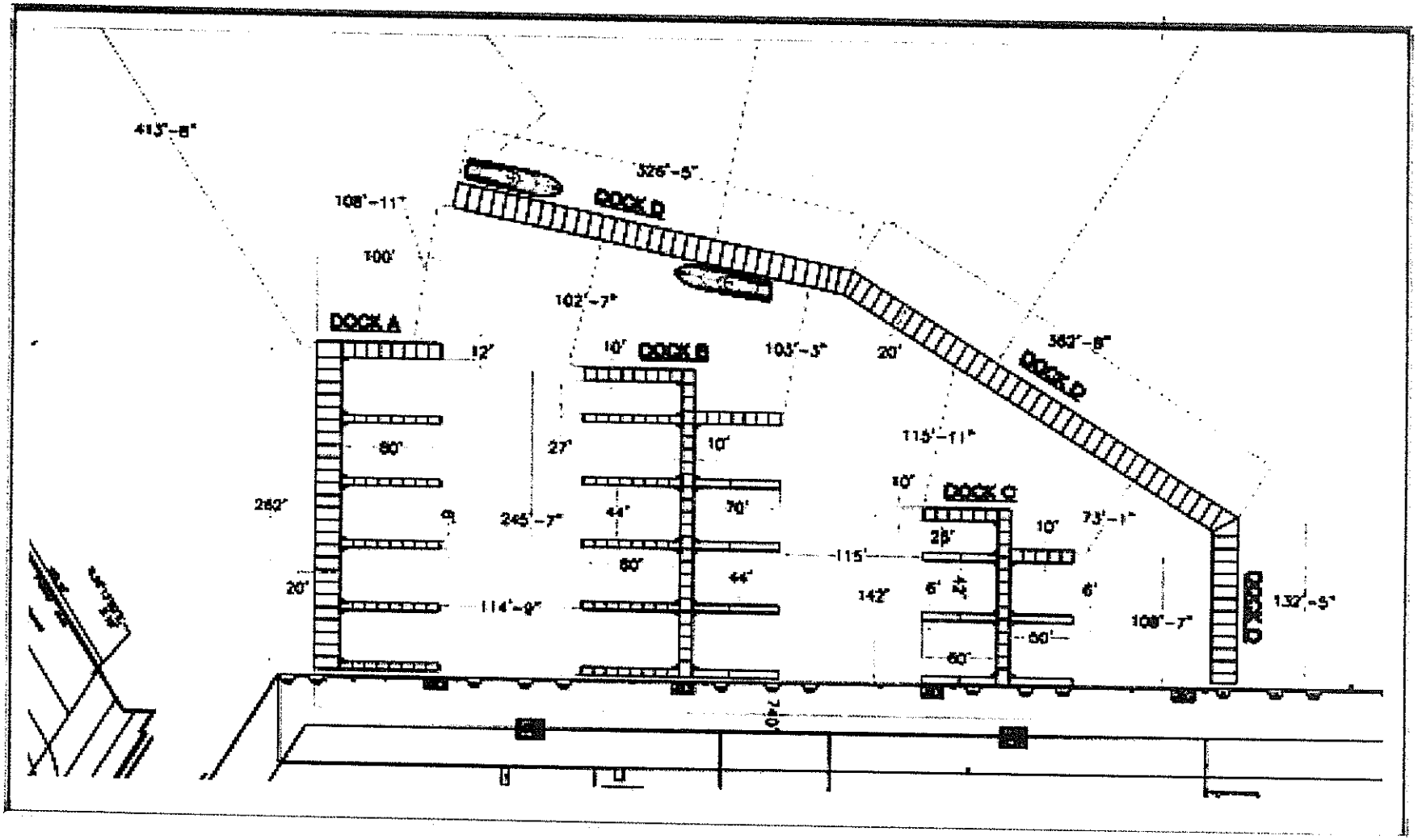
WAVE ATTENUATION





Wave Attenuators are the most site specific designed structures in a marina.

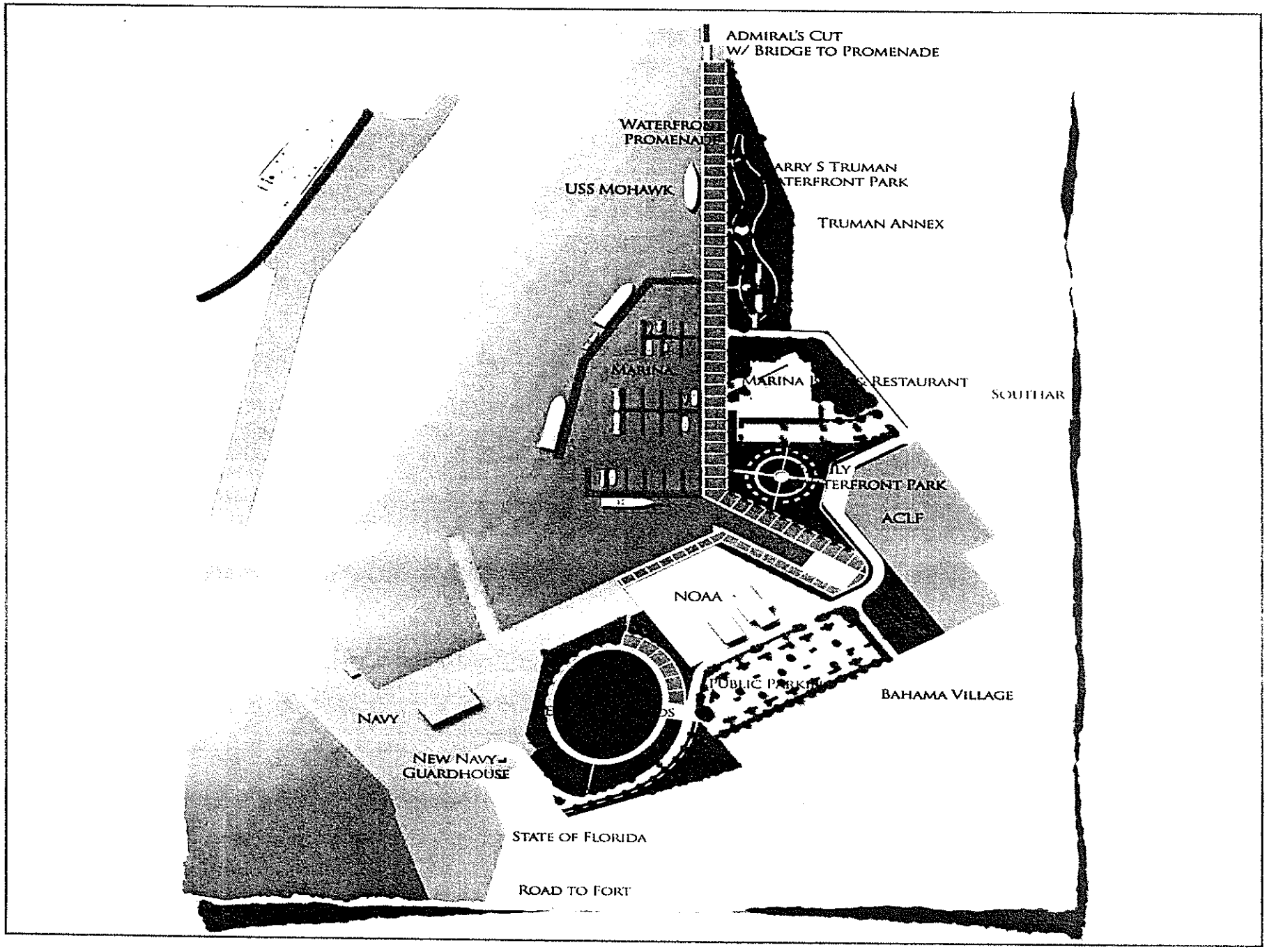
MARINA

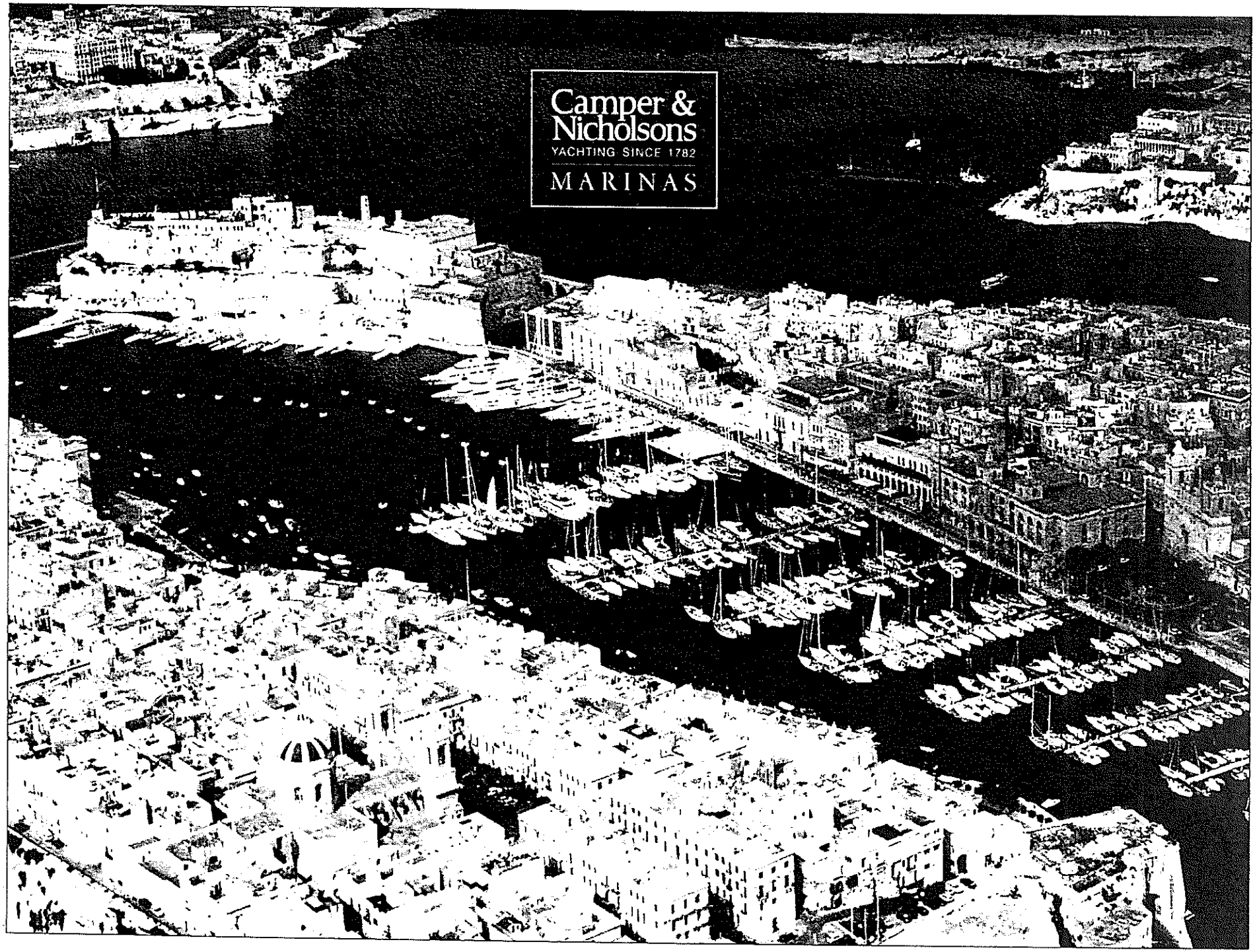


413'-8"
326'-5"
DOCK D
108'-11"
100'
102'-7"
DOCK A
12'
10'
DOCK B
103'-3"
20'
362'-8"
DOCK D
80'
27'
10'
115'-11"
10'
DOCK C
262'
245'-7"
44'
70'
10'
73'-1"
25'
115'
80'
44'
20'
114'-9"
142'
6'
6'
108'-7"
132'-5"
60'
60'
740'

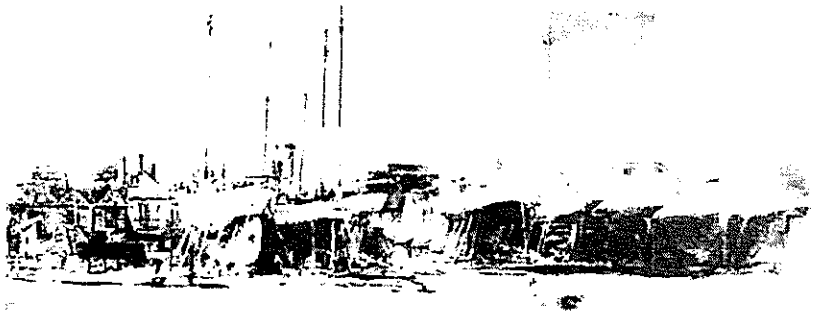
BENEFITS FOR THE HARRY S TRUMAN PRESIDENTIAL PARK & MARINA

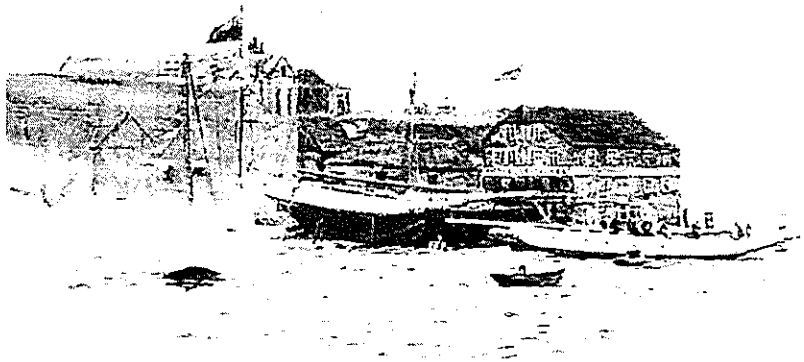
- Add transient side tie slips for large vessels. Vessels from 15' to 300' can use the dock.
- No negative effect on the environment – Will not inhibit water flow and provides a growth area for sealife
- Effective Wave reduction device

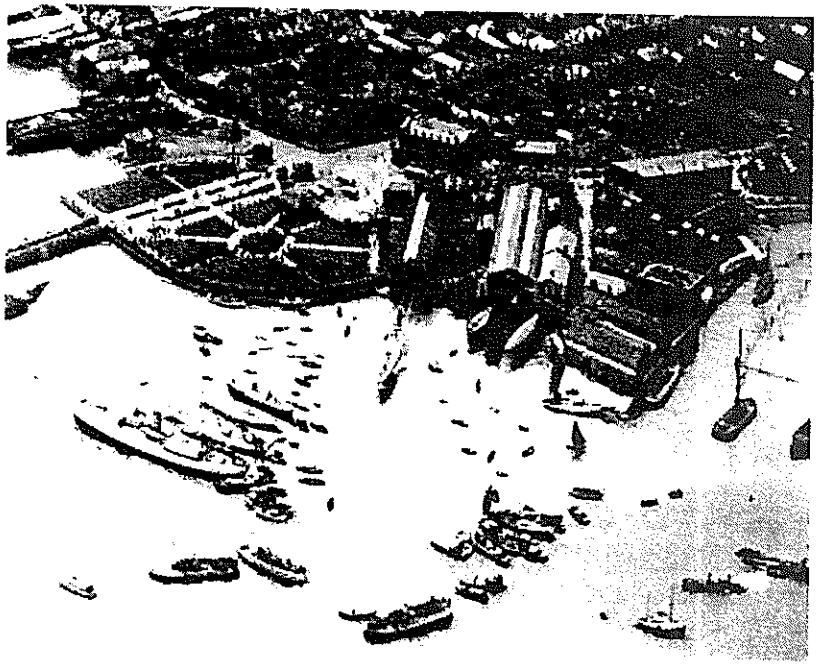

ADMIRAL'S CUT
W/ BRIDGE TO PROMENADE
WATERFRO
PROMENA
USS MOHAWK
ARRY S TRUMAN
TERFRONT PARK
TRUMAN ANNEX
MARINA
MARINA
RESTAURANT
SOUTHAR
TERFRONT PARK
ACLF
NOAA
PUBLIC PARKI
BAHAMA VILLAGE
NAVY
NEW NAVY
GUARDHOUSE
STATE OF FLORIDA
ROAD TO FORT

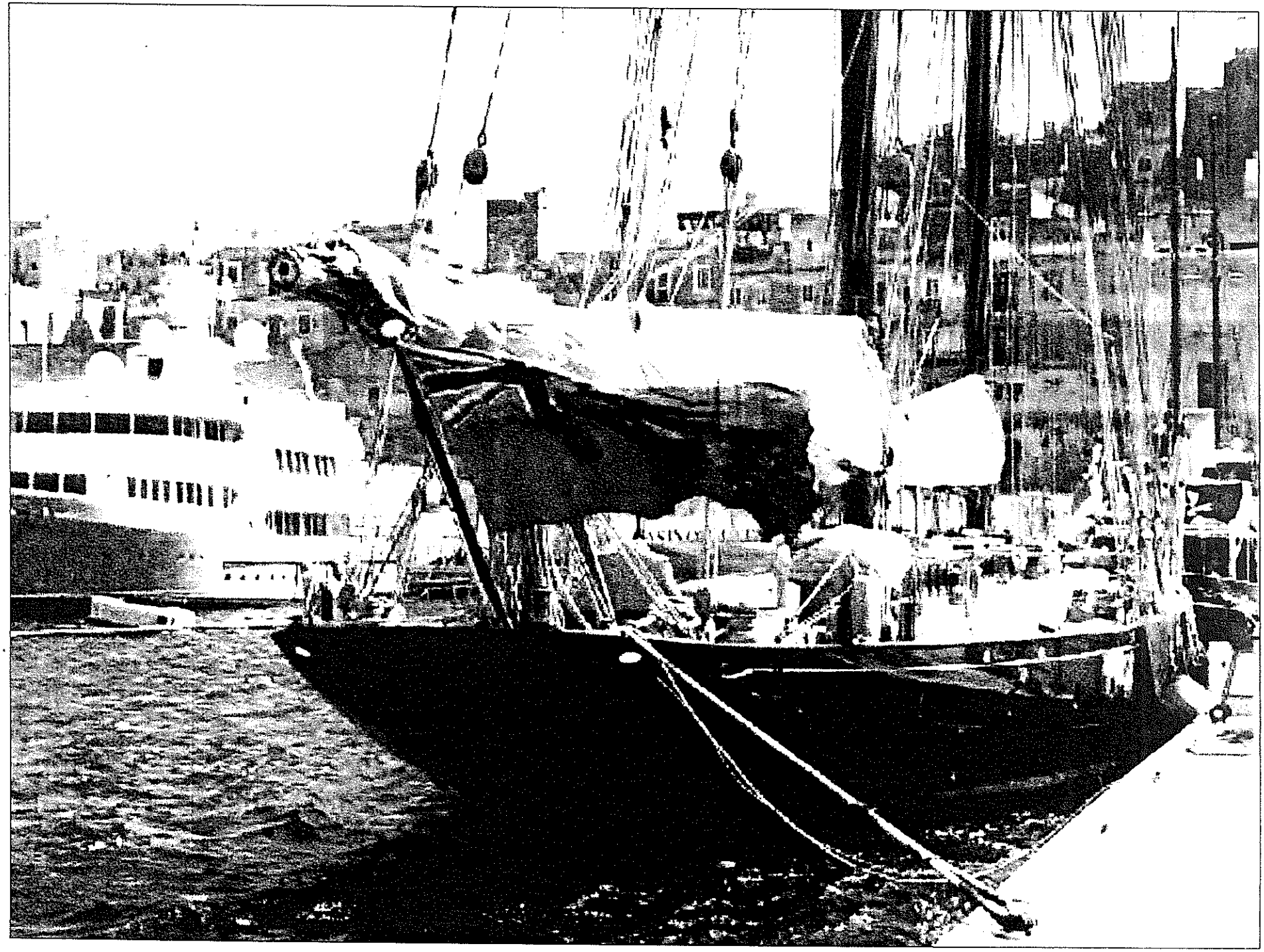

Camper &
Nicholsons
YACHTING SINCE 1782
MARINAS

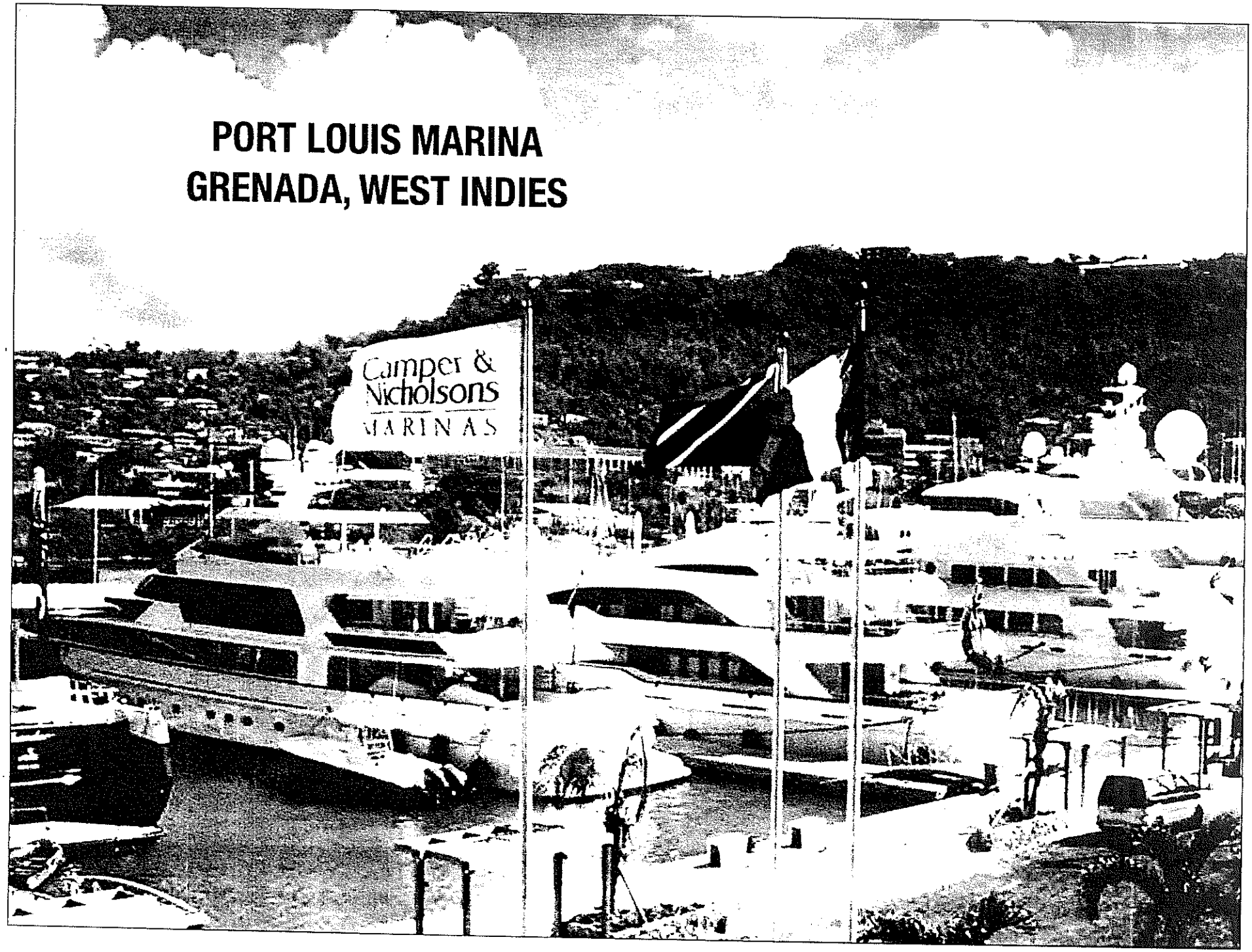
GOSPORT, ENGLAND – WHERE OUR STORY BEGAN

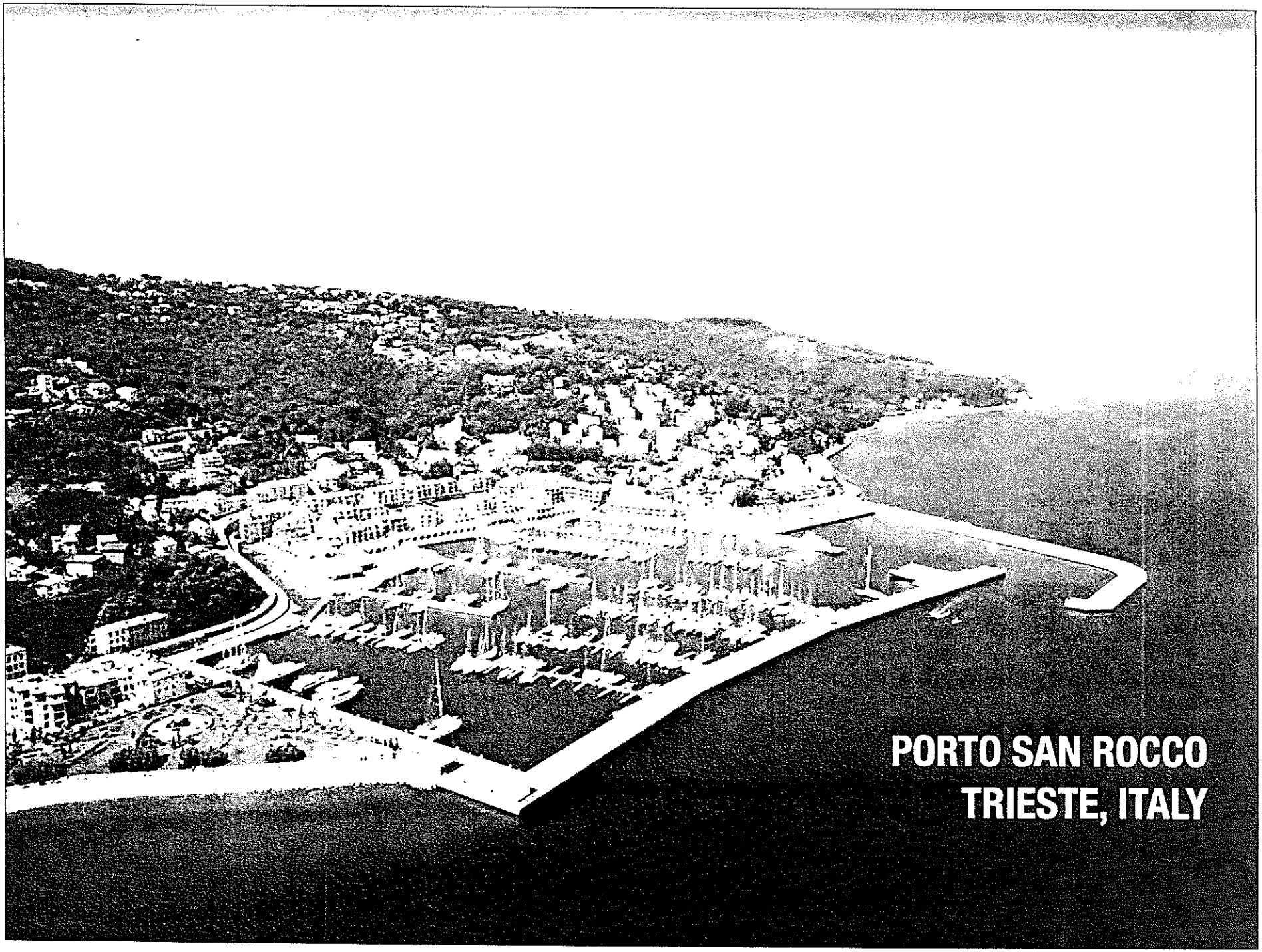









PORT LOUIS MARINA
GRENADA, WEST INDIES
Camper &
Nicholsons
MARINAS


PORTO SAN ROCCO
TRIESTE, ITALY

GRAND HARBOUR
MALTA

Camper & Nicholsons
YACHTING SINCE 1782
MARINAS

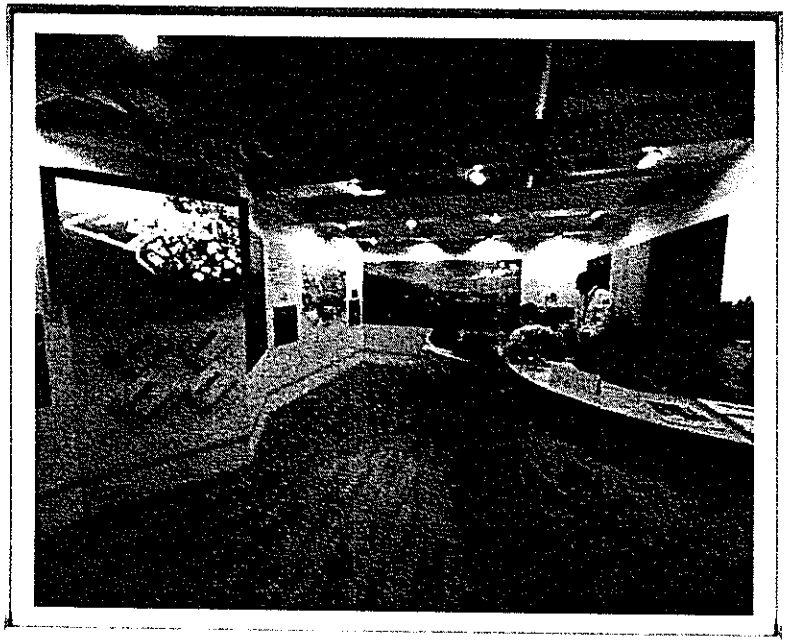
- Branding
- Consultancy
- Worldwide Marketing To Mega And Super Yacht Clientele
- Concierge Services

INFORMATION SYSTEMS

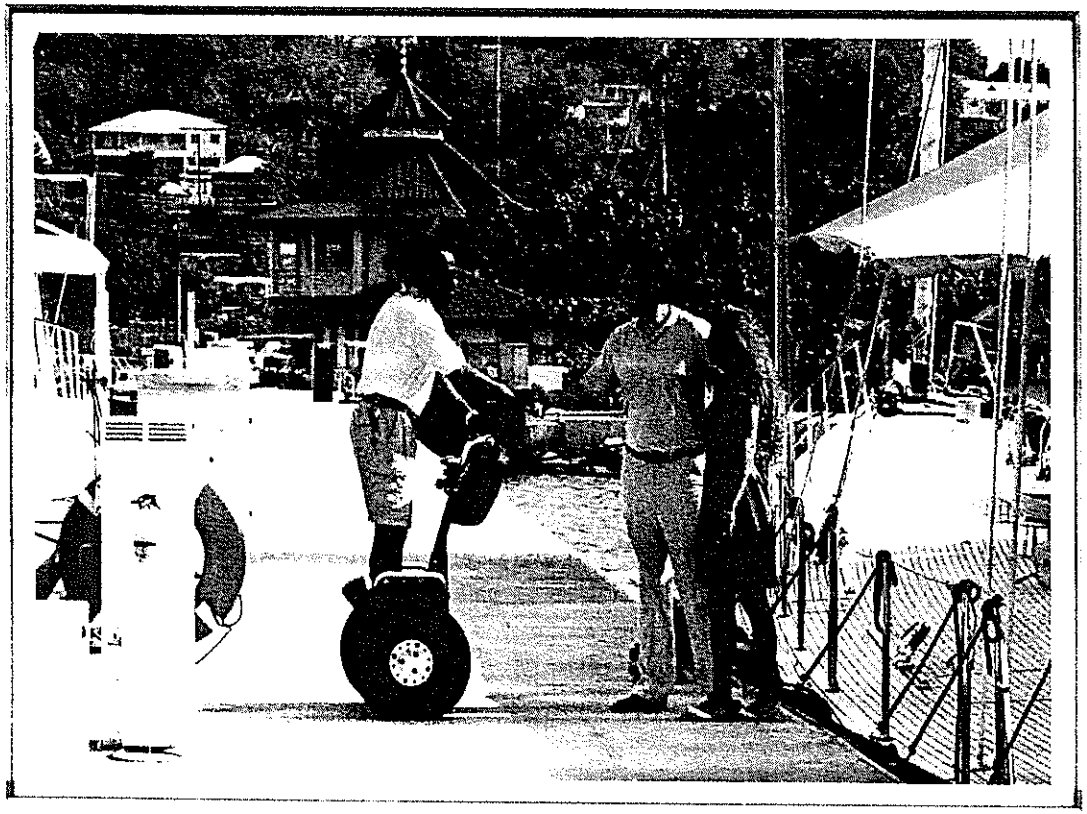
- Vessel-specific Data
- Available To Every C&N Marina Manager In Any Location In The World
- Quantitative And Qualitative Data
- Marina Management Software Linked To Customer Relations And Marketing Software

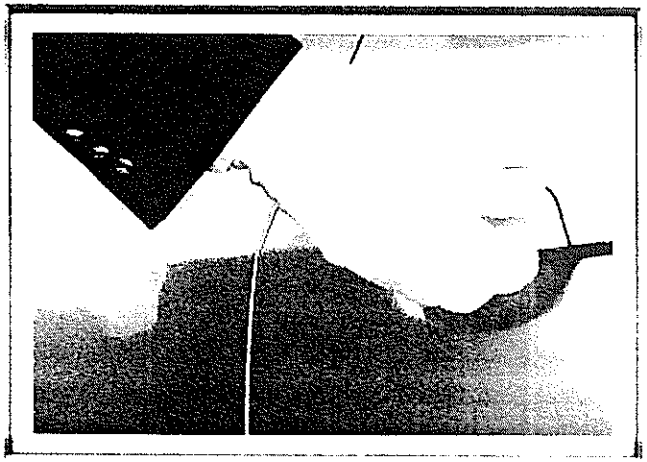
MARKETING

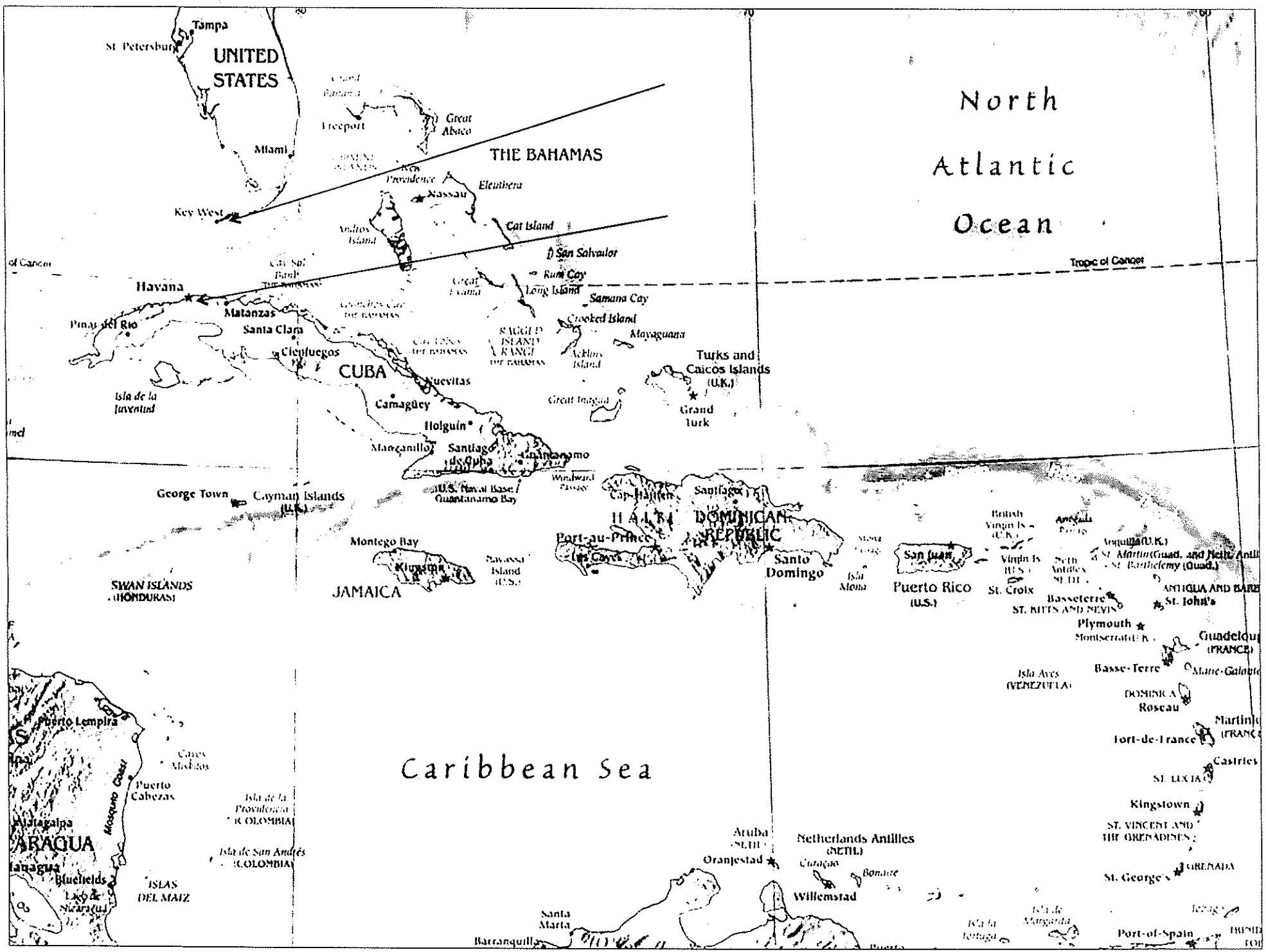
- Ongoing Face-to-face Meetings
- High Profile Yachting Events
- Major Boat Shows



CONCIERGE SERVICES

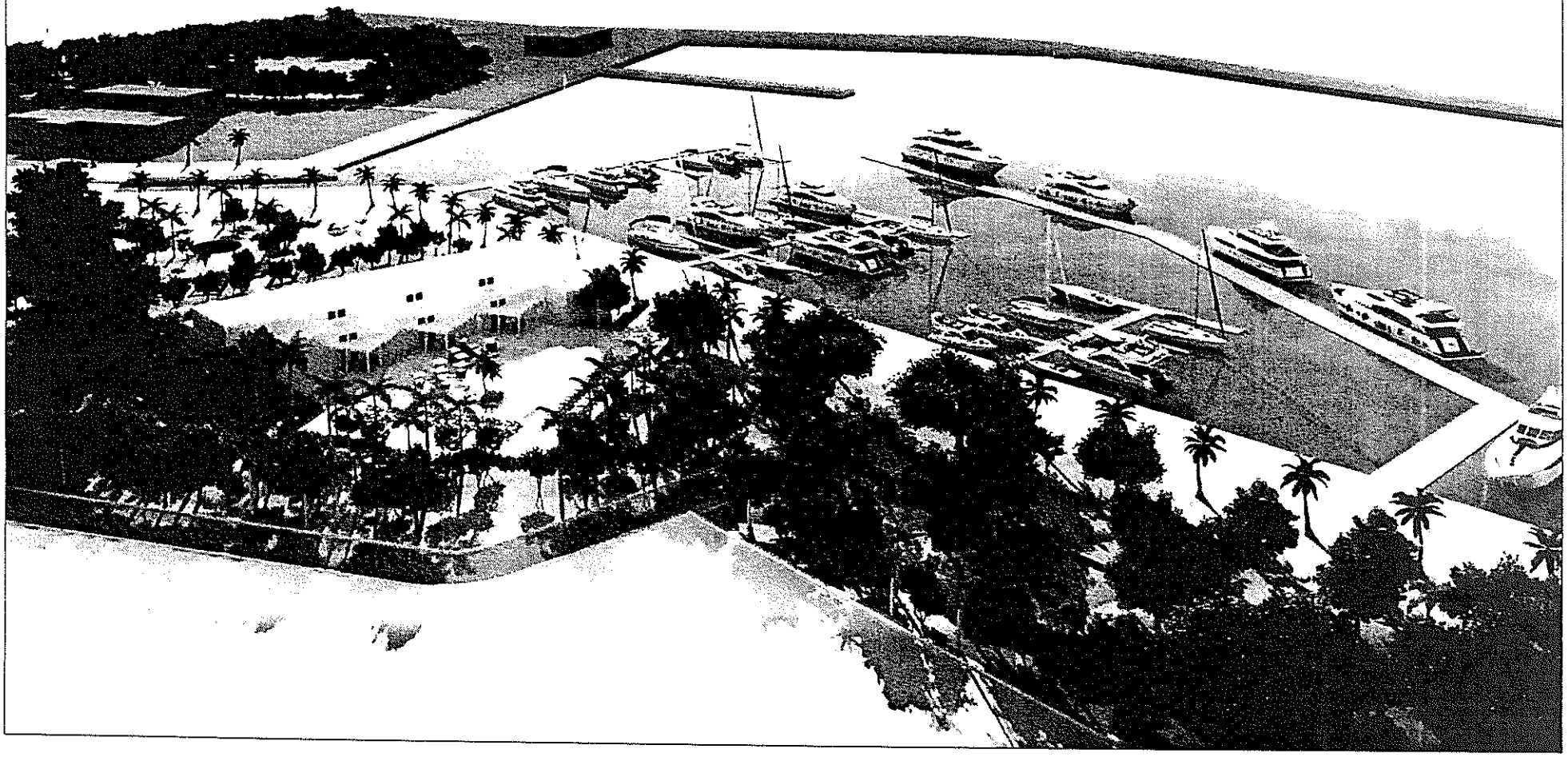





North Atlantic Ocean
Caribbean Sea
UNITED STATES
Tampa
St. Petersburg
Miami
Key West
THE BAHAMAS
Freeport
Great Abaco
Nassau
Eleuthera
Cat Island
San Salvador
Rum Cay
Long Island
Samana Cay
Crooked Island
Mayaguana
Turks and Caicos Islands (U.K.)
Grand Turk
Havana
Matanzas
Pinar del Rio
Santa Clara
Cienfuegos
CUBA
Nuevitas
Camagüey
Holguin
Manzanillo
Santiago de Cuba
Guantanamo
U.S. Naval Base Guantanamo Bay
Isla de la Juventud
Tropic of Cancer
George Town
Cayman Islands (U.K.)
Montego Bay
Kingston
JAMAICA
SWAN ISLANDS (HONDURAS)
HAITI
DOMINICAN REPUBLIC
Port-au-Prince
Santiago
Santo Domingo
Puerto Rico (U.S.)
San Juan
Isla Mona
St. Croix
Basseterre
ST. KITTS AND NEVIS
Plymouth
Montserrat (U.K.)
Guadeloupe (FRANCE)
Basse-Terre
Isla Aves (VENEZUELA)
DOMINICA
Roseau
Fort-de-France
Castries
ST. LUCIA
Kingstown
ST. VINCENT AND THE GRENADINES
GRENADA
St. George's
Port-of-Spain
Puerto Lempira
Puerto Cabezas
Mosquito Coast
Isla de la Providencia (COLOMBIA)
Isla de San Andrés (COLOMBIA)
ISLAS DEL MAIZ
Bluefields
Aruba (NETH.)
Oranjestad
Netherlands Antilles (NETH.)
Curaçao
Bonaire
Willemstad
Santa Marta
Barranquilla
Isla de Margarita
Isla la Tortuga

MEISEL & SPOTTSWOOD
MARINA MANAGEMENT COMPANY, LLC

Camper & Nicholsons



DEVELOPMENT COST

$	11,699,100	Marina
$	20,320,279	Upland & Park Grounds
$	**32,019,379**	**TOTAL**

✳Nearly $20 million of the Development Cost is for Upland Property.

✳Costs based on first class details to give the park the world-class designation similar to Grant Park in Chicago and Embarcadero Marina Park in San Diego.

FINANCING PLAN

- Our plan is not contingent on receiving any financial assistance from the City and will not require a pledge of the full faith and credit of the City.
- Our plan contemplates the issuance of a revenue bond by the city to be repaid solely from the revenues from the park and marina and a portion of the recently enacted 4th penny bed tax.
- Once the Final Development Plan has been approved by the City, the issuance of the revenue bond will go before the voters of the City of Key West for approval.

FINANCING PLAN

The entire debt would be fully repaid in the first 8 years of operations.

REVENUE

THERE ARE SEVERAL
SOURCES OF REVENUE:

	2012
Slip Revenue	$ 3,066,000
Net Fuel Revenue	$ 150,000
Restaurant Rental	$ 150,000
Amphitheater	??
TOTAL	**$ 3,366,000**

REVENUE

	PP LF	Season Occupancy	Off-Season Occupancy	Blended Occupancy
2012	$ 3.75	50%	50%	50%
2013	$ 4.00	65%	50%	58%
2014	$ 4.00	80%	50%	65%
2015	$ 4.25	85%	50%	68%
2016	$ 4.25	90%	50%	70%

- THE REVENUE ASSUMPTIONS ARE BASED UPON EXISTING PRICING FOR COMPETITIVE MARINAS AND DO NOT TAKE INTO ACCOUNT PREMIUM PRICING ANTICIPATED FOR YACHTS IN EXCESS OF 80 FEET.

EXPENSES

	2012	2013	2014	2015	2016
Management Fees (5%)	$ 168,300	$ 203,596	$ 228,710	$ 251,414	$ 260,897
Payroll & Related	500,000	525,000	551,250	578,813	607,753
Utilities	100,000	105,000	110,250	115,765	121,550
Insurance	500,000	525,000	550,000	575,000	600,000
Marketing	175,000	150,000	100,000	100,000	100,000
Repairs & Maintenance	300,000	315,000	330,750	347,288	364,652
Supplies and Equipment	50,000	52,500	55,125	57,881	60,700
Landscaping and grounds	200,000	210,000	220,500	231,525	243,101
Misc. Expense	100,000	105,000	110,250	115,763	121,551
TOTAL	**$ 2,093,300**	**$ 2,191,096**	**$ 2,256,835**	**$ 2,373,447**	**$ 2,480,204**
Expense/Revenue	**62.2%**	**53.8%**	**49.3%**	**47.2%**	**47.5%**

- THE EXPENSE/REVENUE RATIO IS CONSISTENT WITH WHAT WE HAVE SEEN IN OTHER OPERATIONS OF FULL-SERVICE MARINAS

CASH FLOW YR1-5

	2012	2013	2014	2015	2016
Gross Operating Revenue	$3,366,000	$4,071,928	$4,574,206	$5,028,272	$5,217,948
Operating Expenses & Reserves	$2,093,300	$2,191,096	$2,426,574	$2,560,686	$2,674,336
Net Operating Income (NOI)	$1,272,700	$1,880,832	$2,147,632	$2,467,585	$2,543,612
Incentive Fee to MSMMC*	$0	$0	$0	$0	$0
Operating Cash Flow	**$1,272,700**	**$1,880,832**	**$2,147,632**	**$2,467,585**	**$2,543,612**
Projected Bed Tax Income	**$2,997,865**	**$3,108,786**	**$3,223,811**	**$3,343,092**	**$3,466,786**
Interest	$1,530,000	$1,406,675	$1,245,442	$1,059,772	$845,981
Remaining to Prepay Bond	$2,740,565	$3,582,943	$4,126,001	$4,750,905	$5,164,417
Ending Bond Outstanding	**$31,259,435**	**$27,676,492**	**$23,550,491**	**$18,799,586**	**$13,635,169**
Net Cash Flow to the City					

CASH FLOW YR6-10

	2017	2018	2019	2020	2021
Gross Operating Revenue	$5,521,668	$5,540,813	$5,846,402	$5,867,509	$6,175,158
Operating Expenses & Reserves	$2,811,907	$2,929,378	$3,078,416	$3,207,928	$3,369,609
Net Operating Income (NOI)	$2,709,761	$2,611,435	$2,767,986	$2,659,581	$2,805,550
Incentive Fee to MSMMC*	$541,952	$522,287	$553,597	$531,916	$561,110
Operating Cash Flow	**$2,167,809**	**$2,089,148**	**$2,214,389**	**$2,127,665**	**$2,244,440**
Projected Bed Tax Income	**$3,595,058**	**$3,728,075**	**$3,187,801**	**$0**	**$0**
Interest	$613,583	$381,865	$137,274	$0	$0
Remaining to Prepay Bond	$5,149,284	$5,435,358	$5,264,916	$0	$0
Ending Bond Outstanding	**$8,485,885**	**$3,050,527**	**$0**	**$0**	**$0**
Net Cash Flow to the City			**$2,214,389**	**$2,127,665**	**$2,244,440**

*when NOI exceeds scheduled debt service ($34M@4.5% 20yr = $2.6M per year), MSM receives an incentive fee equal to 20%

CASH FLOW YR11-15

	2022	2023	2024	2025	2026
Gross Operating Revenue	$6,369,721	$6,570,586	$6,777,966	$6,992,080	$7,213,156
Operating Expenses & Reserves	$3,520,960	$3,679,707	$3,846,216	$4,020,868	$4,204,065
Net Operating Income (NOI)	$2,848,761	$2,890,879	$2,931,750	$2,971,212	$3,009,091
Incentive Fee to MSMMC*	$569,752	$578,176	$586,350	$594,242	$601,818
Operating Cash Flow	**$2,279,009**	**$2,312,703**	**$2,345,400**	**$2,376,970**	**$2,407,273**
Projected Bed Tax Income	**$0**	**$0**	**$0**	**$0**	**$0**
Interest	$0	$0	$0	$0	$0
Remaining to Prepay Bond	$0	$0	$0	$0	$0
Ending Bond Outstanding	**$0**	**$0**	**$0**	**$0**	**$0**
Net Cash Flow to the City	**$2,279,009**	**$2,312,703**	**$2,345,400**	**$2,376,970**	**$2,407,273**

*when NOI exceeds scheduled debt service ($34M@4.5% 20yr = $2.6M per year), MSM receives an incentive fee equal to 20%

CASH FLOW YR16-20

	2027	2028	2029	2030	2031	
Gross Operating Revenue	$7,441,430	$7,677,147	$7,920,559	$8,171,928	$8,431,525	
Operating Expenses & Reserves	$4,396,230	$4,597,804	$4,809,252	$5,031,063	$5,263,746	
Net Operating Income (NOI)	$3,045,201	$3,079,343	$3,111,306	$3,140,865	$3,167,779	
Incentive Fee to MSMMC*	$609,040	$615,869	$622,261	$628,173	$633,556	
Operating Cash Flow	**$2,436,161**	**$2,463,474**	**$2,489,045**	**$2,512,692**	**$2,534,223**	
Projected Bed Tax Income	**$0**	**$0**	**$0**	**$0**	**$0**	
Interest	$0	$0	$0	$0	$0	
Remaining to Prepay Bond	$0	$0	$0	$0	$0	
Ending Bond Outstanding	**$0**	**$0**	**$0**	**$0**	**$0**	
Net Cash Flow to the City	**$2,436,161**	**$2,463,474**	**$2,489,045**	**$2,512,692**	**$2,534,223**	**$28,529,054**

*when NOI exceeds scheduled debt service ($34M@4.5% 20yr = $2.6M per year), MSM receives an incentive fee equal to 20%

CONCLUSION

OUR VISION PROVIDES THE CITY WITH THE HARRY S TRUMAN PRESIDENTIAL PARK & MARINA, FULLY PAID FOR AND DEBT FREE, PLUS $28,000,000 IN NET CASH FLOW DURING THE FIRST 20 YEARS OF OPERATION.

MEISEL & SPOTTSWOOD

MARINA MANAGEMENT COMPANY, LLC

PROJECT

TRUMAN WATERFRONT

MARINA & UPLAND DEVELOPMENT OPPORTUNITY

DATE JUNE 24, 2009

RFP 08-011