



EXECUTIVE SUMMARY

Date: September 13, 2012

To: CRA

Cc: Bob Vitas

From: Marilyn Wilbarger, Mark Tait

RE: Key West Bight Marina Commercial Dockage Agreement

ACTION STATEMENT: The purpose of this item is to seek approval for an updated 30-day dockage agreement, accompanying marina rules and a three percent annual rate increase for the commercial marina tenants at Key West Bight from the CRA.

BACKGROUND: Commercial dockage agreements have always been 30-day agreements. Earlier this year staff proposed a 1-year commercial dockage agreement which has not been approved yet and remains questionable whether it ever will. With that in mind staff has tried to address the insurance and rules issues that were part of the proposed 1-year agreement by only changing those parts in what are now the 30-day dockage agreements signed by the tenants that have been in place for years.

Risk Management and our insurance carrier strongly recommend that the liability insurance requirements of the current agreement be raised from a minimum of \$350,000 to a minimum of \$1,000,000. The tenants agree with this change.

Lessee hereby agrees to maintain and pay for, and provide current Certificate of Insurance at all times evidencing the following coverage's:

- *Protection & Indemnity limits of a minimum of \$1,000,000 Per Occurrence.*
- *Removal of Wreck coverage included in Protection & Indemnity limit*
- *Vessel Pollution Coverage included in a minimum amount of 800,000*
- *Crew coverage as required by the Federal Jones Act as applicable*
- *Any other insurance coverage as required by law*
- *Lessor listed as certificate holder for purposes of notification of cancellation, termination, or renewal.*
- *Lessor listed as Additional Insured.*

At the tenants request the following language in the agreement requiring them to relocate in the marina if asked to for special events has been removed.

Lessee agrees to vacate his/her slip for special events such as Race Week, if requested to do so by Lessor.

Lessor will make best efforts to relocate the Lessee within the marina during this period. If the Lessor is unable to provide a temporary slip for the Lessee, the Lessee shall vacate the marina immediately and shall be entitled to:

- (a) A proportionate adjustment in the monthly rent; and*
- (b) Return to the slip in the Marina at the conclusion of the event.*

The second part of this item is to update the marina rules so staff can better control the appearance of the marina docks just like any other marina would. Staff understands that this is the Historic Seaport and the intent is not to make the docks look like a Ft. Lauderdale marina but to put some consistency into the dock boxes and signage currently located throughout the marina. There are many nice white fiberglass dock boxes throughout the marina which is what the new rules dictate but there are also brown and green Rubbermaid yard boxes, homemade sheds, dilapidated semi painted wooden boxes, etc., that are not what you would expect to see on normal marina docks. There also is the problem with some tenants deciding they need more than 1 dock box to store their gear. Additional dock boxes clutter the docks and infringe on neighboring slips.

The updated signage policy which the rules reference is also an attempt to standardize the size and number of signs allowed at commercial tenant slips. This policy does not dictate that everyone have the same sign. It outlines a not to exceed size limit and also limits the number of signs each customer can have. The content and appearance of the signs is up to the tenant's discretion but must receive staff approval that the overall sign does not exceed the policy as well as HARC approval.

This 30-day dockage agreement and rules were discussed at length at the September 12th Bight Board meeting with tenant input. The overall impression staff has is that the majority of tenants are satisfied with the revised 30-day agreement and updated rules. But there are a couple of tenants that still object to aspects of the updated rules admittedly for their own purposes. It was mentioned by the Bight Board that tenants could come before the Board if they wished to ask for a variance to the rules and policy. At the end of the discussion between the Bight Board, staff and the tenants the Bight Board unanimously approved the updated 30-day dockage agreement and rules for the marina.

The third part of this item is to approve a rate increase. Staff is requesting a 3% annual rate increase for the commercial tenants at Key West Bight Marina. This increase was set and approved by the Key West Bight Board. It has been four years since the last CPI increase for commercial marina tenants. The commercial upland tenants have an annual rate increase built into their lease the marina tenants do not. A rate increase is needed to help offset growing operational expenses at Key West Bight Marina and if approved will commence on October 1st 2012.

There has been no opposition from the tenants regarding this rate increase in fact many have opined that the increase is probably past due.

OPTIONS

1. The CRA can approve the 30-day dockage agreement, marina rules and 3% annual rate increase for the commercial tenants at Key West Bight.
2. The CRA can decide not to approve the 30-day dockage agreement, marina rules and 3% annual rate increase for the commercial tenants at Key West Bight.

FINANCIAL IMPACT: A 3% rate increase for the marina commercial tenants will add \$24,774 to the marina's revenues.

RECOMMENDATION:

Staff recommends CRA approval of the updated 30-day dockage agreement, marina rules and 3% annual rate increase for the commercial tenants at Key West Bight Marina.

ATTACHMENTS:

Current 30-day commercial dockage agreement
Updated 30-day commercial dockage agreement
Current rules
Updated Rules