

RESOLUTION NO. 19-188

**A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA, APPROVING THE ATTACHED "AGREEMENT" FOR ANNUAL POWER BOAT CHAMPIONSHIP RACE SERVICES AT THE TRUMAN WATERFRONT WITH RACE WORLD OFFSHORE, LLC; AUTHORIZING THE CITY MANAGER TO EXECUTE NECESSARY DOCUMENTS UPON CONSENT OF THE CITY ATTORNEY; PROVIDING FOR AN EFFECTIVE DATE**

WHEREAS, in Resolution No. 19-141, the City Commission selected Race World Offshore, LLC as the top-ranked firm in response to RFP #006-19, Annual Power Boat Championship Race, and directed City staff to enter into contract negotiations for approval by the City Commission; and

WHEREAS, negotiations are complete, and the City Manager recommends approval of the attached Agreement;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA, AS FOLLOWS:

Section 1: That the attached "Agreement" for Annual Power Boat Championship Race Services between the City and Race World Offshore, LLC is hereby approved consistent with the terms and conditions contained in the solicitation and response received in RFP #006-19.

Section 2: That the City Manager is authorized to execute the necessary documents on behalf of the City upon the advice and consent of the City Attorney.

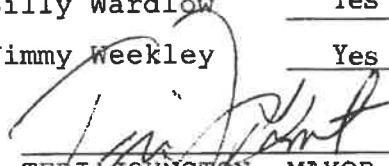
Section 3: That this Resolution shall go into effect immediately upon its passage and adoption and authentication by the signature of the Presiding Officer and the Clerk of the Commission.

Passed and adopted by the City Commission at a meeting held this 18th day of June, 2019.

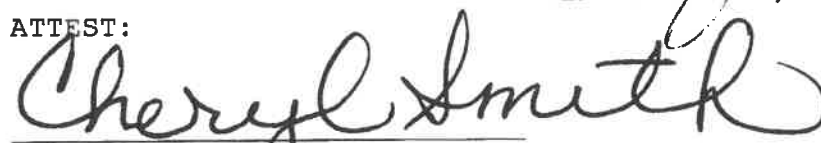
Authenticated by the Presiding Officer and Clerk of the Commission on 18th day of June, 2019.

Filed with the Clerk on June 19, 2019.

Mayor Teri Johnston	<u>Yes</u>
Vice Mayor Sam Kaufman	<u>Yes</u>
Commissioner Gregory Davila	<u>Yes</u>
Commissioner Mary Lou Hoover	<u>Yes</u>
Commissioner Clayton Lopez	<u>Yes</u>
Commissioner Billy Wardlow	<u>Yes</u>
Commissioner Jimmy Weekley	<u>Yes</u>

  
\_\_\_\_\_  
TERI JOHNSTON, MAYOR

ATTEST:

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

# Executive Summary



**To:** James Scholl, City Manager

**From:** Todd Stoughton, Risk Manager

**Date:** 6/7/2019

**RE:** Approving the Agreement for Proposal 006-19; ANNUAL  
POWER BOAT CHAMPIONSHIP RACE with Race World Offshore

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## **Action:**

Respectfully request the City Commission approve the enclosed agreement, with terms and conditions, with Race World Offshore to provide the Annual Power Boat Championship Race in Key West Harbor.

## **Background:**

On May 7, 2019, the City Commission passed and adopted Resolution No. 19-141 authorizing the execution of an agreement with Race World Offshore for the City of Key West World Championship Race from 2019 through 2023. At the direction of the City Commission, staff drafted an agreement that addressed concerns raised by Commissioners at the May 7<sup>th</sup>, 2019, Commission meeting. Upon conclusion of the Commission meeting, City staff met with Race World Offshore staff several times to discuss concerns, reviewed the RFP, and finalize terms laid out in the enclosed agreement.

## **Financial Impact:**

As outlined in RFP 006-19, and stated in the agreement, there will be no financial cap on expenses, and no subsidy from the City. Race World Offshore proposed that direct revenue sharing in the amount of \$3.00 per gate admission ticket, \$3.00 per paid car in Truman Waterfront remote parking lot, and \$3.00 per VIP ticket sold, which will serve as an additional revenue stream for the City.

## **Recommendation:**

Request the City Commission approve the enclosed agreement between the City of Key West and Race World Offshore for the Annual Power Boat Championship Race, and authorize the City Manager to execute, pursuant to legal review, the enclosed agreement with Race World Offshore.

**AGREEMENT**

**THIS AGREEMENT** is made by and between the CITY OF KEY WEST, FLORIDA, a municipal corporation, hereinafter referred to as "City" and RACE WORLD OFFSHORE LLC, a Florida Limited Liability Company, hereinafter referred to as "RWO".

**WITNESSETH:**

**WHEREAS**, RWO's proposal, dated February 21, 2019, submitted in response to City RFP 006-19, ANNUAL POWER BOAT CHAMPIONSHIP RACE was ranked the highest by the City Commission; and

**WHEREAS**, the parties desire to set forth their mutual understanding in a formal Agreement; and

**WHEREAS**, this event stimulates significant economic investment in the City of Key West supporting local businesses: and

**WHEREAS**, RWO and City have agreed to a revenue sharing formula which the City finds to be fair and adequate consideration for this agreement;

**NOW, THEREFORE**, in consideration for the mutual promises and covenants contained herein, it is mutually agreed between City and RWO as follows:

**1. Term:**

The term of this agreement shall be for five (5) years commencing on the \_\_\_ day of \_\_\_\_\_, 2019, and shall apply to the Key West Annual Power Boat Championship Race activities to be held during the years 2019 through 2023 inclusive unless earlier terminated as provided herein.

**2. Demised Area:**

RWO shall have the use of the Truman Waterfront as shown on the attached Exhibits, hereinafter referred to as the "Demised Area". City reserves the right, upon 180 days notice, to re-locate the event to a comparable sized area in the Truman Waterfront during construction or upon completion of the park improvements. In the event that RWO does not agree with the re-location, RWO shall have the right at its sole option and as its sole remedy, to terminate this agreement, within 30 days of the receipt of the re-location notice.

**3. Use:**

- a) RWO may utilize the Demised Area for the purposes of holding activities consistent with the Key West Annual Power Boat Championship Race.

- b) RWO shall coordinate its use of the Demised Area with all applicable entities owning properties surrounding the Demised Area such to provide for minimum business disruption. In no circumstance shall RWO's use of the Demised Area negatively affect ingress and egress to the Truman Waterfront.
- c) RWO will comply with all laws and city ordinances governing use of city property, including but not limited to, consumption of alcohol, noise control and exemptions, and will obtain any and all necessary permits, including special event permits, licenses and/or approvals that may be required.
- d) Each year, at least 120 days before the event, RWO shall supply the City the schedule of events for that year, which schedule shall become an attachment to this Agreement. Provided, however, the said schedule and related activities shall be in be in substantial conformity with the following:
  - A. Race Village at Truman Waterfront Park, first Sunday through second Sunday of Race Week between 9:00 AM to 5:00 PM (Days 1 – 8) with race teams arriving at 5:00 AM
    - 1. All boats will be arranged on the leased property in accordance with the map attached hereto as Exhibit "A".
    - 2. All vendors will be arranged on the leased property in accordance with the map attached hereto as Exhibit "A".
    - 3. The entrance gate to the paid parking areas and the parking lots shall be located on the leased property in accordance with the map attached hereto as Exhibit "A".
    - 4. Security within the Race Village will be provided as determined by the City Manager and Police Chief based on demand for service and prior years' experience. City approved private security may be used for this purpose.
    - 5. If required by the City Manager manned fire pumper truck shall be staged in the Race Village beginning on Tuesday and through Sunday of Race Week.
  - B. Boat Parade on Duval Street, first Sunday of Race Week (Day 1)
    - 1. The exact route of the procession starting at 4:00 PM and ending at approximately 6:00 PM will be as indicated on the map attached hereto as Exhibit "D".
    - 2. RWO shall contract and pay for law enforcement officers to ensure traffic control and the safety of the participants. The parade procession must have a law enforcement escort vehicle at the front and at the rear of the procession.
    - 3. Security along the parade route will be provided as determined by the City Manager and Police Chief based on demand for service and prior years' experience in 2013.
    - 4. Trash and recycling receptacles shall be placed at the staging

area and at suitable locations throughout the parade route to ensure adequate collection.

- C. **Welcome Party for U. S. and International Teams at Truman Waterfront Park, Tuesday of Race Week (Day 3)**
  - 1. Please refer to Exhibit "B" for event location..
  
- D. **Testing for Race Boats Tuesday, Thursday and Saturday of Race Week (Days 3, 5 and 7)**
  - 1. Please refer to Exhibit "B" for locations of boat launch and fueling areas.
  - 2. Please refer to Exhibit "C" for locations of U.S. Coast Guard Sector Key West approved race courses for testing and competition during both good and inclement weather conditions.
  - 3. Security on the race course to prevent spectator traffic will be provided by the Police Marine Boat if requested by the U.S. Coast Guard.
  - 4. Fire Services on the race course will be provided by the Fire Marine Boat if requested by the U.S. Coast Guard.
  - 5. Ambulance Service by the City is required on the US Navy Outer Mole during race testing.
  
- E. **Race Day Events, Wednesday, Friday and Sunday of Race Week (Days 4, 6 and 8)**
  - 1. Please refer to Exhibit "B" for locations of boat launch and fueling areas.
  - 2. Please refer to Exhibit "C" for locations of U.S. Coast Guard Sector Key West approved race courses for testing and competition during both good and inclement weather conditions.
  - 3. Security on the race course to prevent spectator traffic will be provided by the Police Marine Boat if requested by the U.S. Coast Guard.
  - 4. Fire Services on the race course will be provided by the Fire Marine Boat if requested by the U.S. Coast Guard.
  - 5. Ambulance Service by the City is required on the US Navy Outer Mole during race days.
  
- F. **Duval Street Party on Friday of Race Week (Day 6)**

**4. Revenue Sharing :**

RWO shall remit to City the following proceeds from the event:

- a) \$3.00 per gate admission for each ticket sold for the event;
- b) \$3.00 per paid parked car in the Truman Waterfront as reflected on attached Exhibits A-1 and A-2. \$3.00 per VIP ticket sold for the event.

ROW shall utilize a tracking and reporting method approved by City to verify and report all ticket and parking sales. Final payment of all amounts due under this revenue sharing agreement shall be due and payable annually on or before the 45<sup>th</sup> day following the final races on Sunday for each year of the event.

**5. Payment for City Services**

- a) City will provide to RWO an itemized invoice of actual costs incurred for all services rendered in connection with the events approved by this Agreement.
- b) RWO will remit payment to City within forty-five (45) days of invoice date for those services itemized on the invoice with the understanding RWO will remit payment directly to all contracted off-duty law enforcement officers and its fire department personnel. RWO shall make arrangements for privately contracted clean-up services to assist with the clean-up during the entire power boat race events

**6. Additional Provisions.**

- a) The City department spokesperson or contact person providing the services shall immediately advise the City Manager of the action to add extra labor or equipment.
- b) RWO will provide portable toilets to be available to event attendees during all events, as required by the city manager or designee.
- c) City will provide extra trash receptacles for use during the events. RWO shall pay costs for pick-ups and disposal charges for the referenced trash receptacles. Cardboard trash receptacles are not permitted. In each instance that result in closure of a street, RWO shall provide additional garbage cans.
- d) RWO will adhere to the recycling plan of the City of Key West, which provides that one (1) recycling container for every one (1) trash barrel will be used and that they be placed side by side.
- e) RWO shall provide adequate clean-up crews to remove all litter resulting from the event. Should the City be required to provide clean-up crews to remove litter resulting from the events the costs of said clean-up shall be reimbursed by RWO.
- f) RWO will pay City for electric services as estimated by the City or Keys Energy no later than 45 days after Key West World Championship ceases use of the Demised Area each year of the event.

- g) No vendors are permitted in the pedestrian right-of-way or allowed to block any intersections in either the Truman Waterfront Park or US Navy Outer Mole Pier at any time and are subject to relocation or removal by the City.
- h) RWO agrees to keep one lane of all streets open at all times during the events to allow access to any areas of the streets for emergency vehicles.
- i) RWO will not be responsible for normal wear and tear to the natural grassy areas of the park. In the event of serious damage by a vendor or racing team RWO will be responsible for the necessary replacement of the natural grassy areas.
- j) RWO may begin using the Truman Waterfront Park starting on the Monday prior to the race week and ending the Friday following race week.
- k) The City will block cruise ships on race days at the US Navy Outer Mole Pier. The City cannot block out cruise ships at the privately owned Pier B or publicly owned Mallory Square Pier.
- l) The key contacts for the City to this agreement are the City Manager, Assistant City Manager of Operations, and Director of Port and Marine Services.
- m) RWO will provide the City with a race schedule at least 120 days prior to the event for discussion and approval as relates to the use of the Truman Waterfront Park and U.S. Navy Outer Mole Pier. RWO will comply with all rules and regulations of the US Navy pertaining to the use of the premises as set forth in the City's license with the U.S. Navy attached as Exhibit E.
- n) The exhibits used herein are subject to change or modification by agreement of the parties as may be needed in consideration of the ongoing improvements to the Truman Waterfront Park.
- o) RWO shall prohibit the use of polystyrene products for food or other service by individuals, vendors or other entities with whom RWO has a contractual relationship relating to the race event on City property unless otherwise provided by law.

#### **7. Security Deposit**

RWO agrees to provide a security deposit in the amount of \$5,000.00 at least thirty (30) days prior to the event each year for the faithful performance of all repairs necessary due to the use of the property caused by RWO, it's agents, employees, invitees. The parties agree to walk through and inspect the premises before and after the event to confirm exact condition of the premises and any necessary repairs. This obligation for repairs includes, but is not limited to, damage to the parking areas, staging areas and grounds utilized by the competitors or RWO. RWO shall reimburse the City for any repair expenses exceeding the deposit.



**8. Insurance and Indemnity Requirements.**

RWO shall:

- a) Provide comprehensive liability insurance insuring itself and City against all claims of damages or injury to persons or property arising for any reason as a result of the activities associated with events permitted by City. The insurance policy shall be written by a solvent insurance company in good standing and shall provide a minimum of \$2,000,000 coverage for bodily injury arising out of one incident and \$10 Million Dollars aggregate along with a minimum of \$2,000,000 products aggregate and a minimum \$300,000 fire damage/legal. This policy shall show City as an additional named insured and a copy shall be provided to the Special Events Section of the City Manager's Office no later than three weeks before the first event.
  
- b) To the fullest extent permitted by law, RWO expressly agrees to indemnify and hold harmless the City of Key West and their respective officers, directors, agents, and employees (herein called the "indemnitees") from any and all liability for damages, including, if allowed by law, reasonable attorney's fees and court costs, such legal expenses to include costs incurred in establishing the indemnification and other rights agreed to in this Paragraph, to persons or property ( including intellectual property) caused in whole or in part by any act, omission, or default by RWO. or its subcontractors, material men, or agents of any tier or their employees, arising out of this Agreement or its performance, including any such damages caused in whole or in part by any act, omission, or default of any indemnitee, but specifically excluding any claims of, or damages against an indemnitee resulting from such indemnitee's gross negligence, or the willful, wanton or intentional misconduct of such indemnitee or for statutory violation or punitive damages except and to the extent the statutory violation or punitive damages are caused by or result from the acts or omissions of RWO. or its subcontractors, material men, or agents of any tier or their respective employees.

**9. Assignment and Hypothecation**

This Agreement is not transferable or assignable, except as provided by Resolution of the Key West City Commission.

**10. Default, Remedies**

In the event that RWO fails to comply with the terms of this agreement, including the failure to draw a large enough field of competitors to provide the 3 full days of boat races described in paragraph 3 above, the City shall have the right to terminate the Agreement upon thirty days written notice which shall be delivered pursuant to Section 12 hereof.

**11. Independent Contractor**

RWO is an independent contractor with respect to the City. No employee or agent of RWO shall be entitled to the wages or benefits of an employee of the City of Key West.

**12. Notice**

All notices, demands, or other writings in this Agreement provided to be given or made or sent, or which may be given or made or sent, by either party to this Agreement to the other, shall be deemed to have been fully given or made or sent when made in writing and received by hand delivery or Certified mail with sufficient postage pre-paid thereon to carry it to its addressed destination and addressed as follows:

To City: City Manager  
P.O. Box 1409  
Key West, FL 33040

To RWO: Larry Bleil  
202 Duval Street  
Key West, FL 33040

The address to which any notice, demands, or other writing may be given or made or sent to any party mentioned above may be changed by written notice.

**13. Severability**

If any provision of this Agreement shall be held by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions shall not be impaired thereby, but such remaining provisions shall be interpreted and enforced so to achieve, as near as may be, the purpose of this Agreement to the extent permitted by law.

**14. Governing Law.**

This Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of Florida.

**15. Entire Agreement.**

This Agreement sets forth all the covenants, promises, agreements, and understandings between the City and RWO. No subsequent alteration, amendment, change, or addition to this Agreement shall be binding upon the City or RWO unless reduced to writing and duly executed by both parties.

**THIS SPACE INTENTIONALLY BLANK**

IN WITNESS WHEREOF, RWO and City hereby accept and agree to abide by the terms and condition set forth herein, and have hereunto executed this Agreement, this 19<sup>th</sup> day of JUNE, 2019.

CITY OF KEY WEST

By: J.K. Scholl  
JAMES K. SCHOLL, CITY MANAGER



Cheryl Smith  
CHERYL SMITH, CITY CLERK

RACE WORLD OFFSHORE, LLC,  
a Florida Limited Liability Company

By: Larry Bleil  
LARRY BLEIL, MANAGER

**EXHIBIT "A"**

**RACE VILLAGE AT TRUMAN WATERFRONT PARK**

(INCLUDING BOAT ARRANGEMENT, VENDOR ARRANGEMENT, ENTRANCE GATE, PAID  
PARKING AREAS)

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**EXHIBIT "B"**

**WELCOME PARTY EVENT LOCATION (DAY 3), FUELING AND BOAT LAUNCH AREAS**

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**EXHIBIT "C"**

**US COAST GUARD SECTOR KEY WEST APPROVED RACE COURSE LOCATIONS**

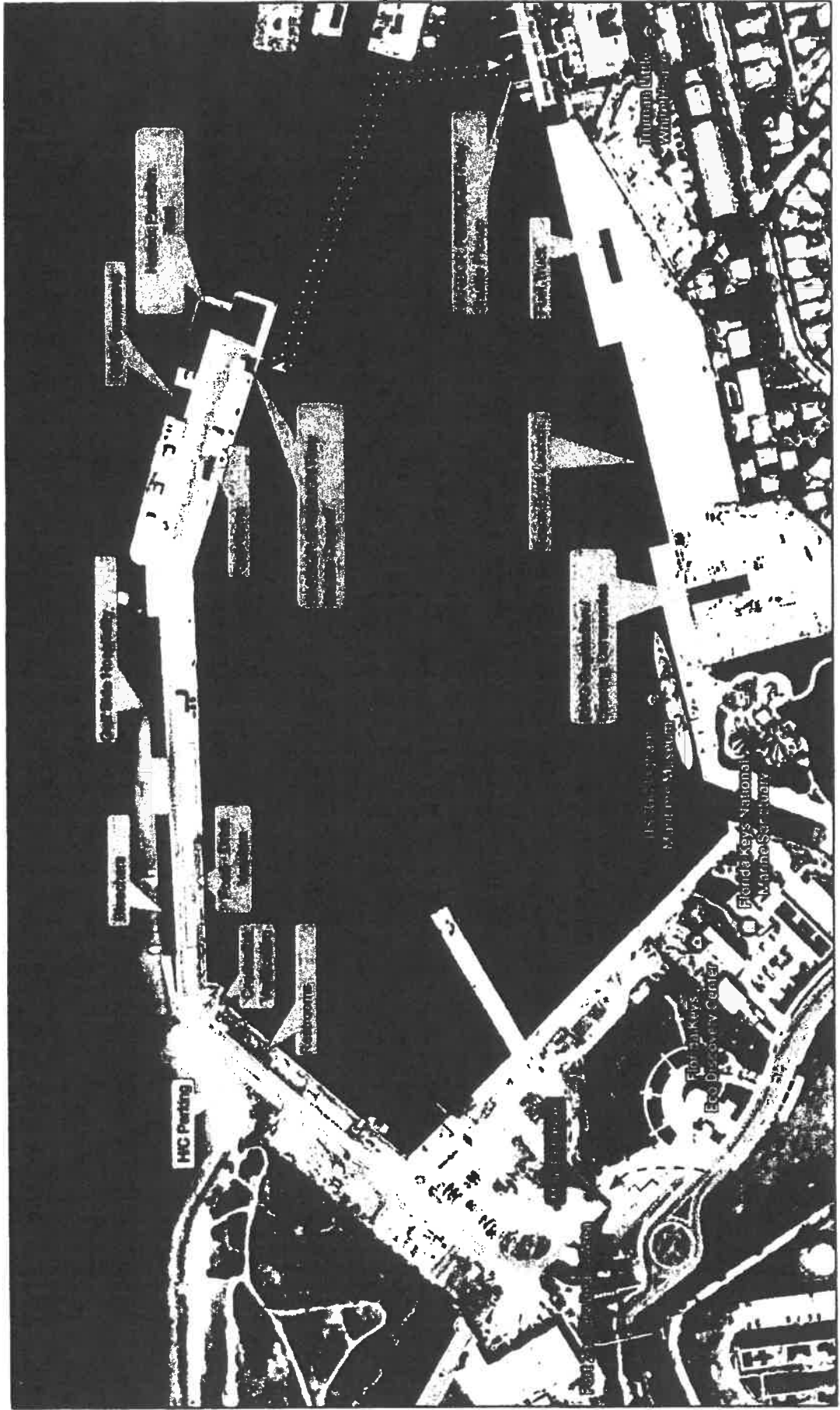
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**EXHIBIT "D"**

**BOAT PARADE ROUTE (DAY 1)**

EXHIBIT B

RWO Offshore World Championships November 2019  
Outer Mole Layout

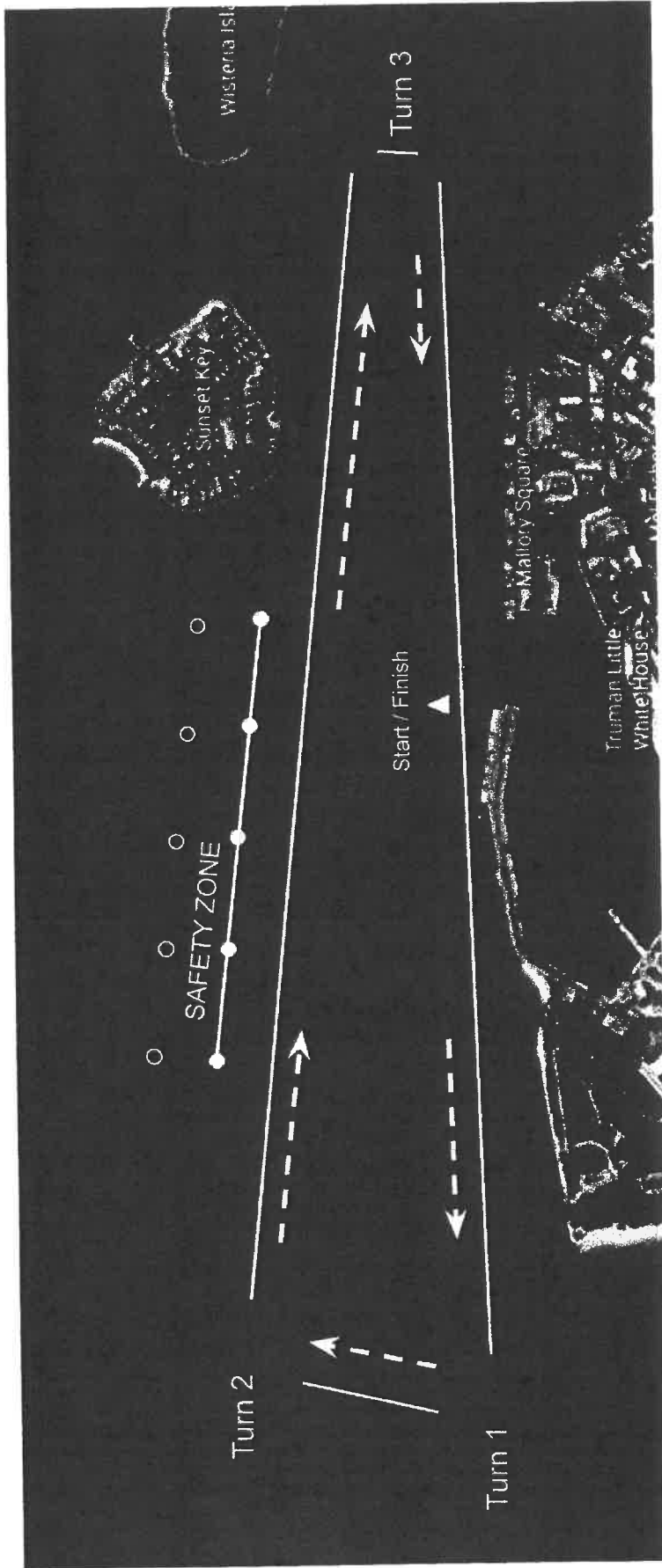






# EXHIBIT C1

## RWO Offshore World Championship RACE COURSE MAP

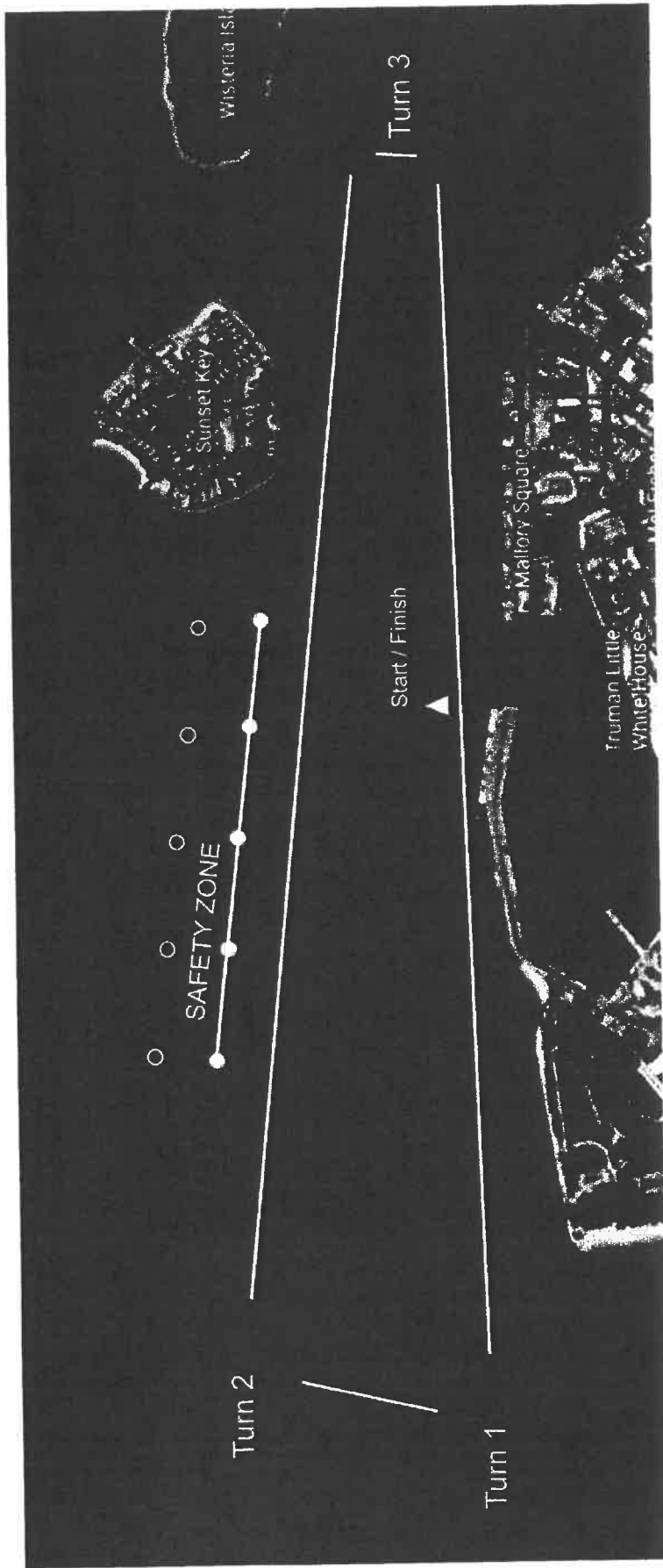


RACE COORDINATES	LATITUDE	LONGITUDE	DEPTH	DISTANCE
Turn 1	24°32.506	81°49.984	36	4.48
1A	24°32.455	81°49.040	25	
Turn 2	24°32.559	81°48.584	23	
2A	24°32.608	81°49.628	23	
Turn 3	24°33.908	81°48.448	30	
3A	24°33.898	81°48.364	31	
Start/Finish	24°33.358	81°48.784	30	
Safety Zone -1	24°33.095	81°49.265	18	
Safety Zone -2	24°33.518	81°48.902	18	
Spectator Area -1	24°33.123	81°49.290	18	
Spectator Area -2	24°33.545	81°48.923	18	

**KEY WEST RACE COURSE - The RWO Offshore World Championship race course is a clockwise course with a total distance of approximately 4.48 miles. The start finish line is in front of the outer mole are and race teams will mill to the north of turn 3 in preparation for race starts.**

# RWO Offshore World Championship SUPPORT BOAT MAP

## EXHIBIT C2



**TOW BOATS** - Tow boats assist if a boat becomes disabled or broken down and takes them to safe place on the race course.

**PATROL BOAT** - These boats manage a specific zone area to ensure spectators do not infringe on the race course.

**PACE BOAT**- Three boats bring boats from inner basin to milling circle and they are responsible for starting various heats.

**TURN / CHECK BOAT** - Boats in each turn are a visual landmark for turns, they staff event scorers, and manatee and turtle observers.

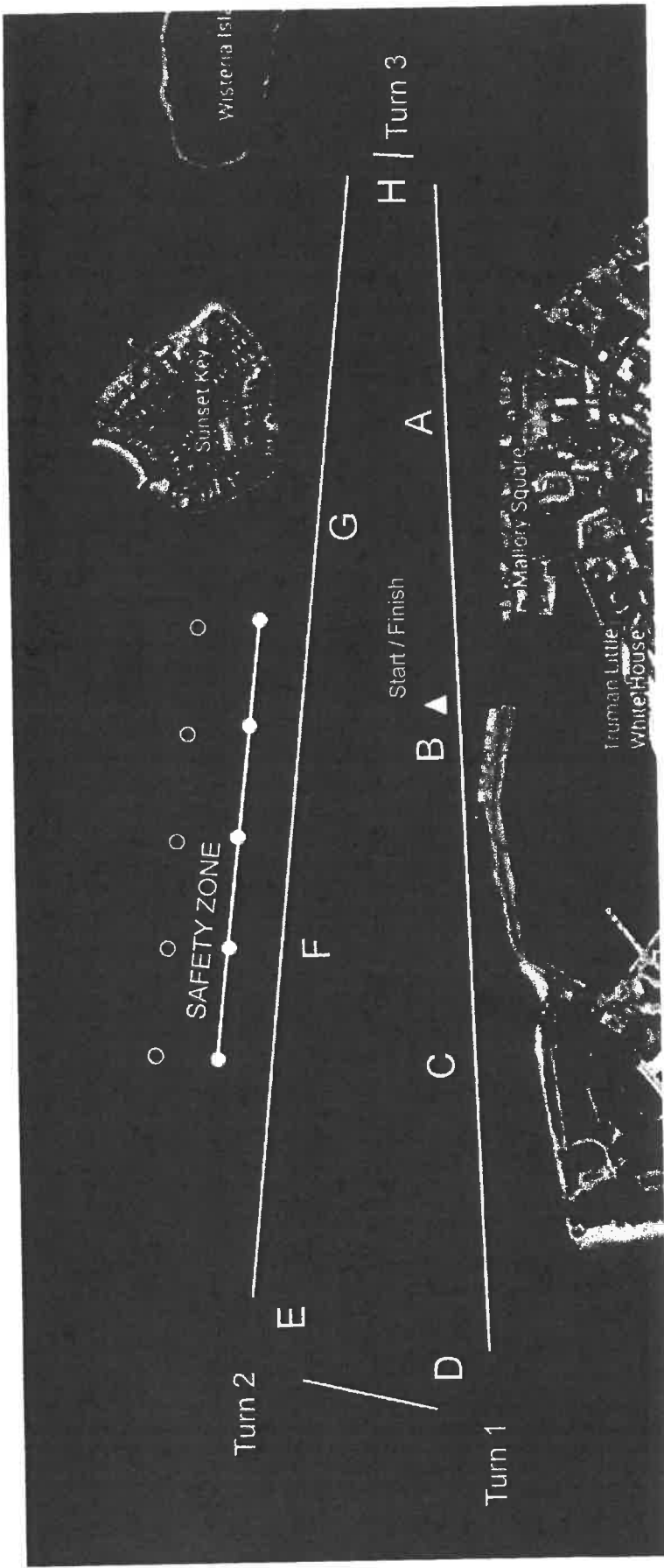
**RESCUE BOAT** - Boats identified as rescue boats are staffed with RWO trained divers and medical staff to assist in case of incident.

**COURSE MARSHAL BOAT** - Two course marshal boats set and manage the race course and manage other on course boats.

- ▬ Pace Boat
- ▬ Turn / Check Boat
- ▬ Rescue Boat
- ▬ Course Marshal
- ▬ Patrol Boat
- ▬ Tow Boat & Bress

RWO Offshore World Championship

EXHIBIT C3



**ZONE MAP** - Zone letters designate areas of the race course so all support, safety, team and personnel can quickly identify which particular area of the race course is in question. The mnemonic memory device to the right helps with memorizing the location of zones.

**Zone Mnemonic:**  
 H oats ruise own To Turn One  
 ven airly ood ardheads Make It Back

Untitled Map

Write a description for your map.

Legend

EXHIBIT D2

Google Earth

