



THE CITY OF KEY WEST

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

November 29, 2012

Mr. Timothy Yonce
Naval Facilities Engineering Command Southeast
Real Estate Contracting Officer
IPT South Atlantic
North 135 Ajax Street
Jacksonville, FL 32212

Solicitation Number: N6945012RMOLE

Dear Mr. Yonce,

This letter is in response to the US Navy's Solicitation Number N6945012RMOLE released on October 25, 2012 for future use of the Navy Outer Mole Pier at NAS Key West, FL. We were officially advised of the US Navy's solicitation by letter on November 2, 2012 by P.A. Lefere, Captain, U.S. Navy Commanding Officer. The City understands the U.S. Navy's desire to increase the revenue stream from the Mole Pier, and the necessity to maintain it as an operational facility which limits commercial development of the site. As the Navy's use of the Mole Pier increases it is important to maintain a healthy balance of military and non-military access to ensure a steady, predictable source of revenue for the U. S. Navy and its future partner(s).

During the nine year period that the City of Key West has had a lease on the facility we have been extremely supportive of the missions and operational requirements of NAS Key West, including rescheduling cruise ship port calls to facilitate short notice war ship arrivals when necessary, and undertaking over \$8,000,000 of in-kind projects to ensure the mole pier facility was maintained in optimal condition from cruise ship disembarkation fees. Throughout the term of the lease the Navy and City have developed close personal working relationships and have come to a mutually beneficial agreement on issues such as, access for contract transportation providers and how best to meet Navy security requirements with approximately 200,000 cruise ship passengers traversing the port facility each year.

Maintaining this long standing relationship is beneficial to both the Navy and City as it provides a consistent revenue stream to maintain the naval facilities and serves as a "public benefit" to both the City of Key West and the local business community that provides services to the cruise ship passengers and employment for individuals within the Key West environs. This has in turn provided for the economic well-being of all Keys residents including naval personnel and their dependents. In FY 2012 the City of Key West received approximately \$650,000 net from cruise passengers disembarking on the Mole Pier. Those passengers spent over \$20,000,000 in businesses throughout Key West. There is also the intangible benefit of those passengers discovering the beauty of Key West and returning for a longer stay at some point in the future.



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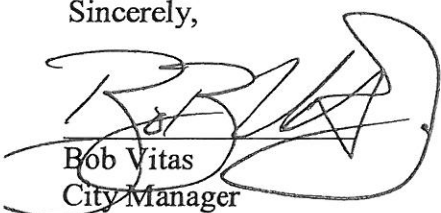
A survey by the Monroe County Tourist Development Council indicated that 62% of the tourist visiting Key West by ship would return within three years.

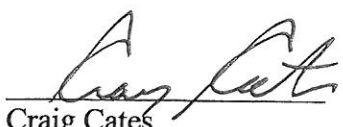
The City of Key West has discussed several options for increasing revenue on the Outer Mole without encroaching on NAS operations. However, the State of Florida public information restrictions do not allow for these options to be held as proprietary or as confidential information, as such, disclosing them would be premature and inappropriate at this time. The City is fully prepared to discuss these options at your convenience. In the alternative, the City will respond to any decision of the U.S. Navy up to and including the release of a formal Request for Proposals.

It is important to point out that the property in question was originally intended to be part of an economic development conveyance to the City in conjunction with other areas of the Truman Waterfront that were in fact deeded to the City by the Navy. With the reduction in Navy operations elsewhere at the time, the Navy and City determined it would be mutually beneficial that the Navy retain ownership of the Outer Mole and long term lease the property to the City. Accordingly, the Outer Mole was leased to the City pursuant to the "public interest" provision of 10 USC § 2667 (h) (2) (A). The history discussed above clearly shows that the Navy was correct in its initial assessment that competitive bidding was not required for the initial lease agreement because the lease served a public interest. The mutually beneficial, productive and collaborative relationship between the Navy and City has only been strengthened over the years with their coordinated efforts on the Outer Mole. While the City offers this abbreviated response to your Request, we see no reason why the provisions of 10 USC § 2667 (h) (2) (A) would not still apply and result in a lease extension between the Navy and the City.

The City of Key West would like to continue our long, mutually beneficial partnership with the U.S. Navy and continue to manage the Mole Pier thru a long term 20 year lease. As we have shown during the previous nine years we have both the knowledge and personnel to conduct safe, secure operations on the Mole Pier.

Sincerely,


Bob Vitas
City Manager
City of Key West


Craig Cates
Mayor
City of Key West



DEPARTMENT OF THE NAVY

NAVAL AIR STATION
PO BOX 9001
KEY WEST FL 33040-9001

5500
Ser N00/1312
2 Nov 12

Mr. Bob Vitas
Key West City Manager
3132 Flagler Ave.
Key West, FL 33040

RECEIVED
NOV 09 2012
CITY MANAGER

Dear Mr. Vitas:

In response to your letter dated June 8, 2012 regarding the Mole Pier lease, your letter was forwarded to the Real Estate Contracting Officer at Naval Facilities Engineering Command (NAVFAC) Southeast who is responsible for the leasing process. NAVFAC has determined that this lease must be competitively bid and is currently preparing a sources sought survey which will identify parties, including the City, who are interested and capable of responding to the request for proposals. The Sources Sought Notice for the Mole Pier Succeeding Outlease has been posted to Federal Business Opportunities (FEDBIZOPS) as of October 25, 2012. The response date is set for November 30, 2012. Web Link to access FEDBIZOPS is:
<https://www.fbo.gov/index?s=opportunity&mode=list&tab=list>

If you require any additional information on this particular issue or have questions regarding the lease, please feel free to contact Mr. Tim Yonce, Real Estate Contract Specialist. He can be reached at (904) 542-6278 or via email: timothy.yonce@navy.mil.

Sincerely,

P. A. LEFERE
Captain, U.S. Navy
Commanding Officer

Copy to: Commanding Officer, Naval Facilities Engineering Command
(NAVFAC) Southeast



NEWS RELEASE FROM NAVAL FACILITIES ENGINEERING COMMAND, SOUTHEAST PUBLIC AFFAIRS OFFICE

FOR IMMEDIATE RELEASE: Nov. 1, 2012

No. 13-04

Contact: Sue Brink, NAVFAC Southeast Public Affairs Officer
E-mail: susan.brink@navy.mil
Voice: (904) 542-6622
Fax: (904) 542-6634

Sources Sought Notice: Lease of Mole Pier at Truman Annex, NAS Key West

Jacksonville, Fla. – The Department of the Navy (Navy), through Naval Facilities Engineering Command Southeast (NAVFAC SE) Asset Management Business Line, requests an expression of interest from prospective entities (developers, contractors, teams, consortiums, joint ventures, etc.) capable of leasing, operating port operations on, managing (to include financial accounting), permitting, planning, repairing, protecting, and maintaining the Outer Mole Pier in a manner compatible with and supportive of Naval Air Station (NAS) Key West’s mission and operations.

The Outer Mole Pier is approximately 800 feet with one berth and a minimum water depth of 37 feet. Parking and transportation access on Navy property is limited. The Outer Mole Pier is currently leased to the City of Key West and that lease is scheduled to expire on June 30, 2013. The Mole Pier is currently utilized for cruise ship berthing by the City of Key West.

The Navy seeks to gather information from and gain a better understanding of the questions and concerns of potential participants. The Navy will use information received to this Request For Information (RFI) in determining whether to issue a Request for Proposals (RFP) for the out-lease of the Outer Mole Pier, and if so, to develop the content for the RFP. If the Navy proceeds with an RFP, it will evaluate the responses and may select a “highest ranked offeror” with whom to negotiate the final terms of the lease transaction and execute the appropriate lease documents.

It is anticipated that a lease would be competed and granted under authority of 10 USC § 2667, authorizing the Secretary of the Navy to out-lease non-excess real property for a term of no longer than 20 years in exchange for at least fair market value to be paid to the Navy in cash or in-kind services.

To obtain more information regarding this notice, please visit the Federal Business Opportunities website at <https://www.fbo.gov/> and enter in solicitation number: N6945012RMOLE. The requested response date is Nov. 30.

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Innovation, Leadership, Performance

The Naval Facilities Engineering Command (NAVFAC) manages the planning, design, construction, contingency engineering, real estate, environmental, and public works support for U.S. Navy shore facilities around the world. We provide the Navy's forces with the operating, expeditionary, support and training bases they need. NAVFAC is a global organization with an annual volume of business in excess of \$18 billion. As a major Navy Systems Command and an integral member of the Navy and Marine Corps team, NAVFAC delivers timely and effective facilities engineering solutions worldwide. Additional updates and information about NAVFAC can be found on social media sites Facebook and Twitter. Become a Fan at www.facebook.com/navfac and follow us at www.twitter.com/navfac.

Home	Getting Started	General Info	Opportunities	Agencies
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Buyers: [Login](#) | [Register](#) Vendors: [Login](#) | [E](#)



X--LEASE OF MOLE PIER AT TRUMAN ANNEX, NAS KEY

Solicitation Number: N6945012RMOLE
 Agency: Department of the Navy
 Office: Naval Facilities Engineering Command
 Location: NAVFAC Southeast, Bld 903

Notice Details

Packages

Original Synopsis

Oct 25, 2012
5:21 pm

[Return To Opportunities List](#)

[Watch This Opportunity](#)

ALL FILES

[Attach](#)

Oct 25

N

Solicitation Number:
N6945012RMOLE

Notice Type:
Sources Sought

Synopsis:

Added: Oct 25, 2012 5:21 pm

Sources Sought Number N6945012RMOLE- Possible lease of federal real property at Truman Annex, NAS Key West, Florida.

This is a sources sought notice only. This is not a request for proposals. There will not be a solicitation, specifications, or drawings available at this time. The Government will not pay for information requested nor will it compensate any respondent for any subsequent proposal, if any. This notice is a market research tool being used to determine the availability and adequacy of potential business sources prior to determining issuance of a Request for Proposals for lease. The contract number for this project is N6945012RMOLE. Please reference the contract number. Prepare responses in accordance with instructions of the attached Sources Sought.

Please consult the list of [document viewers](#) if you cannot open a file.

Attachment

Type: Other (Draft RFPs/RFIs, Responses to Questions, etc..)

Posted Date: October 25, 2012

GENERAL

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Sources S

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October 2

Responsi

November

Archiving

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December

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Classifica

X -- Lease

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531 -- Re

of Other F

https://www.neco.navy.mil/synopsis_file/N6945012RMOL...

Description:

N6945012RMOLE_SS_KW_NECO_Doc.__RM__102512.pdf

Contracting Office Address:

N69450 NAVFAC Southeast, Southeast Bldg. 903 Building 903 P. O. Box 30
NAS Jacksonville Jacksonville, FL

Place of Performance:

NAS Key West-Truman Annex, Key West, FL
33040
US

Point of Contact(s):

Robin McCarthy
Realty Specialist
(904) 542-6134

[Robin McCarthy](#)

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[For Help: Federal Service Desk](#) [Accessibility](#)

MOLE PIER AT TRUMAN ANNEX
NAVAL AIR STATION KEY WEST
KEY WEST, FLORIDA

RFI

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Introduction and Purpose:

The Department of the Navy (the "Navy"), through Naval Facilities Engineering Command, Southeast (NAVFAC SE) Asset Management Business Line, requests an expression of interest from prospective entities (developers, contractors, teams, consortiums, joint ventures, etc.) capable of leasing, operating port operations on, managing (to include financial accounting), permitting, planning, repairing, protecting, and maintaining the Outer Mole Pier in a manner compatible with and supportive of NAS Key West's mission and operations. ① ?

On average, 50 scheduled and unscheduled port calls are made per year by US Navy Ships and other Government ships, both foreign and domestic. The ships require berthing on the Outer or Inner Mole Pier (or equivalent berthing) and must be accommodated accordingly. ② 3

The Outer Mole Pier is approximately 800 feet with one berth and a minimum water depth of 37 feet. Availability of utilities dependent upon mission of the Navy. Parking and transportation access on Navy property is limited. The Outer Mole Pier is currently out-leased to the City of Key West and utilized for cruise ship berthing. The Navy does not anticipate approving commercial development on the Mole Pier. Please refer to City of Key West, FL Comprehensive Annual Financial Reports for information regarding operational costs. ③

The Navy seeks to gather information on what steps to take next in order to fully analyze this type of opportunity, as well as to gather broad data from and understanding of the questions and concerns of potential participants. The Navy will consider other approaches to this business opportunity and respondents are encouraged to submit alternative business models to support Navy operations and improve the return to the Navy. Please submit any questions or additional information you would like included in a potential future solicitation, should this project opportunity proceed. ④ #

The Navy will use information received to this RFI in determining whether to issue a Request for Proposals (RFP) for the out-lease of the Outer Mole Pier, and if so, to develop the content for the RFP. If the Navy proceeds with an RFP, it will evaluate the responses and may select a "highest ranked offeror" with whom to negotiate the final terms of the lease transaction and execute the appropriate lease documents. ⑤ RFP POSSIBLE

It is anticipated that a lease would be competed and granted under authority of 10 USC § 2667, authorizing the Secretary of the Navy to out-lease non-excess real property for a term of no longer than 20 years in exchange for at least fair market value to be paid to the Navy in cash or in-kind services. ⑥ \$

Expression of Interest Desired:

The Navy expects all expressions of interest to be commercially funded and financially viable ventures taking into account all associated commercial risk. In all cases, the Navy would not in any way be

MOLE PIER AT TRUMAN ANNEX
NAVAL AIR STATION KEY WEST
KEY WEST, FLORIDA

responsible, financially, or otherwise, for the development, financing, designing, engineering, permitting, planning, construction, installation, ownership, maintenance, or operation of the use proposed.

Please include in your response to this RFI detailed submittals addressing the following:

1. Explanation of types of project concept(s) that would be most viable on the Property in terms of finance, market demand and forecasts, regulatory environment, security, and developable land available;
2. Identification of required or potential issues involving environmental and land development permitting/approvals, access to utilities, transportation access, and infrastructure; and
3. Description of commitments, guarantees, etc., that may be required from the Navy to enable use of the Outer Mole Pier. - 20 YR LEASE W/ 20YR RENEWAL OPTION

Handling and Processing:

All responses received will be considered. The Navy may terminate or continue to pursue this effort. The Navy may use consultants to assist with its review of all responses received. All responses received may be held for an extended period of time or destroyed. In no case will any responses be returned to the originator. All information desired or required to be handled as proprietary or as confidential business information must be clearly, conspicuously, and appropriately marked. Information clearly, conspicuously, and appropriately marked as proprietary or confidential will be safeguarded in accordance with the Navy procedures. The Navy shall not be liable, responsible, or suffer any damages for sharing, divulging, dissemination, or otherwise publicizing proprietary or confidential information which is clearly, conspicuously and appropriately marked as such.

This RFI is for data gathering and planning purposes and does not constitute a commitment, implied or otherwise, that any further action will be taken on this RFI or the information received pursuant to it. No entitlement to payment of any kind by the Navy for direct or indirect costs, expenses, or changes will arise as a result of the submission of information in response to this RFI.

General Due Date:

Responses to this RFI are preferred in hard copy via regular FED EX mail with an electronic copy by email to be received no later than 5:00 P.M., Eastern Standard Time, on November 30, 2012 to the following:

Point of Contact: Ms. Robin McCarthy, Realty Specialist, (904) 542-6134 or email:

robin.mccarthy@navy.mil

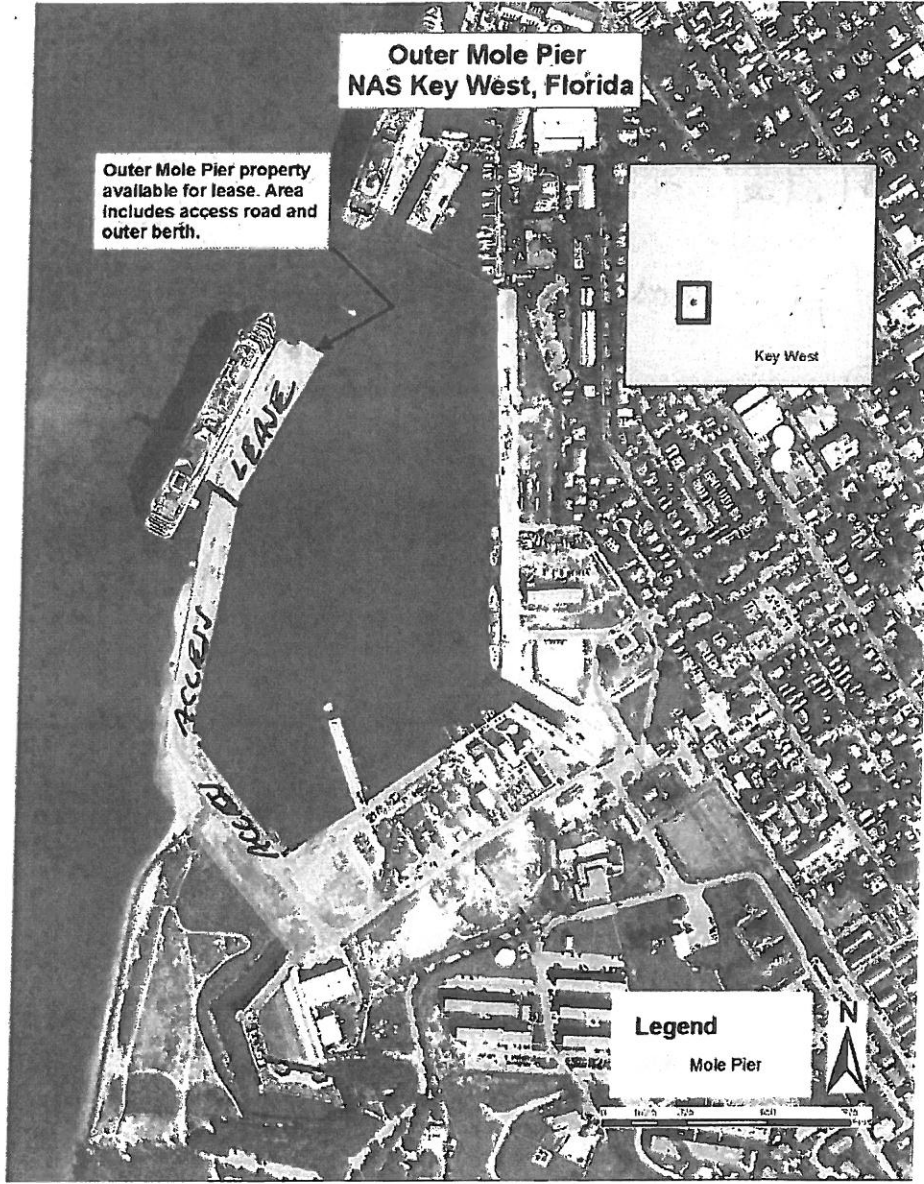
— 11-30-12 send before NOON .

FEDEX address:

Naval Facilities Engineering Command Southeast
Real Estate Contracting Officer
IPT South Atlantic
North 135 Ajax Street
NAS Jacksonville, Florida 32212

11-29-12 for 11-30-12
Delivery

MOLE PIER AT TRUMAN ANNEX
NAVAL AIR STATION KEY WEST
KEY WEST, FLORIDA



City of Key West In-Kind Projects

Project#	Value	ECD	Description
?	?	Pre-2012	Pedestrian Bridge
?	?	Pre-2012	Yokohama Fender procurement
OM1201	3,395,686	11-Jan-2013	Mole Pier Bulkhead Repairs
OM1202	1,223,025	1-Dec-2012	Mole Pier Electric Upgrades
OM1203	32,200	1-Jun-2012	Grounds Maintenance
OM1204	1,445,302	18-Jan-2012	Ornamental Fencing
OM1205	377,755	28-Jan-2013	CCTV and Security Lighting
OM1206	15,350	15-Dec-2012	Fleming Key Shoreline Rearmoring (Design Only)
OM1207	73,554	31-Dec-2012	Mole Pier Fuel Storage and Floating Dock (Design Only)
OM1208	1,800,000	?	Mole Pier electrical Enclosures

Total **\$8,362,872**