

MINUTES

KEY WEST BIGHT MANAGEMENT DISTRICT BOARD MEETING

OLD CITY HALL, 510 GREENE STREET

JUNE 15, 2011

A regular meeting of the Key West Bight Management District Board of the City of Key West, Florida, was held in Commission Chambers, Old City Hall, 510 Greene Street, on Wednesday, June 15, 2011.

The Chairman called the meeting to order at 9:01 a.m.

Answering roll call were Board Members Jeremy Ashby, Jimmy Lane, Paul McGrail, Dan Probert and Chairman Michael Knowles presiding.

Board Member Michael Wilson was absent and Board Member Kathryn Ovide arrived after roll call.

Also present were Assistant City Attorney Ron Ramsingh, Key West Bight Manager Mark Tait, Port Operations Manager John Castro, Senior Property Manager Marilyn Wilbarger and Clerk of the Board Sue Harrison.

Others in attendance were Jack Anderson from the Tenants Association.

The pledge of allegiance to the flag of the United States of America was given by all present.

CHANGES TO THE AGENDA:

A motion was made by Mr. Lane and seconded by Mr. Probert to accept the agenda without changes. There were no objections.

APPROVAL OF MINUTES:

- 1) May 11, 2011 (Regular)

It was moved by Mr. Probert and seconded by Ms. Ovide to approve the minutes of May 11, 2011 correcting typos on page two "Bait" and on page 7 "Probert".

PRESENTATION:

- 2) 96 Unit Hotel at Old Jabour Property – Pritham Sing

ITEMS FOR ACTION:

- 3) Budget Amendment for Fuel

It was moved by Mr. Probert and seconded by Ms. Ovide to approve the Budget Amendment for Fuel.

The Chairman asked the Clerk to call the roll.

Yeas: Board Members Ashby, Lane, McGrail, Ovide, Probert and Chairman Knowles

Nays: None

- 4) Business Name Change From Dream Chaser to Snorkel, Inc.

Mr. Tait presented the item to the Board.

It was moved by Ms. Ovide and seconded by Mr. McGrail to approve the item for Business Name Change From Dream Chaser to Snorkel, Inc. as presented.

The Chairman asked the Clerk to call the roll.

Yeas: Board Members Ashby, Lane, McGrail, Ovide, Probert and Chairman Knowles

Nays: None

- 5) Flagler Station Sub-Lease

Ms. Wilbarger presented the item to the Board.

It was moved by Mr. Probert and seconded by Mr. Lane to approve the Flagler Station Sub-lease.

The Chairman asked the Clerk to call the roll.

Yeas: Board Members Ashby, Lane, McGrail, Ovide, Probert and Chairman Knowles

Nays: None

6) Tropical Shell & Gifts, Inc. Second Amendment to Lease

Ms. Wilbarger presented the item to the Board.

It was moved by Ms. Ovide and seconded by Mr. Probert to approve the Second Amendment to the Lease with Tropical Shell & Gifts, Inc.

The Chairman asked the Clerk to call the roll.

Yeas: Board Members Ashby, Lane, McGrail, Ovide, Probert and Chairman Knowles

Nays: None

DISCUSSION:

7) Rent Escalation Methodology

Ms. Wilbarger provided background information regarding the typical escalation that is used in commercial real estate. Her recommendation was to hire an independent expert to do an up-to-date market rate study that would provide a good base of information from which to make a decision. The Board gave Ms. Wilbarger direction to get prices for a market study and they could decide after further review if they would proceed.

REPORTS:

- 8) Manager's Report
 May Report
- 9) A/P – A/R Report
 Accounts Receivable List

Ms. Wilbarger noted there were no changes to the accounts receivable report. They were waiting for signatures on the settlement agreement with Key West Artworks. Turtle Kraals was still

in litigation. B.O.'s Fishwagon was caught up and he was in good shape this month.

Mr. Ramsingh reported on the Florida Keys Boat Rental situation and he would be meeting with Mr. Smalley later that day and anticipated having a signed agreement by the next day. If not they would be meeting before Judge Miller on the eviction hearing. The understanding was that he would pay all fees and costs and immediately vacate of the premises.

Mr. McGrail asked if the consultant would look at the parking rates and provide an analysis.

Chairman Knowles asked if Ms. Wilbarger could provide additional information, either weekly or monthly, from the star report that would tell them occupancy statistics and other information from the TDC.

Mr. Probert did not want to confuse the real estate analysis and the parking analysis and requested they be done separately.

10) Tenants Association Report
Minutes

Mr. Anderson, Tenant's Association, reported on issues discussed at their recent meeting which included security deposits, CAM, re-evaluation of rents, landscaping, white flies and TDC funding for Christmas lighting of the Harborwalk.

Mr. Probert asked Ms. Wilbarger about the closing of Lazy Way as mentioned in the Tenants Association minutes. She stated this was only a part of the conceptual plan (in Phase 2) and was not a "done deal."

OLD BUSINESS

Ms. Wilbarger reported on the tenant's deposits that had been discussed at the previous meeting. She had met with Mr. Wittenberg (Finance Director) and the Mr. School (City Manager)

regarding the requirements. She stated for commercial leases there are no requirements to pay any interest, however, it had been a practice of the city to pay interest on deposits as the tenant moves out. Ms. Wilbarger stated she and the Finance Director have been charged with writing a new city wide policy on how to handle commercial rent deposits in the future.

Ms. Wilbarger also updated the Board regarding the Waterfront Brewery. This project is going forward through the city process.

Mr. Probert asked Mr. Tait to update them on the Mooring Field exception. Mr. Tait had attended a meeting the previous week but had not yet received a report from the County for that meeting. He reported the meeting included information on derelict vessels. There had been previous meetings from Key Largo and Marathon and he hoped to receive information from the County on all three meeting with a summary. He would report back when he had more information.

Mr. Probert asked about the Bay Bottom Lease exemptions. Ms. Wilbarger reported discussions had occurred with representatives from the State and with Mr. Hildebrandt who did the survey. The discussions included establishing a date when the Thompsons Fish House was built to validate that it should be exempt. Staff has provided pictures from 1912 to prove it was there prior to 1951.

PUBLIC COMMENTS:

There were no comments from the public.

BOARD COMMENTS

Mr. Lane asked Mr. Tait who owned the boardwalk in front of Conch Harbor. Mr. Tait stated this was Conch Harbor property but the City has an easement to continue the boardwalk through that property for public access. Conch Harbor is responsible for the maintenance of the boardwalk and

the lighting on the property. Mr. Lane stated the boardwalk was in disrepair. Ms. Wilbarger said the owner of Conch Harbor would be replacing the decking to match what the City would be using. Mr. Tait would speak with the management to make temporary repairs.

ADJOURNMENT:

It was moved by Mr. Probert and seconded by Mr. Lane to adjourn. There being no further business the Chairman adjourned the meeting at 10:15 a.m.



Susan P. Harrison, CMC, Clerk of the Board
Senior Deputy City Clerk