



THE CITY OF KEY WEST

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TO: Jim Scholl, City Manager

FROM: James Bouquet, Director of Engineering

CC: Shawn Smith, City Attorney Greg Veliz, Assistant City Manager
Sarah Spurlock, Assistant City Manager
Thaddeus Cohen, Director of Planning
Mark Finigan, Finance Director

DATE: October 23, 2015

SUBJECT: City Acquisition of Key West Diesel Plant Property

As requested, the Engineering Services Department has reviewed information provided by KEYS Energy Services (KEYS) in a letter to you dated October 15, 2015, regarding possible City of Key West (City) acquisition of a portion (the Site) of the Key West Diesel Plant (the Property). The Site consists of three buildings identified as 100 Angela Street, 709 Fort Street and 101 Geraldine Street and the Fort Street Extension right-of-way (ROW). A survey indicated the area to be acquired is attached. Our findings/recommendations are presented below:

Environmental

- Based on a 2013 survey, relatively small quantities of asbestos containing materials (ACM) including transite panels, wire insulation, pipe insulation and window glazing, were identified in Site buildings. A cost to abate was not provided. An updated ACM survey with abatement costs is recommended.
- In general, painted metal components of the Site buildings (tanks, beams, doors, window frames, stairs, etc.) were reported as painted with lead-based paint (LBP). LBP was not indicated on painted brick. If removed (vs. whole component removal), LBP will need to be handled and disposed as hazardous waste.
- Groundwater contamination above Florida Department of Environmental Protection (FDEP) reporting limits is present on the northeast (KEYS retained) portions of the Property; however, none was reported within the area proposed for acquisition (the Site). A slight exceedance of isopropyl benzene (a

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petroleum product) was reported at monitoring well PMW-7, located within the Angela Street ROW off the north corner of 100 Angela Street. Reported concentrations did not exceed FDEP Groundwater Cleanup Target Levels (GCTLs) or Natural Attenuation Default Concentrations (NADCs).

- Neither the Phase II Environmental Site Assessment (ESA) nor the Site Assessment Report indicated sampling was performed beneath the slab of 100 Angela Street. Considering the proximity to PMW-7 and PMW-5 (with reported exceedances of several constituents of concern), sampling of soil and groundwater beneath this building is recommended. Sub-slab soil vapor sampling is also recommended for both 100 Angela Street and 709 Fort Street.
- Property contamination was reported to be decreasing due to natural attenuation. The site is currently managed under a Natural Attenuation Monitoring (NAM) Plan approved by FDEP. Continued quarterly monitoring of seven groundwater wells by KEYS is recommended until no longer required by FDEP. Resulting analysis results should be forwarded to the City for review.
- FDEP may require an Environmental Covenant (deed restriction) be placed on the site; however, it is unclear if this requirement will extend to the portion to be acquired. Regardless, the City should require KEYS and FDEP to indemnify the City from future liability should the contamination plume expand off of the Property and/or onto the City acquired portion. Prior to any acquisition, a meeting with responsible FDEP staff is recommended, with the understanding that an environmental attorney may be required to assist in developing the Environmental Covenant.

Architectural/Engineering

- A structural assessment of the three structures is recommended. The visual assessment recently performed by Atlantic Engineering Services on 101 Geraldine is not adequate. The assessment needs to consider stability of the two westernmost buildings (100 Angela Street and 709 Fort Street) during and after demolition of the easternmost building (101 Geraldine Street), including consideration that the remaining buildings may not be developed in the near future and may require additional support to withstand hurricane winds.
- Demolition of the easternmost building is recommended due to its unsafe/unstable condition and to re-establish the Fort Street Extension ROW. Future use of the ROW may include an access to the Truman Waterfront Park and/or development of the abutting vacant land. As the building is located within the Historic District, demolition will require an “unsafe” designation by the Chief Building Official (CBO).

- A survey of the Property dated November 2010 was conducted by Island Surveying, Inc. A survey of the Fort and Angela Streets ROW dated November 2014 was conducted by AVIROM & Associates, Inc. AVIROM should be retained to verify and consolidate previous surveys and legal descriptions into a single existing conditions plan of the Site, including a topographic survey to support future design, permitting and development efforts.
- Review of the current survey relative to the area of acquisition indicates limited access and limited potential for onsite parking. These limitations further support the need to demolish 101 Geraldine Street to provide additional space.
- The Site is located in flood zone AE-Elevation 6. The building does not appear to meet FEMA requirements and renovation costs would likely exceed 50% of market value, thus requiring reconstruction to meet flood elevation regulations.
- The buildings would require complete renovation including all utility service connections.
- Security fencing would be required around the perimeter of the buildings immediately upon acquisition.
- Miscellaneous materials will require removal from the Fort Street Extension ROW.
- The roof on 100 Angela has been recently replaced. The other roofs are recommended for replacement.

Planning and Development

- The Site is zoned Historic Medium Density Residential (HMDR); however, due to environmental conditions and the adjacent electrical substation, residential use of the Site may not be permitted. Current subject lot coverage ratio is 90%. This would decrease to approximately 60% following demolition of 101 Geraldine Street. Coverage ratio calculations assume that the Fort Street Extension will be developed as a roadway and associated areas are not included in the calculation. Planning Department should conduct a complete review of zoning and potential development options for highest and best use of the buildings, possibly including commercial or use by the City as a Community Services maintenance office/operations/storage facility.
- Development design and associated costs will need to consider compliance with Historic Architectural Review Commission (HARC) guidelines.

- Based on a conceptually similar renovation (New City Hall at Glynn Archer School), the estimated cost to perform environmental abatement, demolish 101 Geraldine Street, and renovate 100 Angela Street and 709 Fort Street to City building code and HARC guidelines would range between \$3 million to \$4.9 million, depending upon the number of floors developed. This estimate does not include “soft costs” such as architectural/engineering design and construction engineering and inspection.
- Demolition should consider salvage/recycling value of existing metal equipment/components in the buildings to reduce overall costs.

