

# **AGENDA**

## **CITY OF KEY WEST TRUMAN WATERFRONT ADVISORY BOARD**

**OLD CITY HALL, 510 GREENE STREET**

**FRIDAY, AUGUST 28, 2009 – 12:00 P.M.**

- 1. CALL MEETING TO ORDER**
- 2. ROLL CALL**
- 3. APPROVAL OF AGENDA**
- 4. REPORTS:**
  - a. Coordinator Doug Bradshaw
- 5. BOARD DISCUSSION**
  - a. Response/Discussion to questions submitted by Board Members
  - b. Develop list of action items for next meeting
- 6. PUBLIC COMMENT**
- 7. ADJOURNMENT**

# **TRUMAN WATERFRONT QUESTIONS**

## TRUMAN WATERFRONT QUESTIONS

1. Comp Plan & LDR Amendments:
  - a. Have they been adopted? *Adopted September 8, 1999, and amended July 6, 2000*
  - b. Are they in effect? *Yes*
2. Leases:
  - a. What leases are in effect? *Lease for the USCGC Mohawk and Ingham and the Assisted Care Living Facility*
  - b. What leases are being considered or requested to be considered? *BCCLT*
  - c. May I please have copies? *Included in packet*
3. Assisted Living:
  - a. What is the zoning of the lease area, and the building area? *HMDR and HPS-1*
  - b. Where is the group in the process? *Working with planning- see attached*
  - c. What are they struggling with? *Zoning changes and density, ROGO*
  - d. What is the proposed development plan? *Attached*
  - e. Has a development plan been approved? *No*
  - f. Please forward a copy of the lease and any plans. *In existing Truman Waterfront Manual*
4. BCCLT:
  - a. What is the zoning of the lease area, and the building area? *HCL, HPS-1, and HNC-2*
  - b. Where is the group in the process? *Working with planning- incomplete*
  - c. What are they struggling with? *Lease Agreement with City needs to be approved*
  - d. What is the proposed development plan? *Not available at this time*
  - e. Has a development plan been approved? *No*
  - f. Please forward a copy of the lease and any plans. *Draft lease attached*
5. Resolution 07-341:
  - a. Where are we with Phase I and the Oval Development? *Two issues: use of State Park property for City/Navy Gatehouse and environmental soil issues*
  - b. What is the status of the funding outlined in the associated staff report? *As of now all the funding remains in place except for \$100,000 Community Defense Grant for Architectural/Engineering Services-approximately \$50,000 remains*
6. Contamination:
  - a. Where is the large recently discussed contaminated area (show on a map)? *Parcel K-see attached map*
  - b. What are the issues involved? *The sampling the City did revealed that the soil did not meet industrial standards as indicated from the Navy*
  - c. Who are the players? *Navy, City, DEP (State)*
  - d. What are the solutions? *The Navy will clean up soil to at least industrial standards*

- e. What other areas or issues regarding contamination exist? *Very few. Most areas have been remediated. Main restriction is over entire property, there is a groundwater use restriction*
7. Existing Soccer Field:
- a. Is there a lease or resolution approving the field and the use? *No. City Commission directed City Manager to create a multiple use field in a Truman Waterfront Workshop held May 15, 2007. Field is overseen by Parks and Recreation*
  - b. Please forward the pertinent documents. *NA*
8. Ramp:
- a. What are the proposed plans for the ramp? *At this time no changes or use is proposed for the ramp. The ramp is kept in place as a requirement of the deed. The Navy retains an easement for use of the ramp.*
  - b. What is the existing angle of the ramp? *Do not have that info. However, the angle is flatter than normal ramps making it difficult to use for boat and trailer. Ramp was designed for the hydrofoils.*
9. General Use of Property:
- a. What regulations or rules currently apply to the use of the property i.e. what are hours of access? Etc.? *Right now it is treated pretty much like all other parks in the City with same rules applying.*
10. Submerged Lands
- a. The 1997 *Key West Base Reuse Plan* (KWBRP) identified that **submerged lands** within the Truman Waterfront basin are “owned by the State of Florida, and are under a **25 year lease to the Department of the Navy** which expires in 2009” (Paragraph D.1, page 38). What is (a) the status of use permitted by the State for the proposed Marina? *The City with cooperation from the Navy, which they have promised, would have to modify the State submerged land lease to allow the marina.*
  - b. What is the status of the submerged land lease between the State and the Navy? *Ron Demes should be able to provide an update at the meeting*
11. What major changes, if any, have been made to the **KWBRP Land Use Plan** (section VI, A, 1-6 on pages 61 – 65)? *None at this time*
12. Page 64 references the possible use of the underground portion of the Seminole Battery for development of a “**war memorial and museum** depicting Key West’s military history ...”. Do you know if any of the use plans contain development of this concept? *The property was not transferred to the City*

13. What is the status of the eminent domain takings proceeding by the City for access to Truman Waterfront across **Admiral's Cut**? *The City Commission has directed City Attorney to move forward with eminent domain. Legal should be able to provide update at meeting.*
14. What are the updates of the “**major bicycle and pedestrian study**” referenced in the final paragraph on p 94 of the KWBRP? *No update at this time*
15. **Potential funding sources** for development of the Truman Waterfront are listed on page 135 of the KWBRP. Which of these Federal, State, Local and Private resources have been investigated and with what results? *Florida Defense Infrastructure Grants currently have two: one for roadways and one for design. No other grants have been sought*
16. What changes, if any, have been made to the 2005 *Truman Waterfront Development Conceptual Master Plan* found in Section 9 of the Truman Waterfront Advisory Board workbook? *No major changes at this time*
17. Where can the Advisory Board access copies of the Florida Keys Assisted Care Coalition, Inc. and the Bahama Conch Community Land Trust **development plans** for the portions of the Truman Waterfront approved by the voters for development by them respectively? *Currently there are only conceptual plans that I am aware of. Status of each groups development plans can be found in the reports that have been issued or will be issued by the planning department (the BCCLT report is in draft form)*
18. In your opinion, **how do the ACC and BCCLT plans mesh with KWBRP** (1) Table VI.2 – Land Use by Development Type and (2) Table VI.3 – Truman Annex Land Use Breakdown and with Development priorities found on page 97 of the KWBRP? *I believe the BCCLT plan fits within the plan since it requires no zoning changes that I am aware of. The ACC at this point would require a zoning change to allow for their conceptual plan.*
19. What is the **status of DCA Review** of these development plans? *Have not gone to DCA for review.*
20. IF these development plans are not viable, what are the **procedures in place, if any, for returning this acreage** to public use? *The leases (or future leases) have certain measurable results that have time frames. If the times frames are not met, the leases would be canceled and the City would control the property.*
21. What is the timing of the City Commissions consideration of the two **proposals for Marina and Truman Waterfront Development** presented at workshops on June 23 and June 24, 2009? *Staff scored and ranked the two proposals at a meeting held on 8/20/09. The ranking and recommendation will be forwarded to the City Manager. The City Manager will then make a recommendation at the Sept 15 City Commission/ LRA meeting.*

22. What is the **revenue currently being generated** for use of the Truman Waterfront Park by such groups as the Rotary (Boat Show) and AIDS Help (Taste of Key West) etc.?  
*Very little revenue has been generated. The super boats and sailboat events generate about \$10,000 a year thru a usage fee. Other groups typical do not pay more than \$500. They money has gone back into maintaining the property.*
23. What is the revenue currently generated from the **Mohawk lease**? What is the expected revenue to be generated from the **Ingram lease**? If either of these vessels needs to be relocated, where does the City plan to move them for dockage? *Total revenue from both ships will be \$400/month (\$200/each). The plans would be to move them to the north end of the pier.*

**SHIP LEASES FOR THE TRUMAN  
WATERFRONT**

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## **Lease Agreement**

between

**CITY OF KEY WEST, NAVAL PROPERTIES  
LOCAL REDEVELOPMENT AUTHORITY (LRA)**

as Landlord

and

**MIAMI DADE HISTORICAL MARITIME MUSEUM, INC.**

as Tenant

Dated \_\_\_\_\_

THIS LEASE is made as of the \_\_\_\_ day of \_\_\_\_\_, 2009 by and between the LANDLORD and TENANT identified below:

**1. INFORMATION PROVISIONS:** Information provisions in this section are intended to provide a summary of the corresponding sections of this lease and are in no way inclusive of the complete terms and conditions of this lease.

1.1 LANDLORD'S NAME & MAILING ADDRESS:

CITY OF KEY WEST, NAVAL PROPERTIES  
LOCAL REDEVELOPMENT AUTHORITY (LRA)  
525 ANGELA STREET  
KEY WEST, FL 33040

1.2 TENANT'S NAME & MAILING ADDRESS:

MIAMI DADE HISTORICAL MARITIME MUSEUM, INC.  
329 PEACON LANE  
KEY WEST, FL 33040

TENANT'S TRADE NAME: D/B/A USS MOHAWK MEMORIAL MUSEUM  
AND USCGC INGHAM MEMORIAL MUSEUM

1.3 GUARANTOR (S) AND ADDRESS: MIAMI DADE HISTORICAL MARITIME  
MUSEUM, 329 PEACON LANE, KEY WEST, FL 33040

1.4 DOCKAGE SPACE: (Section 2): **as per EXHIBIT "A"** located at the East Quay  
Berthing Area, Truman Waterfront, Key West, FL.

EXPANSION/RIGHT OF FIRST REFUSAL: None

1.5 TERM (Section 3.): Ten Years

1.5.1 COMMENCEMENT DATE: September 1, 2009

1.5.2 RIGHT TO TERMINATE: None

1.5.3 RIGHT TO RENEW: Per City of Key West Code of Ordinances.

1.6 MINIMUM RENT FOR TERM (Section 4): The base rent for the term is One (\$1.00)  
Dollar per year.

1.6.1 ADDITIONAL RENT: TENANT shall pay an Administrative Fee of \$400.00 per month and any  
and all other sums of money or charges required to be paid by TENANT pursuant to the provisions  
of this lease.

1.6.2 RENT PAYMENT DUE DATE: Payable in advance on the first (1<sup>st</sup>) of each and every  
month of the term hereof.

1.6.3 LATE CHARGE: 15% of the amount in arrears if received after the fifth day of each and

every month together with an administrative fee of \$50.00 for processing late payments.

1.6.4 PERCENTAGE RENT: N/A

1.6.5 HOLD OVER RENT: 150% of the then current Rent and Additional Rent

1.6.6 RENT CONCESSIONS: None

1.7 SECURITY DEPOSIT (Section 5) None required.

**1.8 PERMITTED USE (Section 6):** TENANT shall use the Dockage Space for educational purposes and the operation a floating maritime museum onboard the USS MOHAWK CGC (WPG-78) AND USCGC INGHAM (WHEC-35)

1.9 INSURANCE: (Section 9) \$1,000,000.00 commercial liability minimum per occurrence

1.10 ASSIGNMENT OR SUBLETTING: N/A

1.11 UTILITIES: (Section 17) TENANT shall pay for all connections, meters, and utility usage.

INITIALS: LANDLORD \_\_\_\_\_ TENANT \_\_\_\_\_

WITNESSETH:

The LANDLORD and the TENANT for and in consideration of the keeping by the parties of their respective obligations hereinafter contained, as well as for one dollar (\$1.00) and other good and valuable consideration by each of the parties unto the other, in hand paid simultaneously with the execution and delivery of these presents, the receipt of which is hereby acknowledged, have agreed as follows:

**2. DOCKAGE SPACE-** Upon the terms and conditions hereinafter set forth, and in consideration of the payment from time to time by the TENANT of the rents hereinafter set forth, and in consideration of the performance continuously by the TENANT of each and every one of the covenants and agreements hereinafter contained by the TENANT to be kept and performed, the LANDLORD does hereby lease, let, and demise unto the TENANT, and the TENANT does hereby lease of and from the LANDLORD, the Dockage Space located at the Easy Quay Berthing Area, Truman Waterfront, situated, lying, and being in Monroe County, Florida AS SHOWN ON Exhibit "A" attached hereto and incorporated herein.

LANDLORD reserves the right from time to time with good cause, upon advance written notice to relocate TENANT to other Dockage Space prior to or during the term of this Lease. TENANT acknowledges and agrees that in the event that the Navy or the development of the marina requires use of the Dockage Space TENANT will re-locate the vessels at TENANT'S sole cost and expense.

**3. TERM -** The term of this Lease shall be for Ten (10) years and shall commence on September 1, 2009 and shall end at midnight August 31, 2019 unless sooner terminated as provided for herein. Upon occupancy TENANT shall furnish LANDLORD a written statement stating the TENANT has accepted the Dockage Space for occupancy and setting forth the actual commencement and expiration dates of the Lease. TENANT'S written

statement shall become attached to and incorporated into this lease as Exhibit "C". In the absence of TENANT'S written statement the lease term shall remain as stated above. A Lease Year is the twelve-month period beginning on the commencement date of each year and ending at the conclusion of the same date 364 days later. If possession of the Dockage Space shall for any reason not be delivered to Tenant on the Commencement Date, this Lease shall nevertheless continue in full force and effect, and no liability whatsoever shall arise against LANDLORD out of any delay other than the abatement of rent.

Right to Terminate – None

Right to Renew – TENANT shall have the right to renew this lease pursuant to City of Key West Code of Ordinances.

**4. RENT** - All rentals provided for herein shall be payable in advance, without prior demand therefore and without deductions or setoffs for any reason whatsoever on the first day of each and every month of the term hereof.

**4.1 Late Charges.** Any monthly rental not received by the fifth day of the month shall incur a late fee equal to fifteen percent 15% of the amount in arrears. In addition, all payments received after the due date shall incur a **\$50.00** administrative fee to cover the costs of collecting and processing late payments. LANDLORD shall have no obligation to accept less than the full amount of all installments of rental, additional rental or other amounts due hereunder and interest thereon which are due and owing by TENANT to LANDLORD. If LANDLORD accepts less than the full amount owing, LANDLORD may apply the sums received toward such TENANT'S obligations, as LANDLORD shall determine in its sole discretion.

**4.2 Interest on Rent.** Rent and additional rent not paid within fifteen (15) days of when due shall bear interest from the date due until paid at the highest rate permitted by law.

**4.3 Obligation to Survive.** TENANT'S obligation to pay rent that is accrued and unpaid hereunder shall survive the expiration or termination of the Lease.

**4.4** The rent reserved under this Lease for the term hereof shall be and consist of:

(a) Beginning with the commencement date and throughout the term of this Lease, TENANT agrees to pay to the LANDLORD as and for minimum rent for the Dockage Space the annual amount of One (\$1.00) Dollar. TENANT shall also pay an Administrative Fee of \$400.00 per month. Administrative fee will be increased beginning in year four (4), and year (7) seven of the lease to an amount determined by the cumulative increase in the United States Department of Labor, Bureau of Labor Statistics, Miami - Ft. Lauderdale Consumers Price Index for All Urban Consumers.

(b) Simultaneously with each such payment, TENANT agrees to pay to LANDLORD any sales, use or excise tax imposed or levied against rent or any other charge or payment required hereunder to be made by TENANT which tax has been imposed or levied by any governmental agency having jurisdiction thereof, this shall include any new taxes imposed during the term of this Lease which are in addition to or in substitution for any such tax which is presently imposed.

(e) **Additional Rent.** Any and all other sums of money or charges required to be paid by Tenant pursuant to the provisions of this Lease, whether or not the same be so designated, shall be

considered as "Additional Rent", and shall be payable and recoverable in the same manner as Rent. However, such Additional Rent shall be due upon demand and failure to pay such additional rent within seven (7) days shall be deemed a material breach of this lease. If Landlord shall make any expenditure for which Tenant is liable under this Lease and for which Tenant has not paid, the amount thereof shall be deemed Additional Rent due and payable by as indicated above. In addition to the foregoing rent, all other payments to be made by TENANT shall be deemed to be and shall become additional rent hereunder whether or not the same be designated as such and it shall be due and payable upon demand together with interest thereon at the highest rate permissible by law from their due date until the date it is paid. The LANDLORD shall have the same remedies for TENANT'S failure to pay said additional rental the same as for non-payment of rent. LANDLORD, at its election, shall have the right to pay or do any act which requires the expenditure of any sums of money by reason of the failure or neglect of TENANT to perform any of the provisions of this Lease, and in the event LANDLORD shall, at its election, pay such sums or do such acts requiring the expenditure of monies, TENANT agrees to pay LANDLORD, upon demand, all such sums, and the sums so paid by LANDLORD and any expenses incurred by LANDLORD in the payment of such sums together with interest thereon at the highest rate permitted by law from their due date through the date they are paid by TENANT shall be deemed additional rent and shall be payable and collectible as such. Rent shall be made payable to the LANDLORD as stated in Section 1.1 hereof.

(f) Holding Over. It is agreed that in the event of TENANT holding over after the termination of this lease, thereafter the tenancy shall be from month to month in the absence of a written agreement to the contrary; the TENANT shall pay to LANDLORD a monthly occupancy charge equal to One Hundred Fifty (150%) Percent of the then current monthly rent and additional rent including administrative fees, for each month from the termination or expiration of this Lease until the Dockage Space is delivered to the LANDLORD in the condition required herein, and LANDLORD'S right to damages for such illegal occupancy shall survive. In addition, TENANT shall pay all other charges payable by TENANT under this Lease

(g) Rent Concessions. None

(h) Non-Profit Status. Annually, upon filing, TENANT shall provide LANDLORD with proof of its non-profit status under Internal Revenue Service regulations.

**5. SECURITY – No deposit required**

**6. USE OF THE DOCKAGE SPACE-** TENANT shall use the Dockage Space for educational purposes and the operation a floating maritime museum onboard the USS MOHAWK CGC (WPG-78) AND USCGC INGHAM (WHEC-35)

TENANT further agrees:

(a) TENANT shall pay the cost of all utility connections, meters and any other improvements required to facilitate use as stated herein including but not limited to ingress/egress, life safety, all applicable code requirements, security, and sanitation. TENANT shall pay all costs associated with the mooring of the vessels including dock protection, mooring lines, cleats, etc.

(b) With respect to the dockage space, not to display any merchandise, solicit business or distribute advertising material nor in any manner use any part of the landside for purposes other than for their intended common use and not to obstruct any part thereof.

(c) Not to display any banners, pennants, searchlights, balloons, or similar temporary

advertising media with the exception of typical dress ship displays.

(d) Not to commit waste in the Dockage Space or Common Areas and to keep the immediate adjacent areas including, without limitation, adjacent sidewalks, in a safe, neat, clean and orderly condition.

(e) Not to use the Dockage Space or permit the same to be used in any manner which violates any law, ordinance, United States Navy deed restrictions, or constitutes a nuisance; for lodging purposes; or that would constitute an extra-hazardous use or violate any insurance policy of TENANT, LANDLORD or any other TENANT in the Property or increase the cost thereof.

(f) To keep all garbage, refuse and solid waste inside in the kind of containers specified by LANDLORD, or to place the same outside the Dockage Space, prepared for collection, in the manner and at the times and places designated by LANDLORD or the appropriate disposal company. TENANT agrees not to burn or permit any burning of garbage or refuse. TENANT further agrees that, upon LANDLORD'S instruction, TENANT shall separate garbage for recycling and deposit the separate garbage in the receptacle designated by LANDLORD. TENANT further agrees to make every effort to recycle all glass, metal, paper and plastic refuse and solid waste. Sort glass by colors and metal and paper by type and deposit in the appropriate recycling containers provided by the LANDLORD.

(g) TENANT shall contract directly with the pertinent governmental authority or disposal company and shall be responsible for all fees and costs of removal and disposal of solid waste, garbage, and refuse, including but not limited to, impact fees and dumpster rental. TENANT shall indemnify, save harmless and defend LANDLORD from and against any loss, claim, injury, damage or expense arising out of or related to the generation, storage, or removal or disposal of TENANT'S garbage, refuse or solid waste.

(h) To use its best efforts to cause all trucks serving the Dockage Space to load and unload during the hours established by LANDLORD.

(i) To take no action that would: (i) violate LANDLORD'S contracts if any, affecting the Property or (ii) cause any work stoppage, picketing or cause any manner or interference with LANDLORD or, occupants, customers or any person lawfully in and upon the Property (iii) violate the United States Navy deed restrictions.

(j) Not to use amplified music or any other noise making machinery or devices that in LANDLORD'S determination is harmful or disturbing or in violation of the.

(k) To abide by and observe all reasonable rules and regulations established from time to time by LANDLORD and LANDLORD'S insurance carrier with respect to the operation of the vessels, the Property and it's Common Areas. Rules and regulation are attached and incorporated herein as **EXHIBIT "B"**.

(l) Not to conduct any auction, fire, bankruptcy or selling-out sale except in strict compliance with City Code Chapter 18.

(m) TENANT shall not (either with or without negligence) cause or permit the escape, disposal or release of any biologically or chemically active or other hazardous substances or materials which TENANT or it agents brought onto the Property. TENANT shall not allow storage or use of such materials or substances in any manner not sanctioned by law or by the highest standards prevailing in the industry for the storage and use of such substances or materials, nor allow to be brought onto

the vessels or the Property any such materials or substances except to use in the ordinary course of TENANT'S business, and then only after written notice is given to LANDLORD of the identity of such substances or materials. Without limitation, hazardous substances and materials shall include those described in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601 et seq., the Resource Conservation and Recovery Act, as amended, 42 U.S.C. Section 6901 et seq., any applicable state or local law and the regulations adopted under these acts. In addition, TENANT shall execute affidavits, representations and the like from time to time at LANDLORD'S request concerning TENANT'S best knowledge and belief regarding the presence of hazardous substances or materials in the Dockage Space. In all events, TENANT shall indemnify LANDLORD in the manner elsewhere provided for in this Lease against any liability resulting from any release of hazardous substances or materials in the Dockage Space or on the Property by TENANT or its agents, while TENANT is in possession or caused by TENANT or persons acting under TENANT which is due to hazardous substances that TENANT or its agents brought onto the Dockage Space or Property.

(n) TENANT shall be solely responsible for all provisioning necessary to secure the vessels at all times, including but not limited to impending storms, hurricanes or other wind or rain storms, at TENANT'S sole cost and expense. TENANT agrees to provide the LANDLORD and the Commanding Officer Naval Air Station Key West with a copy of the current heavy weather plan as approved by the USGC Captain of the Port of Key West, FL.

**7. COVENANT OF QUIET POSSESSION** - So long as TENANT pays all of the rent and charges due herein, TENANT shall peaceably and quietly have, hold, and enjoy the Dockage Space throughout the term of this Lease without interference or hindrance by LANDLORD or any person claiming by, through, or under LANDLORD. TENANT agrees that in the event of heightened security conditions, implementation of some procedures, either by the Navy (United States Government) or the City of Key West may result in curtailed or reduced non-government access to the Truman Waterfront and to Truman Harbor for periods of time. Additional security measures may include, but are not limited to, inspection of vessels or boats entering the harbor, escort of vessels or boats in the harbor, and placement of water-borne barriers or booms. Non-routine security measures such as evacuation of the harbor and its adjacent shores would be undertaken in conjunction with local civil authorities and as permitted by law.

TENANT also agrees and acknowledges that the government and the city of Key West assume no liability to the TENANT or its sub-lessees, licensees or successors and assigns should implementation of any of the above security procedures or any of the development plans interfere with or disrupt the use of the Dockage Space or the TENANT'S operations in Truman Harbor or result in any damages or economic hardships to the TENANT or its sub-lessees, licensees or successors and assigns and shall have no claim on account of any such interference against the government or the city of Key West or any officer, agent, employee, or contractor thereof.

**8. INDEMNIFICATION** - TENANT does hereby agree to indemnify, defend and save LANDLORD harmless from and against any and all liability for any injury to or death of any person or persons or damage to property (including adjoining property for environmental damage) in any way arising out of or connected with the conditions, use or occupancy of the Dockage Space, or in any way arising out of the activities of TENANT, its agents, employees, licensees or invitees and from reasonable attorney's fees, incurred by LANDLORD in connection therewith, excepting, however, liability caused by LANDLORD'S gross negligence in its failure to perform any of LANDLORD'S covenants, obligations or agreements of this Lease.

**9. TENANT'S INSURANCE** - TENANT covenants and agrees with LANDLORD that

TENANT shall:

A. At TENANTS sole cost and expense, during the entire Term hereof, procure, pay for and keep in full force and effect; (i) an occurrence form commercial general liability policy, covering the Dockage Space and the operations of Tenant and any person conducting business in, on or about the vessels or Dockage Space in which the limits with respect to liability and property damage shall not be less than One Million (\$1,000,00.00) Dollars per occurrence (ii) all risk property insurance, including theft coverage, written at replacement cost value and a replacement cost endorsement insuring TENANT'S improvements and betterments, fixtures, furnishings, equipment and any other property belonging to TENANT; and (iii) workers compensation coverage as required by the provisions of Florida statute. Any consignment agreement used by TENANT must provide that consignor acknowledge that the LANDLORD does not have any liability whatsoever for any damage which may be done to items left in the Dockage Space on consignment. The TENANT must provide the LANDLORD with a copy of any consignment agreement used by TENANT regarding the Dockage Space. LANDLORD shall not be responsible for damage to any property belonging to TENANT or consignor. TENANT completely indemnifies the LANDLORD with regard to any claims made by any consignor for any reason. From time to time during this Lease, at LANDLORD'S request, TENANT shall (i) procure, pay for and keep in full force and affect such other insurance as LANDLORD shall require and (ii) increase the limits of such insurance as LANDLORD may reasonably require.

B. All policies of insurance required to be carried by TENANT pursuant to this lease shall be written by responsible insurance companies authorized to do business in Florida with an AM Best rating of A-VI or better. Any such insurance required to be carried by TENANT hereunder may be furnished by TENANT under any blanket policy carried by it or under a separate policy therefore. A copy of each paid up policy evidencing such insurance or a certificate of the insurer, certifying that such policy has been issued, providing the coverage required by this Lease and containing provisions specified herein, shall be delivered to LANDLORD prior to the commencement of the Term of this Lease and, upon renewals, but not less than sixty (60) days prior to the expiration of such coverage. In the event TENANT shall fail to procure such insurance, LANDLORD may, at its option, procure the same for the account of TENANT, and the cost thereof shall be paid to LANDLORD as an additional charge upon receipt by TENANT of bills therefore, together with an administrative fee equal to fifteen (15%) percent to cover the cost of the LANDLORD'S efforts to procure such policy.

C. Each policy evidencing insurance required to be carried by TENANT pursuant to this Lease shall contain the following provisions and/or clauses: (i) a provision that such policy and the coverage evidenced thereby shall be primary and non-contributing with respect to any policies carried by LANDLORD; (ii) a provision naming LANDLORD and any other parties in interest as designated by LANDLORD as an additional insured (except with respect to worker's compensation insurance); and (iii) a provision that the insurer will not cancel, materially change or fail to renew the coverage provided by such policy without first giving LANDLORD thirty (30) days prior written notice.

Any general liability or other policy insuring the LANDLORD does not provide any contributing or excess coverage for TENANT. The policies TENANT procures for TENANT'S exposure are the only coverage available to TENANT.

**10. ASSIGNMENT AND HYPOTHECATION** - This Lease is not transferable or assignable and may not be hypothecated nor sublet without the prior written consent of the LANDLORD which may be withheld and shall be at the sole discretion of the LANDLORD.

This TENANT may assign the Lease without the written consent of the LANDLORD for the sole and limited purpose of collateralizing a loan from a financial institution.

Any assignment or sub-letting, even with LANDLORD'S consent shall not relieve TENANT from liability for payment of Rent or from the obligation to keep and be bound by the agreements of this Lease. The acceptance of Rent from any other person shall not be deemed to be a waiver of any of the agreements of this Lease or to be consent to the assignment for the benefit of creditors or by operation of law and shall not be effective to transfer any rights to any assignee without prior consent of LANDLORD. In the event TENANT wishes to assign this Lease and LANDLORD consents to such assignment, LANDLORD may charge a reasonable fee, not to exceed **\$500.00** to help offset any costs LANDLORD may have in preparing such assignment, or in examining the information, financial statements, operating history, references, etc., necessary to effectuate same. Any assignment, transfer, hypothecation, mortgage, or subletting without LANDLORD'S written consent shall give LANDLORD the right to terminate this Lease and to re-enter and repossess the Dockage Space and the LANDLORD'S right to damages shall survive.

If the TENANT is a corporation, then a sale or transfer of a controlling interest in the corporation by sale of stock or otherwise shall constitute an assignment for purposes of this provision.

**11. SUBORDINATION** - This Lease, and all rights of TENANT hereunder, are and shall be subject and subordinate to all mortgages, bond indentures and any other financing instrument (hereinafter referred to as security agreements) which may now or hereafter affect the Dockage Space and to each and every advance made or hereafter to be made under such security agreements and to all renewals, modifications, replacements and extensions of such security agreements and spreaders and consolidations of such security agreements. This paragraph shall be self operative and no further instrument of subordination shall be required to make it effective, however, TENANT shall promptly execute and deliver any instrument reasonably requested to evidence such subordination.

If the holder of any such security instrument shall succeed to the rights of LANDLORD under this Lease, then at the request of such party so succeeding to the LANDLORD'S rights and upon such successor LANDLORD'S written agreement to accept TENANT'S attornment, TENANT shall attorn to such successor LANDLORD and will execute such instruments as may be necessary or appropriate to evidence such attornment. Upon such attornment, this Lease shall continue in full force and effect as if it were a direct Lease between the successor LANDLORD and TENANT upon all the terms, conditions, and covenants as are set forth in this Lease and shall be applicable after such attornment.

TENANT shall deliver to LANDLORD or the holder of any such security instrument or auditors, or prospective purchaser or the owner of the fee, when requested by LANDLORD, a certificate to the effect that this Lease is in full force and that LANDLORD is not in default therein, or stating specifically any exceptions thereto. Failure to give such a certificate within ten business days after written request shall be conclusive evidence that the Lease is in full force and effect and LANDLORD is not in default and in such event, TENANT shall be stopped from asserting any defaults known to TENANT at that time.

## **12. CONDEMNATION**

(a) It is further understood and agreed that if at any time during the continuance of this Lease the legal title to the real estate or the improvements or buildings located thereon or any portion thereof be taken or appropriated or condemned by reason of eminent domain, there shall be such division of the proceeds and awards in such condemnation proceedings and such abatement of the fixed rent

and other adjustments made as shall be just and equitable under the circumstances. If the LANDLORD and the TENANT are unable to agree upon what division of the condemnation award, abatement of fixed rent, or other adjustments are just and equitable within thirty (30) days after such award has been made, then the matters in dispute shall, by appropriate proceedings, be submitted to a court having jurisdiction of the subject matter of such controversy for its decision and determination of the matters in dispute. If the legal title to the entire Dockage Space be wholly taken by condemnation, or if the portion taken will prevent the Dockage space from being used for the purpose the TENANT intends, this Lease shall be canceled.

(b) In general, it is the intent and agreement of the parties that upon condemnation, the parties hereto shall share in the condemnation award to the extent that they would be entitled to receive compensation and damages under the Florida law for the depreciation, damage, or destruction of their interests by the exercise of the right of eminent domain. In no event shall TENANT be permitted to receive a share based on the value of the land or buildings, and/or improvements.

### **13. TENANT'S DEFAULT**

(a) If the TENANT shall fail to pay any of the taxes or assessments herein provided for; or in case of the sale of or forfeiture of the Dockage Space or any part thereof during the demised term for non-payment of any tax or assessment; or in case the TENANT shall fail to keep insured the improvements which are now or which may at any time hereafter be upon the property, as herein provided for; or shall fail to spend insurance money, as herein provided for; or if the TENANT shall fail to perform any of the covenants of this Lease by it to be kept and performed; then, in any of such events, except in the event of non payment of rent, upon ten (10) business days written notice, within which the TENANT may cure, and upon its failure to cure, it shall and may be lawful for the LANDLORD, at its election, to declare the demised term ended and to re-enter upon said Dockage Space, and improvements situated thereon, or any part hereof, either with or without process of law, the TENANT hereby waiving any demand for possession of the Dockage Space and any and all improvements then situated thereon. In the event of nonpayment of rent, LANDLORD may assert its right of notice and eviction pursuant to Chapter 83, Florida Statutes.

(b) Or, the LANDLORD may have such other remedies as the law and this instrument afford, and the TENANT covenants and agrees that upon the termination of said demised term, at such election of the said LANDLORD, or in any other way, TENANT will surrender and deliver up the Dockage Space and property (real and personal) peaceably to the LANDLORD, its agent, or attorneys, immediately upon the termination of the said demised term. If the TENANT, its agents, attorneys, or shall hold the Dockage Space or any part thereof, one (1) day after the same should be surrendered according to the terms of this Lease, it shall be deemed guilty of forcible detainer of the Dockage Space under the statute and shall be subject to eviction or removal, forcibly or otherwise, with or without process of law.

(c) **BANKRUPTCY OF TENANT. IN THE EVENT TENANT FILES ANY FORM OF BANKRUPTCY, LANDLORD SHALL BE ENTITLED TO IMMEDIATE TERMINATION OF THE AUTOMATIC STAY PROVISIONS OF 11 U.S.C. §362, GRANTING THE LANDLORD COMPLETE RELIEF AND ALLOWING THE LANDLORD TO EXERCISE ALL OF HIS LEGAL AND EQUITABLE RIGHTS AND REMEDIES, INCLUDING, WITHOUT LIMITATION, THE RIGHT TO TERMINATE THIS LEASE AND DISPOSSESS TENANT FROM THE DEMISED PREMISES IN ACCORDANCE WITH FLORIDA LAW. ADDITIONALLY, TENANT AGREES NOT TO DIRECTLY OR INDIRECTLY OPPOSE OR OTHERWISE DEFEND AGAINST THE LANDLORD'S EFFORT TO GAIN RELIEF FROM ANY AUTOMATIC STAY. THE LANDLORD SHALL BE ENTITLED AS AFORESAID TO THE LIFTING OF THE AUTOMATIC STAY WITHOUT THE NECESSITY OF AN EVIDENTIARY HEARING AND**

WITHOUT THE NECESSITY OR REQUIREMENT OF THE LANDLORD TO ESTABLISH OR PROVE THE VALUE OF THE LEASEHOLD, THE LACK OF ADEQUATE PROTECTION OF HIS INTEREST IN THE LEASEHOLD, OR THE LACK OF EQUITY IN THE SAME. TENANT SPECIFICALLY AGREES AND ACKNOWLEDGES THAT THE LIFTING OF THE AUTOMATIC STAY HEREUNDER BY THE APPROPRIATE BANKRUPTCY COURT SHALL BE DEEMED TO BE "FOR CAUSE" PURSUANT TO SECTION 362(D) (1).

(d) Where the alleged default consists of some alleged violation of any term of this Lease, other than the payments of money, including rent, the LANDLORD may not declare this Lease in default until such violation shall have continued for ten (10) days after the LANDLORD shall have given the TENANT written notice of such violation, and TENANT shall not have undertaken, during said ten (10) day notice period, to cure said violation by vigorous and affirmative action, provided, however, that nothing herein contained shall be construed as precluding the LANDLORD from having such remedy as may be and become necessary in order to preserve the LANDLORD'S right and interest of the LANDLORD in the Dockage Space and in this Lease, even before the expiration of the grace or notice periods provided for in this paragraph, if, under particular circumstances then existing, the allowance of such grace or the giving of such notice would prejudice or endanger the rights and estate of the LANDLORD in this Lease and in the Dockage Space. With respect to the payment of the insurance premiums, the same must be paid at least fifteen (15) days prior to the time when the policies would lapse for the failure to pay premiums thereon, and evidence of such payment given to the LANDLORD without any written notice being required to be served upon the TENANT in connection therewith.

(e) All default and grace periods shall be deemed to run concurrently and not consecutively.

(f) It is mutually covenanted and agreed that the various rights, powers, options, elections, privileges, and remedies of the LANDLORD contained in this Lease shall be construed as cumulative and no one of them shall be construed as being exclusive of the other or exclusive of any rights or priorities allowed by law.

(g) It is further covenanted and agreed by and between the parties hereto that the right given to the LANDLORD in this Lease to collect the rent that may be due under the terms of this Lease by any proceeding under same, or the right to collect any additional rent, money, or payments due under the terms of this Lease by any proceedings under same, or the right given the LANDLORD to enforce any of the terms and provisions of this Lease shall not in any way affect the right of such LANDLORD to declare this Lease void and the terms ended hereby, as herein provided, when default is made in the payment of said rent or when default is made by the TENANT in any of the terms and provisions of this Lease.

(h) If at any time, by reason of the failure of the TENANT to keep and perform any covenant or agreement which, under the terms of this Lease, the TENANT is bound and obligated to keep and perform, it becomes necessary for LANDLORD to employ an attorney to protect the rights and interests of the LANDLORD in the property demised or to enforce the Lease or proceed under it in any particular, then in any of such events, the TENANT will owe and will pay unto LANDLORD all costs of Court and reasonable attorneys fees incurred or expended by the LANDLORD in taking such actions, including actions taken in all trial and appellate courts.

**14. TENANT'S REPAIRS** - The TENANT covenants and agrees with the LANDLORD that during the continuance of this Lease, the TENANT shall be solely responsible for maintaining the Dockage Space in a clean, sanitary and safe condition in accordance with the laws of the State of Florida and in accordance with all directions, rules and regulations of all inspectors, governmental departments and agencies having jurisdiction over the Dockage Space to ensure a good state of

repair of the Dockage Space and all improvements, including any special equipment brought, placed, or installed upon the Dockage Space by TENANT; nor will the TENANT suffer or permit any strip, waste, or neglect of any improvement or such personal property to be committed; and the TENANT will repair, replace, and renovate the said improvements and personal property as often as it may be necessary in order to keep the improvements and the personal property which is subject to the LANDLORD'S lien, in good repair and condition. In the event that improvements or repairs are contemplated prior to or at the beginning of or during TENANT'S occupancy, then this provision shall apply to the condition of the property as of the last repair, improvement or renovation.

In the event that LANDLORD shall deem it necessary or be required by any governmental authority to repair, alter, remove, reconstruct or improve any part of the Dockage Space or of the property (unless the same result from TENANT'S act, neglect, default or mode of operation, in which event LANDLORD shall make all such repairs, alterations or improvements at TENANT'S sole cost and expense), then the same shall be made by LANDLORD with reasonable dispatch, and should the making of such repairs, alterations and improvements cause any interference with TENANT'S use of the Dockage Space, such interference shall not relieve TENANT from the performance of its obligations hereunder nor shall such interference be deemed an actual or constructive eviction or partial eviction or result in abatement of rental.

## **15. ALTERATIONS**

TENANT shall not make any alterations, additions or improvements to the Dockage Space (whether or not the same may be structural in nature) without LANDLORD'S prior written consent. All alterations, additions, or improvements made to the Dockage Space, except movable furniture and equipment installed at TENANT'S expense, shall be the property of the LANDLORD and remain upon and be surrendered with the Dockage Space at the expiration of the term of this Lease; provided, however, that LANDLORD may require TENANT to remove any additions made at TENANT'S request to the Dockage Space and to repair any damage caused by such removal, and provide further, that if TENANT has not removed its property and equipment within ten (10) days after the expiration or termination of this Lease, LANDLORD may elect to retain the same as abandoned property.

In the event TENANT shall request LANDLORD'S permission, and LANDLORD shall permit TENANT to perform any alterations, additions, improvements or repairs to the Dockage Space, TENANT shall (i) submit its plans and specifications to LANDLORD for its approval prior to the commencement of any construction, (ii) obtain all necessary permits prior to the commencement of any construction, (iii) only use contractors approved by LANDLORD, (iv) not permit any construction liens to be placed or remain on the Dockage Space. In the event a construction lien shall be filed against the Dockage Space as a result of work undertaken by TENANT, TENANT shall within ten (10) days of receiving notice of such lien, discharge the lien of record either by payment of the indebtedness to the lien claimant or by filing a bond as security therefore. All such work made by or on behalf of TENANT shall be performed in such manner as LANDLORD may designate and in accordance with all applicable laws and regulations of governmental authorities having jurisdiction over the same. All such work by TENANT or its contractors shall not interfere with, impede or delay any work by LANDLORD or its contractors, tenants or TENANT'S contractors. All contractors engaged by TENANT shall be bondable, licensed contractors, possessing good labor relations, and capable of performing quality workmanship.

## **16. EQUIPMENT, FIXTURES AND SIGNS**

(a) All furnishings, fixtures, trade fixtures, equipment, and signs used in the Dockage Space by

TENANT but provided by LANDLORD, will, at all times, be, and remain, the property of LANDLORD. Provided that this Lease is in good standing and subject to the LANDLORD'S lien for rent, TENANT will have the right to remove any furniture or fixtures provided by TENANT, or any part thereof, from the Dockage Space during the term of this Lease, at the expiration thereof, or within a reasonable time thereafter, provided, however, that TENANT, in so doing, does not cause any irreparable damage to the Dockage Space, and provided further, that TENANT will pay or reimburse LANDLORD for the reasonable expense of repairing damage caused by such removal.

(b) All TENANT signs shall be approved by the LANDLORD and must meet all applicable codes. The exact location, style, text, and color(s) of the sign shall be agreed upon by the LANDLORD, in writing, prior to TENANT'S installation. LANDLORD'S approval shall not be unreasonably withheld or delayed.

#### **17. ADDITIONAL COVENANTS OF THE TENANT**

(a) The TENANT shall pay for all utilities associated with the use of the Dockage Space including, but not limited to, water, electricity, sewer, gas and waste, (if applicable).

(b) The TENANT covenants and agrees with the LANDLORD that no damage or destruction to any improvement by fire, windstorm, or any other casualty shall be deemed to entitle the TENANT to surrender possession of the Dockage Space or to terminate this Lease or to violate any of its provisions or to cause any abatement or rebate in the rent then due or thereafter becoming due under the terms hereof, unless otherwise specifically provided for herein. If the Lease be canceled for the TENANT'S default at any time while there remains outstanding any obligation from any insurance company to pay for the damage or any part thereof, then the claim against the insurance company shall, upon the cancellation of the within-Lease, be deemed immediately to become absolute and unconditional property of the LANDLORD. In the event of destruction to the Dockage Space by casualty or hazard, LANDLORD will have the option of canceling the Lease, or repairing the Dockage Space, and in the event that the LANDLORD elects to repair the Dockage Space, an appropriate abatement of rent will occur.

(c) The TENANT covenants and agrees with the LANDLORD that nothing in this Lease contained shall ever be construed as empowering the TENANT to encumber or cause the LANDLORD to encumber the title or interest of the LANDLORD.

(d) The TENANT covenants and agrees with the LANDLORD that, at the termination of this Lease, the TENANT will peaceably and quietly deliver unto the LANDLORD, possession of the Dockage Space and all improvements located thereon, as well as the TENANT'S interest in all fixtures and equipment appertaining thereto.

(e) The TENANT agrees not to make any changes or alterations without written approval of the LANDLORD. This provision does not apply to TENANT'S trade fixtures and/or other non-permanent fixtures onboard the vessels.

**18. LANDLORD'S RIGHT OF ENTRY** - The LANDLORD or its agents shall have the right to enter upon the Dockage Space at all reasonable times to examine the condition and use thereof, provided only that such right shall be exercised in such manner as not to interfere with the TENANT in the conduct of the TENANT'S business in said Dockage Space. If the said Dockage Space is damaged by fire, windstorm, or by any other casualty then the LANDLORD may enter upon the Dockage Space to make emergency repairs. LANDLORD may enter upon the Dockage Space to make renovations and repairs of a non-emergency nature by giving reasonable notice to the TENANT, and in such a manner as to minimize any inconvenience to both parties.

**19. TENANT'S ACCEPTANCE** - The TENANT accepts the Dockage Space and improvements thereon in an as is condition and all improvements and additions shall be at the sole expense of the TENANT except as may be otherwise provided for in this Lease.

**20. MISCELLANEOUS PROVISIONS** - It is mutually covenanted and agreed by and between the parties as follows:

- (a) That no waiver of a breach of any of the covenants in this Lease contained shall be construed to be a waiver of all succeeding breach of the same covenant.
- (b) That time is of the essence in every particular and particularly where the obligation to pay money is involved.
- (c) That all arrearages in the payment of rent or in the repayment to the LANDLORD of any sums which the LANDLORD may have paid in order to cure a default of the TENANT (as elsewhere herein provided for), shall bear interest from the date when due and payable at the highest rate permitted by law until paid.
- (d) That no modification, release, discharge, or waiver of any provision hereof shall be of any force, effect, or value unless in writing and signed by the persons who are then LANDLORD and TENANT.
- (e) That all covenants, promises, conditions, and obligations contained herein or implied by law, or covenants running with the land, shall attach to and be binding upon the heirs, executors, administrators, successors, legal representatives, and assigns of each of the parties to this Lease.
- (f) That this instrument contains the entire agreement between the parties as of this date, and that the execution hereof has not been induced by either of the parties by representations, promises or understandings not expressed herein, and that there are not collateral agreements, stipulations, promises, or understandings whatsoever between the respective parties in any way touching the subject matter of this instrument which are not expressly contained in this instrument.
- (g) That when either of the parties desire to give notice to the other or others in connection with and according to the terms of this Lease, such notice shall be deemed given when it shall have been deposited in the U.S. Registered or Certified mail with sufficient postage pre-paid thereon to carry it to its addressed destination. Said notice shall be addressed as follows:

AS TO LANDLORD: PROPERTY MANAGEMENT  
CITY OF KEY WEST  
P.O. BOX 6434  
KEY WEST, FL 33040

AS TO TENANT: MIAMI DADE HISTORICAL MARITIME MUSEUM  
P.O. BOX 186  
KEY WEST, FL 33040

When the parties on either side (LANDLORD or TENANT) consists of more than one person, notice or default by one of the persons on that side shall constitute notice or default by all of the persons on that side.

(h) This Lease and the provisions thereof shall be governed by and construed and enforced in accordance with the laws of the State of Florida.

(i) If the TENANT or TENANTS are signing in a capacity other than as individuals, then the LANDLORD may require personal guarantees from individuals as the LANDLORD deems necessary.

(j) LANDLORD may delegate its decision-making authority regarding any provision of this Lease to an Advisory Board.

IN WITNESS WHEREOF, the parties hereto have caused the foregoing Lease to be executed on the day and year first above written.

ATTEST

LANDLORD:  
CITY OF KEY WEST, NAVAL PROPERTIES  
LOCAL REDEVELOPMENT AUTHORITY (LRA)

\_\_\_\_\_  
Cheryl Smith, City Clerk

\_\_\_\_\_  
Morgan McPherson  
Mayor  
City of Key West

Date: \_\_\_\_\_

Date: \_\_\_\_\_

TENANT:  
MIAMI DADE HISTORICAL MARITIME  
MUSEUM

\_\_\_\_\_  
WITNESS

\_\_\_\_\_  
William G. Verge  
Executive Director

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT "A" Dockage Space, Site Plan**

**EXHIBIT “B” Rules and Regulations**

To be developed.

**EXHIBIT "C"**

TENANT'S written notice of acceptance of the Dockage Space and setting forth the commencement and expiration dates of the lease.



**FKACC/CITY OF KEY WEST**

**PLANNING ANALYSIS**



## THE CITY OF KEY WEST

Post Office Box 1409 Key West, FL 33041-1409 (305) 809-3700

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***VIA ELECTRONIC MAIL AND HAND DELIVERY***

April 16, 2009

Florida Keys Assisted Care Coalition, Inc.  
Sandra Higgs, Board Coordinator  
P.O. Box 1008  
Key West, FL 33041-1008

**RE: Florida Keys Assisted Living and Independent Living Facility  
Truman Waterfront Site**

Dear Mrs. Higgs,

Thank you for meeting with the Planning Department to discuss the proposed 135-unit assisted living and independent living facility for senior citizens (the Facility) at the Truman Waterfront Property. As proposed, the Facility will contain 40 units designed specifically for assisted care, of which 20 units, or half, will be subsidized for affordability, and 95 independent living units, of which eight are expected to be affordable or subsidized. The project is located on approximately four acres of land which was conveyed to the City of Key West by the United States Navy as part of a base realignment and closure (BRAC) process. A conceptual site plan that has been modified to show approximate Future Land Use and Zoning classifications is included in the appendix section (Appendix A.2, Approximate Zoning Boundaries for Proposed Project).

In order to assist the Coalition through the planning process, the Planning Department has conducted an analysis of the Comprehensive Plan (the Plan) and the Land Development Regulations (LDRs) that pertain to the proposed Facility. A review of the Navy deed was also conducted, with an emphasis on various easements and other restrictions that may affect the Facility as proposed. Finally, a detailed outline of the application procedure based upon the LDRs of the City of Key West is provided, as well as the review process required by the Florida Department of Community Affairs (DCA). Please note that additional permits may be required from agencies such as the South Florida Water Management District (SFWMD) for stormwater permitting on site.

Because the property is located within former U.S. Navy land that was conveyed to the City with obligations and conditions, and because the property was incorporated into the City's regulatory documents as part of a larger area with specific community objectives, the conduct of this analysis has been unusually complex. Although the Planning Department has attempted to define all major issues associated with the project, there may be other issues that arise as the conceptual site plan evolves and a more detailed review of the project is conducted. Therefore, it is possible that additional information may be required from your organization as the project moves forward. In addition, some issues could be resolved through modifications to the plans or through revisiting the scope of your proposal.

Key issues identified in this letter include:

- The need for Comprehensive Plan Land Use Map amendments to address portions of the development that are not permitted in the HPS-1 land use/zoning classification;
- Further Planning and Legal Department reviews of requirements in the Comprehensive Plan for affordable housing in the HMDR land use/zoning area of the site; and
- Approach to BPAS allocations and applicability of .1 fractional allocation approach.

A more detailed discussion follows.

### Analysis of the Comprehensive Plan

The following Comprehensive Plan Objectives and Policies appear relevant to the proposed project:

**OBJECTIVE 1-1.6: INTEGRATE FORMER MILITARY SITES.** *Ensure that the integration of former military land provides for long-term, sustained, economic growth consistent with the community's vision for the City of Key West, as follows:*

1. *Provide meaningful integration of the sites into the community fabric;*
2. *Help diversify the economy;*
3. *Encourage balanced growth in the area's economy, including commercial and service sector job growth;*
4. *Provide employment opportunities for the region's unemployed and underemployed persons;*
5. *Strengthen the local tax base;*
6. *Help existing business and industries expand;*
7. *Help small businesses develop;*
8. *Provide affordable housing for Key West residents;*
9. *Provide public recreation and access opportunities, especially on the waterfront;*
10. *Provide opportunities for port, harbor and marina improvements;*
11. *Facilitate improvements and provide physical and economic links to Bahama Village;*
12. *Ensure environmental sensitivity;*
13. *Provide opportunities for social services and special needs facilities; Organizing principles specific to each former military use site are provided in the following policies.*

**Policy 1-1.6.1: Truman Waterfront Organizing Elements.** *All new development and redevelopment within the Truman Waterfront Parcel shall be consistent with the following key organizing elements:*

1. *Recreation and open space linked through landscaped multimodal green ways and view corridors with multiple access points connecting the large park and recreational area on the northwestern portion of the site.*
2. *Uninterrupted public access to the waterfront through a wide promenade along the full length of the harbor.*
3. *Landscaped and hardscaped areas which are well-lit and designed to provide a safe area for use by a diverse mix of recreational users including pedestrians, bicyclists and in-line skaters.*
4. *Affordable housing, neighborhood retail and social service uses which function as an extension of the neighborhood fabric of Bahama Village.*
5. *Educational and historical activity nodes.*
6. *Expanded use of the portions of the Truman Waterfront property for port activities.*
7. *Multiple ingress/egress points into the Truman Waterfront property.*

Please note that while this Objective and Policy are intended to provide overall guidance to the development of the Truman Waterfront site, each separate developed area should also address application portions of the Plan. Therefore, the proposed project will need to demonstrate consistency with the above Objective and Policy. Connectivity and access issues, particularly as they relate to integration with surrounding uses, are likely to be particularly important.

**OBJECTIVE 1-1.7: TRUMAN WATERFRONT PHASING AND INFRASTRUCTURE.** *Ensure that the Truman Waterfront Site is served by adequate infrastructure through appropriate phasing, study and facility improvement.*

**Policy 1-1.7.1: Truman Waterfront Phasing.** *Reuse of the Truman Waterfront site shall be phased as follows:*

- 1. Phase I, consisting of: existing uses, including the cruise ship berth on Outer Mole Pier and the fire station in Building 149; rehabilitation of existing buildings and facilities necessary to keep them in good repair; and, reuse of existing structures when such reuse does not result in an increase in impacts over those generated by the former military use.*
- 2. Phase II, consisting of new recreational development on the site.*
- 3. Phase III, consisting of new development on the site.*

**Policy 1-1.7.2: Truman Waterfront Infrastructure.** *Phase II and Phase III development on the Truman Waterfront Parcel shall not occur until the following actions have occurred:*

- 1. The City of Key West has conducted the transportation studies identified in Policies 2-1.1.10 and 2-1.1.11, and adopted appropriate measures to implement the policies in the Comprehensive Plan; and,*
- 2. The City of Key West has completed a storm water masterplan for the site (either separately or as part of a larger planning and engineering study) which identifies site areas which do not meet current stormwater treatment standards and proposes methods to bring these areas up to standard; and,*
- 3. Improvements recommended in the storm water plan are completed for those areas where new development is proposed and the remaining improvements are scheduled in the city's five year capital plan.*

**Policy 2-1.1.10: Comprehensive Traffic Circulation Study.** *Within the next two years the City of Key West will conduct a comprehensive traffic circulation study that considers current traffic volumes, recent and planned development projects, street circulation, parking, public transportation, ports, aviation facilities, level of service and potential needed improvements and changes in traffic circulation. This study should result in a comprehensive listing of needed transportation improvements and an identification of short term and long term implementation and financing strategies. Special efforts will be made to maximize the utilization of mass transit systems and other alternative modes. Needed improvements and financing strategies to address, among others, the impacts from the Chapter 288 Military Base Reuse Plan will also be incorporated in the Capital Improvement Element of the City's comprehensive plan by June 30, 2001 as applicable.*

**Policy 2-1.1.11: Concurrency Management Study.** *Within the next two years the City of Key West will conduct a study to evaluate concurrency management options that may include reducing level of service standards, concurrency exception areas, and other options as appropriate. The recommendations of this study will be used to update the City of Key West's concurrency management system.*

Phase II, new recreational development, and Phase III, new development, cannot occur until a stormwater master plan is complete and onsite improvements particular to the proposed development area are in place. The proposed project is a Phase III, new development, project. Therefore, a storm water master plan for the entire Truman Waterfront site will be required prior to development of the project. To date, it does not appear that a stormwater master plan has been devised and implemented at the Truman Waterfront.

A comprehensive traffic circulation study has been performed and a copy will be provided to the Coalition under separate cover.

**OBJECTIVE 1-2.3: MANAGING OLD TOWN REDEVELOPMENT AND PRESERVATION OF HISTORIC RESOURCES.** *Areas delineated on the Future Land Use Map for historic preservation shall be planned and managed using a regulatory framework designed to preserve the form, function, image, and ambiance of the historic Old Town. The City's Historic Architectural Review Commission (HARC), in addition to the Planning Board, shall review all development proposals within the historic area designated by the National Register of Historic Places. The land development regulations shall be amended upon plan adoption to incorporate design guideline standards recently adopted by HARC. Development in any area of Old Town within and outside the HARC review area may impact the historic significance of Old Town. Any development plans for these areas shall be subject to site plan review and shall be designed in a manner compatible with historic structures within the vicinity.*

**Policy 1-2.3.2: Historic Medium Density Residential (HMDR).** *The historic medium density (HMDR) residential designation on the Future Land Use Map is designed to accommodate historic Old Town residential development for permanent residents, including single family, duplex, and multiple family residential structures. The historic medium density residential designation is intended to provide a management framework for preserving the residential character and historic quality of the medium density residential areas within Old Town. The allowable maximum density of residential development in HMDR designated areas is sixteen (16) units per acre. In addition, accessory uses, including approved home occupations conducted within the residential structure, and customary community facilities can be located in the HMDR designated areas. This area is not intended for transient residential uses, including guest homes, motels or hotels. Similarly, the area shall not accommodate commercial office, retail, or other commercial uses developed after the effective date of this ordinance. Existing office or commercial uses shall be permitted to continue to exist as lawful nonconforming uses if such uses continue to comply with conditions invoked when the respective uses were approved. Land development regulations shall provide performance criteria which include quantitative and qualitative measures for preserving the quality of the man-made and natural environment and further the goals, objectives, and policies of the Comprehensive Plan.*

*In the event the city owns the portion of the Truman Waterfront Parcel designated HMDR, the site will be developed 100 percent for affordable housing. If the site is privately owned, one-third of the dwelling units will be affordable.*

The proposed Facility is located on a City-owned portion of the Truman Waterfront Parcel designated HMDR (see Appendix A.1, Key West Zoning Map, plate 2). Since a 99-year lease has been secured, this may constitute ownership. Therefore, prior to the processing of an application for a Major Development Plan, the Applicant must receive an interpretation from the City's legal department as to ownership of the land and if the Facility will be required to develop at 100% affordability, or 30% affordable as proposed.

**OBJECTIVE 1-2.6: ALLOCATING LAND FOR PUBLIC SERVICES (PS) and (HPS).** *The Future Land Use Map shall allocate land resources for public service institutional facilities and services in New Town (PS) and in historic Old Town (HPS) as specified in the policies stipulated below. The sites shall be compatible with adjacent land uses to the greatest practical extent. The sites shall also fulfill the unique site location requirements included in respective functional plans and shall be responsive to the needs identified in related demographic and supportive needs analysis.*

**Policy 1-2.6.1: Public Service and Semi-Public Land Use Designation (PS) and HPS).** *The public and semipublic service institutional (PS or HPS) land use designation is intended to accommodate existing public and semipublic services including: governmental administration buildings; public schools and not-for-profit educational institutions; hospital facilities and supportive health care units; arts and cultural or civic facilities; essential public services and facilities; cemeteries; the City landfill; fire and emergency operation facilities; public and private parks and recreation areas; utilities; extensive open areas comprising major committed public and semi-public open spaces; and other similar activities as shall be identified in the land development regulations.*

*Lands designated for public services shall contain sufficient acreage and open space and be properly screened and buffered in order to minimize potential adverse impacts on adjacent land uses. The maximum intensity of institutional activity on lands designated PS, measured in terms of floor area ratio (FAR), shall not exceed eight-tenths (.8), including floor area allocated to all uses. The maximum FAR for recreation and open space shall be two-tenths (.2). The maximum FAR for the HPS area shall be 1.0, excepting large scale regional public facilities, which require a community impact statement. The latter projects may have a higher FAR if approved by City Commission. However, prior to approving an FAR in excess of 1.0, the City Commission must render a finding that the proposed public facility requires a higher FAR in order to accommodate a regional service necessary to the general health, safety, and welfare of the City and/or County. Furthermore, the finding must indicate that the regional facility as proposed shall comply with all other qualitative and quantitative criteria of the Comprehensive Plan and land development regulations, including, but not limited to the adopted concurrency management policies.*

*Areas of the Truman Waterfront have been designated HPS-1. This designation is intended to limit development in those areas to the existing and proposed uses identified in the Military Base Reuse Plan. These uses include a harborwalk, open space, play fields and public recreation facilities.*

As proposed, this project necessitates a Comprehensive Plan Future Land Use Map (FLUM) and associated zoning change for the portion of the property that is within the HPS-1 category. (See attached Key West Zoning Map (Appendix A.1) and approximate affected boundaries drawn over proposed site plan. (Appendix A.2)) Without a FLUM/Zoning change, residential uses would not be allowed within the areas of the property with an HPS-1 designation. A FLUM change will require an amendment to the Comprehensive Plan, and according to state statutes, amendments to the Comprehensive Plan cannot occur until the City updates the Comprehensive Plan. A complete update the Comprehensive Plan will not be fully executed for approximately 12 to 18 months. However, it may be possible to process an application for FLUM and Zoning Map changes concurrently with updates to the Comprehensive Plan, thus reducing the timeline for a FLUM/Zoning Map change by approximately six to eight months.

*The City shall monitor the need for increased land area for institutional uses and shall ensure that the institutional land use designation on the Future Land Use Map is expanded to accommodate the development of public and semi-public facilities such as governmental administration buildings; fire, police and rescue services; health care delivery services; educational institutions and other essential public services. Land uses such as places of worship, cultural or civic centers, and other similar public or private not-for-profit uses may be included within this land use designation or within any other land use designations appearing on the Future Land Use Map if the respective use satisfies the substantive and procedural conditions of the amended land development regulations.*

It may be problematic to reduce the amount of land designated as HPS-1 because the Comprehensive Plan assumes the need for increased land area for institutional uses to accommodate the development of public and semi-public facilities. Therefore, a reasonable case must be made for the reduction of HPS-1 zoned land in an application for FLUM/Zoning Map change. The proposed project could probably meet this standard.

**OBJECTIVE 1-3.1: CONCURRENCY MANAGEMENT.** *The concurrency management system presented in Objective 9-1.5 and 9-1.6, Policies 9-1.5.1 and 9.1.6.1 through 9-1.6.3 shall be an integral part of the Future Land Use Element and shall be binding performance criteria to which all new development shall comply. Upon adoption of the plan, the City shall adopt a concurrency management program. Pursuant to Ch. 163, FS, and §9J-5, FAC, the City of Key West shall issue no development order or permit for development unless the applicant provides narrative and graphic information demonstrating to the satisfaction of the City that public facilities required by the subject development shall be in place concurrent with the impacts of development. Furthermore, the applicant shall assure that the facilities operate at or above adopted levels of service standards. The applicant's narrative and graphic information shall also demonstrate that the subject development shall not reduce the levels of service (LOS) associated with public facilities serving the development below adopted LOS standards.*

A thorough review and concurrency management analysis must be performed by qualified land use and engineering consultants to determine the effects on the level of service (LOS) on the local roadways, especially Truman Avenue and Whitehead Street, as both segments are physically constrained.

**Policy 1-3.2.6: Redevelopment Planning Activities.** *Based on ongoing land use management and development trends, the City anticipates that over the next five years several areas within the community will experience pressure for development and redevelopment which could impact:*

- *Established Land Use Patterns*
- *Land Use Compatibility*
- *Establishing Commercial Activity Centers*
- *Public Facilities*
- *Housing Resources*
- *Neighborhood Identity*
- *Urban Design and Open Space Systems*

*The areas identified as potential development and redevelopment areas include the:*

1. **Caroline Street Corridor.** {omitted}

2. **Bahama Village.** *Recent public infrastructure improvements together with an infusion of private reinvestment have generated revitalization of subareas. New markets for retail trade and tourist commercial services are evolving. An improved redevelopment management framework shall provide greater flexibility for guiding future residential and nonresidential development alternatives while incorporating mandated qualitative standards directed toward furthering the goals, objectives, and policies of the Comprehensive Plan.*

*The City shall adopt amended land development regulations which include a framework for managing development and redevelopment in a manner consistent with goals, objectives and policies of the Comprehensive Plan. The purpose and intent is to ensure that potential community-wide impacts generated by future development are managed in a manner consistent with the Comprehensive Plan. In addition, the City shall by 1991 investigate the feasibility of preparing redevelopment plans for the above cited areas. The redevelopment plans would provide a further basis for preparing the management framework to be included in the land development regulations. The land development regulations should address such issues as:*

- *Historic Preservation*
- *Neighborhood Facility Improvements*
- *Architectural and Urban Design Amenities*
- *Affordable Housing*
- *Off-Street Parking*

*In addition the land development regulations shall provide a regulatory framework which assists in resolving the following issues:*

- *Displacement of residents and/or businesses*
- *Retain and/or enhance access to the shoreline*
- *Prevent loss of open space*
- *Avoid net loss of permanent housing resources*
- *Encourage diversity within Old Town*
- *Maintain and enhance infrastructure levels of service consistent with the goals, objectives, and policies of the Comprehensive Plan*
- *Traffic and pedestrian flow improvements.*

The City of Key West is currently updating the subareas of Bahama Village and the Caroline Street Corridor within the Community Redevelopment Agency. The former CES building is referenced several times throughout the original Bahama Village Redevelopment Plan, the Updated Bahama Village Redevelopment Plan and several ancillary research documents. For example, the Updated Bahama Village Redevelopment Plan refers to the CES building on page 60 as an "...employment-development and/or commercial facility." On page 68, the Updated Plan lists a CES building RFP as a priority #2, and on page 84 the Updated Plan discusses the possibility of a Bahama Village Market, housing a museum, crafts and/or a training center. The CES building was also featured as a priority in the Bahama Village Redevelopment Plan in a newsletter (Issue 2, June 1998) distributed to the residents of Bahama Village. Further, it appears that a portion of the Facility site is located within the boundaries of the Bahama Village Redevelopment Area (see Appendix B.1, Map of Bahama Village Redevelopment Area).

The Coalition may wish to track the updates to the Community Redevelopment Plan to determine if changes impact the proposed development.

**OBJECTIVE 1-3.12: MANAGING BUILDING PERMIT ALLOCATION.** *(Cross reference Policy 5-1.6.4: Building Permit Allocation and Hurricane Evacuation, herein Section XII). The State of Florida, Monroe County and its municipalities have concluded that: 1) the present hurricane evacuation clearance time in the Florida Keys is unacceptably high; and 2) based on a continuation of historic rates of growth within the County incorporated and unincorporated areas; clearance time will continue to increase.*

**Policy 1-3.12.5: Building Permit Allocation System.** *The designation of Future Land Use Classifications which allow residential densities within the Truman Waterfront Parcel does not in itself provide any allocation of units through the Building Permit Allocation System for that area. In order to facilitate redevelopment of the Truman Waterfront Parcel, equivalent single-family unit values and associated development rights may be transferred from any where within the city to land use classifications within the Truman Waterfront Parcel which allow residential development. This is not a transfer of density; rather, it pertains to the transfer of units which are allocated or vested in accordance with the Building Permit Allocation Ordinance. Any density associated with the unit host site will remain on that site; however, once the unit is transferred, the density on the host site cannot be developed until units are allocated through the Building Permit Allocation Ordinance. The City Manager or his designee shall maintain records of the transfer of units under this provision.*

It is the Planning Department understanding that the Applicant will utilize Section 86-9 of the Code of Ordinances, Definition of Terms, Land Use Classifications, (2) Community Facilities, h., Nursing Homes, Rest Homes and Convalescent Homes. This section of the Code states “[F]or purposes of permitted density and intensity, the floor area ratio shall govern, not units per acre. Individual living units or resident nursing beds shall be treated as 0.1 equivalent unit under the city's building permit allocation ordinance, section 108-1056 et seq”. Thus the Coalition would be requesting the assignment of a Building Permit Allocation System (BPAS) equivalency of 0.1 per assisted care living facility unit. A 0.1 assignment reflects the assumption that hurricane evacuation procedures are different than those of a typical dwelling unit such as a single-family home, apartment or hotel room.

However, the proposed Facility contains a considerable portion of independent living units, similar in design and function to an apartment. Therefore, prior to the processing of an application for a Major Development Plan, the Applicant must receive verification from the City's planning and legal departments to determine if the 0.1 equivalency is applicable. Otherwise, one (1) full BPAS permit will be required for each individual apartment unit which is not both affordable and equal to or less than 600 square feet in size. Market rate Building Permit Allocation System (BPAS) units may not be available at the time of development. It should also be noted that the DCA is in the process of updating the hurricane model on which the evacuation protocol is based. Any Comprehensive Plan or LDRS amendments arising out of the updated hurricane model may have an effect on the number of BPAS units required for the project as well as the availability of BPAS units for future development.

**OBJECTIVE 1A-1.1: PRESERVE HISTORIC RESOURCES.** *The City's Historic Preservation Planner and Historic Architectural Review Commission (HARC) shall continue to: identify, document on the Florida Master Site*

*File, and evaluate historic, architectural, and archaeological resources in the City; place historic and maritime resources on the local and National Register; issue awards of recognition; and prepare HARC annual reports, as specified in the following policies.*

**Policy 1A-1.1.2: Documenting Resources.** *All known historic, architectural, and archaeological resources, and those identified in the future, shall be documented, computerized upon plan adoption, compatible with and filed with the Florida Master Site File (FMSF) in the Division of Historical Resources list, and kept on publicly accessible local records. Interim protection will be provided through the following means: If a proposal affects a property which has been filed in the FMSF but has not been evaluated by the Division of Historical Resources, the City Historic Preservation Planner will request that the Division of Historical Resources promptly prepare an evaluation. If the Division of Historical Resources is unable to prepare an evaluation within a reasonable time, the Planner will conduct an evaluation consistent with the Division's standards.*

**OBJECTIVE 1A-1.3: SENSITIVE TREATMENT AND USE OF HISTORIC STRUCTURES.** *To encourage the sensitive rehabilitation, extended use, and/or compatible adaptive re-use of historic structures through: providing technical and financial assistance to blighted areas; requiring compliance with HARC Guidelines; and through other incentive techniques, as specified in the following policies.*

**Policy 1A-1.3.1: Rehabilitation and Adaptive Re-Use.** *The City shall continue to ensure the sensitive rehabilitation and compatible adaptive re-use of historic properties through technical assistance and economic incentive programs.*

**Policy 1A-1.3.2: Revitalization of Blighted Areas.** *The City shall identify blighted areas in the historic district and encourage revitalization and conservation of such areas through technical and financial assistance.*

**Policy 1A-1.3.3: Apply HARC Guidelines and Federal Standards.** *In reviewing and approving development proposals, the City shall encourage the restoration, rehabilitation, and adaptive re-use of historic resources. The rehabilitation of historic resources using public or private funds shall require compliance with (HARC) Guidelines and the Secretary of the Interior's Standards for Rehabilitation. Reference Policy 5-10.4 of the Coastal Management Element.*

**Policy 1A-5.1.5: Technical Assistance in Rehabilitation and Adaptive Re-Use.** *The Historic Preservation Planner and HARC shall assist in the rehabilitation and adaptive re-use efforts through State-funded technical and economic assistance programs when available. Such efforts shall be coordinated with the State Division of Historic Resources.*

The applicant is advised to work with the HARC Preservation Planner and State of Florida for the rehabilitation and adaptive re-use of the historic CES building on Angela Street if that structure remains part of the development plan. Please note that any new structures will also require HARC approval, as noted later in this analysis.

**OBJECTIVE 2-1.1: SAFE, CONVENIENT, AND EFFICIENT TRANSPORTATION SYSTEM.**

*Establish a safe, convenient, and efficient motorized and non-motorized transportation system in the City through development and implementation of level of service (LOS) standards and identified transportation improvements, as shown in the Future Traffic Circulation Map (Map II-8) and Schedule of Improvements*

**Policy 2-1.1.5: Review of Proposed Developments.** *The City shall review all proposed development for consistency with adopted LOS standards. No development shall be approved that is projected to generate a traffic volume which would decrease the existing LOS below the adopted standard, or degrade the operating condition on the constrained segments of U.S. 1 below the five percent (5%) threshold stated in Policy 2-1.12, unless those impacts are mitigated by the developer.*

A thorough review and concurrency management analysis is required to determine the effects on the level of service (LOS) on the local roadways, especially Truman Avenue and Whitehead Street, as both segments are physically constrained. This analysis is typically performed by consultants for the applicant and reviewed by city staff.

**Policy 3-1.1.2: Developing Public/Private Partnerships.** *Develop local government partnerships with the private sector in order to improve the efficiency and expand the capacity of the housing delivery system. Actions shall include coordinating the timing and location of City sanitary sewer facilities and Florida Keys Aqueduct Authority water services in order to promote the timely extension of water and wastewater services to residential areas as necessary. Similarly, the City shall also coordinate the installation of community facilities supportive to housing resources. Impact fee reductions shall be applied pursuant to formulas established in the Growth Management Ordinance in order to provide additional incentives for constructing affordable housing units. Such incentives shall be incorporated in the City's land development regulations upon plan adoption.*

**Affordable Housing Dwelling Unit Eligibility Requirements.** *The following criteria shall be required for dwelling units to qualify as affordable housing to the extent lawful; however, a waiver mechanism shall be provided in the land development regulations.*

1. *The dwelling unit shall have a sale price (including escrow requirements) less than or equal to three (3) times the median household income in Key West, or have rental rates, including sewer and solid waste charges, which are less than or equal to thirty (30) percent of median household income in Key West.*

2. *The dwelling unit shall be occupied by a household which meets all the "Applicant Eligibility Requirements for Affordable Housing" as herein stated.*

3. *The landlord of rental units shall perform routine maintenance and keep the units in standard condition.*

4. *The parcel and development shall meet all requirements of the City of Key West Land Development Regulations for the district in which the parcel is located.*

5. *Sites for affordable housing shall be approved if such sites have access to the following facilities, services and/or activity centers:*

*a. Serviced by potable water and central wastewater systems;*

*b. Accessible to employment centers, including shopping centers which accommodate stores offering household goods and services needed on a frequent and recurring basis;*

*c. Located on a paved street accessible to a major street (i.e., included in the City's major thoroughfare plan);*

- d. Accessible to public parks, recreation areas, and/or open space systems; and*
- e. Located on sites having adequate surface water management and solid waste collection and disposal.*

*Fees in lieu of construction of affordable housing shall be paid by developers if sites having required affordable housing do not have access to the facilities, services and/or activity centers listed above.*

*If possible, affordable housing sites should be accessible to social service centers which offer such services as counseling and day care.*

*6. Demonstration of continuing affordability shall be by deed restriction or any other method that effectively runs with the land.*

*7. The City will give priority to fill affordable housing vacancies which are accessible to the elderly or disabled non-elderly as well as priority to veterans.*

*8. The City will direct priority to occupancy of larger sized affordable housing units by families with more than four members.*

***Affordable Housing Applicant Eligibility Requirements.*** *The following eligibility criteria shall be required for households qualifying for affordable housing units to the extent lawful; however, a waiver mechanism shall be provided in the land development regulations.*

- 1. The household shall derive at least seventy percent (70%) of its household income from gainful employment in the City of Key West.*
- 2. The total income of eligible households shall not exceed 70% of the median income for the City of Key West.*
- 3. Eligibility is based on proof of legal residence in Key West for at least 12 months.*
- 4. Single persons eligible for affordable housing shall be 18 years or older.*
- 5. Priority shall be given to applicants whose head of household is elderly, disabled non-elderly, or a veteran*
- 6. Priority shall be given to larger families for larger sized affordable housing units.*
- 7. The applicant shall execute a sworn affidavit stating the applicant's intention to occupy the dwelling unit.*

*Affordable Housing and Affordable Housing Applicant Eligibility Requirements for the Base Reuse sites shall be defined through the Housing Authority of the City of Key West's Affordability Policy, adopted July 1998. Amendments to said policy shall be incorporated into the Comprehensive Plan definition so long as they are first affirmatively approved by both the City of Key West and the Department of Community Affairs. Said policy may be updated from time to time and shall be incorporated into the Comprehensive Plan definition, so long as they are first affirmatively approved by both the City of Key West and the Department of Community Affairs.*

***Policy 3-1.1.4: Selecting Sites for Affordable Housing for Low and Moderate Income Households.*** *Upon plan adoption the City shall amend its land development regulations in order to include principles and criteria for locating low and moderate income housing. The City shall continue to promote access to a broad range of housing opportunities with a full complement of urban services through cooperation and coordination with the private sector and Monroe County.*

*Sites for affordable housing for low and moderate income households shall be approved if such sites have access to the following facilities, services and/or activity centers:*

- *Serviced by potable water and central wastewater systems;*

- Accessible to employment centers, including shopping centers which accommodate stores offering household goods and services needed on a frequent and recurring basis;
- Located on a paved street accessible to a major street (i.e., included in the City's major thoroughfare plan);
- Accessible to public parks, recreation areas, and/or open space systems; and
- Located on sites having adequate surface water management and solid waste collection and disposal.

The proposed Facility must conform to the Affordable Housing Requirements for Base Reuse sites; therefore the Housing Authority of the City of Key West's Affordability Policy must be followed. The latest iteration of this policy is attached as Appendix C, Housing Authority of the City of Key West Affordability Policy. Please note that according to Manuel Castillo, Executive Director of the Key West Housing Authority, an updated Affordability Policy will be ratified and available within approximately three months. The Planning Department requests more detailed information on the Coalition's definition of affordable or subsidized units, and the methodology involved with the determination of such units and fees associated in order to determine compliance with Policy 3-1.1.4.

**OBJECTIVE 3-1.4: PROVIDE OPPORTUNITIES FOR GROUP HOMES, HOUSING FOR THE ELDERLY AND FOSTER CARE FACILITIES.** Pursuant to the requirements of §163.3177(6) (3), F.S., the City shall promote housing opportunities to meet the unique housing needs of the elderly, dependent children, the physically and mentally handicapped, and the developmentally disabled.

**Policy 3-1.4.3: Housing for the Elderly.** Upon plan adoption the land development regulations shall be amended to encourage development of housing alternatives specially designed for the elderly, including but not limited to adult care living facilities. Sites for housing for the elderly shall be approved if such sites have access to the following facilities, services and/or activity centers:

- Serviced by potable water and central wastewater systems;
- Accessible to employment centers, including shopping centers which accommodate stores offering household goods and services needed on a frequent and recurring basis;
- Located on a paved street accessible to a major street (i.e., included in the City's major thoroughfare plan);
- Accessible to public parks, recreation areas, and/or open space systems; and
- Located on sites having adequate surface water management and solid waste collection and disposal.

**Policy 4-1.1.2: Compliance with Level of Service Standards.** As a condition of the issuance of development orders and permits, all public improvements including new facilities or replacements, expansions, or other alterations to public facilities shall be compatible with the adopted level of service standards for the facilities. Issuance of development orders or permits shall be conditioned upon demonstrated compliance with applicable federal, state, and local permit requirements for potable water, wastewater, drainage, and solid waste facilities.

A thorough review and concurrency management analysis must be performed by a qualified land use and engineering consultant to determine the effects on the level of service (LOS) on the local roadways, potable water, central wastewater and stormwater management systems.

**Analysis of Quitclaim Deed and Associated Memorandum of Agreement (MOA) Between the U.S. Navy and the City of Key West LRA**

The deed between the City and the U.S. Navy includes a number of areas which require continued coordination. It appears that a change in land use (as would be required to modify the HPS-1 designated area) as well as the conceptual site plan, would require Navy approval. In addition, the MOA by and between the U.S. Navy and the City of Key West Local Redevelopment Agency (LRA) for the economic development conveyance of a portion of Naval Air Facility, identifies easements. The conceptual site plan for the Facility may conflict with the sanitary sewer line, stormwater, potable water line and fuel line easements as provided for in the exhibits portion of the deed. However, Section 7.08 (a) of the MOA provides "...the LRA may request Government approval for alternate routes of Government access, which Government approval shall not be unreasonable withheld". Any cost in relation to relocating of utilities or any lines needing easements will likely be borne by the applicant and could be a significant capital investment. A careful review of the quitclaim deed and MOA with the LRA should be conducted to determine if other considerations should be made for this site.

**Application for Major Development Plan/Conditional Use Process:**

Once the Comprehensive Plan is amended and the FLUM/Zoning Map changes (as well as any other changes required in the Plan) are complete, the Major Development Plan/Conditional Use Application process can begin with the City's Historical Architecture Review Commission (HARC) and the Planning Department.

The application process at the City is dynamic and multi faceted. Historic preservation, pedestrian oriented neighborhood development and landscaping are all important considerations in the development review process. The review process is outlined in Article II, Sec. 108-31 of the city of Key West Code of Ordinances. This includes:

**I. Pre-Application Conference**

The Coalition should request an optional nonbinding pre-application conference with Planning staff (Sec. 108-92) for Development Plan review. The purpose of the pre-application conference is to provide potential applicants an opportunity to discuss conceptual development and determine applicable public policy and regulatory procedures. Although the Florida Keys Assisted Care Coalition has met several times over the years, the pre-application conference would be helpful in addressing issues that staff may feel pertinent prior to the actual submittal of approval requests. Based on the code today, the proposed project requires Major Development Plan (see Section 108-91) and Conditional Use Approval (see Nursing Homes/Rest Homes and Convalescent Homes, see Section 122-598).

**II. HARC**

An application must be submitted by the Coalition to the Historical Architectural Review Commission (HARC) for the proposed plans for the project. A subsequent review by the HARC planner for consistency with HARC guidelines will be performed, and upon determination of consistency with HARC guidelines, a HARC meeting will be scheduled by the HARC planner. The proposed project must receive HARC and

landscape approval prior to be considered as a Major Development Plan/Conditional Use Application by the Planning Board and then by the City Commission.

The Coalition should consider beginning the HARC review process to secure conceptual approval of the proposed Facility several months prior to submitting an application to the Planning and Landscape Departments.

### III. Landscaping

According to Sec. 108-411, Landscape Plan Approval, a Landscape Plan must be submitted for development plan review to the Landscaping Department concurrently with an application to the Planning Department. Landscape plans shall be reviewed by the Tree Commission through the City Landscape Coordinator. The Planning Board will not review a Development Plan until the corresponding Landscape Plan has been reviewed by the Tree Commission. However, the City Landscape Coordinator can render a finding that the proposed Landscape Plan is compliant with the necessary landscaping requirements. Such finding then allows the Planning Board to review the Major Development Plan/Conditional Use Application prior to the Tree Commission reviewing the corresponding Landscape Plan. However, in such case, any Major Development Plan/Conditional Use approval by the Planning Board shall be conditioned on approval of the Landscape Plan by the Tree Commission.

### IV. Planning Department

In addition to typical application requirements, there are several areas of review that tend to be particularly important to the forward motion of a project through the approval process. The Major Development Plan/Conditional Use Application cannot be heard by the Planning Board until the Tree Commission approves the corresponding Landscape Plan, or the Planning Board may review the Major Development Plan/Conditional Use Application prior to the corresponding Landscape Plan being reviewed by the Tree Commission; but must condition its approval of the Major Development Plan/Conditional Use Application on approval of the corresponding Landscape Plan by the Tree Commission. Further, HARC approval is required prior to the Planning Board hearing. Also, if a variance is needed to complete the Major Development Plan/Conditional Use Application, a Variance Application may be simultaneously submitted to the Planning Department with the Major Development Plan/Conditional Use Application and processed on a parallel timeline. A concurrency management analysis, per Chapter 94 of the LDRs, is also required. Please note that site access in relation to the adjacent streets of Bahama Village will need to be reviewed and a comprehensive traffic impact analysis will be required for site ingress/egress, particularly for the employee/service area along Angela and Geraldine Streets, both of which are 30 feet wide.

### V. Development Review Committee

Planning staff will review the Application for completeness and compliance with all applicable Land Development Regulations (LDRs) according to Article II, Division II, Sec. 108.94, Review by Staff. Complete applications will be scheduled for the next available Development Review Committee (DRC) per Article II, Division II, Sec. 108.61-64. Staff will begin the review process and receive input from each DRC member, including, but not limited to police/fire, engineering, landscaping, transportation, HARC and the

ADA/pedestrian coordinator, as well as infrastructure through the Florida Keys Aqueduct Authority (FKAA) and Keys Energy Services.

Upon Staff review of the Application and comments received by the DRC, the Planning Department may require a performance guarantee per Section 108.95 if all on-site and off-site infrastructure improvements are not in place at the time of Development Plan approval.

#### VI. Planning Board

After a complete review by all DRC members, Planning Staff will finalize review for compliance with all applicable LDRs and make a formal recommendation to the Planning Board at a regularly scheduled and properly noticed public meeting. The Board will review and take action per Sec. 108-196, Review and action by Planning Board. The Planning Board shall act by resolution to approve, approve with conditions, or disapprove the Application based on specific development review criteria contained in the LDRs and based on the intent of the LDRs and Comprehensive Plan. Because the area is within the Historic District, and because a Major Development Plan is proposed, the City Commission must give final approval to the project.

If a Variance Application is required for the Facility, it can be submitted concurrently with the Major Development Plan/Conditional Use Application to the Planning Department. However, any required variances would be heard by the Planning Board before the Major Development Plan/Conditional Use Application is heard by the Planning Board, which recommends action by the City Commission, and then is acted upon by the City Commission. All Variance Applications (except those pertaining to building height) are heard by the Planning Board. Building height variances are heard by the City Commission acting as the Board of Adjustment.

At some point (most likely prior to the Planning Board approval), the plan will be transmitted to the Navy for review and approval.

#### VII. City Commission

Upon Planning Board approval, the City Commission takes action as provided for under *Sec. 108-198*. The City Commission will approve with or without conditions or disapprove the development plan based on specific development review criteria contained in the LDRs and based on the intent of the LDRs and Comprehensive Plan.

#### VIII. Public Appeal Process

If the City Commission approves the Application for the proposed development, a thirty (30) calendar day public appeal period begins after the approved resolution is filed with the City Clerk.

#### IX. DCA Review

Per a Memorandum of Understanding (MOU) between the Florida Department of Community Affairs (DCA) and the City dated November 4, 2001, all approved resolutions by the City that constitute development must be rendered to the DCA for review. A forty-five (45) calendar day DCA review period

begins after the local appeal period expires and the City renders the Resolution approving the Major Development Plan/Conditional Use Application to the DCA. During the review period, the DCA will review the Development Plan/Conditional Use Application, ensuring consistency with the Land Development Regulations and the Comprehensive Plan.

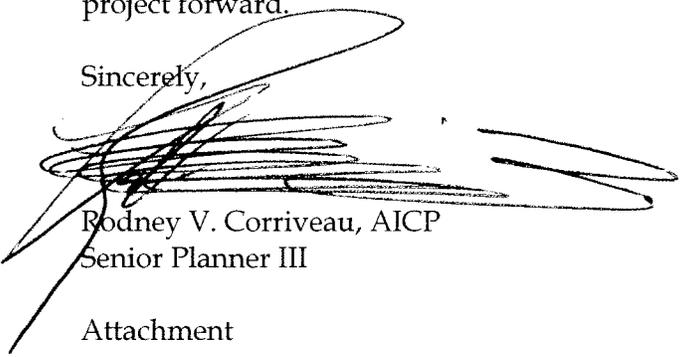
If the DCA finds the Development Plan is inconsistent with the LDRs and Comprehensive Plan, it may reject the Resolution approving the Development Plan. If the DCA finds the Development Plan consistent with the LDRs and Comprehensive Plan, the DCA will officially notice the City of its intent to not appeal the Resolution approving the Development Plan, thus the Development Plan is officially approved. Building permits related to the Major Development Plan/Conditional Use approval will not be issued until the City is in receipt of the official DCA waiver letter.

X. Other Permitting Considerations

Proposed projects exceeding an area of two acres require jurisdictional review and an Environmental Resource Permit (ERP) by the South Florida Water Management District (SFWMD).

This analysis is based on information available to the Planning Department at this time. Once detailed plans are submitted, additional items or steps may be identified. Thank you for your patience while we completed this review. Please let us know how we can assist you further as you move this important project forward.

Sincerely,



Rodney V. Corriveau, AICP  
Senior Planner III

Attachment

- Xc: Jim Scholl, City Manager
- Mark Finigan, Assistant City Manager
- David Fernandez, Assistant City Manager
- File

K:\FKACC\rc-sh-041609-FKACC-required approvals final.doc

# **Appendix**

## **Florida Keys Assisted Living and Independent Living Facility Truman Waterfront Site Analysis**

Key West Zoning Map (plate 2).....Appendix A.1

Approximate Zoning Boundaries for Proposed Project.....Appendix A.2

Map of Bahama Village Redevelopment Area.....Appendix B.1

Boundaries of Redevelopment Area Affecting the Facility.....Appendix B.2

Housing Authority of the City of Key West’s Affordability Policy.....Appendix C

## Appendix A.1

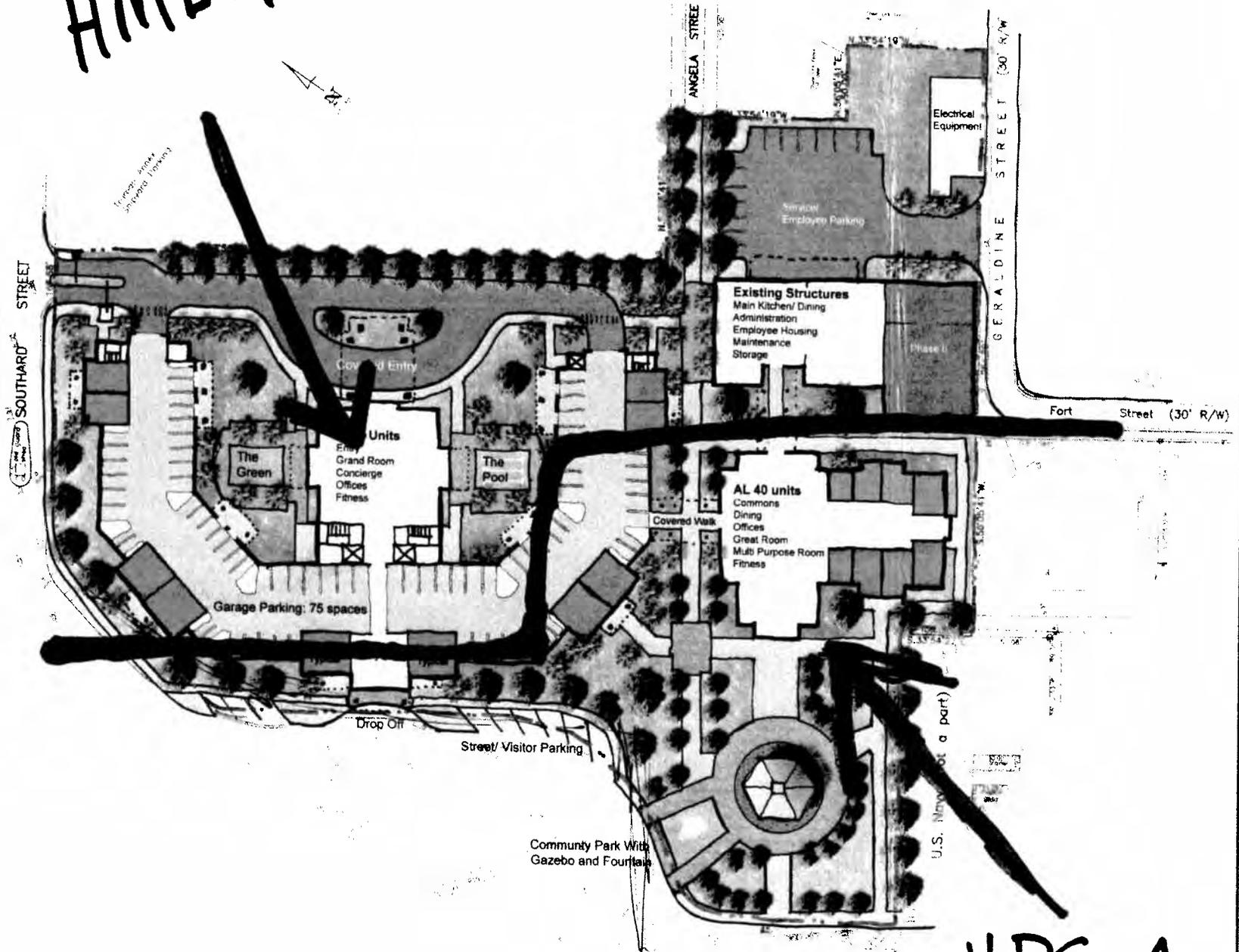
### Key West Zoning Map (plate 2)



## Appendix A.2

# Approximate Zoning Boundaries for Proposed Project

HMDR



Florida Keys  
Assisted Care  
Coalition

Site Plan



HPS-1

## Appendix B.1

# Map of Bahama Village Redevelopment Area



1630.001

1630.011

ERVIN A. HIGGS C.F.A. C.R.A.  
PROPERTY APPRAISER  
MONROE COUNTY, FLORIDA

DATE PREPARED: NOVEMBER 17, 2008  
DATA SOURCE: THE 2008 FLORIDA TAX ROLL  
THIS PROPERTY LIST IS FOR INFORMATION ONLY. IT IS NOT A WARRANTY AND THE APPRAISER ASSUMES NO LIABILITY FOR THE ACCURACY OF THE PARCEL OR VALUE TAX ROLL. IF IT IS NOT A WARRANTY AND THE APPRAISER ASSUMES NO LIABILITY FOR THE ACCURACY OF THE PARCEL OR VALUE TAX ROLL. IF IT IS NOT A WARRANTY AND THE APPRAISER ASSUMES NO LIABILITY FOR THE ACCURACY OF THE PARCEL OR VALUE TAX ROLL.

1630

Harry S. Truman  
U.S. Naval  
Annex

## Appendix B.2

# Boundaries of Redevelopment Area Affecting the Facility



Outside CRA Area

Within CRA area

**Assisted Care Site**  
(approx 6.4 acres)

SOUTHWEST PLANNING  
08-29-2008  
MONROE COUNTY

## Appendix C

# Housing Authority of the City of Key West's Affordability Policy

# **Affordability Policy**

**July 1998**

**The Housing Authority of the City of Key West, Florida  
1400 Kennedy Drive  
Key West, Florida 33040**

**RESOLUTION NO.1058**

**A RESOLUTION CLARIFYING AND UPDATING  
THE HOUSING AUTHORITY OF THE CITY OF KEY WEST, FLORIDA'S  
AFFORDABILITY POLICY**

**WHEREAS**, the Housing Authority of the City of Key West, Florida adopted its Affordability Policy on July 13, 1998, and

**WHEREAS**, the Affordability Policy's technical affordability requirements were subordinate to other affordable housing funding programs, and

**WHEREAS**, the Affordability Policy did not address the utilization of a utility allowance in the event it was not required by other programs utilized.

**NOW, THEREFORE**, be it resolved that the Housing Authority of the City of Key West, Florida's Affordability Policy is hereby clarified and updated to reflect that a utility allowance will not be utilized in the calculation of rent when not required by other affordable programs utilized in conjunction with the development of affordable housing.

**Adopted:      December 11, 2000**

**Affordability Policy**

**Florida Price Level Index**

**Occupancy & Financial Characteristics**

**Monroe County Income Limits**

**Market Feasibility Analysis**

**Financing Comparison**

**Monroe County Rent Limits**

RESOLUTION #989  
A RESOLUTION ADOPTING THE HOUSING AUTHORITY  
OF THE CITY OF KEY WEST AFFORDABILITY POLICY  
IN CONJUNCTION WITH THE USE OF PUBLIC PURPOSE ACTIONS,  
BENEFITS OR FUNDS

WHEREAS, the Housing Authority of the City of Key West, Florida (the Authority) in conjunction with Plan 2000 and the allocation of 190 building permits to the Authority, by the City of Key West, will be constructing and/or involved in the delivery of homeownership and rental housing to income eligible residents of the City, and

WHEREAS, there is a critical shortage of affordable housing homeownership housing stock priced under \$135,000 available in the City of Key West, and

WHEREAS, there has been an unprecedented increase in residential homeownership values as a result of a finite amount of land available for new development, the cost of development, the conversion of larger, older homes into transient (hotel) units in response to a healthy lodging market, second home buyers and speculators competing with the local market for a limited supply of product and local growth management regulations, and

WHEREAS, the median value of a home in Monroe County including the City of Key West has increased from \$151,200 in 1990 to \$263,200 in 1997 without a similar increase in median income, and

WHEREAS, over sixty five (65) percent of the very low to moderate income residents of the City are over burdened by housing cost in excess of thirty (30) percent of their income, and

WHEREAS, the Affordable Housing Stock in the City continues to decline as property owners take advantage of the naturally occurring economic trends available to them, and

WHEREAS, there is a need for an Affordable Housing Homeownership Affordability Policy to ensure homeownership and rental units being created with public purpose, action, benefit or funds remain affordable in perpetuity.

NOW, THEREFORE, the Board of Commissioners of the Housing Authority of the City of Key West hereby adopts the attached Affordability Policy.

ADOPTED: July 13, 1998

Rw/kwharesolutions  
Resolution#989

# THE HOUSING AUTHORITY OF THE CITY OF KEY WEST, FLORIDA

## AFFORDABILITY POLICY

### GOAL

The Housing Authority of the City of Key West, Florida (the Authority) has received an Affordable Housing Building Permit Allocation (190 units) from the City of Key West pursuant to City Resolution No. 96-243, in conjunction with Plan 2000 (See Tab A).

The Authority has received approval from the Monroe County Comprehensive Land Authority for funds totaling \$1,956,000 for Plan 2000 of which \$400,000 is earmarked for Homeownership activities (See Tab B).

The Authority intends to provide affordable housing rental and homeownership opportunities to income eligible residents of the City of Key West and ensure long-term affordability (fifty years or in perpetuity) of the units provided.

### 1. MARKET CONDITIONS - OVERVIEW

Monroe County including the City of Key West is consistently ranked number one in the State of Florida Price Level Index (FPLI) by County and has been ranked number one for the last 15 years. The purpose of the FPLI is to measure the differences from county to county in the cost of purchasing a specific market basket of goods and services at a particular point in time. Price level indices generally measure one of two things; inflation or relative price levels. The FPLI measures relative price levels across counties at a particular point in time; it is a cross-sectional index. Unlike the Consumer Price Index, it does not measure inflation from year to year.

The Monroe County FPLI Ranking is driven by housing costs (See Tab C).

Monroe County including the City of Key West had the highest county median housing value in the State of Florida according to the 1990 Census. The median value of \$151,200 in 1990 is estimated to have increased to over

\$263,200 in the year 1997<sup>1</sup>. The \$112,000 increase in median value averages \$16,000 a year or \$1,330 per month. This unprecedented increase in housing median values is now precluded low and moderate income residents of the City from purchasing a home without down payment and closing cost loan assistance. (See Tab D)

Monroe County and the City of Key West land and construction costs are the highest in the State. The cost of constructing a conventional Single Family Concrete Block Home containing 2,000 square feet and land is approximately \$200,000. The resale value of Single Family housing continues to escalate as a direct result of natural market forces: "of finite amount of land available for new development, a conspicuous number of larger, older homes turned into transient (hotel) units in response to a healthy lodging market, Second Home Buyers and speculators competing with the local market for a limited supply of product and local growth management regulations<sup>1</sup>."

The Shimberg Center for Affordable Housing, a part of the University of Florida in Gainesville provided an assessment of the City's Affordable Housing Needs in 1995 which indicated that the City had a deficit of 4,192 affordable housing units. In addition, many households in Key West are cost-burdened, that is paying in excess of 30% of their Gross Household Income for rent (including utilities) or mortgage payment (principal, interest, real estate taxes and insurance). The City of Key West Comprehensive Plan Housing Element adopted in July 1993, estimates that over two-thirds (69.4%) of the very low, low and moderate incomes households were cost-burdened with their mortgage or rental payment.

Monroe County and the City of Key West is designated by the U.S. Department of Housing and Urban Development (HUD) as a "Difficult to Develop" (DOD) area. This designation permits the HUD income indices by family size to be increased above the actual income limits to compensate for cost factors in the city and county. (See Tab E)

Despite the higher income limits by family size achieved by the DOD designation, it is virtually impossible for a very low, low or moderate income resident of the City to purchase a home due to resale values and/or

---

<sup>1</sup> Bermello, Ajamil and Partners, Inc. Homeless Assistance Submission, Page 7 and foot note 1 and 2 Key West Base Reuse Plan Economic and Market Analysis prepared by KPMG, Peat Marwick

construct a new home without significant public purpose financial support to include below market First Mortgage Interest Rates and Second Mortgage Assistance for down payment and closing costs. (See Tab F)

Monthly rental payments stabilized in the early 1990's with the addition of a number of multi family rental properties, i.e., Ocean Walk, Duck Avenue Apartments and Douglass School. The simultaneous development of moderately priced homeownership units by Pritham Sighn, Dr. Bervaldi and Dick Eid assisted in reducing the demand for rentals since the majority of these units were purchased by existing residents of the City and County.

Market forces (supply and demand) destabilized within one year after Hurricane Andrew due to a number of economic factors as follows:

- Demand for rentals exceed supply
- Conversion of rental units to transient use
- Second home buyers and speculators purchasing available housing stock previously rented
- Second home buyers renting on a transient basis
- Economic expansion creating new jobs

Monthly rental rates have increased significantly over the last four (4) years for market rate rentals. The probability of buildout in the city and lack of use of affordable permits in the county supports the market studies indicating rental rates will increase three to five percent annually on a compounded basis.

## **2. AFFORDABLE HOUSING FINANCIAL PRODUCTS**

The economic constraints existing within the city preclude the development of affordable housing by the public or private sectors without the infusion of local public purpose dollars and use of affordable housing financial products. Affordable housing financial products created or modified after 1986 are available on a competitive basis as follows:

## HOMEOWNERSHIP

- A. First Mortgage- The State of Florida, Florida Housing Finance Corporation (FHFC) issues Single Family Tax Exempt Mortgage Revenue Bonds (SFMRB) for use statewide approximately three times a year in an aggregate amount of approximately \$100,000,000 which are available through qualified lenders or mortgage bankers. The interest rate is typically 100 to 150 basis points below the conventional first mortgage market rates. Single Family Home sales prices in Monroe County are limited to \$140,600. Eligibility for this financial product is based on income. The income limit for a family of one or two is \$43,900 and the income limit for a family of three or more is \$50,485. Income limits are adjusted annually.

The SFMRB Program offers 30 year fixed rate first mortgage loans to include FHA, VA and most conventional first mortgage loan products.

The Monroe County Housing Finance Authority (MCHFA) annually participates in a Multi County SFMRB issue under similar terms and conditions as the FHFA. The principal difference between FHFA and MCHFA is that FHFC targets eligible purchasers statewide while MCHFA targets Monroe County purchasers only.

The Authority may also issue Single Family Tax Exempt Mortgage Revenue Bonds or Single Family Rent to Own Tax Exempt Mortgage Revenue Bonds.

- B. Second Mortgage- There are "Soft Second" second mortgage products available. Each financial product has its own terms and conditions, income eligibility requirements and restrictions.

The purpose of the soft second mortgage programs is to provide downpayment and closing cost assistance in the form of a second mortgage (bridge) to income eligible purchasers of a home. The amount of soft second dollars available for a transaction generally relates to the income level of the borrower. The less a borrower earns, the more the borrower should expect in program loan funds to assist in the purchase of a home.

The Second Mortgage Loans are labeled as "Soft Seconds" since they are deferred payment loans with a 0% interest rate. This means that the borrower is not obligated to make any payments as long as he or she continues to reside in the house as their principal and primary residence. The original principal balance becomes due only when the borrower sells the home or elects not to reside in it as their principal and primary residence.

- A. Other – The Monroe County Comprehensive Land Authority by Florida Statute and County Ordinance is authorized to provide financial support for affordable housing.

### RENTAL

- A. Equity- the Low Income Housing Tax Credit program (LIHTC) was created by Congress in 1986 to promote affordable housing rental units for low-income households nationwide. The program was created to off set the repeal of accelerated depreciation for real estate.

The LIHTC Program provides equity to the developers of affordable housing rental property by the sale of the tax credits to corporations nationwide. The equity created by this sale permits the development community to lower the fixed debt on the property which in turn permits lower rents. The LIHTC Program was designed by the U.S. Department of Treasury to provide for developer profit during construction and from rental operation. (See Tab G)

The rental units created are identical to market rate in terms of design, size and amenities. The only difference between a market rate versus a LIHTC property is the rental rate and income eligibility restriction for occupancy. Rental rates are fixed at below market and it is the tenant's decision as to weather they want to pay in excess 30% of their income for rent.

State Housing Finance Authorities by law are empowered to administer the LIHTC Programs on behalf of the U.S. Department of Treasury. Tax credits are available to the development community on a competitive basis in Florida. The competition for credits is fierce.

The competitive environment/system virtually requires an applicant to commit to a period of affordability of 50 years, set aside 100% of the units as affordable and commit all units rental rates and income eligibility at 60% of the median or below.

- B. First Mortgage- The Multi Family Tax Exempt Mortgage Revenue Bond Program (MFMRB) provides below market interest rates for first mortgages having maturities of up to 40 years. The MFMRB Program requires a minimum set aside of 20% of the units built for low income eligible applicants. The MFMRB program also provides tax credits at a reduced rate on a non-competitive basis.

The rental units created are identical to market units in design, size and amenities.

MFMRB's and tax credits are limited by a formula based on population. The competition for MFMRB's is also fierce, which has forced the development community to provide affordability for 50 years, a 100% affordability set aside, rents, and income eligibility, at 60% of median or below.

The income eligibility and rents currently in force are contained in Tab H.

- C. Second Mortgages- The State of Florida SAIL and the U.S. Department of Housing and Urban Development HOME Programs provide second mortgage financing at reduced interest rates and flexible terms which permits affordable housing programs such as tax credits and MFMRB Programs to be leveraged with one another in Difficult to Develop areas.

There are many counties in the state of Florida where the rents authorized by the U.S. Department of Treasury for the Tax Credit Programs are adequate to service the debt and operating cost. Unfortunately, many counties such as Monroe where the cost of construction and land is so high that below market interest rates or tax credits are not adequate in terms assistance to create affordable housing.

- D. Special Needs- The U.S. Department of Housing and Urban Development administers the section 202 and 811 Programs for the elderly and special needs population of a community. HUD provides financing on a capital advance basis and requires a 100% low income set aside and calculates rent at 30% of income.

Unfortunately the number of units available for non-metropolitan areas such as Monroe County has not permitted the use of these programs.

- E. Rental Restrictions- All of the above rental programs have a sophisticated financial structure and set of deed restrictions requiring compliance with the program guidelines. Compliance is monitored at least annually by the funding agency and the economic penalty for non-compliance is onerous.

All of the above programs are exclusively for the benefit of low income households with the exception of the section 202 and 811 programs. The rents are fixed at below market and it is tenant's decision as to what portion of their disposable income they will pay. Income eligibility is the prerequisite for tenancy. Tenants, as their income increases and eventually exceeds the income eligibility requirement, will be required to move to market rate housing.

## 1. DEFINITIONS

The definitions provided are applicable to rental and homeownership unless otherwise noted in the text of the definition.

- A. "Annual Household Income" means the gross income of all persons who intend to permanently reside in a unit. The annual income is determined from the gross amount of wages, income from assets, regular cash or non-cash contribution, and any other resources and benefits determined to be income by regulations promulgated by the United States Department of Housing and Urban Development.

- B. The "Bridge" – is that amount of the soft second loan assistance required based on the prevailing income limits as established by HUD and the Market Price of homes available for purchase. A

financial bridge is required to assist income eligible purchasers since the first mortgage they can obtain based on their income is less than the purchase price of the home available in the marketplace.

- C. "Contractor" means a duly licensed person or entity in the State of Florida who provides services in accordance with Florida Statutes 489.105(3)(a), (b) and (c).
- D. "Deed Restrictions" – are recorded against the title of an affordable rental or homeownership property to preclude a sale or windfall profit that does not adhere to the affordability requirements adopted by the government entity or entities providing Public Purpose benefits (financial products) to the purchaser.
- E. "First Mortgage" means the recorded mortgage to which HOME/SHIP/other soft second Second Mortgage Loans are subordinated and which are superior in interest to any other interest in the Project.
- F. "First Mortgage Lender" or "Lender" means any bank or trust company, mortgage banker/broker, savings bank, credit union, national banking association, building and loan association, insurance company, or other financial institution or governmental agency authorized to transact business within the State of Florida which institution customarily provides single family financing of mortgages for real property in Florida. Lenders must be qualified Federal Housing Administration (FHA), Veteran Affairs (VA), Rural Development (RD), Government National Mortgage Association (GNMA), Federal National Mortgage Association (FNMA), or Federal Home Loan Mortgage Corporation Association (FHLMC) originators and servicers.
- G. "Land Use Restriction Agreement" – See Deed Restrictions
- H. "HOME" or "Home Loan" or "Home Program" means the HOME Investment Partnerships Program down payment and closing cost assistance soft second loan pursuant to HUD Regulations, 24 CFR Part 92 (1996).
- I. "Home Ownership" or "Home Ownership Unit" or "Ownership Housing" means ownership in a residential unit which is taxed as real

property under the laws of the State of Florida, including a one to four unit dwelling or a condominium unit, a residential manufactured building (also known as a modular home) which bears the Department of Community Affairs' Insignia signifying that the building complies with Chapter 553, Florida Statutes and Section 420.8071(7), Florida Statutes, or an equivalent form of ownership approved by HUD. The purchase price and value of each unit after rehabilitation, construction or acquisition is not to exceed the lesser of 95 percent of the median purchase price, which varies by housing type and jurisdiction, as determined by HUD regulations pursuant to 24 CFR Section 92.254 (1996) and, has an estimated appraised value at acquisition, if standard, or after any repair needed to meet property standards required by 24 CFR Section Part 92.251 (1996), that does not exceed the limit described above.

- J. "Low Income Families" means families or persons whose annual incomes do not exceed 80 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than 80 percent of the median for the area on the basis of HUD findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes. (Difficult to Develop Area Designation)
- K. "Match" means eligible forms of non-federal contributions to a Project.
- L. "Moderate Income Families" means families or persons whose annual incomes do not exceed 120 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than 120 percent of the median for the area on the basis of HUD findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes. (Difficult to Develop Area Designation)
- M. "Non-Participating Jurisdiction" means any state or unit of Local Government that has not been designated by HUD to receive a HOME Program formula allocation directly from HUD.

N. "Non-Profit" means a qualified Non-profit entity as defined in Section 24 CFR Section 92.505(b)(1996), and any corporation, trust, association, cooperative, or other organization which (1) is operated primarily for scientific, educational, service, charitable, or similar purposes in the public interest; (2) is not organized primarily for profit; and (3) uses its net proceeds to maintain, improve, and/or expand its operations.

O. "Second Mortgage" means the recorded mortgage securing "soft second" homeownership funds which can be a consolidated note and mortgage and is subordinate only to the lien of the First Mortgage and Deed Restrictions.

Affordable Housing assistance may be offered in the form of a deferred payment, zero percent interest rate loan that matures upon the first to occur of the following events: (1) borrower sells, transfers or disposes of the property or home either voluntarily or involuntarily; (2) the borrower fails to or ceases to occupy the home as a principal residence or (3) the borrower, or if the borrower is married, the survivor of the borrower or the borrower's spouse, dies.

Second Mortgage loan assistance shall be limited to: Low and Moderate Income Families with incomes equal to or less than 120 percent of the area median income, with adjustments for smaller and larger families. The Second and other Subordinate Mortgage loans, shall be limited to the amount necessary to enable a Home Buyer to purchase a Home Ownership Unit based on the combined monthly mortgage payment (principal, interest, taxes and insurance) of all loans in the transaction to income underwriting ratio established by the financing program offered by the First Mortgage Lender. The combined loan-to-value ratio may not exceed 103% of the lesser of the after construction of after rehabilitation appraised value or the purchase price, if applicable, of the Home Ownership Unit.

Affordable Housing Assistance may also be in the form of a land lease or combination of First and Second Mortgage Affordable Housing Financial Products.

P. "Shared Equity" – is a concept where the equity appreciation typically inuring exclusively to the benefit of a homeowner is shared

with a not-for-profit or government agency to insure the perpetuation of the unit as affordable for an extended period of time.

Q. "State Housing Initiatives Partnership"(SHIP) – income targeting set asides. The State of Florida SHIP Program enacted by the State of Florida established income targeting for SHIP funds statewide at 30% - very low, 30% - low and up to 40% moderate income.

R. "Wind Fall Profit" – is defined as the difference between the appraised value of a homeownership unit less the sales price of the unit being provided with government Public Purpose action or funds which would inure to the benefit of the purchaser if Deed Restrictions or Subordinate Mortgages were not in place.

#### **4. POLICY STATEMENT**

##### **A. HOMEOWNERSHIP (Narrative)**

Homeownership provides a number of specific benefits to a community and purchaser. Purchasers typically expect to receive the following benefits as a result of owning a home:

1. Equity appreciation during the period of ownership as real estate values increase.
2. Reduction in Federal Income Tax Liability due to the ability to deduct interest and real estate tax payments from taxable income.
3. Reduction (\$25,000) in Real Estate Tax Assessment with a subsequent tax reduction in Real Estate Tax obligation.
4. Stability of tenancy provided by a long term fixed monthly payment.(Principal and Interest)
5. Freedom to improve and/or expand the housing owned without loss of investment.

Local Government typically supports Affordable Housing Homeownership activities and requires restrictions be placed on a homeowner when public purpose benefits or dollars are utilized to benefit income eligible purchasers. The restrictions typically required are as follows:

1. Maintenance of the home as the purchasers principal and primary residence.
2. Prohibition against any type of rental activity
3. Deed restrictions and/or land use restriction agreements to insure continued affordability.
4. Windfall profit prohibitions to preclude abuse of public purpose funds or benefits.
5. Shared equity agreements.
6. Repayment of Loan Assistance upon sale.
7. Local government right of purchase in the event of resale.

The level of government regulation of homeownership programs is directly related to the real estate market and housing stock within the jurisdiction the local government entity is located in. Many counties in Florida have affordable housing income limits by family size and real estate values which permit a purchaser to acquire a home with limited or no assistance from local government. Based on the housing costs and income limits in the City of Key West, a significant financial "bridge" is required to assist income eligible purchasers to obtain homeownership. (See Tab F)

The unprecedented increase in residential housing values in the single family detached market and recent appreciation increases in the multi family (condominium) market has taken all low and moderate income residents out of the marketplace due to purchase prices.

The only exception to the above would be those purchasers having significant down payment funds available for investment in the home to be purchased. The amount of investment capital required would range from \$25,000 to \$45,000. Homeownership without local government intervention/loan assistance is no longer a reality for low to moderate income residents of the City of Key West.

Homeownership programs available today have two distinct criteria. The first is income eligibility. (See TAB F) The second is Federal U.S. Department of Treasury and U.S. Department of Housing and Urban Development Sales Price Limitations. The City of Key West Sales Price Limit currently in place is \$140,600. The Sales Price Limit is the highest in the State of Florida and one of the highest in the nation.

The Sales Price Limits increase was obtained by the Key West and Monroe County Housing Authorities in 1994 as a result of a detailed analysis prepared for HUD and FHFC. Any additional increases will require another detailed analysis and request to HUD and FHFC.

The unprecedented increase in values is directly related to the City and County Rate of Growth Ordinances (ROGO) residential housing investment opportunities, a vibrant tourist economy and second home transient rental opportunities.

The Authority is unaware of any economic force that would effect the continued escalation in residential real estate values in the City of Key West.

Based on the current real estate market and escalation in real estate values, it is apparent that the conventional use of public purpose benefits and funds to assist income eligible homebuyers, will result in significant and unprecedented equity accumulation over a relatively short period of time and loss of affordable housing stock when the equity is claimed by sale.

## B. POLICY

The Authorities Homeownership Affordability Policy when Public Purpose benefits, actions and/or funds are utilized shall be as follows:

1. Adopt the State of Florida SHIP income targeting presently in place and as amended in the future. The Authority reserves the right to change the income targeting goals when it will benefit low income homeownership participants or when there is an absence of eligible low income purchasers and program participants.
2. Provide an affordable monthly (PITI) payment to income eligible purchasers utilizing Public Purpose benefits, action and/or funds.
3. Restrict equity accumulation (appreciation) to a maximum amount at sale or transfer not to exceed the increase in the Monroe County Median Income by utilizing a shared equity mortgage.
4. Require prior approval of any improvements or alterations to the homeownership unit.

5. Right of repurchase by the Authority in the event an affordable unit is offered for sale or is involved in legal proceedings that may result in the lose of the unit to the Affordable Housing stock of the City of Key West.
6. Require annual Housing Quality Standards inspections.
7. The Authority shall reserve the right to finance or re-finance utilizing PHA Bonding Authority as long as the homeowners mortgage payment (principal and interest) remains the same.
8. Homeowners shall be prohibited from re-financing their home for any purpose other than to reduce their monthly principal and interest payment. Homeowners are specifically prohibited from obtaining any funds at closing as a result of re-financing.
9. The purchaser and/or their household must be income eligible at the time of purchase. There shall be no prohibition as to the future increases in income to the household subsequent to closing.
10. The Affordability Policy shall be a recorded document (deed restriction) against the title of the homeownership unit and shall be subordinate only to an institutional First Mortgage in the event of foreclosure. The Authority and/or the City shall reserve the right to cure the default to prevent the loss of this homeownership unit to the Housing Stock of the City.

#### C. RENTAL- (Narrative)

The economic forces of supply and demand for rental housing are being fueled in Key West by job creation, diminishing supply of rentals in the City, a vibrant tourist economy and conversion of rental units to transient use has created a landlord's rental market.

Rental rates continue to escalate at an unprecedented level due to demand. Occupancy is virtually 100%. Efficiency units in Old Town within walking distance of work are asking \$800 a month. Multi-family market rate rentals for two bedrooms now exceed \$1,000 a month. Three bedroom two bath homes when available are charging in the \$1400 to \$1800 a month range. The Lower Keys have historically provided rental opportunities at rates lower than Key West. Rental rates and occupancy in the Lower Keys have been increasing steadily over the last two years and could be identical with the City within the next eighteen months.

There are only a finite number of units available for rent. This number due to economic forces is diminishing while job creation increases demand. This condition has resulted the sharing of housing (doubling up) by unrelated parties and many units would be considered over crowded.

D. POLICY- The Authorities rental Affordability Policy shall be as follows:

1. Income targeting shall be at 80% of median adjusted for family size. Income targeting may increase to 120% to maintain occupancy levels and financial feasibility but not to exceed 40% of project units.
2. Rental rates shall be the same as the low income housing tax credit program as adjusted annually.
3. The period of affordability shall be 50 years.
4. The compliance requirements shall be the same as the LIHTC Program as contained in the FHFC Compliance Manual and shall be the responsibility of the developer to insure compliance annually.
5. The program requirements for the LIHTC, MRB, SAIL and HOME programs when competitively obtained require lower income targeting (rents), which take precedence when utilized.
6. The U.S. Department of Housing and Urban Development occupancy requirements (family composition) shall be adhered to, as it pertains to maximum occupancy only.

Effective 02/13/2008  
 FHFC Posted 02/18/2008

<b>Florida Housing Finance Corporation</b> <b>2008 Maximum Rents by Number of Bedrooms in Unit</b>
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NOTE: This schedule is for use by developments participating in the following Florida Housing programs: Housing Credit (HC), State Housing Initiatives Partnership (SHIP), HUD Multifamily Risk Sharing, and Community Workforce Housing Innovation Pilot (CWHIP). With the exception of the SHIP program, a utility allowance must be deducted from these MAXIMUM gross rent amounts.

City (County)	Percentage Category	Number of Bedrooms in Unit				
		0	1	2	3	4
Madison County	25%	198	212	255	295	329
	28%	222	238	286	330	368
	30%	237	255	306	353	395
	33%	262	280	337	389	434
	35%	278	297	357	413	461
	40%	318	340	409	472	527
	45%	357	383	460	531	592
	50%	397	425	511	590	658
	60%	477	510	613	708	790
	80%	635	680	816	943	1,052
Monroe County	120%	954	1,021	1,227	1,416	1,581
	140%	1,113	1,191	1,431	1,652	1,844
	25%	310	332	398	460	513
	28%	347	372	446	516	575
	30%	372	398	478	552	616
	33%	409	438	526	608	678
	35%	434	465	558	645	719
	40%	496	531	638	737	822
	45%	558	597	717	829	924
	50%	620	664	797	921	1,027
60%	744	797	957	1,106	1,233	
Okeechobee County	80%	992	1,063	1,276	1,474	1,643
	120%	1,488	1,594	1,914	2,212	2,466
	140%	1,736	1,860	2,233	2,581	2,877
	150%	1,860	1,993	2,392	2,765	3,082
	25%	198	212	255	295	329
	28%	222	238	286	330	368
	30%	237	255	306	353	395
	33%	262	280	337	389	434
	35%	278	297	357	413	461
	40%	318	340	409	472	527
45%	357	383	460	531	592	
50%	397	425	511	590	658	
60%	477	510	613	708	790	
80%	635	680	816	943	1,052	
120%	954	1,021	1,227	1,416	1,581	
140%	1,113	1,191	1,431	1,652	1,844	

## Anywhere, USA Financing Comparison

	Rentals		Variance	
	Market	Tax Credit	Project	Monthly
Land	\$ 500,000.00	\$ 500,000.00	-0-	
Construction	\$ 5,500,000.00	\$ 5,500,000.00	-0-	
Other development costs	\$ 800,000.00	\$ 800,000.00	-0-	
<b>Total</b>	<b>\$ 6,800,000.00</b>	<b>\$ 6,800,000.00</b>	<b>-0-</b>	
Tax Credit Equity		\$ 4,284,000.00	\$ 4,284,000.00	
First Mortgage Required	\$ 6,800,000.00	\$ 2,516,000.00	\$ 4,284,000.00	
Monthly Rent	\$ 770.00	\$ 469.00		
Rent Roll	\$ 923,988.00	\$ 562,375.00	\$ 361,613.00	\$ 301.34
Less				
Operating Expenses	\$ 350,000.00	\$ 350,000.00	-0-	
Gross Operating Income Before Debt Service	\$ 573,988.00	\$ 212,375.00	\$ 36,613.00	\$ 301.34
Debt Service - @ .08%				
30 Years	\$ 499,120.00	\$ 184,674.00	\$ 314,446.00	\$ 262.03
Net Income	\$ 74,868.00	\$ 27,701.00	\$ 47,167.00	\$ 39.31
Debt Service Coverage	115%	115%	-0-	

Table 10. Occupancy and Financial Characteristics for Owner-Occupied Housing Units: 1990

(For definitions of terms and meanings of symbols, see text.)

State County Place and (In Selected States) County Subdivision	All owner-occupied housing units				Specified owner-occupied housing units									
	Total	Unit de- tached or attached	Persons per unit	Mean number of rooms	Total	Value								
						Less than \$50,000	\$50,000 to \$99,999	\$100,000 to \$149,999	\$150,000 to \$199,999	\$200,000 to \$299,999	\$300,000 or more	Lower quartile (dollars)	Median (dollars)	Upper quartile (dollars)
The State .....	3 452 160	2 548 044	2.49	5.6	2 378 207	433 121	1 239 055	3 81 899	151 452	100 648	72 032	58 100	77 100	111 200
<b>COUNTY</b>														
Alachua County .....	38 525	30 823	2.59	6.0	27 686	8 271	13 826	3 619	1 150	610	210	46 400	66 000	93 600
Baker County .....	4 405	2 510	3.05	5.7	2 077	7 950	11 418	2 506	821	487	230	43 400	61 600	88 300
Bay County .....	32 075	25 081	2.57	5.7	23 416	7 956	11 418	2 506	821	487	230	43 400	61 600	88 300
Bradford County .....	5 542	3 783	2.69	6.0	3 054	1 548	1 162	206	90	73	5	12 400	49 200	74 600
Brevard County .....	111 742	88 834	2.47	5.6	84 180	11 352	49 327	13 674	5 275	2 958	1 644	58 300	75 200	102 700
Broward County .....	359 570	226 177	2.39	5.3	215 518	11 715	114 210	47 284	20 514	12 871	8 974	69 100	91 800	133 700
Buwalda County .....	3 011	2 170	2.65	5.5	1 812	1 138	394	63	14	3	2	21 400	33 200	55 600
Calhoun County .....	38 559	30 775	2.19	5.5	28 972	4 622	15 562	4 852	2 062	1 252	472	57 300	77 200	113 300
Charlotte County .....	32 761	23 642	2.24	5.3	21 954	6 398	11 317	2 814	912	328	125	46 800	66 100	92 500
Clay County .....	26 895	21 417	2.94	6.3	20 625	2 541	11 708	3 963	1 052	522	239	62 300	82 100	107 700
Collier County .....	43 319	27 184	2.35	5.5	25 501	1 351	8 948	5 406	3 005	3 258	3 533	80 100	121 400	211 000
Columbia County .....	11 509	7 365	2.69	5.6	5 988	3 215	2 278	365	96	29	7	31 400	47 300	70 100
Dade County .....	375 912	291 960	2.90	5.2	275 298	23 870	154 195	52 723	18 764	13 841	11 905	65 600	86 500	122 100
DeSoto County .....	6 084	3 750	2.50	5.3	3 228	1 632	1 259	249	77	33	8	34 000	49 600	72 200
Dixie County .....	3 235	1 622	2.51	4.9	1 319	1 902	328	61	21	5	2	24 800	37 500	56 900
Duval County .....	159 444	140 374	2.66	6.1	133 072	40 382	68 888	13 844	4 757	2 772	1 929	45 700	64 000	89 900
Escambia County .....	63 835	56 156	2.60	6.0	51 818	20 841	23 787	4 661	1 288	771	370	39 900	57 800	82 600
Flagler County .....	9 090	7 476	2.35	5.7	6 979	349	3 322	2 079	790	368	111	74 800	97 500	136 600
Franklin County .....	2 921	2 000	2.39	5.2	1 827	885	599	188	94	46	15	29 500	51 700	87 400
Gasconade County .....	10 131	7 157	2.86	5.7	6 114	3 879	1 739	330	86	22	8	25 600	39 500	63 400
Gilchrist County .....	2 806	1 393	2.64	5.4	855	483	317	44	8	1	2	31 100	45 900	66 400
Glades County .....	2 256	986	2.46	4.9	841	243	374	85	22	14	3	38 600	57 200	83 000
Gulf County .....	3 296	2 551	2.57	5.5	2 356	1 407	733	161	36	10	9	27 300	43 200	66 600
Hamilton County .....	2 657	1 571	2.79	5.5	1 256	832	326	31	7	5	3	23 400	36 300	55 700
Hardess County .....	4 844	3 458	2.34	5.4	2 716	1 740	783	134	41	15	3	28 100	40 300	62 700
Hendry County .....	5 947	3 346	2.92	5.5	3 025	1 060	1 454	331	122	47	25	43 600	61 200	88 400
Hernando County .....	35 760	27 306	2.34	5.5	25 258	5 324	14 786	4 026	806	254	62	52 900	71 200	95 300
Hernando County .....	35 760	27 306	2.34	5.5	25 258	5 324	14 786	4 026	806	254	62	52 900	71 200	95 300
Highlands County .....	23 055	16 155	2.23	5.2	14 941	5 428	7 715	1 270	330	164	34	42 700	58 500	80 200
Hillsborough County .....	204 966	171 592	2.63	5.9	160 702	34 758	84 296	23 943	8 803	5 645	3 258	52 800	73 100	102 600
Holmes County .....	4 687	3 486	2.54	5.5	2 216	1 632	505	62	11	5	5	23 800	36 200	51 500
Indian River County .....	28 561	19 991	2.31	5.5	18 711	3 255	8 879	2 591	1 352	1 162	1 472	56 300	78 800	135 000
Jackson County .....	11 142	8 168	2.58	5.6	6 247	3 896	1 967	251	76	39	18	26 200	41 400	62 600
Jefferson County .....	3 055	2 029	2.77	5.6	1 416	810	499	80	21	5	1	26 400	43 900	69 200
Lafayette County .....	1 389	821	2.31	5.4	461	268	162	20	7	1	3	26 400	43 700	66 100
Lake County .....	49 829	29 963	2.33	5.5	27 231	7 479	13 884	3 526	1 380	695	267	48 200	67 800	95 600
Lee County .....	101 093	70 768	2.33	5.5	66 666	9 012	33 517	11 996	5 520	3 964	2 647	60 900	84 300	127 700
Leon County .....	42 561	34 850	2.64	6.1	32 357	6 567	16 996	5 240	1 971	1 073	610	54 100	75 200	105 600
Levy County .....	8 248	4 383	2.49	5.2	3 371	1 729	1 261	263	59	49	10	32 800	49 100	72 900
Liberty County .....	1 379	891	2.68	5.5	674	442	139	29	11	3	2	23 500	39 600	60 500
Madison County .....	4 196	2 761	2.74	5.6	1 963	1 264	596	71	17	10	5	22 100	38 800	60 400
Manatee County .....	64 574	40 918	2.23	5.3	38 181	5 725	20 725	7 247	2 297	1 291	794	58 300	79 400	112 300
Manatee County .....	64 574	40 918	2.23	5.3	38 181	5 725	20 725	7 247	2 297	1 291	794	58 300	79 400	112 300
Marian County .....	59 112	39 637	2.42	5.5	35 656	11 362	19 124	3 224	1 102	593	241	45 500	61 800	84 900
Marion County .....	33 079	21 275	2.24	5.4	20 034	1 493	7 483	3 898	2 735	2 226	2 199	77 800	112 700	186 800
Marion County .....	33 079	21 275	2.24	5.4	20 034	1 493	7 483	3 898	2 735	2 226	2 199	77 800	112 700	186 800
Monroe County .....	20 854	12 945	2.21	4.7	12 059	341	2 709	2 914	2 346	2 097	1 652	99 500	151 200	250 000
Monroe County .....	20 854	12 945	2.21	4.7	12 059	341	2 709	2 914	2 346	2 097	1 652	99 500	151 200	250 000
Nassau County .....	32 154	28 892	2.62	5.8	6 909	1 859	3 171	1 081	296	252	150	47 900	72 600	105 700
Nassau County .....	32 154	28 892	2.62	5.8	6 909	1 859	3 171	1 081	296	252	150	47 900	72 600	105 700
Okaloosa County .....	7 297	3 810	2.61	5.2	3 409	1 424	1 483	329	98	53	12	40 800	55 600	81 900
Okaloosa County .....	7 297	3 810	2.61	5.2	3 409	1 424	1 483	329	98	53	12	40 800	55 600	81 900
Okechobee County .....	151 062	130 039	2.68	6.0	123 463	13 025	73 148	21 130	7 544	5 188	3 428	62 300	81 400	112 300
Orange County .....	25 730	18 634	2.71	5.6	17 412	2 322	11 146	2 655	829	359	101	59 000	75 700	97 900
Osceola County .....	262 874	171 369	2.31	5.4	162 875	12 080	71 662	34 902	18 292	13 057	12 892	70 300	98 400	157 800
Palm Beach County .....	262 874	171 369	2.31	5.4	162 875	12 080	71 662	34 902	18 292	13 057	12 892	70 300	98 400	157 800
Pasco County .....	98 384	69 574	2.23	5.3	64 877	22 900	32 912	6 172	1 711	890	292	44 900	59 000	83 500
Pinellas County .....	263 288	189 677	2.24	5.5	178 638	31 056	99 782	26 094	10 643	7 082	3 981	55 700	73 800	105 000
Polk County .....	109 885	76 663	2.53	5.7	71 535	25 232	35 042	7 053	1 305	600	600	43 000	61 000	84 400
Polk County .....	109 885	76 663	2.53	5.7	71 535	25 232	35 042	7 053	1 305	600	600	43 000	61 000	84 400
Pulman County .....	19 800	11 270	2.53	5.4	10 082	5 054	3 834	800	229	134	31	32 900	49 900	74 700
St. Johns County .....	23 517	17 768	2.50	5.8	16 416	2 946	7 099	2 893	1 456	1 217	805	58 300	85 800	126 600
St. Johns County .....	23 517	17 768	2.50	5.8	16 416	2 946	7 099	2 893	1 456	1 217	805	58 300	85 800	126 600
St. Lucie County .....	41 807	31 288	2.43	5.5	29 490	4 654	17 984	4 284	1 465	705	396	56 700	75 400	93 700
St. Lucie County .....	41 807	31 288	2.43	5.5	29 490	4 654	17 984	4 284	1 465	705	396	56 700	75 400	93 700
Santa Rosa County .....	22 521	17 983	2.71	5.9	16 007	5 024	7 741	1 901	674	439	228	45 000	63 900	91 200
Sarasota County .....	95 578	71 044	2.17	5.5	66 717	5 713	35 555	12 680	5 280	3 985	3 464	61 400	87 200	122 000
Seminole County .....	72 023	64 927	2.70	6.4	61 532	4 956	32 120	14 297	5 371	3 304	1 484	70 000	91 500	125 600
Sumter County .....	9 707	4 966	2.38	5.2	3 944	1 975	1 685	208	46	21	9	33 000	49 900	70 200
Swain County .....	7 950	4 317	2.63	5.5	2 849	1 633	1 007	166						

City (County)	Percentage Category	Florida Housing Finance Corporation Multifamily Rental Programs, SHIP (all), and CWHIP (all) 2008 Income Limits Adjusted To Household Size								Multifamily Rental Bond Income Limits NOT by Household Size		
		Number of Persons in Household								Lower		
		1	2	3	4	5	6	7	8	65%	80%	Eligible 150%
Madison County	25%	7,950	9,075	10,225	11,350	12,250	13,175	14,075	14,975	N/A	N/A	N/A
	28%	8,904	10,164	11,452	12,712	13,720	14,756	15,764	16,772			
	30%	9,500	10,900	12,250	13,600	14,700	15,800	16,850	17,950			
	33%	10,494	11,979	13,497	14,982	16,170	17,391	18,579	19,767			
	35%	11,130	12,705	14,315	15,890	17,150	18,445	19,705	20,965			
	40%	12,720	14,520	16,360	18,160	19,600	21,080	22,520	23,960			
	45%	14,310	16,335	18,405	20,430	22,050	23,715	25,335	26,955			
	50%	15,900	18,150	20,450	22,700	24,500	26,350	28,150	29,950			
	60%	19,080	21,780	24,540	27,240	29,400	31,620	33,780	35,940			
	80%	25,400	29,050	32,650	36,300	39,200	42,100	45,000	47,900			
	120%	38,160	43,560	49,080	54,480	58,800	63,240	67,560	71,880			
	140%	44,520	50,820	57,260	63,560	68,600	73,780	78,820	83,860			
	Median: 40,000											
	Monroe County	25%	12,400	14,175	15,950	17,725	19,150	20,550	21,975	23,400	N/A	N/A
28%		13,888	15,876	17,864	19,852	21,448	23,016	24,612	26,208			
30%		14,900	17,000	19,150	21,250	22,950	24,650	26,350	28,050			
33%		16,368	18,711	21,054	23,397	25,278	27,126	29,007	30,888			
35%		17,360	19,845	22,330	24,815	26,810	28,770	30,765	32,760			
40%		19,840	22,680	25,520	28,360	30,640	32,880	35,160	37,440			
45%		22,320	25,515	28,710	31,905	34,470	36,990	39,555	42,120			
50%		24,800	28,350	31,900	35,450	38,300	41,100	43,950	46,800			
60%		29,760	34,020	38,280	42,540	45,960	49,320	52,740	56,160			
80%		39,700	45,350	51,050	56,700	61,250	66,750	70,300	74,850			
120%		59,520	68,040	76,560	85,080	91,920	98,640	105,480	112,320			
140%		69,440	79,380	89,320	99,260	107,240	115,080	123,060	131,040			
150%		74,400	85,050	95,700	106,350	114,900	123,300	131,850	140,400			
Median: 65,200												
Okeechobee County	25%	7,950	9,075	10,225	11,350	12,250	13,175	14,075	14,975	N/A	N/A	N/A
	28%	8,904	10,164	11,452	12,712	13,720	14,756	15,764	16,772			
	30%	9,500	10,900	12,250	13,600	14,700	15,800	16,850	17,950			
	33%	10,494	11,979	13,497	14,982	16,170	17,391	18,579	19,767			
	35%	11,130	12,705	14,315	15,890	17,150	18,445	19,705	20,965			
	40%	12,720	14,520	16,360	18,160	19,600	21,080	22,520	23,960			
	45%	14,310	16,335	18,405	20,430	22,050	23,715	25,335	26,955			
	50%	15,900	18,150	20,450	22,700	24,500	26,350	28,150	29,950			
	60%	19,080	21,780	24,540	27,240	29,400	31,620	33,780	35,940			
	80%	25,400	29,050	32,650	36,300	39,200	42,100	45,000	47,900			
	120%	38,160	43,560	49,080	54,480	58,800	63,240	67,560	71,880			
	140%	44,520	50,820	57,260	63,560	68,600	73,780	78,820	83,860			
	Median: 44,000											

MONROE COUNTY/KEY WEST  
 AFFORDABLE HOUSING - HOME OWNERSHIP  
 MARKET FEASIBILITY ANALYSIS  
 CONVENTIONAL - 81/2%

SALES PRICE	\$105,000.00	\$110,000.00	\$115,000.00	\$120,000.00	\$125,000.00	\$130,000.00	\$135,000.00
CLOSING COST AT 4%	\$ 4,200.00	\$ 4,400.00	\$ 4,600.00	\$ 4,800.00	\$ 5,000.00	\$ 5,200.00	\$ 5,400.00
<b>TOTAL CASH REQUIRED</b>	<b>\$109,200.00</b>	<b>\$114,400.00</b>	<b>\$119,600.00</b>	<b>\$124,800.00</b>	<b>\$130,000.00</b>	<b>\$135,200.00</b>	<b>\$140,400.00</b>
<u>LESS</u>							
CLOSING COST	\$ 4,200.00	\$ 4,400.00	\$ 4,600.00	\$ 4,800.00	\$ 5,000.00	\$ 5,200.00	\$ 5,400.00
DOWNPAYMENT (MINIMUM 3%) of Sales Price**	\$ 3,150.00	\$ 3,300.00	\$ 3,450.00	\$ 3,600.00	\$ 3,750.00	\$ 3,900.00	\$ 4,050.00
HOME - 2ND MORTGAGE							
SHIP - 3RD MORTGAGE							
OTHER							
FIRST MORTGAGE REQUIRED**	\$101,850.00	\$106,700.00	\$111,550.00	\$116,400.00	\$121,250.00	\$126,100.00	\$130,950.00
LOAN TO VALUE (FIRST MORTGAGE)	97%	97%	97%	97%	97%	97%	97%
<u>MONTHLY PAYMENT</u>							
PRINCIPAL AND INTEREST	\$ 783.23	\$ 820.52	\$ 857.82	\$ 895.12	\$ 932.41	\$ 969.71	\$ 1,007.01
REAL ESTATE TAXES*	\$ 86.48	\$ 92.35	\$ 98.21	\$ 104.07	\$ 109.94	\$ 115.80	\$ 121.66
FLOOD INSURANCE	\$ 21.00	\$ 22.00	\$ 23.00	\$ 24.00	\$ 25.00	\$ 26.00	\$ 27.00
WINDSTORM INSURANCE	\$ 73.94	\$ 77.46	\$ 80.98	\$ 84.50	\$ 88.02	\$ 91.54	\$ 95.06
SMP INSURANCE	\$ 74.20	\$ 77.73	\$ 81.27	\$ 84.80	\$ 88.33	\$ 91.87	\$ 95.40
PMI	\$ 43.29	\$ 45.35	\$ 47.41	\$ 49.47	\$ 51.53	\$ 53.59	\$ 55.65
ASSOCIATION FEE							
MONTHLY PAYMENT	\$ 1,082.13	\$ 1,135.41	\$ 1,188.68	\$ 1,241.96	\$ 1,295.24	\$ 1,348.51	\$ 1,401.79
PURCHASER ANNUAL INCOME***	\$ 38,956.84	\$ 40,874.75	\$ 42,792.66	\$ 44,710.57	\$ 46,628.48	\$ 48,546.38	\$ 50,464.29
PURCHASER HOURLY RATE	\$ 18.73	\$ 19.65	\$ 20.57	\$ 21.50	\$ 22.42	\$ 23.34	\$ 24.26
<u>INCOME LIMITS BY FAMILY SIZE</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>
LOW INCOME	\$ 25,300	\$ 28,950	\$ 32,550	\$ 36,150	\$ 39,050	\$ 41,950	\$ 44,850
MODERATE INCOME	\$ 37,920	\$ 43,440	\$ 48,840	\$ 54,240	\$ 58,560	\$ 62,880	\$ 67,200
*Assumes Homestead Exemption- \$25,000	**Assumes Fannie Mae 3/2		***Assumes 33% PITI to income underwriting ratio				
1							

MONROE COUNTY/KEY WEST							
AFFORDABLE HOUSING - HOME OWNERSHIP							
MARKET FEASIBILITY ANALYSIS							
CONVENTIONAL - 8.50%/HOME - 37.5%							
SALES PRICE	\$105,000.00	\$110,000.00	\$115,000.00	\$120,000.00	\$125,000.00	\$130,000.00	\$135,000.00
CLOSING COST AT 4%	\$ 4,200.00	\$ 4,400.00	\$ 4,600.00	\$ 4,800.00	\$ 5,000.00	\$ 5,200.00	\$ 5,400.00
TOTAL CASH REQUIRED	\$109,200.00	\$114,400.00	\$119,600.00	\$124,800.00	\$130,000.00	\$135,200.00	\$140,400.00
LESS							
CLOSING COST	\$ 4,200.00	\$ 4,400.00	\$ 4,600.00	\$ 4,800.00	\$ 5,000.00	\$ 5,200.00	\$ 5,400.00
DOWNPAYMENT (MINIMUM 3%) of Sales Price**	\$ 3,150.00	\$ 3,300.00	\$ 3,450.00	\$ 3,600.00	\$ 3,750.00	\$ 3,900.00	\$ 4,050.00
HOME - 2ND MORTGAGE	\$ 39,375.00	\$ 41,250.00	\$ 43,125.00	\$ 45,000.00	\$ 46,875.00	\$ 48,750.00	\$ 50,625.00
SHIP - 3RD MORTGAGE							
OTHER							
FIRST MORTGAGE REQUIRED**	\$ 62,475.00	\$ 65,450.00	\$ 68,425.00	\$ 71,400.00	\$ 74,375.00	\$ 77,350.00	\$ 80,325.00
LOAN TO VALUE (FIRST MORTGAGE)	60%	60%	60%	60%	60%	60%	60%
MONTHLY PAYMENT							
PRINCIPAL AND INTEREST	\$ 531.04	\$ 556.33	\$ 581.61	\$ 606.90	\$ 632.19	\$ 657.48	\$ 682.76
REAL ESTATE TAXES*	\$ 86.48	\$ 92.35	\$ 98.21	\$ 104.07	\$ 109.94	\$ 115.80	\$ 121.66
FLOOD INSURANCE	\$ 21.00	\$ 22.00	\$ 23.00	\$ 24.00	\$ 25.00	\$ 26.00	\$ 27.00
WINDSTORM INSURANCE	\$ 73.94	\$ 77.46	\$ 80.98	\$ 84.50	\$ 88.02	\$ 91.54	\$ 95.06
SMP INSURANCE	\$ 74.20	\$ 77.73	\$ 81.27	\$ 84.80	\$ 88.33	\$ 91.87	\$ 95.40
PMI							
ASSOCIATION FEE							
MONTHLY PAYMENT	\$ 786.66	\$ 825.86	\$ 865.07	\$ 904.27	\$ 943.48	\$ 982.68	\$ 1,021.89
PURCHASER ANNUAL INCOME***	\$ 28,319.73	\$ 29,731.11	\$ 31,142.49	\$ 32,553.87	\$ 33,965.25	\$ 35,376.63	\$ 36,788.01
PURCHASER HOURLY RATE	\$ 13.62	\$ 14.29	\$ 14.97	\$ 15.65	\$ 16.33	\$ 17.01	\$ 17.69
INCOME LIMITS BY FAMILY SIZE	1	2	3	4	5	6	7
LOW INCOME	\$ 25,300	\$ 28,950	\$ 32,550	\$ 36,150	\$ 39,050	\$ 41,950	\$ 44,850
MODERATE INCOME	\$ 37,920	\$ 43,440	\$ 48,840	\$ 54,240	\$ 58,560	\$ 62,880	\$ 67,200
*Assumes Homestead Exemption- \$25,000	**Assumes Fannie Mae 3/2		***Assumes 33% PITI to income underwriting ratio				
2							

**MONROE COUNTY/KEY WEST**  
**AFFORDABLE HOUSING - HOME OWNERSHIP**  
**MARKET FEASIBILITY ANALYSIS**  
**LCSFMRB - 7.75%/GRANT - 3.75%**

SALES PRICE	\$ 105,000.00	\$ 110,000.00	\$ 115,000.00	\$ 120,000.00	\$ 125,000.00	\$ 130,000.00	\$ 135,000.00
CLOSING COST AT 4%	\$ 4,200.00	\$ 4,400.00	\$ 4,600.00	\$ 4,800.00	\$ 5,000.00	\$ 5,200.00	\$ 5,400.00
<b>TOTAL CASH REQUIRED</b>	<b>\$ 109,200.00</b>	<b>\$ 114,400.00</b>	<b>\$ 119,600.00</b>	<b>\$ 124,800.00</b>	<b>\$ 130,000.00</b>	<b>\$ 135,200.00</b>	<b>\$ 140,400.00</b>
<b>LESS</b>							
CLOSING COST	\$ 4,200.00	\$ 4,400.00	\$ 4,600.00	\$ 4,800.00	\$ 5,000.00	\$ 5,200.00	\$ 5,400.00
DOWNPAYMENT (MINIMUM 3%) of Sales Price**	\$ 3,150.00	\$ 3,300.00	\$ 3,450.00	\$ 3,600.00	\$ 3,750.00	\$ 3,900.00	\$ 4,050.00
HOME - 2ND MORTGAGE							
SHIP - 3RD MORTGAGE							
OTHER	\$ 3,937.50	\$ 4,125.00	\$ 4,312.50	\$ 4,500.00	\$ 4,687.50	\$ 4,875.00	\$ 5,062.50
FIRST MORTGAGE REQUIRED**	\$ 97,912.50	\$ 102,575.00	\$ 107,237.50	\$ 111,900.00	\$ 116,562.50	\$ 121,225.00	\$ 125,887.50
LOAN TO VALUE (FIRST MORTGAGE)	93%	93%	93%	93%	93%	93%	93%
<b>MONTHLY PAYMENT</b>							
PRINCIPAL AND INTEREST	\$ 701.05	\$ 734.44	\$ 767.82	\$ 801.20	\$ 834.59	\$ 867.97	\$ 901.35
REAL ESTATE TAXES*	\$ 86.48	\$ 92.35	\$ 98.21	\$ 104.07	\$ 109.94	\$ 115.80	\$ 121.66
FLOOD INSURANCE	\$ 21.00	\$ 22.00	\$ 23.00	\$ 24.00	\$ 25.00	\$ 26.00	\$ 27.00
WINDSTORM INSURANCE	\$ 73.94	\$ 77.46	\$ 80.98	\$ 84.50	\$ 88.02	\$ 91.54	\$ 95.06
SMP INSURANCE	\$ 74.20	\$ 77.73	\$ 81.27	\$ 84.80	\$ 88.33	\$ 91.87	\$ 95.40
PMI	\$ 41.61	\$ 43.59	\$ 45.58	\$ 47.56	\$ 49.54	\$ 51.52	\$ 53.50
ASSOCIATION FEE							
MONTHLY PAYMENT	\$ 998.29	\$ 1,047.57	\$ 1,096.85	\$ 1,146.14	\$ 1,195.42	\$ 1,244.70	\$ 1,293.98
PURCHASER ANNUAL INCOME***	\$ 35,938.37	\$ 37,712.54	\$ 39,486.71	\$ 41,260.88	\$ 43,035.06	\$ 44,809.23	\$ 46,583.40
PURCHASER HOURLY RATE	\$ 17.28	\$ 18.13	\$ 18.98	\$ 19.84	\$ 20.69	\$ 21.54	\$ 22.40
<b>INCOME LIMITS BY FAMILY SIZE</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>
LOW INCOME	\$ 25,300	\$ 28,950	\$ 32,550	\$ 36,150	\$ 39,050	\$ 41,950	\$ 44,850
MODERATE INCOME	\$ 37,920	\$ 43,440	\$ 48,840	\$ 54,240	\$ 58,560	\$ 62,880	\$ 67,200
*Assumes Homestead Exemption- \$25,000	**Assumes Fannie Mae 3/2		***Assumes 33% PITI to income underwriting ratio				

MONROE COUNTY/KEY WEST							
AFFORDABLE HOUSING - HOME OWNERSHIP							
MARKET FEASIBILITY ANALYSIS							
LCSFMRB - 7.75%/HOME-25%/GRANT - 3.75%							
SALES PRICE	\$ 105,000.00	\$ 110,000.00	\$ 115,000.00	\$ 120,000.00	\$ 125,000.00	\$ 130,000.00	\$ 135,000.00
CLOSING COST AT 4%	\$ 4,200.00	\$ 4,400.00	\$ 4,600.00	\$ 4,800.00	\$ 5,000.00	\$ 5,200.00	\$ 5,400.00
<b>TOTAL CASH REQUIRED</b>	<b>\$ 109,200.00</b>	<b>\$ 114,400.00</b>	<b>\$ 119,600.00</b>	<b>\$ 124,800.00</b>	<b>\$ 130,000.00</b>	<b>\$ 135,200.00</b>	<b>\$ 140,400.00</b>
<b>LESS</b>							
CLOSING COST	\$ 4,200.00	\$ 4,400.00	\$ 4,600.00	\$ 4,800.00	\$ 5,000.00	\$ 5,200.00	\$ 5,400.00
DOWNPAYMENT (MINIMUM 3%) of Sales Price**	\$ 3,150.00	\$ 3,300.00	\$ 3,450.00	\$ 3,600.00	\$ 3,750.00	\$ 3,900.00	\$ 4,050.00
HOME - 2ND MORTGAGE	\$ 26,250.00	\$ 27,500.00	\$ 28,750.00	\$ 30,000.00	\$ 31,250.00	\$ 32,500.00	\$ 33,750.00
SHIP - 3RD MORTGAGE							
OTHER	\$ 3,937.50	\$ 4,125.00	\$ 4,312.50	\$ 4,500.00	\$ 4,687.50	\$ 4,875.00	\$ 5,062.50
FIRST MORTGAGE REQUIRED**	\$ 71,662.50	\$ 75,075.00	\$ 78,487.50	\$ 81,900.00	\$ 85,312.50	\$ 88,725.00	\$ 92,137.50
LOAN TO VALUE (FIRST MORTGAGE)	68%	68%	68%	68%	68%	68%	68%
<b>MONTHLY PAYMENT</b>							
PRINCIPAL AND INTEREST	\$ 513.10	\$ 537.54	\$ 561.97	\$ 586.40	\$ 610.84	\$ 635.27	\$ 659.70
REAL ESTATE TAXES*	\$ 86.48	\$ 92.35	\$ 98.21	\$ 104.07	\$ 109.94	\$ 115.80	\$ 121.66
FLOOD INSURANCE	\$ 21.00	\$ 22.00	\$ 23.00	\$ 24.00	\$ 25.00	\$ 26.00	\$ 27.00
WINDSTORM INSURANCE	\$ 73.94	\$ 77.46	\$ 80.98	\$ 84.50	\$ 88.02	\$ 91.54	\$ 95.06
SMP INSURANCE	\$ 74.20	\$ 77.73	\$ 81.27	\$ 84.80	\$ 88.33	\$ 91.87	\$ 95.40
PMI							
ASSOCIATION FEE							
MONTHLY PAYMENT	\$ 768.73	\$ 807.08	\$ 845.43	\$ 883.78	\$ 922.13	\$ 960.48	\$ 998.83
PURCHASER ANNUAL INCOME***	\$ 27,674.11	\$ 29,054.74	\$ 30,435.38	\$ 31,816.01	\$ 33,196.65	\$ 34,577.29	\$ 35,957.92
PURCHASER HOURLY RATE	\$ 13.30	\$ 13.97	\$ 14.63	\$ 15.30	\$ 15.96	\$ 16.62	\$ 17.29
<b>INCOME LIMITS BY FAMILY SIZE</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>
LOW INCOME	\$ 25,300	\$ 28,950	\$ 32,550	\$ 36,150	\$ 39,050	\$ 41,950	\$ 44,850
MODERATE INCOME	\$ 37,920	\$ 43,440	\$ 48,840	\$ 54,240	\$ 58,560	\$ 62,880	\$ 67,200
*Assumes Homestead Exemption- \$25,000	**Assumes Fannie Mae 3/2		***Assumes 33% PITI to income underwriting ratio				

**MONROE COUNTY/KEY WEST**  
**AFFORDABLE HOUSING - HOME OWNERSHIP**  
**MARKET FEASIBILITY ANALYSIS**  
**CONVENTIONAL - 8 1/2% / HOME - 25,000 / SHIP - 14,000**

SALES PRICE	\$ 105,000.00	\$ 110,000.00	\$ 115,000.00	\$ 120,000.00	\$ 125,000.00	\$ 130,000.00	\$ 135,000.00
CLOSING COST AT 4%	\$ 4,200.00	\$ 4,400.00	\$ 4,600.00	\$ 4,800.00	\$ 5,000.00	\$ 5,200.00	\$ 5,400.00
<b>TOTAL CASH REQUIRED</b>	<b>\$ 109,200.00</b>	<b>\$ 114,400.00</b>	<b>\$ 119,600.00</b>	<b>\$ 124,800.00</b>	<b>\$ 130,000.00</b>	<b>\$ 135,200.00</b>	<b>\$ 140,400.00</b>
<b>LESS</b>							
CLOSING COST	\$ 4,200.00	\$ 4,400.00	\$ 4,600.00	\$ 4,800.00	\$ 5,000.00	\$ 5,200.00	\$ 5,400.00
DOWNPAYMENT (MINIMUM 3%) of Sales Price**	\$ 3,150.00	\$ 3,300.00	\$ 3,450.00	\$ 3,600.00	\$ 3,750.00	\$ 3,900.00	\$ 4,050.00
HOME - 2ND MORTGAGE	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00
SHIP - 3RD MORTGAGE	\$ 14,000.00	\$ 14,000.00	\$ 14,000.00	\$ 14,000.00	\$ 14,000.00	\$ 14,000.00	\$ 14,000.00
OTHER							
FIRST MORTGAGE REQUIRED**	\$ 62,850.00	\$ 67,700.00	\$ 72,550.00	\$ 77,400.00	\$ 82,250.00	\$ 87,100.00	\$ 91,950.00
LOAN TO VALUE (FIRST MORTGAGE)	60%	62%	63%	65%	66%	67%	68%
<b>MONTHLY PAYMENT</b>							
PRINCIPAL AND INTEREST	\$ 483.32	\$ 520.61	\$ 557.91	\$ 595.21	\$ 632.50	\$ 669.80	\$ 707.10
REAL ESTATE TAXES*	\$ 86.48	\$ 92.35	\$ 98.21	\$ 104.07	\$ 109.94	\$ 115.80	\$ 121.66
FLOOD INSURANCE	\$ 21.00	\$ 22.00	\$ 23.00	\$ 24.00	\$ 25.00	\$ 26.00	\$ 27.00
WINDSTORM INSURANCE	\$ 73.94	\$ 77.46	\$ 80.98	\$ 84.50	\$ 88.02	\$ 91.54	\$ 95.06
SMP INSURANCE	\$ 74.20	\$ 77.73	\$ 81.27	\$ 84.80	\$ 88.33	\$ 91.87	\$ 95.40
PMI							
ASSOCIATION FEE							
MONTHLY PAYMENT	\$ 738.94	\$ 790.15	\$ 841.37	\$ 892.58	\$ 943.79	\$ 995.01	\$ 1,046.22
PURCHASER ANNUAL INCOME***	\$ 26,601.77	\$ 28,445.48	\$ 30,289.18	\$ 32,132.89	\$ 33,976.59	\$ 35,820.29	\$ 37,664.00
PURCHASER HOURLY RATE	\$ 12.79	\$ 13.68	\$ 14.56	\$ 15.45	\$ 16.33	\$ 17.22	\$ 18.11
<b>INCOME LIMITS BY FAMILY SIZE</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>
LOW INCOME	\$ 25,300	\$ 28,950	\$ 32,550	\$ 36,150	\$ 39,050	\$ 41,950	\$ 44,850
MODERATE INCOME	\$ 37,920	\$ 43,440	\$ 48,840	\$ 54,240	\$ 58,560	\$ 62,880	\$ 67,200
*Assumes Homestead Exemption- \$25,000	**Assumes Fannie Mae 3/2		***Assumes 33% PITI to income underwriting ratio				

**MONROE COUNTY/KEY WEST**  
**AFFORDABLE HOUSING - HOME OWNERSHIP**  
**MARKET FEASIBILITY ANALYSIS**  
**SFMRB - 7.25%/HOME - 15,000/SHIP 14,000**

SALES PRICE	\$ 105,000.00	\$110,000.00	\$115,000.00	\$120,000.00	\$125,000.00	\$130,000.00	\$135,000.00
CLOSING COST AT 4%	\$ 4,200.00	\$ 4,400.00	\$ 4,600.00	\$ 4,800.00	\$ 5,000.00	\$ 5,200.00	\$ 5,400.00
<b>TOTAL CASH REQUIRED</b>	<b>\$ 109,200.00</b>	<b>\$114,400.00</b>	<b>\$119,600.00</b>	<b>\$124,800.00</b>	<b>\$130,000.00</b>	<b>\$135,200.00</b>	<b>\$140,400.00</b>
<b>LESS</b>							
CLOSING COST	\$ 4,200.00	\$ 4,400.00	\$ 4,600.00	\$ 4,800.00	\$ 5,000.00	\$ 5,200.00	\$ 5,400.00
DOWNPAYMENT (MINIMUM 3%) of Sales Price**	\$ 3,150.00	\$ 3,300.00	\$ 3,450.00	\$ 3,600.00	\$ 3,750.00	\$ 3,900.00	\$ 4,050.00
HOME - 2ND MORTGAGE	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00
SHIP - 3RD MORTGAGE	\$ 14,000.00	\$ 14,000.00	\$ 14,000.00	\$ 14,000.00	\$ 14,000.00	\$ 14,000.00	\$ 14,000.00
OTHER							
FIRST MORTGAGE REQUIRED**	\$ 72,850.00	\$ 77,700.00	\$ 82,550.00	\$ 87,400.00	\$ 92,250.00	\$ 97,100.00	\$101,950.00
LOAN TO VALUE (FIRST MORTGAGE)	69%	71%	72%	73%	74%	75%	76%
<b>MONTHLY PAYMENT</b>							
PRINCIPAL AND INTEREST	\$ 497.57	\$ 530.69	\$ 563.82	\$ 596.94	\$ 630.07	\$ 663.19	\$ 696.32
REAL ESTATE TAXES*	\$ 86.48	\$ 92.35	\$ 98.21	\$ 104.07	\$ 109.94	\$ 115.80	\$ 121.66
FLOOD INSURANCE	\$ 21.00	\$ 22.00	\$ 23.00	\$ 24.00	\$ 25.00	\$ 26.00	\$ 27.00
WINDSTORM INSURANCE	\$ 73.94	\$ 77.46	\$ 80.98	\$ 84.50	\$ 88.02	\$ 91.54	\$ 95.06
SMP INSURANCE	\$ 74.20	\$ 77.73	\$ 81.27	\$ 84.80	\$ 88.33	\$ 91.87	\$ 95.40
PMI							
ASSOCIATION FEE							
<b>MONTHLY PAYMENT</b>	<b>\$ 753.19</b>	<b>\$ 800.23</b>	<b>\$ 847.27</b>	<b>\$ 894.32</b>	<b>\$ 941.36</b>	<b>\$ 988.40</b>	<b>\$ 1,035.45</b>
<b>PURCHASER ANNUAL INCOME***</b>	<b>\$ 27,114.74</b>	<b>\$ 28,808.29</b>	<b>\$ 30,501.83</b>	<b>\$ 32,195.38</b>	<b>\$ 33,888.93</b>	<b>\$ 35,582.48</b>	<b>\$ 37,276.03</b>
<b>PURCHASER HOURLY RATE</b>	<b>\$ 13.04</b>	<b>\$ 13.85</b>	<b>\$ 14.66</b>	<b>\$ 15.48</b>	<b>\$ 16.29</b>	<b>\$ 17.11</b>	<b>\$ 17.92</b>
<b>INCOME LIMITS BY FAMILY SIZE</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>
LOW INCOME	\$ 25,300	\$ 28,950	\$ 32,550	\$ 36,150	\$ 39,050	\$ 41,950	\$ 44,850
MODERATE INCOME	\$ 37,920	\$ 43,440	\$ 48,840	\$ 54,240	\$ 58,560	\$ 62,880	\$ 67,200
*Assumes Homestead Exemption- \$25,000	**Assumes Fannie Mae 3/2		***Assumes 33% PITI to income underwriting ratio				

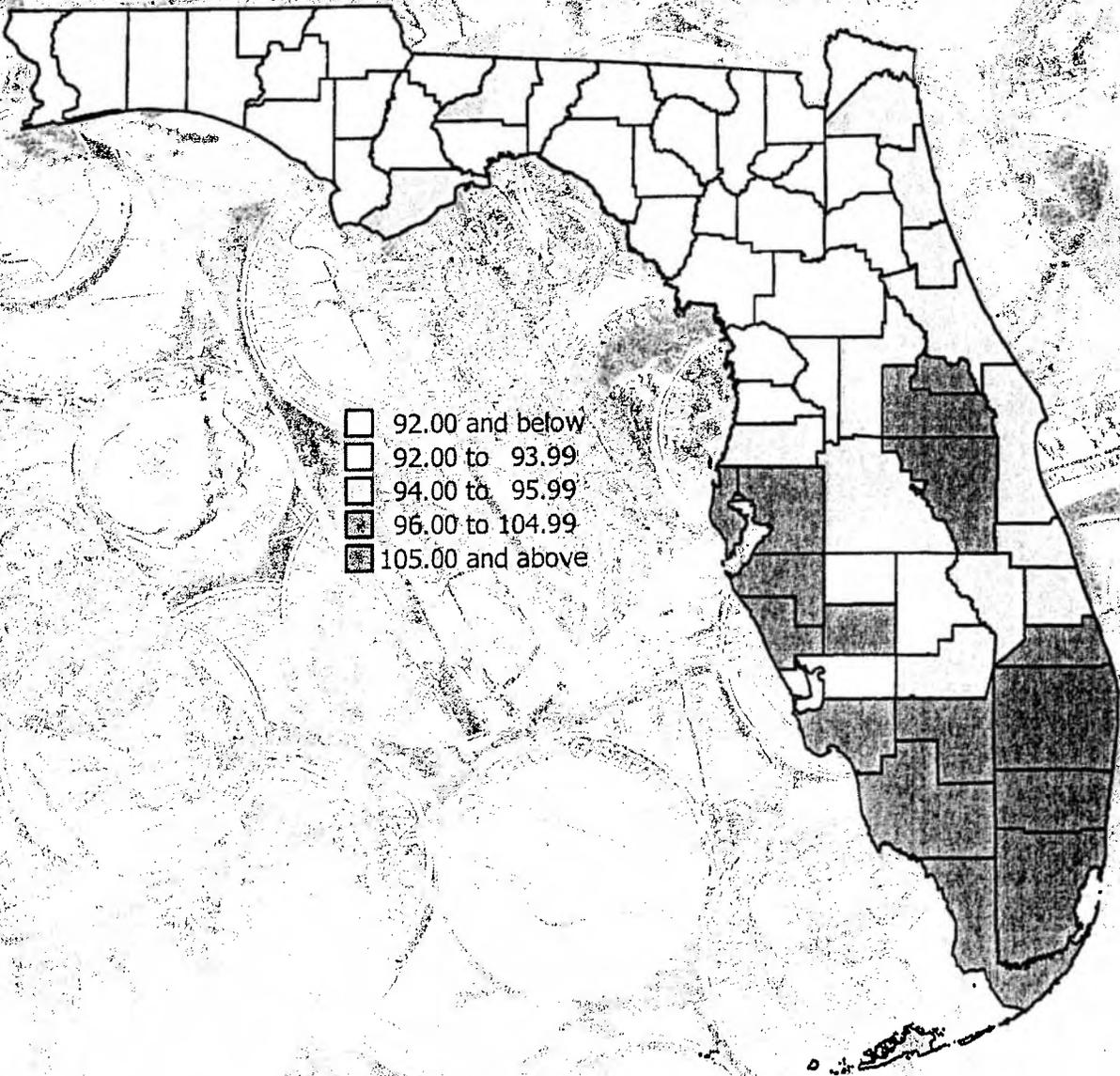
**MONROE COUNTY/KEY WEST**  
**AFFORDABLE HOUSING - HOME OWNERSHIP**  
**MARKET FEASIBILITY ANALYSIS**  
**SFMRB - 7.25%/HOME - 15,000**

SALES PRICE	\$ 105,000.00	\$ 110,000.00	\$ 115,000.00	\$ 120,000.00	\$ 125,000.00	\$ 130,000.00	\$ 135,000.00
CLOSING COST AT 4%	\$ 4,200.00	\$ 4,400.00	\$ 4,600.00	\$ 4,800.00	\$ 5,000.00	\$ 5,200.00	\$ 5,400.00
<b>TOTAL CASH REQUIRED</b>	<b>\$ 109,200.00</b>	<b>\$ 114,400.00</b>	<b>\$ 119,600.00</b>	<b>\$ 124,800.00</b>	<b>\$ 130,000.00</b>	<b>\$ 135,200.00</b>	<b>\$ 140,400.00</b>
<b>LESS</b>							
CLOSING COST	\$ 4,200.00	\$ 4,400.00	\$ 4,600.00	\$ 4,800.00	\$ 5,000.00	\$ 5,200.00	\$ 5,400.00
DOWNPAYMENT (MINIMUM 3%) of Sales Price**	\$ 3,150.00	\$ 3,300.00	\$ 3,450.00	\$ 3,600.00	\$ 3,750.00	\$ 3,900.00	\$ 4,050.00
HOME - 2ND MORTGAGE	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00
SHIP - 3RD MORTGAGE							
OTHER							
FIRST MORTGAGE REQUIRED**	\$ 86,850.00	\$ 91,700.00	\$ 96,550.00	\$ 101,400.00	\$ 106,250.00	\$ 111,100.00	\$ 115,950.00
LOAN TO VALUE (FIRST MORTGAGE)	83%	83%	84%	85%	85%	85%	86%
<b>MONTHLY PAYMENT</b>							
PRINCIPAL AND INTEREST	\$ 593.19	\$ 626.31	\$ 659.44	\$ 692.56	\$ 725.69	\$ 758.81	\$ 791.94
REAL ESTATE TAXES*	\$ 86.48	\$ 92.35	\$ 98.21	\$ 104.07	\$ 109.94	\$ 115.80	\$ 121.66
FLOOD INSURANCE	\$ 21.00	\$ 22.00	\$ 23.00	\$ 24.00	\$ 25.00	\$ 26.00	\$ 27.00
WINDSTORM INSURANCE	\$ 73.94	\$ 77.46	\$ 80.98	\$ 84.50	\$ 88.02	\$ 91.54	\$ 95.06
SMP INSURANCE	\$ 74.20	\$ 77.73	\$ 81.27	\$ 84.80	\$ 88.33	\$ 91.87	\$ 95.40
PMI	\$ 36.91	\$ 38.97	\$ 41.03	\$ 43.10	\$ 45.16	\$ 47.22	\$ 49.28
ASSOCIATION FEE							
<b>MONTHLY PAYMENT</b>	<b>\$ 885.72</b>	<b>\$ 934.82</b>	<b>\$ 983.93</b>	<b>\$ 1,033.03</b>	<b>\$ 1,082.14</b>	<b>\$ 1,131.24</b>	<b>\$ 1,180.34</b>
<b>PURCHASER ANNUAL INCOME***</b>	<b>\$ 31,885.86</b>	<b>\$ 33,653.62</b>	<b>\$ 35,421.37</b>	<b>\$ 37,189.12</b>	<b>\$ 38,956.88</b>	<b>\$ 40,724.63</b>	<b>\$ 42,492.38</b>
<b>PURCHASER HOURLY RATE</b>	<b>\$ 15.33</b>	<b>\$ 16.18</b>	<b>\$ 17.03</b>	<b>\$ 17.88</b>	<b>\$ 18.73</b>	<b>\$ 19.58</b>	<b>\$ 20.43</b>
<b>INCOME LIMITS BY FAMILY SIZE</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>
LOW INCOME	\$ 25,300	\$ 28,950	\$ 32,550	\$ 36,150	\$ 39,050	\$ 41,950	\$ 44,850
MODERATE INCOME	\$ 37,920	\$ 43,440	\$ 48,840	\$ 54,240	\$ 58,560	\$ 62,880	\$ 67,200
*Assumes Homestead Exemption- \$25,000	**Assumes Fannie Mae 3/2		***Assumes 33% PITI to income underwriting ratio				

**MONROE COUNTY/KEY WEST**  
**AFFORDABLE HOUSING - HOME OWNERSHIP**  
**MARKET FEASIBILITY ANALYSIS**  
**CONVENTIONAL - 8 1/2% / HOME - 25%**

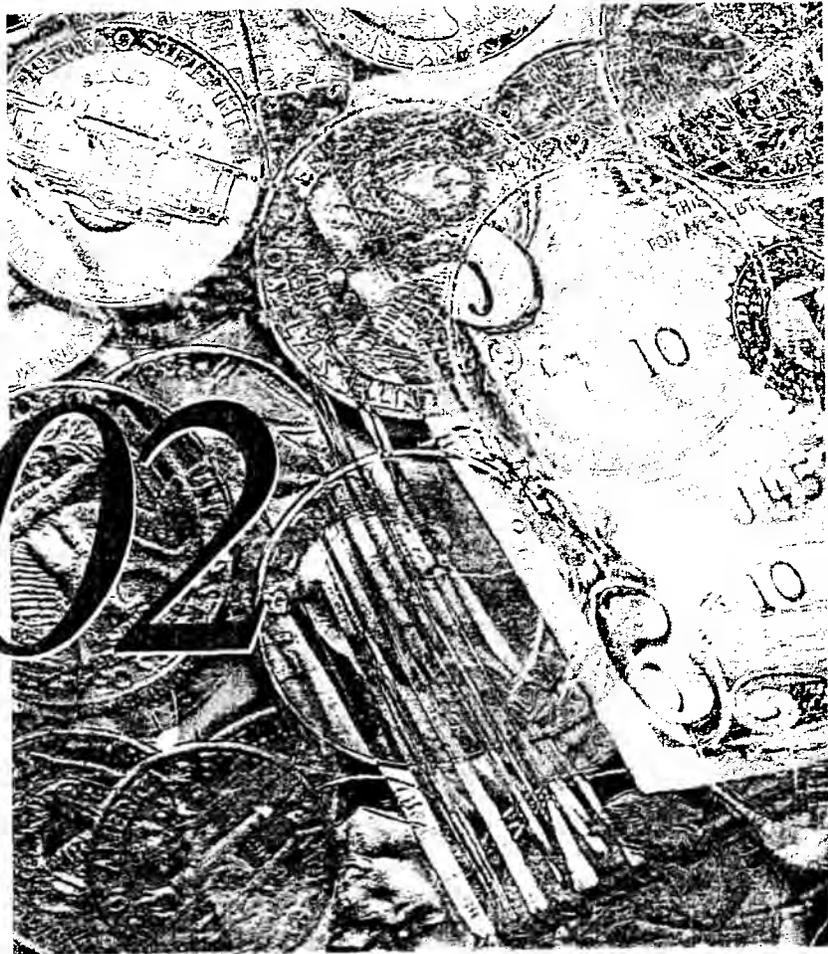
SALES PRICE	\$ 105,000.00	\$110,000.00	\$115,000.00	\$120,000.00	\$125,000.00	\$130,000.00	\$135,000.00
CLOSING COST AT 4%	\$ 4,200.00	\$ 4,400.00	\$ 4,600.00	\$ 4,800.00	\$ 5,000.00	\$ 5,200.00	\$ 5,400.00
<b>TOTAL CASH REQUIRED</b>	<b>\$ 109,200.00</b>	<b>\$114,400.00</b>	<b>\$119,600.00</b>	<b>\$124,800.00</b>	<b>\$130,000.00</b>	<b>\$135,200.00</b>	<b>\$140,400.00</b>
<b>LESS</b>							
CLOSING COST	\$ 4,200.00	\$ 4,400.00	\$ 4,600.00	\$ 4,800.00	\$ 5,000.00	\$ 5,200.00	\$ 5,400.00
DOWNPAYMENT (MINIMUM 3%) of Sales Price**	\$ 3,150.00	\$ 3,300.00	\$ 3,450.00	\$ 3,600.00	\$ 3,750.00	\$ 3,900.00	\$ 4,050.00
HOME - 2ND MORTGAGE	\$ 26,250.00	\$ 27,500.00	\$ 28,750.00	\$ 30,000.00	\$ 31,250.00	\$ 32,500.00	\$ 33,750.00
SHIP - 3RD MORTGAGE							
OTHER							
FIRST MORTGAGE REQUIRED**	\$ 75,600.00	\$ 79,200.00	\$ 82,800.00	\$ 86,400.00	\$ 90,000.00	\$ 93,600.00	\$ 97,200.00
LOAN TO VALUE (FIRST MORTGAGE)	72%	72%	72%	72%	72%	72%	72%
<b>MONTHLY PAYMENT</b>							
PRINCIPAL AND INTEREST	\$ 581.36	\$ 609.05	\$ 636.73	\$ 664.42	\$ 692.10	\$ 719.78	\$ 747.47
REAL ESTATE TAXES*	\$ 86.48	\$ 92.35	\$ 98.21	\$ 104.07	\$ 109.94	\$ 115.80	\$ 121.66
FLOOD INSURANCE	\$ 21.00	\$ 22.00	\$ 23.00	\$ 24.00	\$ 25.00	\$ 26.00	\$ 27.00
WINDSTORM INSURANCE	\$ 73.94	\$ 77.46	\$ 80.98	\$ 84.50	\$ 88.02	\$ 91.54	\$ 95.06
SMP INSURANCE	\$ 74.20	\$ 77.73	\$ 81.27	\$ 84.80	\$ 88.33	\$ 91.87	\$ 95.40
PMI							
ASSOCIATION FEE							
<b>MONTHLY PAYMENT</b>	<b>\$ 836.99</b>	<b>\$ 878.59</b>	<b>\$ 920.19</b>	<b>\$ 961.79</b>	<b>\$ 1,003.39</b>	<b>\$ 1,044.99</b>	<b>\$ 1,086.59</b>
<b>PURCHASER ANNUAL INCOME***</b>	<b>\$ 30,131.48</b>	<b>\$ 31,629.14</b>	<b>\$ 33,126.79</b>	<b>\$ 34,624.45</b>	<b>\$ 36,122.10</b>	<b>\$ 37,619.75</b>	<b>\$ 39,117.41</b>
<b>PURCHASER HOURLY RATE</b>	<b>\$ 14.49</b>	<b>\$ 15.21</b>	<b>\$ 15.93</b>	<b>\$ 16.65</b>	<b>\$ 17.37</b>	<b>\$ 18.09</b>	<b>\$ 18.81</b>
<b>INCOME LIMITS BY FAMILY SIZE</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>
LOW INCOME	\$ 25,300	\$ 28,950	\$ 32,550	\$ 36,150	\$ 39,050	\$ 41,950	\$ 44,850
MODERATE INCOME	\$ 37,920	\$ 43,440	\$ 48,840	\$ 54,240	\$ 58,560	\$ 62,880	\$ 67,200
*Assumes Homestead Exemption- \$25,000	**Assumes Fannie Mae 3/2		***Assumes 33% PITI to income underwriting ratio				

# 2002 Florida Price Level Index



- 92.00 and below
- 92.00 to 93.99
- 94.00 to 95.99
- 96.00 to 104.99
- 105.00 and above

# 2002



The Florida Price Level Index (FPLI) was established by the Legislature as the basis for the District Cost Differential in the Florida Education Finance Program (FEFP) formula for distribution of funds to local school districts. The purpose of the FPLI is to measure the differences from county to county in the cost of purchasing a specific market basket of goods and services at a particular point in time (August 2002).

Price level indices generally measure price levels. The FPLI measures relative price levels across counties at a particular point in time; it is a cross-sectional index. Unlike the Consumer Price Index, it does not measure inflation from year to year.

## The 2002 Results

The map on the cover gives a visual representation of the county index shown in Table I (page 3). The index is constructed so that the population-weighted average is 100. Hillsborough, which closely matches the state average in most demographic characteristics, is right at the state average price level as well, with an index value of 99.53. The highest index values are in the southern, more

populous part of the state. This is to be expected, since land within easy reach of employment and shopping centers becomes very scarce, and thus very expensive, when population pressures reach such high levels. While the on-going housing market boom has put upward pressure on housing prices throughout the state, undeveloped accessible land provides relief from this pressure in most counties. Areas where this relief valve is blocked, by high population or more direct restrictions on developable land, have experienced faster increases in the cost of living than the rest of the state.

This may be seen in the four counties that have an index above 105.00. They are Broward, Miami-Dade, Monroe, and Palm Beach. These four counties represent 31.5 percent of the state population but only 11.4 percent

of the total land mass. Further, over 2.4 million acres of the land in these counties are National Park land, and therefore not available for development. Compare this to the northern portion of the state that had the lowest index values. All 25 counties with index values below 92.00, together comprising only 7 percent of the total state population but 30 percent of the total state landmass, are north of Tampa. This trend has caused the distribution of the index to become slightly asymmetric. While the "average" Floridian experiences a cost of living of 100, the cost of living experienced by the "median" Floridian is 97.38. In Florida, 38.7 percent of the population resides in counties in which the FPLI is above 100, 40.6 percent of the population resides in counties in which the FPLI is between 95 and 100, and 20.7 percent

**TABLE I**  
**2002 FLORIDA PRICE LEVEL INDEX**

COUNTY	INDEX	RANK	COUNTY	INDEX	RANK
Alachua	93.61	33	Lake	94.64	29
Baker	91.79	45	Lee	97.38	10
Bay	91.83	44	Leon	95.56	21
Bradford	91.63	49	Levy	91.69	48
Brevard	95.39	24	Liberty	91.60	51
Broward	107.96	3	Madison	91.51	52
Calhoun	88.34	66	Manatee	97.31	11
Charlotte	93.50	34	Marion	93.14	36
Citrus	90.90	56	Martin	98.60	9
Clay	92.86	37	Monroe	113.56	1
Collier	103.10	5	Nassau	93.30	35
Columbia	89.38	62	Okaloosa	92.64	40
Miami-Dade	109.24	2	Okeechobee	95.53	22
DeSoto	96.03	16	Orange	96.71	13
Dixie	91.44	53	Osceola	96.09	15
Duval	95.29	25	Palm Beach	106.95	4
Escambia	92.24	42	Pasco	95.51	23
Flagler	94.50	30	Pinellas	101.95	6
Franklin	95.01	27	Polk	94.85	28
Gadsden	91.97	43	Putnam	90.67	57
Gilchrist	90.26	61	St. Johns	95.76	18
Glades	95.83	17	St. Lucie	95.72	19
Gulf	91.61	50	Santa Rosa	91.21	55
Hamilton	88.32	67	Sarasota	99.60	7
Hardee	92.41	41	Seminole	96.52	14
Hendry	97.16	12	Sumter	91.72	47
Hernando	91.74	46	Suwannee	91.23	54
Highlands	92.84	38	Taylor	92.75	39
Hillsborough	99.53	8	Union	90.55	58
Holmes	89.10	65	Volusia	95.06	26
Indian River	95.61	20	Wakulla	93.85	31
Jackson	89.30	63	Walton	90.49	60
Jefferson	93.71	32	Washington	89.19	64
Lafayette	90.53	59			

of the population resides in counties in which the FPLI is below 95.

Table II (page 6) lists the index value for each county by year from 1997 to the current 2002 value. Relative rankings are given in parentheses next to the index number for each year. The rankings can be somewhat misleading, at least for the counties grouped near the middle or lower

range. There, modest changes in the index value from year to year can produce large changes in a county's relative ranking. This year Monroe County has the highest rank, with an index of 113.56, meaning that the cost of living in Monroe County is 13.56 percent above the state average. Hamilton County had the lowest index value of 88.32, indicating that its

cost of living was 11.68 percent below the statewide average of 100.00.

Each item priced for the FPLI is placed in one of five major categories: food, health care, housing, other goods and services, and transportation. The pie chart on page 4 shows that approximately 18 cents of the typical consumer dollar was spent on food, 38 cents on housing and related items, 20 cents on transportation, 7 cents on health care, and 18 cents on other goods and services. Item weights are provided by the U.S. Bureau of Labor Statistics in Washington, DC. The category indices for the five-item groupings presented in Table III (page 8) are relative to a population-weighted state average of 100.00, and illustrate which categories of prices in a county are above or below the state average. For example, the cost of food in Alachua County is estimated to be 1.11 percent higher than the statewide average, but housing is estimated to cost 12.86 percent less. Comparisons across counties are also possible within each category. For example, Alachua's health care index is 86.90, while Broward's is 109.44, which means that items in the health care category tend to be more expensive in Broward County than in Alachua County.

### Cost of Living Survey Description

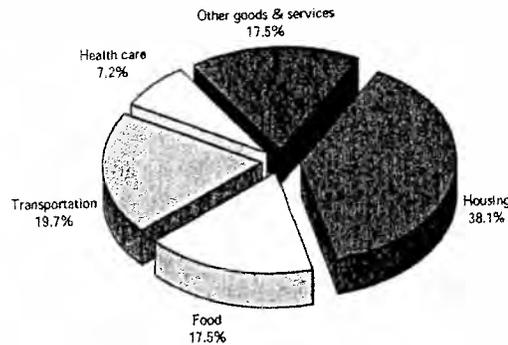
The items in the market basket of goods are chosen to represent the expenditure categories used by the U.S. Bureau of Labor Statistics (US BLS) to weight an item's relative importance in the Consumer Price Index (CPI). The items selected are used by most households, widely available for purchase, and vary little in quality from county to county. To increase the accuracy of the index, items are more likely to be selected if their prices vary strongly from county to county, but that does not imply that such items are weighted more heavily.

Some of the prices in the five major FPLI categories are obtained through data available from state agencies. Other prices are gathered from a telephone survey of retail outlets and service providers covering all 67 counties. The survey requires the cooperation of the merchants, who are told the purpose of the call. A very high proportion of the merchants were gracious enough to participate. The information collected is held in strict confidence.

The retail outlets included in the phone survey are chosen using a random selection technique that selects stores offering similar ambience and shopping convenience across counties. The goal is to assure that items are similar and that types of stores are similar. This is accomplished partly by selecting stores and providers belonging to chains that maintain similar qualities of service and shopping experiences in all their outlets. The survey avoids, for example, comparing the cost of lunch at a fancy restaurant in one county to the cost at a fast-food provider in another. Consistency across counties is the guiding principle.

Housing prices for each county are computed with the help of the Department of Revenue's Ad Valorem Tax Division. Since 1997 economists at the University of Florida have used Department of Revenue Ad Valorem tax data to produce relative county residential land prices. Data on construction wages from the U.S. Bureau of Labor Statistics and the Florida Department of Labor and Employment Security, together with a construction materials cost index available for Florida's 20 Metropolitan Statistical Areas from R. S. Means Company, Inc., are used to create an index of the cost of building a specified standard house. This is combined with the residential land price information to obtain the combined price of land and

**FIGURE 1: COMPOSITION OF CONSUMER EXPENDITURES**



structure. This is then combined with data on insurance rates, property taxes, interest rates, and house price appreciation to construct an index of homeownership costs.

Apartment rent prices are estimated using a sample of 2002 apartment complexes gathered from the Internet and providing information about several thousand types of units. The information is analyzed using methods similar to those employed by the U.S. Bureau of the Census to estimate standardized prices for goods with varying features. The method adjusts prices across counties for the sizes and amenities of apartment units and for such apartment complex features as fitness centers, swimming pools, and covered parking.

Health professional costs for dentists and optometrists are surveyed by phone to obtain charges for specific services they perform. County-level information on other health-related costs is obtained from the U.S. Health Care Financing Administration. In addition to health insurance data gathered from the web, health and automobile insurance costs are obtained from the Florida Insurance Commissioner's Office. Again, all information is held in strict confidence.

### Computation of Index Value

For most items priced in retail outlets, prices are obtained at a minimum

of three outlets per county. If no price can be obtained in a county, the average price of the item in contiguous counties, weighted by population, is used instead. A telephone survey of households designed to estimate inter-county buying patterns confirmed the accuracy of this method. The usual pattern is that outlying rural counties are assigned item prices from larger adjoining counties.

For many items in the index, no prices are gathered. Postage rates, for example, do not vary

from county to county, but postage accounts for a certain percentage of consumer spending and is assigned a weight by the Bureau of Labor Statistics. In the index, this is treated as a dummy item, and the price is constant from county to county. Other items treated as constants throughout the state are hotel-motel rates, auto registration fees, operators' permits, long-distance phone service, and intercity travel cost.

For many other items, prices may actually vary slightly from county to county, but statistical analysis has determined the "true" variation, the variation that we would measure if a price were available for every transaction at every outlet over the course of a year, is substantially less than the measured variation found by sampling. For such items, survey sampling does more to introduce measurement noise across counties than to reveal genuine differences in the overall price level. Such items are treated as constants throughout the state, which reduces the cost of calculating the index while improving its accuracy.

Once average prices have been computed for each item in each county, state average prices for each item are calculated by weighting each county's average prices by its population and summing across all counties. This population-weighted state average represents the price the "typi-

cal" resident of the state would expect to pay. To produce each county's index, the county average prices are divided by the population-weighted state average prices to produce relative prices. For example, the statewide average price of a man's haircut was \$12.70, while the average price in Monroe County was \$19. Thus, the relative price of a man's haircut in Monroe is 1.4963.

Each relative price is then weighted by the appropriate item weight, listed in Table IV (page 10). The weighted relative prices are added together for each county and the resulting totals are then multiplied by 100. This produces an index value for each county such that the population-weighted statewide average of the county indexes is 100.00. The weights represent the fraction of the "typical" consumer's budget spent on the item. The weights are created by beginning with the CPI weights for Tampa, provided by the US BLS, and modifying them slightly to account for the fact that we are measuring variation across counties in a given year, rather than variation across years within a given county. As an example, the weight for apartment rent is 7.22 percent, thus 7.22 percent of the index is determined by the rent price collected. The item weights for the 27 prices measured sum to 58.2 percent. The remaining 41.8 percent represents items whose prices do not exhibit significant systematic variation across counties and whose relative prices are therefore set equal to 1.00.

The index value for any one county can vary from year to year for several reasons. Changes in prices in that county are one reason. Of equal or more importance are changes in prices throughout the state, against which that county is compared. Most prices in a county may increase from one year to the next, but if on average the increases are less than statewide price increases, the county's relative index will fall from the previous year.

Changes in a county's index can also occur due to minor statistical fluctuations in sampled prices over time. The cost of sampling prices of all items in all outlets over the entire year would be prohibitive, and any method of random sampling results in irreducible statistical noise. Though methodological improvements have been introduced to reduce both the cost and the noise, a small amount of purely statistical variation is unavoidable.

Since 1995 the Florida Legislature has annually earmarked funds for studying the Florida Price Level Index methodology. Dr. David Denslow and Dr. Jim Dewey, University of Florida, coordinate the study of the economic assumptions and procedures used to create the FPLI. Recommended methodological changes have been incorporated where appropriate.

The initial substantial modification to the index's methodology occurred in 1996. Chain stores, such as Wal-Mart and Sears, were more heavily sampled for the first time. Associated with this improvement was increased item specification detail. These changes to the sampling methodology were incorporated to decrease the potential variance in item attributes. Other methodological improvements were made to the land value calculation (1997), the apartment rent item (1998), the reduction of sampling noise and survey costs (2000), the accuracy and appropriateness of item weights (2000 and 2001), and the homeownership cost calculation (2001).

### Summary

The results of the 2002 Florida Cost of Living Study have been presented, along with an explanation of the methodology used to compute the Florida Price Level Index. Note that this is a cross-sectional study that compares the price levels among Florida's 67 counties. It is not de-

signed to measure price inflation from one year to the next.

This report can be found on the Internet at: <http://www.firn.edu/doe/bin00047>.



**TABLE II**  
**FLORIDA PRICE LEVEL INDEX: 1997 TO 2002**  
(POPULATION-WEIGHTED STATE AVERAGE = 100.00)

COUNTY	2002	2001	2000	1999	1998	1997
Alachua	93.61 (33)	95.29 (32)	94.04 (36)	94.24 (30)	95.19 (27)	95.72 (26)
Baker	91.79 (45)	93.05 (52)	92.54 (55)	90.78 (55)	92.17 (51)	92.06 (59)
Bay	91.83 (44)	93.85 (40)	93.52 (41)	95.03 (23)	94.29 (37)	95.39 (30)
Bradford	91.63 (49)	93.54 (49)	93.70 (39)	90.45 (58)	91.80 (57)	91.33 (65)
Brevard	95.39 (24)	96.41 (19)	96.92 (17)	97.60 (13)	97.92 (14)	97.65 (16)
Broward	107.96 (3)	105.75 (4)	106.45 (3)	106.91 (2)	105.80 (3)	103.42 (4)
Calhoun	88.34 (66)	92.24 (60)	91.52 (60)	87.81 (66)	89.90 (65)	89.71 (66)
Charlotte	93.50 (34)	95.37 (30)	95.94 (24)	94.31 (29)	96.52 (20)	97.74 (15)
Citrus	90.90 (56)	92.15 (61)	92.75 (52)	90.59 (57)	92.19 (49)	92.66 (52)
Clay	92.86 (37)	95.26 (33)	94.61 (30)	95.01 (24)	96.01 (22)	96.82 (20)
Collier	103.10 (5)	101.43 (6)	101.77 (5)	100.09 (8)	100.99 (7)	102.25 (5)
Columbia	89.38 (62)	92.29 (59)	91.58 (59)	91.21 (51)	91.63 (59)	92.26 (58)
Miami-Dade	109.24 (2)	107.10 (2)	106.42 (4)	106.84 (3)	106.28 (2)	107.23 (2)
DeSoto	96.03 (16)	94.84 (36)	94.04 (36)	91.53 (49)	93.16 (41)	91.65 (64)
Dixie	91.44 (53)	92.68 (54)	92.71 (53)	91.26 (50)	92.18 (50)	92.37 (57)
Duval	95.29 (25)	96.88 (16)	97.04 (15)	97.01 (14)	97.28 (18)	97.98 (14)
Escambia	92.24 (42)	93.57 (48)	93.22 (45)	93.84 (36)	93.16 (41)	94.86 (34)
Flagler	94.50 (30)	96.65 (18)	96.38 (20)	94.17 (32)	94.85 (31)	96.25 (23)
Franklin	95.01 (27)	96.10 (21)	95.02 (29)	95.57 (21)	94.31 (36)	95.52 (29)
Gadsden	91.97 (43)	94.40 (38)	93.54 (40)	91.73 (46)	93.07 (44)	92.72 (49)
Gilchrist	90.26 (61)	92.48 (56)	91.22 (63)	90.88 (54)	92.02 (52)	93.23 (43)
Glades	95.83 (17)	96.73 (17)	96.03 (23)	94.11 (33)	95.66 (23)	95.63 (28)
Gulf	91.61 (50)	93.73 (43)	92.15 (57)	91.70 (48)	91.98 (55)	93.21 (45)
Hamilton	88.32 (67)	90.83 (66)	91.50 (61)	89.59 (62)	91.96 (56)	93.55 (40)
Hardee	92.41 (41)	93.83 (41)	93.78 (38)	90.62 (56)	92.01 (53)	91.93 (60)
Hendry	97.16 (12)	97.44 (12)	96.79 (18)	94.22 (31)	94.46 (35)	93.92 (36)
Hernando	91.74 (46)	92.53 (55)	92.93 (49)	91.71 (47)	93.26 (40)	95.04 (32)
Highlands	92.84 (38)	93.69 (45)	94.08 (35)	93.22 (38)	94.51 (33)	93.67 (38)
Hillsborough	99.53 (8)	99.86 (8)	100.32 (7)	100.48 (7)	100.86 (8)	99.21 (12)
Holmes	89.10 (65)	92.36 (58)	93.23 (44)	90.17 (60)	92.72 (45)	91.86 (61)
Indian River	95.61 (20)	96.09 (22)	97.18 (13)	96.64 (15)	97.64 (16)	100.05 (11)
Jackson	89.30 (63)	90.23 (67)	90.95 (65)	87.80 (67)	90.55 (63)	91.76 (62)
Jefferson	93.71 (32)	95.30 (31)	95.19 (27)	93.85 (35)	94.26 (38)	94.99 (33)
Lafayette	90.53 (59)	91.15 (65)	91.22 (63)	90.99 (53)	93.12 (43)	92.71 (51)

NOTE: NUMBER IN PARENTHESES IS RANK FOR THE APPROPRIATE YEAR

**TABLE II**  
**FLORIDA PRICE LEVEL INDEX: 1997 TO 2002**  
(POPULATION-WEIGHTED STATE AVERAGE = 100.00)

COUNTY	2002	2001	2000	1999	1998	1997
Lake	94.64 (29)	95.57 (27)	95.13 (28)	94.48 (28)	96.14 (21)	94.21 (35)
Lee	97.38 (10)	97.97 (10)	98.34 (10)	96.59 (16)	97.80 (15)	97.15 (18)
Leon	95.56 (21)	97.00 (15)	96.49 (19)	95.74 (20)	97.50 (17)	96.18 (24)
Levy	91.69 (48)	92.77 (53)	92.03 (58)	91.93 (44)	90.83 (62)	91.71 (63)
Liberty	91.60 (51)	93.45 (50)	93.20 (46)	89.65 (61)	90.35 (64)	93.16 (46)
Madison	91.51 (52)	94.50 (37)	92.25 (56)	91.15 (52)	92.63 (46)	92.38 (56)
Manatee	97.31 (11)	98.49 (9)	96.93 (16)	99.27 (10)	99.22 (10)	100.29 (10)
Marion	93.14 (36)	93.75 (42)	93.25 (43)	93.30 (37)	94.16 (39)	93.15 (47)
Martin	98.60 (9)	97.06 (14)	98.02 (11)	98.39 (12)	97.96 (13)	101.22 (9)
Monroe	113.56 (1)	110.51 (1)	107.60 (2)	107.78 (1)	112.43 (1)	110.47 (1)
Nassau	93.30 (35)	93.66 (47)	92.97 (48)	92.71 (39)	94.78 (32)	93.69 (37)
Okaloosa	92.64 (40)	93.73 (43)	94.21 (34)	94.49 (27)	95.14 (28)	96.38 (21)
Okeechobee	95.53 (22)	95.66 (25)	94.33 (33)	93.94 (34)	95.48 (25)	95.21 (31)
Orange	96.71 (13)	97.67 (11)	98.69 (9)	99.21 (11)	99.04 (12)	101.88 (7)
Osceola	96.09 (15)	96.36 (20)	95.81 (25)	95.52 (22)	96.56 (19)	95.77 (25)
Palm Beach	106.95 (4)	106.99 (3)	108.53 (1)	105.62 (4)	102.69 (6)	103.45 (3)
Pasco	95.51 (23)	95.06 (35)	96.38 (20)	96.36 (17)	95.44 (26)	93.13 (48)
Pinellas	101.95 (6)	101.94 (5)	101.41 (6)	103.34 (5)	103.74 (4)	101.91 (6)
Polk	94.85 (28)	95.44 (29)	95.24 (26)	95.93 (19)	94.98 (30)	95.64 (27)
Putnam	90.67 (57)	93.92 (39)	93.05 (47)	91.88 (45)	92.28 (48)	93.22 (44)
St. Johns	95.76 (18)	97.21 (13)	97.11 (14)	96.10 (18)	99.18 (11)	96.92 (19)
St. Lucie	95.72 (19)	96.06 (23)	96.30 (22)	94.58 (26)	94.47 (34)	97.36 (17)
Santa Rosa	91.21 (55)	93.08 (51)	92.79 (51)	91.99 (43)	91.55 (60)	93.28 (42)
Sarasota	99.60 (7)	100.10 (7)	100.20 (8)	100.57 (6)	102.90 (5)	101.26 (8)
Seminole	96.52 (14)	95.87 (24)	97.39 (12)	100.00 (9)	99.48 (9)	98.38 (13)
Sumter	91.72 (47)	92.42 (57)	92.58 (54)	88.57 (64)	89.66 (66)	92.49 (54)
Suwannee	91.23 (54)	91.74 (63)	90.68 (67)	89.10 (63)	91.76 (58)	92.64 (53)
Taylor	92.75 (39)	95.21 (34)	93.52 (41)	92.52 (41)	95.14 (28)	93.57 (39)
Union	90.55 (58)	91.36 (64)	90.78 (66)	90.24 (59)	91.30 (61)	92.72 (49)
Volusia	95.06 (26)	95.62 (26)	94.50 (32)	94.75 (25)	95.64 (24)	96.38 (21)
Wakulla	93.85 (31)	95.47 (28)	94.53 (31)	92.59 (40)	92.53 (47)	93.49 (41)
Walton	90.49 (60)	93.68 (46)	92.82 (50)	92.05 (42)	92.00 (54)	92.41 (55)
Washington	89.19 (64)	92.13 (62)	91.44 (62)	88.15 (65)	89.64 (67)	88.36 (67)

NOTE: NUMBER IN PARENTHESES IS RANK FOR THE APPROPRIATE YEAR

**TABLE III  
POPULATION-WEIGHTED CATEGORY INDICES**

COUNTY	TOTAL	FOOD	HEALTH CARE	HOUSING	OTHER GOODS & SERVICES	TRANSPORTATION
Alachua	93.61	101.11	86.90	87.14	97.53	98.44
Baker	91.79	100.63	87.86	84.60	94.10	97.24
Bay	91.83	101.28	87.55	83.28	95.51	98.29
Bradford	91.63	100.67	84.50	83.94	94.70	98.39
Brevard	95.39	101.27	96.22	90.99	97.66	96.35
Broward	107.96	99.48	109.44	116.88	102.26	102.73
Calhoun	88.34	98.55	83.76	77.63	93.70	96.93
Charlotte	93.50	96.08	96.36	88.80	96.68	96.43
Citrus	90.90	102.44	86.63	81.85	94.24	96.76
Clay	92.86	100.40	94.49	85.32	96.01	97.35
Collier	103.10	100.72	97.44	106.28	104.66	99.75
Columbia	89.38	99.71	86.05	80.08	92.54	96.60
Miami-Dade	109.24	97.97	122.86	117.68	99.65	106.41
DeSoto	96.03	102.10	91.86	91.27	98.23	99.41
Dixie	91.44	102.41	85.44	84.14	92.86	96.75
Duval	95.29	100.79	95.01	90.11	98.84	97.37
Escambia	92.24	99.60	92.88	82.98	98.23	98.07
Flagler	94.50	102.91	96.98	88.58	94.73	97.38
Franklin	95.01	98.53	103.66	89.38	95.77	98.94
Gadsden	91.97	99.42	94.93	82.89	96.08	98.18
Gilchrist	90.26	99.07	86.32	82.10	93.43	96.86
Glades	95.83	100.30	94.44	92.14	96.84	98.63
Gulf	91.61	99.75	89.45	85.51	91.24	97.29
Hamilton	88.32	95.34	83.53	79.88	90.44	98.28
Hardee	92.41	101.04	83.98	86.56	94.62	97.20
Hendry	97.16	98.24	94.98	95.73	98.49	98.58
Hernando	91.74	97.55	94.35	84.37	94.96	97.02
Highlands	92.84	100.29	86.62	84.45	97.77	100.38
Hillsborough	99.53	101.01	94.32	99.37	100.31	99.71
Holmes	89.10	100.92	86.08	77.85	93.15	97.92
Indian River	95.61	101.96	90.16	91.18	99.30	97.24
Jackson	89.30	102.16	87.42	78.05	93.59	96.55
Jefferson	93.71	102.44	85.50	87.06	96.88	99.01
Lafayette	90.53	102.30	80.97	81.04	93.49	99.33

**TABLE III**  
**POPULATION-WEIGHTED CATEGORY INDICES**

COUNTY	TOTAL	FOOD	HEALTH CARE	HOUSING	OTHER GOODS & SERVICES	TRANS- PORTA- TION
Lake	94.64	102.62	95.92	88.56	96.85	96.91
Lee	97.38	98.69	98.18	94.98	99.32	98.86
Leon	95.56	101.89	96.55	88.45	100.02	99.39
Levy	91.69	98.82	86.05	83.61	96.31	98.98
Liberty	91.60	101.36	89.08	82.51	94.65	98.75
Madison	91.51	99.95	84.32	85.30	94.57	95.95
Manatee	97.31	99.98	96.44	95.39	99.88	96.70
Marion	93.14	100.39	90.93	86.88	96.55	96.61
Martin	98.60	99.68	96.73	97.33	99.91	99.65
Monroe	113.56	99.38	107.44	132.93	100.85	102.20
Nassau	93.30	97.78	93.73	87.21	97.12	97.54
Okaloosa	92.64	98.86	86.20	85.58	97.55	98.78
Okeechobee	95.53	99.41	106.44	91.12	94.22	97.77
Orange	96.71	100.92	92.99	93.23	100.31	97.87
Osceola	96.09	102.25	96.04	91.66	98.36	97.23
Palm Beach	106.95	99.72	102.39	112.92	106.69	103.69
Pasco	95.51	99.75	92.68	92.32	98.23	96.54
Pinellas	101.95	99.56	95.24	105.26	103.41	98.80
Polk	94.85	102.00	93.10	88.83	98.74	97.35
Putnam	90.67	97.83	83.30	82.58	95.49	98.41
St. Johns	95.76	100.79	94.37	91.50	97.99	98.04
St. Lucie	95.72	98.97	98.98	91.90	96.61	98.23
Santa Rosa	91.21	99.44	91.18	81.89	96.61	97.15
Sarasota	99.60	101.56	95.54	98.87	103.08	97.66
Seminole	96.52	100.75	92.24	92.76	102.70	96.12
Sumter	91.72	103.78	84.77	83.88	93.39	97.25
Suwannee	91.23	107.47	85.06	80.31	93.51	98.17
Taylor	92.75	97.61	86.94	86.92	95.26	99.62
Union	90.55	100.80	88.43	82.09	92.04	97.27
Volusia	95.06	100.61	94.87	90.34	97.37	97.28
Wakulla	93.85	101.78	89.17	88.70	95.09	97.41
Walton	90.49	96.78	86.78	81.88	96.00	98.03
Washington	89.19	102.07	84.07	78.36	93.42	96.81

**TABLE IV: ITEM PRICES FOR THE 2002 FLORIDA PRICE LEVEL INDEX**  
**CATEGORY INFORMATION**

Category	Number of Items Priced	Weight of Items Priced	Weight of Items Not Priced	Total Weight
Food and beverages	4	6.981	10.509	17.490
Medical care	5	6.746	0.484	7.230
Housing	6	30.845	7.274	38.119
Other goods and services	8	6.368	11.094	17.462
Transportation	3	7.259	12.439	19.699
Total	26	58.200	41.800	100.000

Transportation (3 ITEMS)

Item	Weight
Auto insurance	2.751
Lube-oil-filter	1.480
Gasoline, unleaded, self	3.028
Total Category Weight 19.699	

Food and Beverages (4 ITEMS)

Item	Weight
Hamburger	2.806
French fries	1.502
Served coffee	1.168
Served soft drink	1.505
Total Category Weight 17.490	

Medical Care (5 ITEMS)

Item	Weight
Health insurance	0.361
Healthcare cost index	5.145
Eye examination	0.373
Extraction	0.434
Filling	0.434
Total Category Weight 7.230	

Other goods and services (8 ITEMS)

Item	Weight
Safety deposit box fee	0.244
Man's haircut	0.475
Woman's haircut	0.475
Dry cleaning (woman's dress)	0.275
Dry cleaning (man's suit)	0.275
Day care service	2.355
Movie rental	1.135
Bowling	1.135
Total Category Weight 17.462	

Housing (6 ITEMS)

Item	Weight
Homeowner cost index	16.080
Apartment rent index	7.220
Electricity, 1000 KWH	4.240
Residential telephone service	1.402
Residential water service	1.198
Air conditioning seasonal inspection	0.706
Total Category Weight 38.119	

The 2002 Florida Price Level Index was prepared by the Bureau of Economic and Business Research at the University of Florida and the staff of the Florida Department of Education, Office of the Chief Financial Officer.

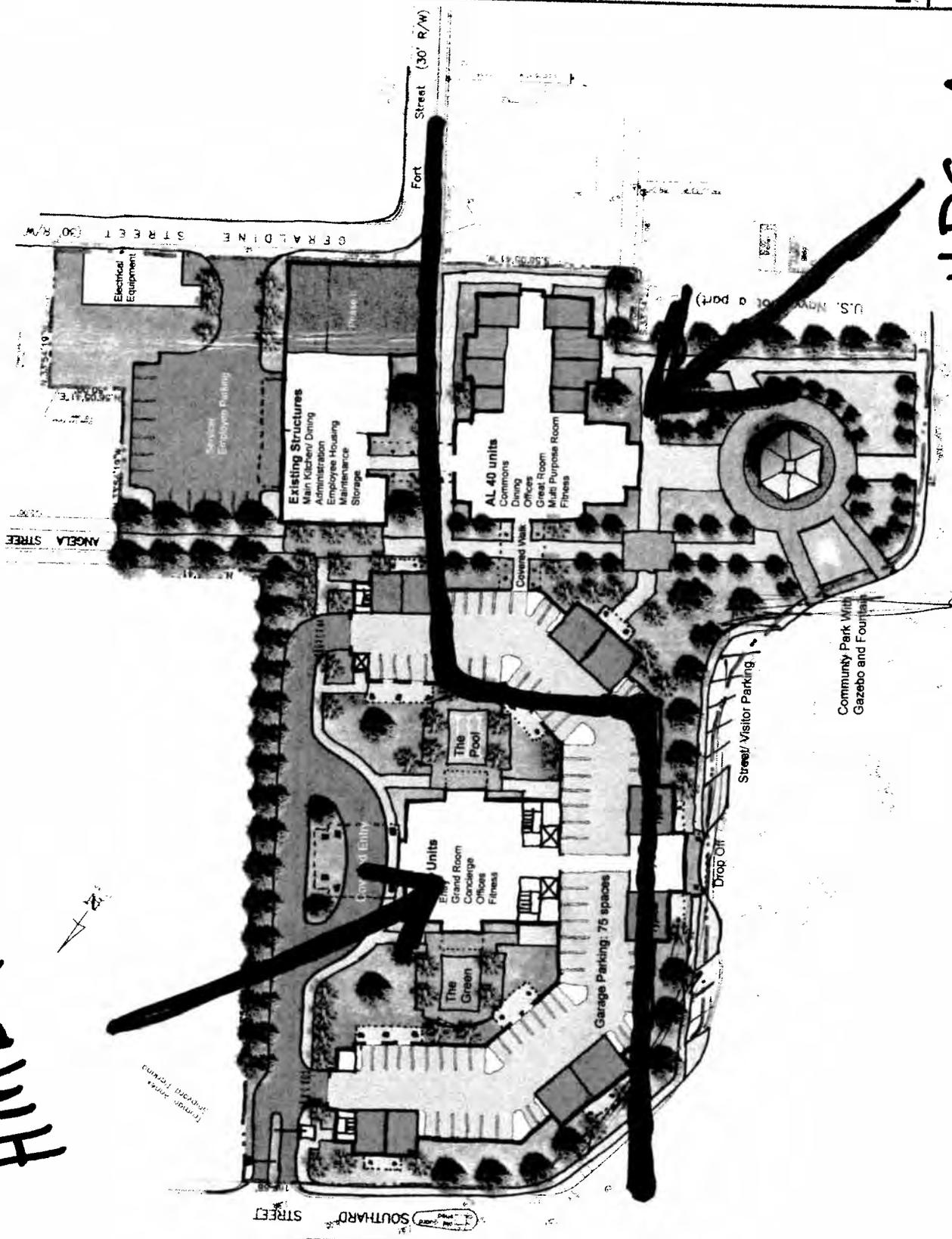
The Cost-of-Living survey has received great cooperation from businesses, agencies, and professional organizations through the state. The State of Florida is indeed indebted to everyone whose cooperation made this study possible.

Jim Horne, Commissioner  
 Florida Department of Education

# **FKACC CONCEPTUAL DRAWING**

HMDR

HPS-1



# **BCCLT DRAFT LEASE**

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE NAVAL PROPERTIES LOCAL REDEVELOPMENT AUTHORITY OF THE CITY OF KEY WEST, FLORIDA (LRA), APPROVING A 99-YEAR LEASE WITH THE BAHAMA CONCH COMMUNITY LAND TRUST FOR 6.6 ACRES OF TRUMAN WATERFRONT PROPERTY FOR AFFORDABLE HOUSING, A CULTURAL ARTS CENTER, SMALL BUSINESS RETAIL SPACES AND A YOUTH DEVELOPMENT AND/OR CONVENTION CENTER; PROVIDING AN EFFECTIVE DATE.**

WHEREAS, a referendum of the electors of the City of Key West, Florida, authorized the LRA to enter into a 99-year lease with the Bahama Conch Community Land Trust for approximately 60-70 affordable housing units, a cultural arts center, small business retail spaces, and a youth development and/or convention center; and

WHEREAS, the City Commission finds that pursuant to City code of Ordinances section 2-941, the best use of the subject property would be obtained without resort to the competitive bidding process; and

WHEREAS, the City Commission finds pursuant to City code of Ordinances section 2-941, that a public benefit with respect to affordable housing has been shown on the record that justifies a below market rate rent.

NOW THEREFORE BE IT RESOLVED BY THE NAVAL PROPERTIES LOCAL REDEVELOPMENT AUTHORITY OF THE CITY OF KEY WEST, FLORIDA AS FOLLOWS:

Section 1. That the attached lease agreement between the LRA and the Bahama Conch Community Land Trust of Key West, Inc is hereby approved.

Section 2. That this Resolution shall go into effect immediately upon its passage and adoption and authentication by the signature of the presiding officer and the Clerk of the Authority.

Passed and adopted by the LRA at a meeting held this \_\_\_ day of \_\_\_\_\_, 2009.

Authenticated by the presiding officer and City Clerk on the \_\_\_ day of \_\_\_\_\_, 2009.

Filed with the Clerk on the \_\_\_ day of \_\_\_\_\_, 2009.

\_\_\_\_\_  
MORGAN McPHERSON, CHAIRMAN

ATTEST:

\_\_\_\_\_  
CHERYL SMITH, CITY CLERK

## LEASE AGREEMENT

THIS LEASE is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2009 (the "Effective Date") by and between **THE NAVAL PROPERTIES LOCAL REDEVELOPMENT AUTHORITY OF THE CITY OF KEY WEST**, as Landlord, and **BAHAMA CONCH COMMUNITY LAND TRUST OF KEY WEST, INC**, a Florida non-profit corporation (referred to as the "Tenant").

### RECITALS

WHEREAS, Landlord is the owner in fee simple of the property located in the City of Key West, a part of the Truman Waterfront property located at the Naval Air Facility, Key West, Florida, Monroe County, Florida, and more particularly described on the attached Exhibit A (hereinafter "Premises");

WHEREAS, by Referendum conducted in November 2007 (the "Referendum") **THE NAVAL PROPERTIES LOCAL REDEVELOPMENT AUTHORITY OF THE CITY OF KEY WEST** was authorized to lease real property of approximately 6.6 acres located on the Truman Waterfront for a period of 99 years for uses including approximately 60-70 affordable housing units, a cultural arts center, small business retail spaces, and a youth development and/or convention center.

WHEREAS, it is Landlord's intent that the Property be developed to produce affordable housing, a cultural arts center, small business retail spaces and a youth development and/or convention center in accordance with the Referendum;

WHEREAS, Lessee desires to develop the Property to include seventy (70) affordable housing units for qualified tenant occupants using, among other financing sources, those made available through Section 42 Low-Income Housing Tax Credit program (LIHTC) and other commercial and community space;

WHEREAS, in order to preserve the affordability of the Units to be developed on the Property and create an attractive financial arrangement for potential lender, Landlord desires to lease the Premises to Tenant for ninety-nine (99) years; and

NOW THEREFORE, in consideration of the mutual covenants and obligations contained herein, and in any contemporaneous Related Agreements between the parties, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

NOW, THEREFORE,

In consideration of the mutual covenants and agreements hereinafter set forth, and the rent reserved by Landlord to be paid by Tenant, Landlord hereby leases and demises unto

Tenant, and Tenant hereby does lease from Landlord, the Premises, for the terms, and at the rentals, and upon the terms and conditions, hereinafter set forth:

**1**  
**DEFINITIONS**

1.1 **Certain Defined Terms.** As used herein, the following capitalized terms shall have the following meanings (such meanings to be applicable to both the singular and the plural form of the terms defined):

"Affordable Housing Unit" shall mean a shall mean a dwelling unit whose monthly rent, not including utilities, does not exceed 30 percent of that amount which represents 80 percent of the monthly median household income (adjusted for family size).

"Affordable Housing Development" shall mean a development consisting of 60 to 70 Affordable Housing Units to be located on the Premises.

"Attorney's Fees" shall mean reasonable attorney's fees and costs incurred by a party, including attorney's fees and cost for trial and appellate proceedings.

"Commencement Date" shall have the meaning set forth in Article 2.1.

"Concept Plan" shall mean a plan prepared by the Tenant which shall include the anticipated housing type, housing design, the scope and type of non-housing components, project budgets for both housing components and non-housing components, project schedule for each individual component, landscaping plan, amenities package, anticipated zoning, construction requirements and plans related to the infrastructure.

"Developer Entity" shall mean a Florida limited liability company or a Florida limited partnership in which the Tenant is member of the limited liability company or a partner in the partnership.

"Existing Facilities" shall mean the improvements existing, including but not limited to the building commonly referred to as the "Mess Hall" and the recreational field.

"Governmental Regulations" shall mean all laws, ordinances, and regulations now or hereafter enacted by the State of Florida, City of Key West or by the Federal government.

"Hazardous Substances" shall mean flammables, explosives, radioactive materials, asbestos, polychlorinated biphenyls (PCBs), chemicals known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, toxic substances or related materials, petroleum and petroleum products, and substances declared to be hazardous or toxic under any Governmental Regulations.

"Indemnify" shall mean to hold harmless from, and defend against, all claims, demands, actions, causes of action, losses, expenses, damages, liabilities, and Attorney's Fees arising out of or incurred in connection with an identified circumstance, incident, condition, relationship, time period, or other matter.

"Lease Year" shall have the following meaning: The first Lease Year shall be the period beginning on the Commencement Date and ending on the last day of the same calendar month one year later, and successive Lease Years shall be the twelve (12) month periods immediately succeeding the end of the first Lease Year.

"Non-Housing Component" shall mean the activities and vertical improvements planned for development on the Premises excluded residential housing and infrastructure.

"Premises" means the real property, including all structures erected thereon subsequent to the execution of this Lease, described in Exhibit A hereto, located in Key West, Florida.

"Tenant" shall mean BAHAMA CONCH COMMUNITY LAND TRUST OF KEY WEST, INC, a Florida non-profit corporation.

1.2 **Other Terms.** All capitalized terms used in this Lease that are not defined in this Article 1 shall have the meanings set forth elsewhere in this Lease.

## **2** **TERM**

2.1 **Commencement Date.** As used herein, the "Commencement Date" shall mean the earlier of (a) the date that the Tenant receives from the City of Key West approval of the sublease of the Premises from the Tenant to the Developer Entity, or (b) December 31, 2010.

2.2 **Lease Year.** As used herein, the term "Lease Year" shall have the following meaning: The first Lease Year shall be the period beginning on the Commencement Date and ending on the last day of the same calendar month one year later, and successive Lease Years shall be the twelve (12) month periods immediately succeeding the end of the first Lease Year.

2.3 **Term.** The term of this Lease shall commence on the Commencement Date and shall terminate on the last day of the ninety-ninth (99th) Lease Year; provided, however, that the lease (or portion thereof) will terminate for nonperformance in the event that (1) Landlord determines at a duly noticed public meeting that Tenant has failed to meet any of the performance criteria of this lease, including those set forth below, and (2) the noncompliance remains unremedied 60 days after notification from the Landlord:

(a) Tenant must provide the Landlord in writing with a copy of the name, address and type of entity of any proposed sublessee on or before June 12, 2009;

(b) Tenant must provide Landlord with a draft of the proposed sublease on or before August 28, 2009;

(c) Tenant must submit an application for funding with the Florida Housing Finance Corporation not later than the deadline for the 2010 Universal Cycle (FHFC Deadline);

(d) Tenant must present the Concept Plan to Landlord within ninety (90) days of the FHFC Deadline. Upon receipt of the Concept Plan from the Tenant, the Landlord shall have thirty (30) days to review same (the "Review Period"). On or before the expiration of the Review Period, the Landlord shall either: (i) accept the Concept Plan by transmitting written notice of acceptance to the Tenant, or (ii) transmit, in writing, its review comments to the Tenant. Within ten (10) business days from the date of receipt by the Tenant of such review comments, the Tenant shall incorporate such review comments into the Concept Plan or shall notify the Landlord, in writing, that such review comments, if it is the case, cannot be incorporated into the Concept Plan because such review comments, if incorporated into the Concept Plan, would have a material and adverse impact upon the construction or completion of other components of the development. In the event that the Tenant incorporates such review comments into the Concept Plan, the Tenant shall resubmit the Concept Plan to the Landlord, and the above described process of the Landlord's review and the Tenant's revisions will continue until the Landlord accepts the Concept Plan; provided, however, after the initial Review Period, each subsequent Review Period shall only consist of ten (10) business days and in such subsequent Review Period, the Landlord, in connection with its review of the comments, may include review comments related only to the changed items or items that may have changed as a result of the new changes. Additionally, if the Landlord fails to provide its review comments within the applicable Review Period, unless the Landlord delivers written notice to the Tenant prior to the end of the applicable Review Period requesting additional time to provide review comments, in which case, the Landlord shall have one additional period of ten (10) business days beyond the applicable Review Period to provide review comments, the Concept Plan shall be deemed accepted upon the expiration of the most current Review Period. It is contemplated that the 10 day business review periods specified above shall permit the Concept Plan to be reviewed by the Key West City Commission or Local Redevelopment Authority of the City of Key West at a properly noticed public meeting so as to allow sufficient public input. In the event the Concept Plan cannot be placed on an agenda for public input, it is agreed that the Review Period shall be extended to one day following the Commission meeting at which public input could be solicited.

The Concept Plan shall be deemed to have been accepted by the Landlord upon the later of: (1) the date of receipt by the Tenant of written notices of acceptance of the Concept Plan from the Landlord or (2) the expiration of any Review Period with no notice of acceptance nor any review comments received by the Tenant from the Landlord.

Should a Concept Plan not be accepted by the Landlord as specified herein, this agreement shall terminate and be of no further force or effect.

(e) Tenant must on or before April 2, 2012 submit an application for building permit for construction of the Affordable Housing Development to be built on the Premises;

(f) Tenant must submit the application or applications for the building permit or permits for the Non-Residential Components on before the dates set forth in the Concept Plan;

(g) Issuance of a certificate of occupancy for the Affordable Housing Development, within two (2) years following issuance of the building permit;

(h) Completion of the Non-Residential Component(s) within five (5) year of the Effective Date of this Agreement.

2.4 **Partial Termination.** Notwithstanding the provisions of Section 2.3 above, in the event the Tenant enters into an approved sublease for a portion of the Premises for the Affordable Housing Development and another approved sublease for a portion of the Premises for the Non-Residential Component, Landlord shall have the right to terminate this lease with respect to the Affordable Housing sublease or the Non-Residential Component sublease only if the benchmarks setout in Section 2.3 above with respect to the respective component is not satisfied by Tenant. Tenant may require that Landlord acknowledge the provisions of this Section by way of a joinder to any sublease.

### 3

### **RENT**

3.1 **Rent.** During the term of this Lease Tenant shall pay to Landlord, without demand, setoff, or deduction, except as expressly provided herein, annual rent equal to One Dollar (\$1.00), payable no later than the sixtieth day of each Lease Year. Tenant may prepay the rent.

3.1.1 **Additional Rent.** Any and all other sums of money or charges required to be paid by Tenant pursuant to the provisions of this Lease, whether or not the same be so designated, shall be considered as "Additional Rent", and shall be payable and recoverable in the same manner as Rent. However, such Additional Rent shall be due upon demand and failure to pay such additional rent within seven (7) days shall be deemed a material breach of this lease. If Landlord shall make any expenditure for which Tenant is liable under this Lease and for which Tenant has not paid, the amount thereof shall be deemed Additional Rent due and payable by as indicated above.

3.2 **Taxes, Insurance and Utilities.**

3.2.1 Tenant will pay or require payment by its subtenant of all Taxes and all hazard insurance premiums due and payable during any calendar year of the term. Landlord will prorate Tenant's share of any Taxes due and payable during the calendar year in which the Lease commences or terminates on a per diem basis based on the number of days of the term within such calendar year. Buildings constructed on the Premises shall be insured against damage by fire, windstorm, flood, and other hazards.

3.2.2 Tenant will be responsible for payment of all Utilities consumed on or charged to the Premises during the term of this Lease. The term "Utilities" shall include electricity, water, sewer, solid waste, telephone and other utility charges. Tenant will require its subtenant to open accounts in the subtenant's name for all Utilities.

3.2.3 The term "Taxes" shall mean any real estate taxes or assessments attributable to the Premises. Landlord shall deliver to Tenant any real estate tax bill or assessment upon receipt thereof. Taxes shall be paid by Tenant on or prior to due date.

3.3 **Net Lease.** It is the intent of the parties hereto that Rent payable under this lease is absolute net to Landlord. Any amount and any obligation which is not specifically declared herein to be that of Landlord pertaining to the Premises shall be deemed to be the obligation of the Tenant to be performed by and at the expense of Tenant.

**4**  
**USE**

4.1 **Use.**

4.1.1. The Premises shall be used by the Tenant exclusively for affordable housing units, a cultural arts center, small business retail space and a youth development and/or convention center as specified in the Referendum. No other use whatsoever is permitted on the Premises without the express written consent of the landlord, which consent may be unreasonably withheld at the sole and absolute discretion of the Landlord.

4.1.2. For purposes of section 4.1.1 above, small business retail space shall mean shops of less than 1000 square feet catering primarily to neighborhood residential markets within the immediate vicinity as opposed to city-wide or regional markets; specialized markets with customized market demands; tourist oriented markets in the immediate vicinity, small professional and business offices, neighborhood shops, restaurants with very limited seating, and other commercial uses similar in character to traditional neighborhood commercial services which have very limited square footage and generate low volumes of traffic. Small business retail space uses shall not include large scale discount stores or supermarkets; department stores; wholesale and warehousing activities; sales, service or repair of motor vehicles, machine equipment or

accessory parts, including tire and battery shops; automotive services centers; and fast food establishment primarily serving in disposable containers and/or providing drive-in or drive-through facilities; nor any commercial use which is affiliated with a regional, state or national concern, or which advertises by common theme of architecture, signage, or operations, or motels, hotels or conversions from permanent residential use to transient residential use.

4.1.3. Notwithstanding sections 4.1.1. and 4.1.2 above, Tenant and its subtenant shall comply with all Governmental Regulations pertaining to use of the Premises.

4.2 **Nuisances**. Tenant and its subtenant shall not make, suffer, or permit any unlawful, improper, or offensive use of the Premises, or any part thereof, or permit any nuisance thereon. Tenant shall not permit rubbish, refuse, or garbage to accumulate, or any fire or health hazard to exist, upon or about the Premises. Tenant shall not suffer or permit any waste or mistreatment of the Premises.

4.3 **Utility lines**. Should either the existing City sewer or Navy water line running through the Premises sustain damage resulting from construction activities on, or use of, the Premises, Tenant shall promptly repair such damage at its expense.

4.4 **Nondiscrimination**. No person or firm shall be excluded from participation in, denied the benefits of, or otherwise discriminated against in conjunction with the awarding and performance by Tenant or its subtenant of any procurement, nor in the provision of housing on the Premises, on the basis of race, color, religion, national origin, age, sex, disability, sexual orientation, or marital status.

4.5 **Public entity conviction**. No person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may, for a period of thirty-six (36) months from the date of being placed on the convicted vendor list, submit a bid on, or be awarded a contract to perform, any of the following: provision of any goods or services to Tenant or its subtenant, the construction or repair of a building or work on the Premises, or work on the Premises as a contractor, supplier, subcontractor, or consultant in excess of the threshold amount provided in Section 287.017, for CATEGORY TWO. Should the statutory bar against convicted vendors be amended during the term of this Lease, this paragraph shall be deemed amended to be consistent therewith, as of the effective date of such statutory amendment.

4.6 **Use by Landlord**. Notwithstanding any provision of this lease to the contrary and subject to this provisions of this section, Landlord shall be permitted to continue to occupy and to use the Existing Facilities at the Premises free of charge to the Landlord and without interference from the Tenant. Landlord shall be responsible for all costs of maintaining the Existing Facilities. Landlord shall continue its policies of insurance and/or self-insurance with respect to the Existing Facilities, subject to the Landlord's sovereign immunity protections. The foregoing notwithstanding, in the event the Tenant or any approved Subtenant of the Tenant, has obtained building permits for all or a portion of the Premises, the Tenant or the Subtenant shall have the right to give the

Landlord sixty (60) days prior notice of the date of the beginning of construction and Landlord shall cease all activities at the Premises and the Existing Facilities with respect to those areas so impacted on or before the date set forth in the notice from the Tenant or the Subtenant to the Landlord. No provision of this lease shall give the Tenant or any subtenant any right to force the Landlord to continuing operating the Existing Facilities, but any abandonment of use of the Existing Facilities shall be deemed a waiver of this provision by Landlord forever.

**4.7 Tenant's Duty to Open For Business And Continued Use.**

Once Tenant commences operation by the dates specified in paragraph 2.3, it covenants that all elements of the project shall be operated during the entire Lease Term. Further, the non-housing components shall operate continuously for seven (7) days a week for a minimum of ten (10) hours a day with due diligence and a full staff. The Parties to this Agreement stipulate to the occasional and not unreasonable closing in line with local and national holidays, or such occasions where several of the other like establishments in the local area are closed.

**4.8 Execution of Lease Does Not Grant Development Rights**

Nothing contained herein is intended to grant Tenant any development rights or guarantees, including but not limited to: building permit allocations, zoning or variance waivers and similar governmental required approvals.

**5**

**SURRENDER OF PREMISES**

Tenant shall, upon expiration of the term hereof, or any earlier termination of this Lease for any cause, surrender to Landlord the Premises, including, without limitation, all alterations, improvements, and other additions thereto that have been made or installed by either party in or upon the Premises, in good and clean condition and repair, ordinary wear and tear and casualty damage, if any, excepted.

**6**

**QUIET ENJOYMENT**

Landlord covenants that so long as Tenant pays the rent reserved in this Lease and performs its agreements hereunder, Tenant shall have the right to quietly enjoy and use the Premises for the term of this Lease, subject to the provisions hereof. Landlord represents and warrants to, and covenants with, Tenant that Landlord owns fee simple title to the Premises and that the Premises shall be free from any and all liens, claims, and encumbrances that materially interfere with Tenant's intended use and enjoyment of the Premises.

**7**

**ASSIGNMENT AND SUBLEASING**

Except as provided in this Article 7, Tenant shall not sell, transfer, assign, sublet, enter into any license, management or concession agreements, change ownership, pledge,

mortgage or hypothecate this Lease or Tenant's interest in and to any portion of the Premises (hereafter referred to as a "*Disposition*") without the prior written consent of Landlord, which consent may be arbitrarily and unreasonably withheld in the sole discretion of the Landlord. This prohibition against a Disposition shall be construed to include a prohibition against any assignment or subleasing by operation of law, legal process, receivership, bankruptcy or otherwise, whether voluntary or involuntary. Landlord's consent to subleasing may be conditioned on Landlord's reasonable approval of the subtenant's proposed plan for construction and operations of an Affordable Housing Development on the Premises and such consent may be withheld in Landlord's sole judgment.

Without in any way limiting the foregoing, the transfer, assignment or hypothecation of any stock, interest or voting rights in the corporate Tenant in the aggregate in excess of forty-five percent (45%) shall be deemed a Disposition for purposes of this Lease.

The consent by Landlord to any assignment or sublease shall not constitute a waiver of the necessity for such consent to any subsequent assignment or sublease.

## 8

### **MAINTENANCE AND REPAIR**

Tenant shall be responsible, at Tenant's sole expense, to maintain the Premises in good order and to keep all buildings constructed on the Premises during the term of the Lease in good repair. At the conclusion of the lease term, whether by natural expiration or termination, any improvements to the premises shall become the property of the Landlord, or shall be removed by Tenant at Tenant's expense, at the sole discretion of the Landlord.

## 9

### **SIGNAGE**

Tenant and its subtenant shall be entitled to place signage on the Premises in connection with, and appropriate to, the permitted use of the Premises. All signage shall comply with the regulatory requirements of the City of Key West, including without limitation HARC regulations.

## 10

### **LIENS**

Tenant shall make full and prompt payment of all sums necessary to pay for the cost of all improvements or other work done by Tenant to the Premises. Tenant shall Indemnify Landlord against all such costs and liabilities incurred by Tenant, and against all construction liens arising out of any such work, which may be asserted, claimed, or charged against Landlord, the Premises, or the Building. Notwithstanding anything to the contrary in this Lease, the interest of Landlord in the Premises shall not be subject to liens for improvements made by or for Tenant, whether or not the same

shall be made or done in accordance with this Lease, a sublease, or other agreement between Landlord and Tenant or its subtenant. In no event shall Landlord or the interest of Landlord in the Premises be liable for, or subjected to, any liens under the Florida Construction Lien Law for improvements or work made by or for Tenant or its subtenant. In the event any notice or claim of lien shall be asserted of record against the interest of Landlord in the Premises on account of any improvement or work done by or for Tenant or any person claiming by, through, or under Tenant, or the cost of which is the responsibility of Tenant, Tenant shall have such notice or claim of lien canceled and discharged of record as a claim against the interest of Landlord in the Premises (either by payment and satisfaction or by removal by transfer to bond or deposit as permitted by law) within ninety (90) days after notice to Tenant by Landlord.

Tenant shall include language in all contracts and agreements it enters into for improvements to the premises that specifies and acknowledges the inability to lien Landlord's interests as specified herein.

## **11** **INSURANCE**

**11.1 Tenant's Insurance Obligations.** Tenant shall obtain or require its subtenant to obtain, no later than the Commencement Date, and shall maintain in force throughout the term hereof, either by "blanket" policy or separate policies, the following types of insurance coverage:

### **11.1.1 Liability Insurance.**

Comprehensive public liability insurance covering claims for personal injury, death, and property damage arising out of Tenant's or subtenant's use or occupation of the Premises, having a combined single limit of liability of not less than \$1,000,000 arising out of any one occurrence and a limit of liability of not less than \$500,000 for property damage.

**11.1.2 Workers' Compensation.** Workers' compensation insurance for the benefit of all employees entering upon the Premises as a result of or in connection with their employment by Tenant or its subtenant.

**11.1.3 Hazard Insurance.** Insurance against damage by fire, wind, storm, and flood, insuring all buildings subsequently erected on the Premises, in such amounts as Tenant deems appropriate in the reasonable exercise of its discretion.

**11.2 Minimum Requirements.** All insurance policies required hereunder shall be issued by companies licensed and registered to operate in the State of Florida. Tenant shall provide Landlord with copies of the policies or certificates evidencing that the required insurance is in full force and effect and stating the terms thereof. All insurance policies shall name Landlord and Tenant as insured's. Nothing herein is intended to waive the sovereign immunity accorded to Landlord pursuant to Florida Statutes, including Section 768.28.

**11.3 Periodic Review.** At least once every five (5) years, Landlord and Tenant shall meet to review the extent and amount of insurance coverage provided hereunder. Should Landlord believe that the coverage provided is not sufficient to protect its interest, it may specify the level of insurance required. If Tenant objects to the level of coverage, Landlord and Tenant

shall enter into a binding arbitration within fifteen days of the date of the dispute to resolve the issue. If Landlord and Tenant are unable to agree on a neutral arbitrator, each party shall select an arbitrator who will then appoint a third arbitrator to resolve the matter. If an arbitrator is not selected through no fault of the Landlord, the coverage required by the Landlord shall be placed. The failure to adhere to either the coverage requested by the Landlord, or that determined by the arbitrator, shall be considered a material breach of this agreement.

### **13** **CASUALTY**

If any building located on the Premises (a "Building") is damaged by fire or other casualty, then not later than ninety (90) days after the casualty occurs, Tenant or its subtenant shall commence the repair and restoration of the Building to substantially the condition thereof immediately prior to such damage, and shall thereafter use reasonably diligent efforts to complete such repair and restoration, in no event later than twelve months after the casualty event, subject to extension for force majeure events.

### **13** **INDEMNIFICATION**

Landlord shall not be liable for injury or damage caused to any person or property by reason of the failure of Tenant or its subtenant to perform any of its covenants or agreements hereunder. Tenant shall Indemnify Landlord against all loss, damage, claim, demand, liability or expense by reason of any damage or injury to persons (including loss of life) or property which may arise or be claimed to have arisen as a result of, in connection with, or in any way related to the occupancy or use of the Premises by Tenant or its subtenant, whether or not occurring or resulting in damage or injury within the Premises, but except to the extent caused by the acts, omissions, negligence, recklessness, or willful misconduct of Landlord or any of Landlord's employees or agents. Nothing herein is intended to waive the sovereign immunity accorded to Landlord pursuant to Florida Statutes, including Section 768.28.

### **14** **ENVIRONMENTAL MATTERS**

14.1 **Landlord's Disclosure.** Landlord has disclosed to Tenant, and Tenant acknowledges, that the Premises were previously part of a military base on which Hazardous Substances were kept and used. Tenant shall be responsible for any Hazardous Substances removal or remediation that may be required by any Governmental Regulation. Further, Tenant has inspected the Premises and has had ample opportunity to inspect the same, accordingly:

***TENANT COVENANTS AND AGREES TO ACCEPT THE PREMISES IN  
"AS IS" AND "WHERE IS" CONDITION, WITHOUT ANY AGREEMENTS,  
REPRESENTATIONS, UNDERSTANDINGS OR OBLIGATIONS ON THE***

***PART OF LANDLORD WHATSOEVER TO PERFORM ANY ALTERATIONS,  
REPAIRS OR IMPROVEMENTS.***

14.2 **Tenant's Restrictions.** Tenant shall not cause or permit to occur any of the following:

14.2.1 Any violation of Governmental Regulations related to environmental conditions on, under, or about the Premises or arising from Tenant's use or occupancy of the Premises, including, but not limited to, soil and ground water conditions.

14.2.2 The use, generation, release, manufacture, refining, production, processing, storage, or disposal of any Hazardous Substances on, under, or about the Premises or the transportation to or from the Premises of any Hazardous Substances.

**15  
DEFAULT**

15.1 **Event of Default.** The occurrence of any of the following events, acts, or circumstances shall constitute an "Event of Default":

15.1.1 Failure by Tenant to make any payment required hereunder when due, if such failure remains uncured seven (7) days after written notice from Landlord.

15.1.2 Failure by Tenant or its subtenant to observe, perform, or comply with any of the terms, covenants, agreements, or conditions contained in this Lease (other than as specified in Article 15.1.1 and 15.1.8), and the continuance of such failure for sixty (60) days after Landlord has given Tenant written notice of such failure.

15.1.3 The bankruptcy of, or appointment of a receiver or trustee for, Tenant.

15.1.4 Tenant's voluntarily petitioning for relief under, or otherwise seeking the benefit of, any bankruptcy, reorganization, or insolvency law.

15.1.5 The sale or relinquishment of Tenant's interest under this Lease by execution or other legal process.

15.1.6 Tenant's making an assignment of a material portion of its assets for the benefit of creditors.

15.1.7 Tenant's dissolution or liquidation.

15.1.8. Failure to operate an Affordable Housing Development, a cultural arts center, small business retail spaces, and a youth development and/or convention center on the Premises. If such failure to operate is not cured within thirty (30) days of a notice of Default, this agreement shall be terminated and subject to the remedies specified herein.

15.2 **Remedies.** Upon the occurrence of an Event of Default, Tenant shall become a tenant at sufferance, and Landlord, at its option and at any time thereafter, may enter upon and take possession of the Premises, or may treat this Lease as remaining in existence, curing Tenant's default by performing or paying the obligation which Tenant has breached, whereupon all sums paid or expenses incurred by Landlord directly or indirectly in curing Tenant's default shall become immediately due and payable.

15.3 **Nonexclusive Remedies.** The remedies for which provision is made in this Article 15 shall not be exclusive, and in addition thereto, Landlord may pursue such other remedies as are provided by law upon the occurrence of an Event of Default. In any event, and irrespective of any option exercised by Landlord, Tenant shall pay to Landlord all costs and expenses incurred by Landlord, including Attorney's Fees, in connection with collection of rent or damages or enforcing other rights of Landlord under this Article 15, whether or not Landlord elects to terminate this Lease by reason of such Event of Default.

15.4 **Interest.** Any sums due under this Lease from Tenant to Landlord and not paid on the date due shall bear interest from the date due at twelve percent (12%) per annum until fully paid.

## 16

### **WAIVER; ACCORD AND SATISFACTION**

The failure of a party to insist, in any one or more instances, upon strict performance of any covenants or agreements of this Lease, or to exercise any option of such party herein contained, shall not be construed as a waiver or relinquishment of any right or remedy of such party hereunder and shall not be deemed a waiver of any subsequent breach or default by the other party of the covenants or conditions herein. Receipt of rent by Landlord, with knowledge of the breach of any covenant or agreement hereof, shall not be deemed a waiver of such breach. No waiver by a party of any provision hereof shall be deemed to have been made unless expressed in writing and signed by such party. With respect to Landlord, such written expression of waiver may only occur by resolution of the Key West City Commission or Naval Properties Local Redevelopment Authority of the City of Key West.

## 17

Intentional Omitted

## 18

### **ENCUMBRANCES BY LANDLORD**

During the Lease Term, Landlord may not encumber the Property with any lien or mortgage unless said encumbrance clearly states on its face that it is inferior and junior to this Lease and the Leasehold Mortgage.

**19**  
**NOTICES**

All notices, requests, demands, and other communications which are required or may be given under this Agreement shall be in writing and shall be served on the parties at the addresses indicated below:

To Tenant:                   BAHAMA CONCH COMMUNITY LAND TRUST OF  
KEY WEST, INC  
305 Julia Street  
Key West, FL 33040

To Landlord:               City Manager  
City Hall  
Key West, FL 333040

Any such notices shall be (a) sent by certified mail, return receipt requested, in which case notice shall be deemed delivered three (3) business days after deposit, postage prepaid in the U.S. Mail, (b) sent by overnight delivery using a nationally recognized overnight courier, in which case notice shall be deemed delivered one business day after deposit with such courier, (c) sent by telephone facsimile transmission, in which case notice shall be deemed delivered on the day of transmission of such notice and confirmation of such transmission, or (d) sent by personal delivery, in which case notice shall be deemed delivered on the day of actual delivery. The above addresses may be changed by written notice to the other party; provided, however, that no notice of a change of address shall be effective until actual receipt of such notice.

**21**  
**ATTORNEY'S FEES**

In the event of litigation affecting the rights of either party under this Lease, the losing party shall pay the prevailing party's costs, expenses, and Attorney's Fees incurred in the enforcement of the prevailing party's rights hereunder.

**22**  
**MISCELLANEOUS**

22.1 **Entire Agreement.** This Lease and the exhibits attached hereto constitute the sole and exclusive agreement between the parties with respect to the Premises. No amendment, modification, or revision of this Lease shall be effective unless in writing and executed by Landlord and Tenant.

22.2 **Severability.** If any term or provision of this Lease or the application thereof to any present or future circumstances, to any extent, be held to be invalid or unenforceable by a court of competent jurisdiction, the remainder of this Lease shall be in full force and effect, and only the provision found to be unenforceable shall be stricken from the terms hereof.

22.3 **Force Majeure.** Should a party be unable to perform any of its obligations contained in this Lease due to circumstances beyond its reasonable control, including but not limited to labor disputes; Governmental Regulations; fire or other casualty; acts of the other party or the other party's employees, agents, contractors, subcontractors, or invitees; inability to obtain material or services; strikes; or acts of nature, such party shall not be considered in default under the terms of this Lease, the time for performance by such party of the obligation shall be extended for a period of time equal to the length of the delay caused by such circumstances, and the other party shall not be excused from the obligation to pay all amounts and charges required under this Lease as the same become due except as otherwise expressly provided herein.

22.4 **Governing Law.** This Lease shall be construed according to Florida law and any venue for any action relating to the terms and conditions of this Lease Agreement shall be in the State Court in and for Monroe County.

22.5 **Binding Effect.** The terms and conditions of this Lease are binding upon the heirs, successors, and assigns of the parties hereto. The obligations of Tenant hereunder shall be joint and several.

22.6 **Usage.** Whenever used herein, the singular number shall include the plural and the plural the singular, and the use of any gender shall include all genders. Titles of articles, paragraphs, and subparagraphs of this Lease are for convenience only and neither limits nor amplifies the provisions of this Lease.

22.7 **No Third Party Rights.** The provisions of this Lease are for the exclusive benefit of Landlord and Tenant, and except for rights expressly granted to third parties by the terms hereof, no third party shall have any right or claim against Landlord or Tenant by reason of such provisions or be entitled to enforce any of such provisions against Landlord or Tenant.

22.8 **Consents and Approvals.** Except as provided in paragraphs 4 and 7, whenever the Lease requires Landlord's consent or approval, Landlord will not withhold its approval or consent unreasonably or in bad faith, and Landlord will not unreasonably delay its response to Tenant's request for approval or consent. Landlord will be deemed to have given its consent or approval to any such request made by Tenant if Landlord does not respond to Tenant in writing within thirty (30) business days (or such other time period as is expressly provided herein) after Landlord's receipt of such request. If Landlord withholds its consent or approval to

any such Tenant request, Landlord shall give Tenant a written statement setting forth the basis for withholding its consent or approval. In the event Tenant shall request the consent, review, or approval of Landlord under this Lease, Tenant shall not be charged any fee for any such required consent, review, or approval, except for uniform fees charged by the City of Key West in connection with the review and issuance of development orders.

22.9 **Time of Essence.** Time is of the essence with respect to the performance of every provision of this Lease in which time of performance is a factor.

22.10 **WAIVER OF A JURY TRIAL.** EXCEPT AS PROHIBITED BY LAW, LANDLORD AND TENANT HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS LEASE, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTION OF LANDLORD, TENANT OR ANY GUARANTOR. THIS WAIVER IS A MATERIAL INDUCEMENT FOR LANDLORD TO ENTER INTO THIS LEASE. IF THE SUBJECT MATTER OF ANY LITIGATION IS ONE IN THAT THE WAIVER OF JURY TRIAL IS PROHIBITED, NEITHER LANDLORD NOR TENANT SHALL PRESENT AS A NON-COMPULSORY COUNTERCLAIM IN SUCH LITIGATION ANY CLAIM ARISING OUT OF THIS LEASE. FURTHERMORE, NEITHER LANDLORD NOR TENANT SHALL SEEK TO CONSOLIDATE ANY ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY LITIGATION IN WHICH A JURY TRIAL CANNOT BE WAIVED.

22.11. **U.S. Navy Consent.** This Lease is expressly contingent upon issuance of any consent by the U. S. Navy that may be required under the terms of the instrument of conveyance from the U.S. Navy, as grantor of the subject property, to the City of Key West. Landlord shall promptly provide the U.S. Navy a copy of the Lease, together with a request for any required consent thereto.

## 23.

### **BANKRUPTCY OF TENANT**

IN THE EVENT TENANT FILES ANY FORM OF BANKRUPTCY, LANDLORD SHALL BE ENTITLED TO IMMEDIATE TERMINATION OF THE AUTOMATIC STAY PROVISIONS OF 11 U.S.C. §352, GRANTING THE LANDLORD COMPLETE RELIEF AND ALLOWING THE LANDLORD TO EXERCISE ALL OF HIS LEGAL AND EQUITABLE RIGHTS AND REMEDIES, INCLUDING, WITHOUT LIMITATION, THE RIGHT TO TERMINATE THIS LEASE AND DISPOSSESS TENANT FROM THE DEMISED PREMISES IN ACCORDANCE WITH FLORIDA LAW. ADDITIONALLY, TENANT AGREES NOT TO DIRECTLY OR INDIRECTLY OPPOSE OR OTHERWISE DEFEND AGAINST THE LANDLORD'S EFFORT TO GAIN RELIEF FROM THE AUTOMATIC STAY. THE LANDLORD SHALL BE ENTITLED AS AFORESAID TO THE LIFTING OF THE AUTOMATIC STAY WITHOUT THE NECESSITY OF AN EVIDENTIARY HEARING AND WITHOUT THE NECESSITY OR REQUIREMENT OF

**THE LANDLORD TO ESTABLISH OR PROVE THE VALUE OF THE LEASEHOLD, THE LACK OF ADEQUATE PROTECTION OF HIS INTEREST IN THE LEASEHOLD, OR THE LACK OF EQUITY IN THE SAME. TENANT SPECIFICALLY AGREES AND ACKNOWLEDGES THAT THE LIFTING OF THE AUTOMATIC STAY HEREUNDER BY THE APPROPRIATE BANKRUPTCY COURT SHALL BE DEEMED TO BE “FOR CAUSE” PURSUANT TO SECTION 362(D)(1).**

**THIS CLAUSE WAS A MATERIAL CONSIDERATION TO THE LANDLORD TO GIVE THIS LEASE, AND HAD THE TENANT NOT AGREED TO THIS PROVISION, THE LANDLORD WOULD NOT HAVE ENTERED INTO THIS LEASE.**

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

*Signatures and Notaries continue on the following pages*

IN WITNESS WHEREOF, the parties have executed this Lease on the day and year first above mentioned.

**THE NAVAL PROPERTIES LOCAL REDEVELOPMENT AUTHORITY OF THE CITY OF KEY WEST**

By: \_\_\_\_\_  
MAYOR/CHAIRMAN

ATTEST: \_\_\_\_\_  
CITY CLERK

**BAHAMA CONCH COMMUNITY LAND TRUST OF KEY WEST, INC**

By: \_\_\_\_\_, individually and on behalf of the corporation  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

ATTEST: \_\_\_\_\_  
Secretary

STATE OF FLORIDA  
COUNTY OF MONROE

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by \_\_\_\_\_, who is the Mayor of the CITY OF KEY WEST, FLORIDA and who is personally known to me or has produced \_\_\_\_\_ as Identification.

(SEAL)

\_\_\_\_\_  
\_\_\_\_\_  
Notary Public-State of \_\_\_\_\_  
Commission Number: \_\_\_\_\_

STATE OF FLORIDA  
COUNTY OF MONROE

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by \_\_\_\_\_, who is the \_\_\_\_\_ of **BAHAMA CONCH COMMUNITY LAND TRUST OF KEY WEST, INC** and who is personally known to me or has produced \_\_\_\_\_ as Identification.

(SEAL)

\_\_\_\_\_  
\_\_\_\_\_  
Notary Public-State of \_\_\_\_\_  
Commission Number: \_\_\_\_\_

Exhibit A  
Legal Description

*(to be provided)*

## GUARANTY

This Guaranty is made this \_\_\_\_ day of \_\_\_\_, 2009 in accordance with the Lease Agreement (hereinafter Agreement) dated \_\_\_\_\_, 2009 by and between **THE NAVAL PROPERTIES LOCAL REDEVELOPMENT AUTHORITY OF THE CITY OF KEY WEST** (hereinafter City) and **BAHAMA CONCH COMMUNITY LAND TRUST OF KEY WEST, INC.**, a Florida non-profit corporation (referred to as the "Tenant") and \_\_\_\_\_ (hereinafter Guarantor) for the Leasehold Premises described in exhibit "A" in the Agreement between City and Tenant.

In consideration of granting the use of the Leasehold Premises to Tenant, and other good and valuable consideration, Guarantor does hereby covenant and agree that:

- (a) The Guarantor does hereby absolutely, unconditionally and irrevocably guarantee to the City the full and complete performance of all of Tenant's covenants and obligations under the Agreement and full payment by Tenant of all rentals, additional charges and other charges and amounts required to be paid hereunder during the entire term. Guarantor's obligations hereunder shall be primary and not secondary and are independent of the obligations of the Tenant.
- (b) A separate action or actions may be brought and prosecuted against Guarantor, whether or not action is brought against Tenant or whether Tenant shall be joined in any such action or actions. At the City's option, the Guarantor may be joined in any action or proceeding commenced by the City against Tenant in connection with and based upon any covenants and obligations under the Agreement, and the Guarantor hereby waives any demand by City and/or prior action by City of any nature whatsoever against Tenant.
- (c) The Guarantor consents to forbearance, indulgences and extensions of time on the part of the City being afforded to Tenant, the waiver from time to time by City of any right or remedy on its part as against Tenant. The Guarantor hereby agrees that no act or omission on the part of the City, shall affect or modify the obligation and liability of the Guarantor hereunder.
- (d) This Guaranty shall remain and continue in full force and effect, notwithstanding (i) any alteration of the Agreement by parties thereto, whether prior or subsequent to the execution hereof, (ii) any renewal, extension, modification or amendment of the Agreement, (iii) any subletting of the Demised Premises or assignment of Tenant's interest in the Agreement.
- (e) The Guarantor's obligations hereunder shall remain fully binding although City may have waived one or more defaults by Tenant, extended the time of performance by Tenant, released, returned, or misapplied other collateral given later as additional security (including other guarantees) and released Tenant from the performance of its obligations under the Agreement.

(f) In the event any action or proceeding be brought by City to enforce this Guaranty, or City appears in any action or proceeding in any way connected with or growing out of this Guaranty, then and in any such event, the Guarantor shall pay to City reasonable attorney's fees, but only if City is the prevailing party. The Guarantor in any suit brought under this Guaranty does hereby submit to the jurisdiction of the courts of the State of Florida and to the venue in the circuit court of Monroe County, Florida.

(g) This Guaranty shall remain in full force and effect notwithstanding the institution by or against Tenant or bankruptcy, reorganization, readjustment, receivership or insolvency proceedings of any nature, or in the disaffirmance of the Agreement an any such proceedings or otherwise.

(h) This Guaranty shall be applicable to and binding upon the heirs, representatives, successors and assigns of City, Tenant and the Guarantor.

IN WITNESS WHEREOF, the Guarantor has caused the foregoing Guaranty to be executed on this \_\_\_\_\_ day of \_\_\_\_\_ 2009.

Witness:

Guarantor:

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

State of Florida        }  
County of Monroe     }

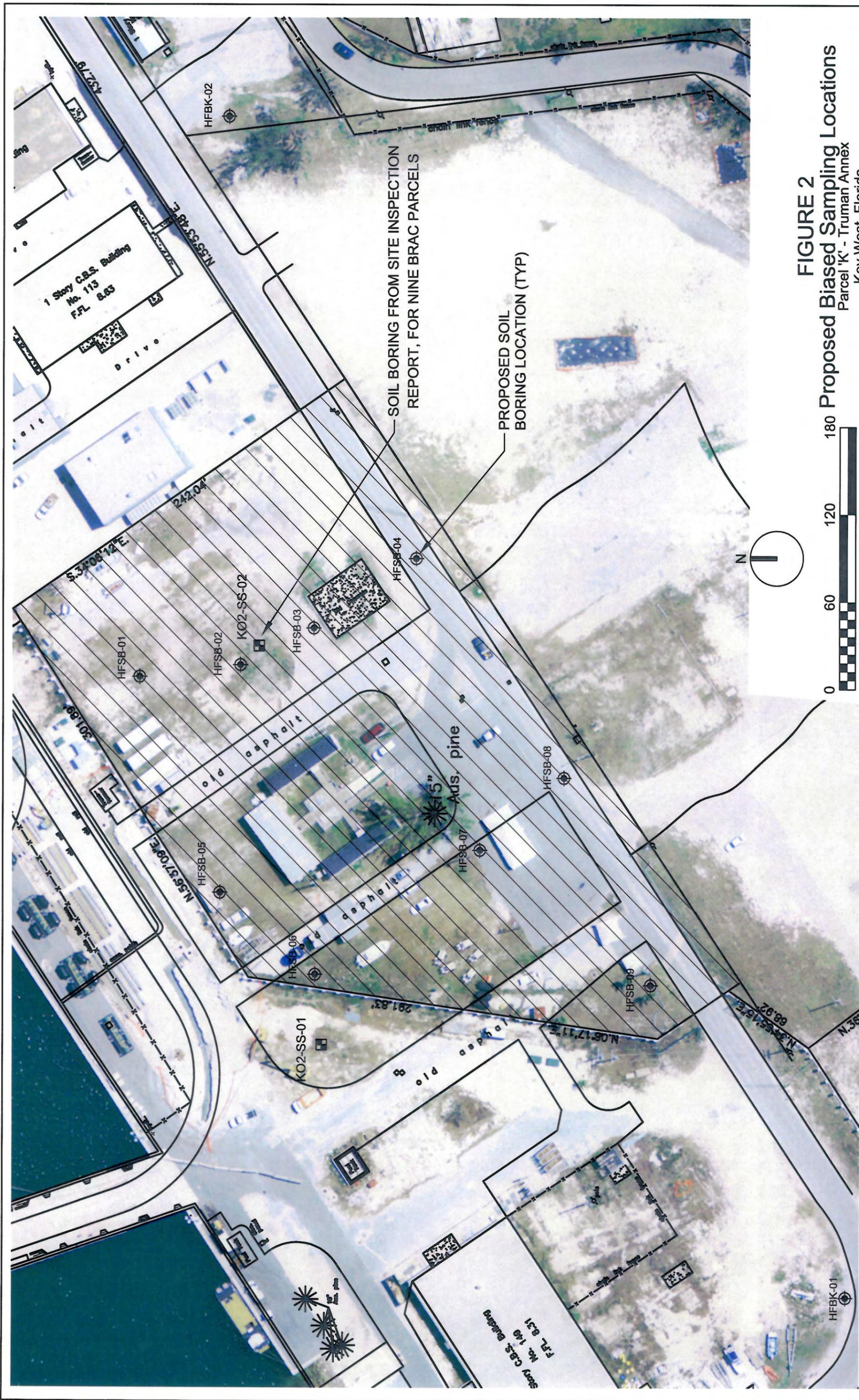
I HEREBY CERTIFY that on this day personally appeared before me, an officer duly authorized to administer oaths and take acknowledgements, \_\_\_\_\_, to me personally known or who provided \_\_\_\_\_ as photo identification, and who executed the foregoing instrument and he/she acknowledged before me that he/she executed the same individually and for the purposes therein expressed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State last aforesaid, this \_\_\_\_\_ day of \_\_\_\_\_, 2009.

\_\_\_\_\_  
Notary Public, State of Florida

My Commission Expires:

# PARCEL K



**FIGURE 2**  
**180 Proposed Biased Sampling Locations**  
 Parcel 'K' - Truman Annex  
 Key West, Florida