



## THE CITY OF KEY WEST

201 William Street Key West, FL 33040 (305) 809-3790

# EXECUTIVE SUMMARY

**TO:** Key West Bight Board

**FROM:** Doug Bradshaw, Port and Marine Services Director

**DATE:** September 30, 2014

**SUBJECT:** Reimbursement of expenses to Schooner Wharf Bar due to City construction of new office structure and storage area and rehabilitation of the existing structure on the property

### ACTION STATEMENT

Approval of reimbursement in the amount of \$19,010.82 to Schooner Wharf Bar (Key West Historic Seaport, Inc.) for expenses incurred as part of the construction of the new office structure and storage area and rehabilitation of the existing structure on the property.

### PROJECT ISSUE

Per the lease agreement (Resolution 05-353) the City of Key West and Schooner Wharf Bar agreed to undertake certain projects. The City of Key West agreed to the following:

1. All repairs necessary to restore the second story structure and receive a certificate of occupancy
2. All repairs necessary to repair the exterior concrete spalling

Schooner Wharf Bar agreed to the following:

1. The addition of one restroom that meets the American with Disabilities Act (ADA) requirements
2. The addition of ADA compliant signage and ingress/egress to consumption area and restroom and any other ADA compliance requirement that is achievable
3. The addition of a storage/cooler structure as shown in Exhibit A of the lease as the "Proposed Addition"
4. Clean up and removal of all the debris and the addition of landscaping

During construction of the Schooner Wharf Bar office (second story structure) and storage area and rehabilitation of the existing structure (concrete spalling), Schooner Wharf Bar incurred expenses above and beyond those normally expected. Below is a summary of those expenses:

**Electrical (\$5,311.62):** The existing Point-of-Sale (POS) and Digital subscriber line (DSL) had to be relocated from the building that was being rehabilitated in order for construction to occur. Additionally the existing beer cooler truck had to be relocated and power installed. Schooner Wharf Bar had requested \$6,831.62.

**Materials (\$4,487.52):** In order to temporarily relocate liquor, merchandise, beer, dry goods, etc., Schooner Wharf Bar had to construct temporary storage. Additionally, once the new storage area was complete, new shelving and secured storage needed to be constructed. Staff's position is that Schooner Wharf Bar was required to complete this as part of the lease so full reimbursement of materials is not justified. Schooner Wharf Bar had requested \$7,745.19.

**Labor (\$7,717.68):** Schooner Wharf Bar utilized staff extensively to assist the City in clearing of the spaces for construction, moving and relocating liquor, merchandise, beer, dry goods, etc., and construction of temporary and permanent storage areas. Although staff feels reimbursement of a portion of the labor may not be warranted as it was tied to construction of the permanent storage areas, this dollar amount was minimal so staff is recommending full reimbursement for labor.

**Utilities (\$1,494.00):** During construction, the City's contractor utilized Schooner Wharf Bar's utilities. Staff recommends full reimbursement for utilities.

Schooner Wharf Bar requested amount:	\$23,788.49
Staff recommendation amount:	\$19,010.82
Difference:	\$ 4,777.67

### **OPTIONS**

There are four options:

1. Approve the amount as recommended by staff
2. Approve the amount requested by Schooner Wharf Bar
3. Approve a different amount
4. Disapprove reimbursement

### **FINANCIAL ISSUES**

If an amount is approved, the City will take that amount from reserves as this is not a budgeted item.

### **RECOMMENDATION**

City staff recommends that the Key West Bight Board approve the recommended amount of \$19,010.82 and approve all necessary budget transfers.