July 15, 2025

Conflicts of Interest regarding Mote Marine and Testing for Water Quality Violations

Caused by Cruise Ships in Key West

### 1. History:

- The City is required under its Chapter 80 ("Cruise Ship Regulations") to perform
   monitoring of water quality violations caused by cruise ships in Key West's waterways.
- The City previously performed this monitoring through its partnership with the College of the Florida Keys. In 2023-24, the College documented 32 specific violations of state and federal statutes regarding turbidity (a water-quality indicator and a pollutant) that were associated with cruise ships docking at Pier B. These violations were identified by monitoring equipment attached to the City's "Yellowman" property. These violations were reported to the City in November 2024.
- The City's water-quality partnership with the College ended on February 4, 2025. On this
  date, the Commission voted to accept bids from other potential water-quality monitoring
  providers through an RFP process. The Commission also voted to remove College
  monitoring equipment from the City's "Yellowman" property.
- At its June 4 meeting, City Commissioners raised concerns that the RFP did not comply with Chapter 80's requirements. City staff responded that Chapter 80's requirements would be made part of any contract for water-quality monitoring resulting from the RFP. City staff identified Mote Marine as the top-ranked respondent to the RFP. City staff recommended holding a future public meeting to interview RFP respondents and discuss conflicts-of-interest raised by Commissioners and members of the public. The conflicts raised concern Mote Marine and its financial relationships with Pier B Development Corporation and its owner, Mark Walsh.

- 2. Summary of Primary Conflict of Interest: Mote Marine's Financial Interest in the Pier B Cruiseport:
- The City is required under its Chapter 80 ("Cruise Ship Regulations") to perform
   monitoring of water quality violations caused by cruise ships in Key West's waterways.
- There is only one cruise-ship facility in operation in Key West's waterways. This is the Pier B Cruiseport, operated by Pier B Development Corporation through contracts with the State of Florida and United States of America.
- Pier B's contracts with governments include a State lease agreement which authorizes
   Pier B's operation of the cruise facility. This authorization may be terminated for
   violations of law, including violations of state or federal water-quality standards caused
   by Pier B.
- Pier B's lease agreement with the State of Florida requires Pier B to make an annual payment of \$50,000 to Mote Marine. Over the life of the contract (25 years), Pier B's total payments to Mote Marine will be \$1,250,000.

The above facts demonstrate that (1) Mote Marine has a direct financial interest in Pier B's cruise facility; and (2) this financial interest could be harmed if water-quality violations are identified, since such violations are grounds for termination of the lease. Thus, monitoring by Mote Marine to identify water-quality violations caused by cruise ships in Key West's waterways would conflict with Mote's financial interest in the Pier B cruise facility.

### 3. Additional Conflicts of Interest:

- Pier B Development Corporation is owned by Mark Walsh. Walsh is also the owner of
  Marrkey LLC and Key Largo Bay Beach LLC. Through these entities, Walsh is the owner
  of the land occupied by Mote Marine's Key Largo laboratory. This Mote lab is part of the
  Reefhouse Resort & Marina, operated by Opal Collection, which is also owned by
  Walsh.
- Mote Marine and Opal Collection describe each other as "partners" on their respective websites. These sites describe donations from Opal Collection to Mote Marine and revenue streams that Mote receives from Opal through merchandising arrangements.
- In 2022, Mote Marine announced it had received a \$1.5 million pledge from Walsh.
   Walsh confirmed this \$1.5 million pledge in writing to the Key West City Commission in
   2023. This letter opposed the City's Water Quality Monitoring Program and indicated that
   Pier B was the source of the funds pledged to Mote.

The above facts demonstrate that Pier B's owner, Mark Walsh, is also (1) Mote Marine's landlord; (2) a business partner of Mote Marine; and (3) a major donor to Mote Marine.

The relationships between Mote Marine and entities controlled by Mark Walsh provide Mote with significant financial benefits. Thus, monitoring to identify water-quality violations caused by cruise ships in Key West's waterways would conflict with Mote's financial relationships with Mark Walsh, the owner of Pier B.

4.	Mote's failure	to disclose the	se conflicts in its	response to the RFP
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 The RFP states that respondents "shall provide a disclosure of all work for other clients that may be affected by work on the proposed contract to avoid a potential conflict of interest."

Mote Marine did not disclose its direct financial interest in the Pier B Cruiseport nor its other financial relationships with Pier B's owner, despite the RFP's expansive requirement that respondents "shall" disclose work for other clients that "may" be affected to avoid a "potential" conflict of interest.

Supporting documents are attached:

1A: Detail: Excerpt from Pier B lease agreement with State of Florida: requiring compliance with all FL statutes, providing for termination, & requiring \$50,000 annual payment to Mote Marine.

Lease 440020075, Monroe County Pier B Development Corp., a Florida corporation March 26, 2024 – Board of Trustees' Agenda

), 1999. This permit authorized the pier

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### SPECIAL LEASE CONDITION(S)

- 1. Fueling facilities, including fuel storage or fuel pumping devices, shall be prohibited on overwater structures within that portion of the leased premises identified as Cruiseport (2A).
- 2. During the term of this lease and all subsequent renewal terms, Lessee shall maintain permanent manatee educational signs that provide information on the mannerisms of manatees and the potential threat to this endangered species from boat operation and shall be required to replace the signs in the event they become faded, damaged or outdated. Lessee shall ensure that the view of the signs is not obstructed by vegetation or structures. The number, type, and procedure for installation of these signs shall be in accordance with the handout, "Manatee Educational Signs," which can be obtained from the Florida Fish and Wildlife Conservation Commission, Imperiled Species Management Section, 620 S. Meridian Street 6A, Tallahassee, Florida 32399-1600 (Phone 850/922-4330).
- 3. On or in conjunction with the use of the leased premises, the Lessee shall at all times comply with all Florida statutes and all administrative rules promulgated thereunder. Any unlawful activity which occurs on the lease premises or in conjunction with the use of the leased premises shall be grounds for the termination of this lease by the Lessor.
- 4. The terms and conditions herein, including those related to assessment of lease fees, may be reviewed at any time during the term of this lease as deemed necessary by the Lessor or its designated agent, and such terms and conditions may be modified or additional conditions may be imposed as deemed necessary by the Lessor. For the purpose of this provision, the terms and conditions of this lease may be modified (which may include the addition of new terms and conditions) for, but not limited to, the following reasons:
  - a. to conform to the adoption or revision of Florida Statutes (F.S.), rules, and standards that require the modification of the lease for compliance;
  - b. to ensure compliance with the U.S. Endangered Species Act of 1973, 16 U.S.C., § 1531, et seq., and the Florida Endangered and Threatened Species Act of 1977, Section 372.072, F.S.;
  - c. to conform to adoption or revision of rules regarding the assessment of lease fees;
  - d. to conform to any modification to the terms and conditions of all applicable permits from the State of Florida Department of Environmental Protection, the applicable water management district and/or the U.S. Army Corps of Engineers, and all other required approvals; and,
  - e. to remove any structure declared to be a public nuisance.
- 5. During the term of this lease and all subsequent renewal periods, Lessee shall annually provide documentation to Lessor confirming that Lessee has made an annual donation of \$50,000 to the Coral Reef Restoration Initiative through Mote Marine Laboratory, Inc. Lessee shall provide this documentation with its "Annual Wetslip Revenue Reports" to Lessor.

### 1B: Detail: Property Record showing Mote Marine's Key Largo Laboratory is on land owned by companies controlled by Mark Walsh.

### \*\*PROPERTY RECORD CARD\*\*

#### Disclaimer

The Monroe County Property Appraiser's office maintains data on property within the County solely for the purpose of fulfilling its responsibility to secure a just valuation for ad valorem tax purposes of all property within the County. The Monroe County Property Appraiser's office cannot guarantee its accuracy for any other purpose. Likewise, data provided regarding one tax year may not be applicable in prior or subsequent years. By requesting such data, you hereby understand and agree that the data is intended for ad valorem tax purposes only and should not be relied on for any other purpose.

By continuing into this site you assert that you have read and agree to the above statement.

MARRKEY LLC

### Summary

Parcel ID 00084960-000100

Account# 9087935 **Property ID** 9087935 Millage Group 500K

Location VACANT LAND, KEY LARGO

Address

11 61 39 ISLAND OF KEY LARGO PARCEL OF LAND Legal Description LYING NLY LOT 4 TAYLORS POINT PB4-148 II DEED

2188599 (166-44) OR132-410 OR645-295/97 OR661-215/18 OR1662-820/22QC OR1662-823/24

OR1992-1445/48 OR2518-1637/39T/C (Note: Not to be used on legal documents.)

10020 Neighborhood

Property **TOURIST ATTRACTION (3500)** Class

Subdivision

Sec/Twp/Rng 11/61/39

Affordable No

Housing



### Owner

KEY LARGO BAY BEACH LLC

1000 Market St 1000 Market St Unit 300 Unit 300

Portsmouth NH 03801

Portsmouth NH 03801

### **Valuation**

	2024 Certified Values	2023 Certified Values	2022 Certified Values	2021 Certified Values
+ Market Improvement Value	\$0	\$0	\$0	\$0
+ Market Misc Value	\$0	\$0	\$0	\$0
+ Market Land Value	\$300,381	\$300,381	\$300,381	\$300,381
= Just Market Value	\$300,381	\$300,381	\$300,381	\$300,381
= Total Assessed Value	\$300,381	\$300,381	\$300,381	\$300,381
- School Exempt Value	\$0	\$0	\$0	\$0
= School Taxable Value	\$300,381	\$300,381	\$300,381	\$300,381

## 1C: Detail: State filing showing Mark Walsh's ownership of "Marrkey LLC."

DOCUMENT# L02000005539

**Entity Name: MARRKEY LLC** 

Jan 23, 2025 Secretary of State 8289797864CC

### **Current Principal Place of Business:**

1001 E ATLANTIC AVE STE 202

DELRAY BEACH, FL 33483

### **Current Mailing Address:**

1000 MARKET STE STE 300 PORTSMOUTH, NH 03801

FEI Number: 01-0660397 Certificate of Status Desired: No

### Name and Address of Current Registered Agent:

C T CORPORATION SYSTEM 1200 SOUTH PINE ISLAND ROAD PLANTATION, FL 33324 US

The above named entity submits this statement for the purpose of changing its registered office or registered agent, or both, in the State of Florida.

SIGNATURE:

Electronic Signature of Registered Agent Date

Authorized Person(s) Detail :

Title MGR Title MGR

Name ADE, RICHARD C Name WALSH, MARK

Address 1000 MARKET STREET SUITE 300 Address 1001 E. ATLANTIC AVE., SUITE 202

City-State-Zip: PORTSMOUTH NH 03801 City-State-Zip: DELRAY BEACH FL 33483

Title MGR Title MGR

Name WALSH, MICHAEL Name WALSH, WILLIAM

Address 1001 E. ATLANTIC AVE., SUITE 202 Address 1000 MARKET STREET, SUITE 300

City-State-Zip: DELRAY BEACH FL 33483 City-State-Zip: PORTSMOUTH NH 03801

I hereby certify that the information indicated on this report or supplemental report is true and accurate and that my electronic signature shall have the same legal effect as if made under oath; that I am a managing member or manager of the limited liability company or the receiver or trustee empowered to execute this report as required by Chapter 605, Florida Statutes; and that my name appears above, or on an attachment with all other like empowered.

SIGNATURE: RICHARD C. ADE MANAGER 01/23/2025

Electronic Signature of Signing Authorized Person(s) Detail

Date

# Opal Collection partners with Mote to support cutting-edge coral restoration efforts

May 18, 2023 | Kaitlyn Fusco



CORALS BEING GROWN BY MOTE MARINE LABORATORY AT OUR KEY LARGO CORAL NURSERY ON THE PROPERTY OF REEFHOUSE RESORT & MARINA

On June 8, in honor of World Ocean Day, Opal has bought and is gifting 3,000 Coral Legend Bracelets to guests across all of their Florida properties. But this is more than just a bracelet. A portion of the proceeds from the purchase goes to supporting ocean conservation efforts conducted by Mote Marine Laboratory.

# 1E: Detail: Keys Weekly article describing partnership between Mote Marine and Opal Collection

# BRACE CORALS

# MOTE & OPAL COLLECTION PARTNER IN RESTORATION CAUSE

ote Marine Laboratory is expanding what it says is an already transformative partnership with Opal Collection, a premier assortment of luxury hotels and resorts.

In honor of World Ocean Day on Thursday, June 8, Opal is giving 3,000 Coral Legend bracelets to guests across all of its Florida properties. Each bracelet, produced and sold by Follow Your Legend, a corporate partner with Mote, provides financial support to Mote's Coral Restoration Program and is filled with sand from the area where corals have been planted because of that support.

"Florida's Coral Reef is on the brink of functional extinction and Mote, through our innovative Coral Restoration Initiative, is committed to reversing that course," said Michael P. Crosby, Mote president & CEO. "To accomplish that, we need the support of visionary philanthropy from exceptional partners like Opal Collection and Follow Your Legend. It is critical to couple science-based coral reef restoration with public outreach and education on the importance of conservation and sustainable use of our marine resources which is what this partnership achieves.

Alongside the bracelet, guests will also receive a handout with information that will educate them about the challenges facing coral reefs with details about Mote's diverse research programs and its efforts to develop science-based solutions to those challenges.

"If coral reefs were above the water and all of the public,



Michael Crosby, president and CEO of Mote, zip-ties an elkhorn coral to a small metal post during an outplanting at French Reef off Key Largo last August. JIM McCARTHY/ Keys Weekly File Photo

not just divers and snorkelers, could see them dwindling away and going extinct before their eyes, everyone would want to help restore these rainforests of the sea," said Mark Walsh, vice president of Opal Collection. "We are proud to work with Mote in meaningful ways to both support their critical research and broaden awareness around it."

In addition to the World Ocean Day promotion, Opal Collection also houses Mote's Key Largo Coral Nursery at Opal's Reefhouse Resort & Marina. The nursery includes 20 seawater raceways, which can hold more than 10,000 fragments of coral at any given time and will produce between 6,000 and 10,000 coral fragments per year for outplanting efforts. In addition, like the promotion, it furthers the mission of Mote to translate and transfer the outcomes of research to help increase broader ocean literacy and public awareness.

— Contributed



## 1F: Detail: State filing showing Mark Walsh's ownership of "Opal Collection."

DOCUMENT# P15000077045

Entity Name: OPAL COLLECTION, INC.

Jan 24, 2025 Secretary of State 6498227875CC

### Current Principal Place of Business: 1001 EAST ATLANTIC AVENUE

SUITE 202

DELRAY BEACH, FL 33483

### **Current Mailing Address:**

1001 EAST ATLANTIC AVENUE SUITE 202 DELRAY BEACH, FL 33483 US

FEI Number: 47-5127900 Certificate of Status Desired: No

### Name and Address of Current Registered Agent:

CRITCHFIELD, RICHARD H 1001 EAST ATLANTIC AVENUE SUITE 201 DELRAY BEACH, FL 33483 US

The above named entity submits this statement for the purpose of changing its registered office or registered agent, or both, in the State of Florida.

SIGNATURE:

Electronic Signature of Registered Agent

Date

### Officer/Director Detail:

Title PD Title VPTD

Name WALSH, MARK Name WALSH, MICHAEL

Address 1001 EAST ATLANTIC AVENUE, SUITE Address 1001 EAST ATLANTIC AVENUE, SUITE 202

City-State-Zip: DELRAY BEACH FL 33483 City-State-Zip: DELRAY BEACH FL 33483

Title VPD Title VPS

Name WALSH, WILLIAM Name WALSH, PATRICK

Address 1001 EAST ATLANTIC AVENUE, SUITE Address 1000 MARKET STREET, BUILDING

ONE

City-State-Zip: DELRAY BEACH FL 33483 City-State-Zip: PORTSMOUTH NH 03801

Title EVP

Name ADE, RICHARD C

202

Address 1000 MARKET STREET, BUILDING

ONE

City-State-Zip: PORTSMOUTH NH 03801

I hereby certify that the information indicated on this report or supplemental report is true and accurate and that my electronic signature shall have the same legal effect as if made under oath; that I am an officer or director of the corporation or the receiver or trustee empowered to execute this report as required by Chapter 607, Florida Statutes; and that my name appears above, or on an attachment with all other like empowered.

SIGNATURE: RICHARD C. ADE EVP 01/24/2025

Electronic Signature of Signing Officer/Director Detail

Date

# 1G: Detail: Letter to Key West City Manager Patti McLauchlin from Mark Walsh on behalf of Pier B, describing involvement with Mote Marine's Key Largo Laboratory and \$1.5 million pledge to Mote Marine.

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The attached proposal from Dr. Rice to the city to purchase and install monitoring equipment at Mallory Square Pier for a yet unidentified source pollutant does not make sense when viewed in the context of several environmental studies done by the city of Key West on the Mallory Square Pier. As late as 2020, it was demonstrated that some of the healthiest coral in the Florida Keys were present at the Mallory Square Pier and in the adjacent harbor. In fact, transplanted and relocated coral at the city coral restoration site located off Mallory Square Pier has proven that over the last 14 years the harbor coral have been doing incredibly well with hundreds of coral colonies thriving immediately adjacent to the proposed monitoring device. Again, what source pollutant is the city looking for at this site?

The city should seek proposals from multiple water quality experts to design a detailed science-based plan to accomplish the city's objectives relating to water quality and submit proposals so the city can select from different proposals and costs from the qualified licensed groups. A similar approach should be used for determining a reef restoration consultant for the city. A proper request for proposal process on how and what should be done will help educate the Commission, staff and the public in deciding the most effective way to use this \$280,000. We support sound science-based environmental efforts and to this end we have recently worked with Mote Marine to open Key Largo's first land-based Coral Nursery. We have also pledged \$1,500,000 to Mote Marine Laboratory, Inc. in 2023 to be used towards reef restoration efforts in the Florida Keys.

We are committed to these environmental efforts and offer these observations in furtherance of getting the most accurate, cost effective and beneficial study for the city and all tax payers.

We look forward to working together on this and any other issues the city may have. Please share this letter with the city commission and any appropriate staff prior to today's budget meeting.

Please let us know your thoughts on these questions.

Thank you for your consideration.

Yours truly,

PIER B DEVELOPMENT CORP.,

A Florida corporation

Mark Walsh President

Attachments

## 1H: Detail: Excerpt from RFP stating requirement to disclose potential conflicts of interest.

Describe your firm's familiarity with the City of Key West, previous marine work in the City or similar communities, and the constraints and opportunities.

Describe the firm's completed projects for clients in the United States, Florida, in the Southeast region of the United States and for state and local government clients, particularly in Monroe County.

Consultants shall provide any additional project experience that will give an indication of the Consultant's overall abilities.

If the Consultant will require any other information from the City not included in this Request for Proposal or require from the City any information in a particular computerized format in order to carry out the Scope of Work, the Consultant shall also include such request in this section, i.e. Tab 5.

The proposer shall provide a disclosure of all work for other clients that may be affected by work on the proposed contract to avoid a potential conflict of interest.

### Tab 6 - Cost Effectiveness

Provide a cost schedule for the duration of the contract/project. The schedule shall specifically identify all rates to be charged for the required services and provide a total cost for each task specified in the scope based on the required services and deliverables. Any reimbursable fees or other costs should be identified and included in the fee proposal. In addition, provide a list of any additional costs that will be charged by your firm for providing the requested services within the defined Scopes of Services.

The cost proposal is one of the criteria considered in the final recommendation; however, it is not the only factor in the selection process. Other factors, such as expertise, experience, and the proposed approach to the project, will also be taken into account.

### Tab 7 Project Schedule and Deliverables

The Consultant shall set forth a schedule clearly identifying the tasks to be completed, the amount of time to complete, and approach to work. Describe the project reports that will be submitted and the experience of your staff in generating those deliverables.

The proposal shall clearly specify when sampling visits are made, and that such costs are included in the overall costs.

### **Tab 8 Litigation**

Please provide the following information: