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THE CITY OF KEY WEST

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EXECUTIVE SUMMARY

To: The City Commission for the City of Key West

From: George B. Wallace, Assistant City Attorney

Date: March 1, 2021

RE: Approval of Mediation Agreement with the Mosquito Control District concerning contamination and clean up of the former Mosquito Control District leased property on College Road

Action statement:

Adopt a Resolution approving the Mediation Agreement reached by Mayor Johnston, City Manager Veliz and City Attorney Shawn Smith resolving the financial dispute with the Mosquito Control Districts over the costs incurred in remediating the former Mosquito Control property on College Road.

Background

The former premise occupied by the Florida Keys Mosquito Control District (FKMCD) located at 5224 College Road was discovered to suffer from petroleum and pesticide contamination believed to have occurred during the property's occupation by the FKMCD. The subject property is a portion of the City's affordable housing project known as Garden View Apartments which received approval for grant funding under the CDBG-DR program. This grant requires environmental evaluation for credit underwriting

approval prior to the grant funding's disbursement to the Key West Housing Authority under contract to purchase the property. The property has been the subject of voluntary source removal programs initiated and paid for the City of Key West. At this time the City has expended the sum of \$770,610.00 as a direct result of the contamination and the related clean-up efforts. The City anticipates a total cost approximating \$1,012,418.00. The City is seeking reimbursement of these funds from the FKMCD.

The City initiated Section 164 Florida Statutes resolution proceeding in July of 2020. On February 24, 2021 the City and FKMCD engaged in a mediation as provided by Section 164 Florida Statutes.

The participants in the mediation, reached a tentative settlement of the dispute which requires an initial payment of \$350,000.00 from FKMCD to the City by March 31, 2021 and the balance of \$500,000.00 due no later than November 30, 2021.

Recommendation:

To approve the preposed Mediation Agreement and resolve without litigation the dispute between the City and FKMCD related to the costs incurred to remediate the former District site.

Recovered remediation funds will be deposited into Fund 104 Affordable Housing Trust Fund 104-5401-554.9803 Reserves
