



MEMORANDUM

Date: October 9, 2025

To: Brian L. Barroso
City Manager

From: Doug Bradshaw
Engineering Director

Cc: Michael Turner
Assistant City Manager

Patrick Wright
Director of Growth Management

Historic Architectural Review Commission (HARC) Members

Bahama Village Redevelopment Advisory Committee (BVRAC)

Subject: City Commission direction on the future of the Diesel Power Plant

Introduction

Staff request City Commission direction on how to proceed with the Diesel Power Plant located at 100 Angela Street.

Background

The City of Key West acquired the Diesel Power Plant at 100 Angela Street in June 2017, following voter approval in a November 2016 referendum. Originally constructed in the 1880s as a gas plant and later converted to electric generation by 1890, the facility was the first in Florida and one of the earliest in the South to produce electricity. Over time, it evolved into a steam and then diesel plant serving as a critical energy hub well into the mid-20th century. Although decommissioned, the site remains historically and architecturally significant, with portions of the property still in use by Keys Energy Services (KEYS) as a transmission station.

Since the acquisition of the property, the City has explored multiple redevelopment paths. In 2018, the Chief Building Official ordered the demolition of Buildings 3, 4, and 5 and repair of Buildings 1 and 2. Resolution 18-088 deferred the demolition issue to the Historic Architectural Review Commission (HARC), which

recommended preservation of key structures and immediate steps to halt deterioration. Resolution 18-238 accepted HARC's non-binding opinion emphasizing the site's historic value and encouraging an inclusive reuse compatible with the adjacent Bahama Village and Truman Waterfront Park.

Engineering assessments have placed stabilization costs at \$7 million. Past reuse proposals, including a museum concept and an unsolicited proposal from Rams Head, did not move forward. A Request for Proposal (RFP) in 2022 failed to generate viable reuse, with environmental uncertainty cited as a key barrier. In response, the City commissioned RES Florida Consulting, LLC to prepare a Soil and Groundwater Management Plan (SGMP), finalized in June 2024, outlining construction remediation requirements.

Despite broad interest from the public, HARC, and the Bahama Village Redevelopment Advisory Committee, no physical improvements have been made to date, and no viable reuse has been identified. With updated environmental and structural reports now in hand, staff seek direction from the City Commission on the future of the Diesel Power Plant.

Potential Options

Staff has determined the following potential actions for discussion but welcomes additional ideas or input from the City Commission.

1. Seek some form of adaptive reuse
 - a. Issue a new RFP. Include the new SGMP and structural assessment to reduce uncertainty. Consider offering development incentives, Work with procurement manager to ensure RFP is targeted properly
 - b. Repair and stabilize the structures according to the structural assessment (estimated cost \$7M).
 - c. Identify Public-Private Partnership (P3). Engage with potential partners for joint redevelopment.
 - d. Sell property. Appraisal of \$1.79M dates to 2017.
2. Demolish structures and develop new use for site
 - a. HARC recommends.....
 - b. Still includes certain asbestos and lead abatement costs as well as environmental requirements for soil and groundwater management.
 - c. Estimated cost of demolition \$800K-\$1M

Conclusion

Staff requests City Commission discussion and direction on the preferred path forward.