MINUTES

KEY WEST BIGHT MANAGEMENT DISTRICT BOARD MEETING

OLD CITY HALL, 510 GREENE STREET

FEBRUARY 15, 2012

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, February 15, 2012.

The Chairman called the meeting to order at 9:00 a.m.

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

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

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

CHANGES TO THE AGENDA:

It was moved by Mr. Wilson and seconded by Mr. Probert to accept the agenda.

The Chairman asked for objections and seeing none, the agenda was accepted.

APPROVAL OF MINUTES:

1 January 11, 2012 (Regular)

It was moved by Mr. Lane and seconded by Ms. Ovide to approve the minutes of January 11, 2012.

The Chairman acknowledged the motion and second. With objections the minutes of January 11, 2012 were approved.

Due to technical difficulties it was decided to hear the Presentation after the Action Items.

ITEMS FOR ACTION:

3) Rental Increases and Late Fees

Mr. McGrail stepped down from the dais and recused himself from this item.

Ms. Wilbarger reviewed the report for the Board regarding history of rent, rent increases and sales reported by tenants. She observed that the increases for the anchor tenants are all at 6 percent. The percentage rate is based on sales and not to exceed 6%. She said this has been a very good year for most of the businesses at the Bight.

Mr. Wilson asked that the report include the square footage of tenant space. Ms. Ovide wanted the Clinton property extracted from the comparison.

It was moved by Ms. Ovide and seconded by Mr. Ashby, for discussion, that the item be postponed to March 14, 2012 for additional information.

Ms. Wilbarger clarified what the Board wanted to see at the next meeting as information as to the square footage, cost per square foot and late fees. She said that they do charge a percentage fee, an administrative fee and interest. Mr. Wilson also asked that the locations of the businesses be listed.

The Chairman requested the Clerk call the roll.

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

Nays: None

Recused: Board Member McGrail

4) William Street Concrete Repairs and Window Replacement for Bid 12-009

Mr. Castro described the project as a bid award for concrete repairs to the 201 William Street building to Bella Construction who was the lowest bidder at $250,740.00. This project encompasses all the concrete repair and spalling throughout the whole building and to add new impact windows and doors.

Ms. Wilbarger confirmed that the money from the previous tenant's settlement was there for this project.

Mr. Castro stated the roof had been repaired the previous day. The tenants would be contacted regarding any work schedule as necessary.

Mr. Ashby asked how this would affect the mural. Ms. Wilbarger had been in touch with Wyland Studios and they would be available after the work was done to repair the mural. Ms. Ovide said this was a very important piece of communication to convey to the public. Ms. Wilbarger would contact the public information office regarding a press release.

It was moved by Mr. Probert and seconded by Mr. Wilson to approve the item as presented.

The Chairman requested the Clerk call the roll.

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

Nays: None

5) 2011 Operating Expense Reconciliation

Ms. Wilbarger reported that the actual operating costs have decreased from $4.05 to $3.96 per foot. One reason for this is the assessed value has dropped by $1.3 million and the other reason is the fact that our operating costs are allocated based upon the percentage of revenue that the allocatable expenses come from.

Mr. McGrail said if there could be more transparency next time as to how the insurance information is put together, although this was better than the previous year's report. Ms. Wilbarger would provide a copy of the complete breakdown from the underwriters.

It was moved by Mr. Lane and seconded by Mr. McGrail to approve the item as presented.

The Chairman requested the Clerk call the roll.

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

Nays: None

PRESENTATION:

2 Waterfront Brewery Plans

Mr. Horn introduced Mr. Schulz and Mr. Benson from the brewery and their Planner, Mr. Trepanier. Architect William Horn presented the design plan for the Waterfront Brewery to the Board. He said they had already been to HARC and to the Tree Commission and have received approval. They have also been through the Development Review Committee and have their approval. They will come before the Planning Board on March 15, 2012.

Mr. Horn reviewed the site plans, elevations and drawings and answered questions regarding the proposed music and amplification on the open-air second level. He said typical hours of business would be similar to other restaurants closing at 10 or 11 p.m.

Mr. McGrail felt strongly that the aspect of the brewery as an attraction to the Bight be included in the lease as an obligation to sell beer not just in the restaurant but to the public in general.

Ms. Ovide commended Mr. Horn with the proposed sound system installation below the tables.

The following people spoke on the matter:

Patricia Rogers, 324 Margaret Street
Tom Milone, 832 Caroline Street

Ms. Ovide asked that historic panels or etchings be incorporated into the entryway and specified in the lease. Ms. Wilbarger stated the proposed lease would include wording to this effect.

REPORTS:

6 Manager's Report

Mr. Castro reported on the Schooner Wharf Rebuild project. The design is complete and they should have complete working drawings by next month to bid out the re-build of Schooner Wharf. They hope to begin construction this summer and have the project completed by December 2012.

7 Accounts Receivable Report

There were no questions.

8 Tenants' Association Report

There were no comments on the Tenant's Association Report.

9 Old Business

Ms. Wilbarger updated the Board on the rental space at the Ferry Terminal. The Marine Patrol elected to vacate the space. The CRB will remain and an inter-fund transfer that's representative of the current market rent for the office space they are occupying will be done and accrued since they moved in.

Mr. Wilson asked about the parking lot and validating parking. Ms. Wilbarger said they could not validate parking as there is no longer an attendant in the lot. Mr. Lane asked for a comparison on the parking that would go back for one year instead of month to month.

DISCUSSION ITEM

10 Premiere Racing Dockage 8 Year History

Mr. Tait reviewed the information with the Board on Premier Racing's dockage history. This event no longer utilized the parking lot. Ms. Wilbarger anticipates this event will ask for discounted rates for dockage for future events.

PUBLIC COMMENTS:

The Clerk read a letter into the record from Sheila Mullins (attached hereto and made a part of these minutes)

Thomas Sweets, Director of the Key West Wildlife Center, spoke about the pelican feeding at Key West Bight and asked if new signage could be provided as well as PVC fishtrap shoots. Ms. Wilbarger commented that in the Key West Bight Marina in the Historic Seaport fish carcass are not allowed. She said at the property next door, A & B Marina, have daily Tarpon feedings at 5:00 p.m. and the City has no control over private property. Mr. Tait stated that the DEP had visited several weeks ago for a site inspection for the submerged land lease and they had received complaints about fish carcasses. They noticed the signage citing the City Ordinance and stated we were fully compliant. Mr. Sweets wanted to partner with the City and would provide additional signage if necessary to get the word out. Ms. Wilbarger said they would work with them and perhaps the Wildlife Center could contact the other establishments at the Bight with this information.

BOARD COMMENTS

Mr. Probert asked about sales for the Ferry Terminal. He stated there had been activity in the maritime market with ferries going to Cuba and a company had purchased three ferries to work out of Marathon. He said there was also the prospect of Port Everglades to Cuba ferries. He wanted to

know how to promote our ferry terminal and who markets the city and how. Ms. Wilbarger said they could contact the Chamber and the TDC and she had forwarded the article to Linda Miller at Key West Express that Mr. Probert had provided. They have been talking for the last three years about their intentions. Ms. Ovide was aware of a group in Ft. Lauderdale that had applied for a one-time authorization to travel to Cuba for the Pope's visit in April or May.

Chairman Knowles said that Key West Airport was granted a Port-of-Entry status. They are working on doing charter flights now.

Mr. McGrail mentioned last September or October the Tenant's Association gave a list of 30 comparables in the Bight neighborhood that were not used for the study regarding rents. Ms. Wilbarger would provide the information again to the Board.

ADJOURNMENT:

It was moved by Mr. Probert and seconded by Ms. Ovide to adjourn. There being no further business the Chairman adjourned the meeting at10:25 a.m.

Susan P. Harrison

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

I am unable to attend the Bight Board meeting today, February 15th. Please read my statement into the record. Thank you, Sheila Mullins 830 Fleming Street.

When we voted for a bond issue for the city to purchase the bight property, the last thing we had in mind was for the bight property to be filled with loud honky tonk bars from one side to the other. Schooner Wharf and the Half Shell Raw Bar were established businesses at the time, and that was enough.

We envisioned preserving reminders of our maritime history as a basis for new businesses at the bight to be permitted. The Conch Farm travesty is an example of how well that worked.

I object strongly to the city renting the former Waterfront Market building to a brewery that would have an open air bar on the roof with any kind of amplified music. It would be a grave mistake to subject the adjacent residential neighborhoods to the abuse and enforcement nightmares that will be the inevitable result.

The bight board can make no other decision than to reject this proposal entirely. Please do the right thing for the neighbors and to preserve what little we have left of the historic nature of the bight that we voted to defend so long ago.

Letter read into the record on February 15, 2012
Submitted by Sheila Mullins, 830 Fleming Street