

Market Rate Study Discredited
Supplement #3 to 2024 Study:

**True Housing Costs
in City Marina at
Garrison Bight**

March 28, 2025
Key West

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NOTE: The original Study, “True Housing Costs in City Marina at Garrison Bight”, was published September 18, 2024. Study Supplement #1 titled “Material Financial Omissions” was published December 6, 2024. Study Supplement #2 titled “Plan Will Bankrupt Marina” was published February 20, 2025. All were provided to the Key West City Commission. Request the original Study and all Supplements by emailing the author at FDNYjoe@aol.com for PDFs. They are also available for immediate download via Dropbox link in multiple parts:

<https://www.dropbox.com/scl/fo/liuya0ha94loyjuh6uiv/ABYCS6lkZsmooDmpdZloKco?rlkey=rpxb5g3fbgw2tbzuo8a0ktywd&st=nrjs97ii&dl=0>

Marina Study Supplement #3

True Housing Costs in City Marina at Garrison Bight: *Market Rate Study Discredited*

Executive Summary

In September 2024, the City of Key West Director of Port & Marine Services budgeted for a private appraiser at a cost of \$25,000 to conduct a study[†] to determine market rate valuations for City-owned slip rentals and submerged land leases in Garrison Bight, promoting a proposal to nearly double its live-aboard rent rates. The final study was completed in March 2025¹. The number and scope of transgressions in this study undermine the validity of the information provided and conclusions drawn. It contains numerous material factual errors in its financial data, use comparisons, allowed rentals, valuable amenities, and conclusion assumptions. Some, of note:

COMPARISON MARINA ERRORS (*details explained in the following pages*):

- The appraiser reports incorrectly that comparison marinas have “*equal utility*” and “*similar use*” to Garrison Bight. However, most notably, management from comparison marinas report: Floating homes and Houseboats² are ***not allowed*** in their marinas³ and year-round rentals are totally prohibited in one of them. (*See attached email objections from those marinas, on next page.*)
- Swimming pools were stated as “*None*” for comparison marinas *with* swimming pools.⁴
- Private beaches were omitted from comparison charts of marinas with private beaches.⁴
- It reports that Garrison Bight’s location is “*similar to the in-town location*” of The Galleon Marina in Old Town Historic Harbor—one of the most valuable locations in Key West.⁵

It does not appear that the appraiser conducted in-person inspections of each comparison marina, nor direct communications with comparison marina management or a thorough review of their website information⁶. ***Otherwise, he would have observed in those marinas (and been informed of) swimming pools and private beaches but NO floating homes—and more.*** Floating homes and most houseboat types in Garrison Bight are not allowed in the comparison marinas, and The Galleon doesn’t allow year-round rentals, nor is it “*similar*” to Garrison Bight. These are discredited marina comparisons.

FINANCIAL CALCULATION ERRORS⁷ (*details explained in the following pages*):

- Thousands of dollars in required Garrison Bight “*live-aboard lease*” fees were omitted, reducing reported rates paid over the “*12-month lease*” term by 61 to over 100 percent.⁸
- A monthly sanitation fee was erroneously added to the per-foot slip rental rate, mistakenly increasing the marina slip monthly rate by 71 percent.⁹
- Sales tax errors in monthly capital improvement fees were made, assuming tenants pay 7.5 percent in sales tax on these fees when they in fact pay zero sales tax on the fee.¹⁰
- Submerged land lease rent comparison conclusions were off by nearly double, up to over triple, in rent rate differences. And skewed outliers were selectively included or excluded.¹¹

Details with documentation are explained in this Study Supplement, with supporting Photos, a Comp Chart, Documents, and Endnotes. These noteworthy errors and omissions undermine the credibility and believability of the Market Rate Study. *Our esteemed City Commission cannot rely on its accuracy for their decision-making process regarding City Marina at Garrison Bight—and should vote accordingly.*

[†] Post-publish edit on 3/31/2025 to reflect Sept. 17, 2024
Final Annual Budget approval.

INFO REQUESTS SENT TO ALL COMPARISON MARINAS:

From: Joseph Miccio <fdnyjoe@aol.com>
Sent: Thursday, March 13, 2025
Subject: (Marina Name) Slip Rental

Dear (Marina Name) Dockmaster,

We are looking in the Key West area to rent a year-round live-aboard slip for a 50' x 15' floating home that does not have a propulsion system, or we are considering purchasing an older, box-shape houseboat powered by an outboard engine mounted with an external bracket instead.

Does your marina rent year-round to live-aboard tenants on these types of boats, and what are the monthly rates and lease rules/terms/particulars? Also, does your marina have a pool? If so, are slip renters allowed to use it? Please email this information. Thank you in advance for your assistance.

Sincerely,

Joe Miccio

COMPARISON MARINA REPLIES*:

From The Galleon Marina:

From: [REDACTED] <[REDACTED]@galleonresort.com>
Subject: Re: Galleon Slip Rental
Date: March 13, 2025 at 10:39:27 AM EDT
To: Joseph Miccio <fdnyjoe@aol.com>

Good Morning,

We do not offer year-round rentals or slips for these types of vessels.

Thank you,

[REDACTED]
Galleon Marina, [REDACTED]
619 Front Street
Key West, Florida 33040
(305) 292-1292
www.GalleonMarinaKeyWest.com

From Safe Harbour Marina:

From: Safe Harbour Marina <safeharbourmarina@gmail.com>
Subject: Re: Safe Harbor Marina Slip Rental
Date: March 13, 2025 at 12:32:51 PM EDT
To: Joseph Miccio <fdnyjoe@aol.com>

Good afternoon,

Due to our Marina insurance, we do not allow any floating home, houseboats to be in our marina.

Safe Harbour Marina LLC Management
6810 Front Street
Key West, FL 33040
Office 305-294-9797
Email safeharbourmarina@gmail.com

From Sunset Marina:

From: [REDACTED] <office@pelagicpropertymanagement.com>
Subject: Sunset Marina Slip Rental
Date: March 13, 2025 at 11:23:21 AM EDT
To: Joseph Miccio <fdnyjoe@aol.com>

Unfortunately, neither floating home you describe meets the requirements of the Marina. We do not allow actual houseboats. The boats must have a steering system and motor power.

[REDACTED]
 Sunset Marina
 305-780-7176

From Stock Island Yacht Club:

From: [REDACTED] <[REDACTED]@stockislandmarinafl.com>
Subject: Re: Stock Island Yacht Club Slip Rental
Date: March 21, 2025 at 11:26:18 AM EDT
 [REDACTED]

Hi Joe,

I apologize for the long response time. Unfortunately, I don't think we will be able to accommodate you at this facility. It may be beautiful but just not the style of vessel that fits in our environment. I would suggest giving Safe Harbor Marina on Front street a try. Thank you for checking with us and good luck.

Thanks,

[REDACTED]
 (305) 292-3121
 [REDACTED]@stockislandmarinafl.com
 6000 Peninsular Avenue I Key West, FL

From The Perry Marina:

From: [REDACTED] <[REDACTED]@perrymarina.com>
Subject: RE: Perry Marina Slip Rental
Date: March 25, 2025 at 3:47:03 PM EDT
To: Joe Miccio <fdnyjoe@aol.com>

Joe,

We are unable to accommodate a home of this type. Thanks for considering the Perry.

Take care,

[REDACTED]
 Office: (239) 294-0229
 7001 Shrimp Road, Key West, FL

Author Note: Follow-up communication confirmed The Perry was referring to floating home/structure.

THE MARKET RATE STUDY STATES (p.22): ***“The value of the lease or market rate sought for the dockage for liveaboard was the rate per linear foot of vessel/houseboat and floating structures.”***

As indicated in the above emails and as shown in the **Photo Comps** on next page, the “comparison marinas” do **NOT** cater to or accept floating homes/structures and most types of Garrison Bight houseboats.

**Name, titles, and other personal identifying information have been redacted from emails reproduced in this Supplement to maintain the privacy of marina employees providing information. Formatting of info has been adjusted and condensed to fit space. Original emails with all info are available upon request from recognized media organizations upon the condition of maintaining senders' privacy.*

**NOTE: highlight colors added after initial publish date.*

Comparison Marina Photos



Top: City Marina at Garrison Bight
Second Row: The Perry Marina & Stock Island Yacht Club

Third Row: The Galleon Marina & Resort
Bottom Row: Sunset Marina & Safe Harbour Marina

Erroneous Marina Comparisons:

- **Dissimilar Use, Floating Homes Prohibited:** The Market Rate Study states: “*Substitution principles apply to the lease rates of the comparable sites with equal utility to that of the subject property,*” (p.24) and “*Unit of comparison sought were most similar in use”* (p.14), and “*The value of the lease or market rate sought for the dockage for liveaboard was the rate per linear foot of vessel/houseboat and floating structures.”* (p.22)

Yet, conversely, floating homes and most types of houseboats in Garrison Bight are **not allowed in the comparison marinas used**¹² and The Galleon **prohibits year-round rentals**. (Sport and recreation vessels in comparison marinas are also not allowed in Garrison Bight live-aboard slips, unless they have full live-aboard capacity.) Besides in marina policies, cursory visuals of these marinas easily confirm these disparities. There is no “equal utility” or “similar(ity) in use” between the subject and comparison marinas. *A simple inquiry to marina management would have documented this critical missed disparity.* Also, a conspicuous **absence** of subject and comparison marina photos compound the inability for readers to visualize or understand the appraiser’s opinions of comparison values. *See Marina Comp Photos on previous page.*

- **Missed Swimming Pools & Beaches:** The Market Rate Study erroneously reported in three separate comparison charts regarding amenities on three different pages (p.23, 26, 29) that there were no swimming pools in two of the five comparison marinas—and it also missed *both* of their private beaches. The appraiser states in the study (p.4): “*I certify that, to the best of my (sic) knowledge and belief: The statements of fact contained in this report are true and correct.*” Besides the obvious bluntness of missing such prominent and significant amenities, a bigger concern these oversights raise is how many other important matters in this Market Rate Study were missed or are non-factual? Numerous other errors and omissions, including financial, in the Market Rate Study have been documented in this Supplement. As a result, credibility of the Market Rate Study is in serious doubt.

Comparison Marina Location Value Errors

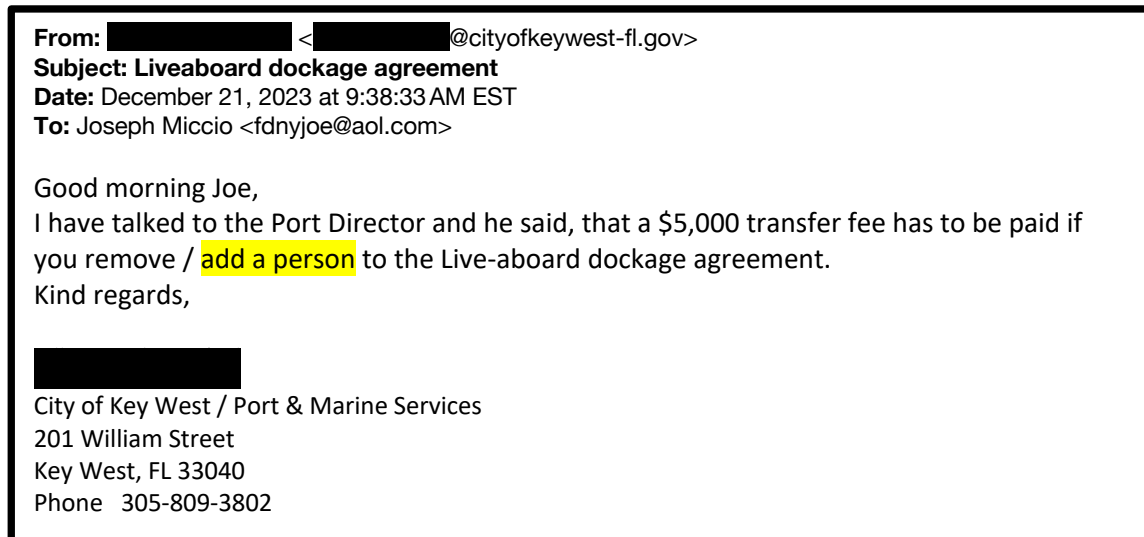
The Galleon vs. Garrison Bight: The 109-unit live-aboard City Marina at Garrison Bight is located across the street from the 117-unit Key West Housing Authority Public Housing Project, which is closer to the marina than all other residences in Key West. It is also on one of the busiest, loudest, and most dangerous intersections in Key West, with the firehouse across the street’s response sirens sounding at all hours day and night. According to the City of Key West, both are considered affordable and *below market rate* housing communities¹³. The Galleon Marina & Resort in Downtown Historic Old Harbor is located on one of the most valuable pieces of property in Key West and its marina is the closest to direct Atlantic Ocean and Gulf access than all other Key West marinas. Its 40’ slips, starting at \$110 per foot, command twice the price of any comparison marina used in the Market Rate Study.

The Market Rate Study states that the location of the City Marina at Garrison Bight property is “*similar to the in-town location*” of The Galleon Marina in Old Town Historic Harbor¹⁴. Elsewhere it describes The Galleon as “*similar or slightly superior.*” These conclusions, on face value, are off by a wide margin by any objective standard.¹⁵ The market rate study provides no methodology or logic for drawing these surprising conclusions... which offers no basis whatsoever to be believable. The Galleon Marina & Resort is not a valid similar comparison marina, and it does **not allow year-round leases** or floating homes and most types of houseboats that are in Garrison Bight (see attached objection email from its Dockmaster on page 3). *Also of note, the appraiser’s Liveaboard Comparable Data Chart is missing numerous important comp data and has a significant number of errors and omissions, compounding data comprehension issues. See corrected Marina Comparison Chart on page 9 and corresponding Marina Photos on page 5.*

Thousands of Dollars in Slip Rate Errors & Omissions

Unlike all the comparison marinas, the Live-Aboard lease in City Marina at Garrison Bight states that the tenant “*shall pay to the LESSOR a transfer fee the sum of **\$5,000.00 or 4% of the purchase price***” of the tenant’s vessel/floating home, “*whichever is greater, in order to reserve the slip for the continued use of the vessel/floating home.*”¹⁶ (\$150k boat = \$6k extra, \$200k boat = \$8k, \$250k boat = \$10k, etc.) The lease also states: “*LESSEE'S initial lease period shall be for a one-year term.*”¹⁷ Converts to month-to-month after initial 12 months—no exceptions/no refunds—subject to 15-day notice termination per Florida Landlord Tenant Statutes Chapter 83.¹⁸ **This nonrefundable \$5,000 or 4% minimum (up to approx. \$16,000) live-aboard cost was omitted from the Market Rate Study.**

Plus, if the tenant adds another person to the lease *after* signing—such as a spouse, parent, child, or sibling—**another \$5,000 fee** is charged by the City. (See below email per the Port Director.)¹⁹ No one is permitted onboard unless the tenant listed on the lease is also onboard²⁰. The lease may terminate after twelve months without return of the \$5,000 to \$16,000 fee (and the additional \$5,000 fees paid to add family or others). These financial obligations require the tenant to pay the per-foot rate *plus* the transfer fee *plus* any additional person fees for adding family or roommates. This increases Garrison Bight’s twelve-month lease cost by 61 to over 100 percent *greater than the slip rates quoted* in the Market Rate Study²¹ (not including the \$5,000 costs charged for adding others).



Besides another \$5,000 if adding others, this non-refundable initial lease fee adds—***at a minimum***—an extra \$10.42 per foot for a 40’ \$125,000 houseboat on top of the \$17.18 per foot rate (total 28.81/ft with tax) over the 12-month lease term. (There is no slip guarantee after 12 months.) Or \$16.67 extra for a \$200k houseboat (total \$35.06/ft with tax). Or \$20.83 extra for a \$250k houseboat (total \$39.22/ft with tax). Plus, the \$3/ft average cost for water/sewer, solid waste removal, and outside mail service that Garrison Bight tenants must pay for (comparison marinas include for free), bringing the tenant total costs to \$31.81/ft, \$38.06/ft, and \$42.22/ft respectively—or up to/over \$50/ft for higher houseboat purchase prices.²² Further, for tenants who later add another user to their lease, they must pay the \$5,000 extra fee, which adds an additional \$10.42/ft over a 12-month lease term.

None of the comparison marina leases have fee clauses of this financial magnitude. **Shockingly, the Market Rate Study makes zero reference to these nonrefundable \$5,000 to \$16,000 fees nor the \$5,000 add-a-person fee in the Garrison Bight lease—or that the comparison marinas DO NOT charge these fees.** These huge omissions skew the market rate cost comparisons significantly and bring into serious question the validity of the Market Rate Study. *See corrected rate comparison chart, p.9.*

When including *all* the actual lease costs that Garrison Bight tenants must pay over the 12-month lease term (which the Market Rate Study appraiser failed to consider), with an increasing varied cost scale based on houseboat purchase price, their actual adjusted rents come close to the market range of the comparison marinas in most instances when factoring in the 15% adjustment “*for the resort-amenities*” (p. 25) the appraiser used, and excluding The Galleon Marina *outlier* comparison the appraiser incorrectly used, which does not accept year-round rentals (or houseboats/floating homes).

Free Extras & Amenities in Comparison Marinas

Unlike Garrison Bight, the comparison marinas offer a FREE water/sewer, solid waste removal, and a mail/package reception address, plus no extra beam fees (\$26.84/ft) for boats over 15 feet wide that fit in a normal slip.²³ Every marina charges for electricity, but the appraiser *erroneously reported that electricity was “included”* in several of the comparison marinas (p.23 chart). Depending on water usage, mail service contracted, and beam, these extra costs for Garrison Bight tenants add up²⁴. Garrison Bight does not have free amenities such as swimming pools, private beaches, saunas, gyms, shuttle service, private clubhouses, outdoor event areas—or on-site restaurants, bars, an adjacent golf course, or other services—depending on the comparison marina. The appraiser factored a 15% market rate adjustment (p.25) to compensate for the lack of these amenities at Garrison Bight but provided no formulas or documentation for its basis. *The appraiser also did not factor in or mention the value of short-term subletting and AirBnB rental income, which some of the comparison marinas allow, or chartering—but not Garrison Bight. These are neglected significant cost offsets to the market rate values that should have been identified and factored in by the appraiser.*

\$18 Per Foot Added by Mistake

The Market Rate Study “**Conclusion**” states that for Commercial Dockage on Angelfish Pier (p.18), “*The City currently is charging rates of \$25.25, plus \$18 per month for solid waste, plus applicable taxes, totaling \$46.49 per foot per month.*” The appraiser mistakenly added the \$18 to the per foot rate instead, plus tax, erroneously increasing the lease rate by \$19.35 per foot, with tax, bringing it to a mistaken total of “*\$46.49 per foot*”—and repeating the mistake in another paragraph. The correct rate total should have been \$27.14 per foot, plus a handful of pennies²⁵ per foot for solid waste, not “*\$46.49 per foot per month.*” The Market Rate Study “**Conclusion**” here is off by 71 percent and does not fall anywhere “*within the fair market range*” claimed in the study of “*\$45 to \$50 per foot per month.*”

Monthly Sales Tax Errors

The Garrison Bight live-aboard lease includes a \$1 per foot per month Capital Improvement Fee (adding \$40 to \$60+ per month to rents), which is not subject to the 7.5 percent monthly sales tax in the leases. Unlike slip rent, waste removal fees, or other expenses, capital improvements are *not* subject to sales taxes in Florida, nor does the marina charge tenants taxes on this fee.²⁶ However, the appraiser mistakenly calculated and included sales taxes on the capital improvement fees²⁵ (p.24-25).

The appraiser for the Market Rate Study has the following professional credentials: Florida State Licensed/Certified Real Estate Appraiser, Certified Commercial Real Estate Appraiser, Florida State Real Estate Broker License, General Building Contractor for Residential & Commercial Properties for over 35 years, and a Finance MBA college education—all noted in the Market Rate Study. *A lifelong professional with these industry-specific credentials would no-doubt know that capital improvements in Florida are not charged sales tax.* While this rudimentary error is only \$3 to \$5 per month, when added to the more serious documented types of mistakes in this Market Rate Study, this causes further concern regarding its overall accuracy.

<i>CORRECTED MARINA COMPARISONS</i>	<u>Garrison Bight</u> Subject Property	<u>Safe Harbour Marina</u>	<u>Sunset Marina</u>	<u>The Perry Marina</u>	<u>Stock Island Yacht Club</u>	<u>The Galleon Marina & Resort</u>
Location Location desires in the Keys are subjective by individual preference: Downtown vs Remote, Quiet vs Busy, Ocean vs Gulf, etc. (Quiet Stock Island locations are preferred over GB noisy traffic location by most people sampled.)	Mid-Island, Gulf Side, High Traffic/ Very Noisy/Most Dangerous Intersection/2 Gas Stations Adjacent/ Close to Firehouse Constant Sirens.	Stock Island, Ocean Side, Quiet area	Stock Island, Gulf Side, Quiet area	Stock Island, Ocean Side, Quiet area	Stock Island, Gulf Side with Easy Ocean Access, Quiet area	Downtown Historic Old Harbor, by Duval Best Access for Ocean/Gulf, Busy Popular Pedestrian area
Liveaboards, Houseboats*, FHs allowed?	Yes	NO Floating Homes/ Houseboats	NO Floating Homes/ Houseboats	NO Floating Homes, Very Selective re Houseboats	NO Floating Homes/ Houseboats	Year-Round Rentals NOT Allowed, No FHs or HBs
Security	Security	Cameras	Cameras	Security	Security	Security
Parking	2 Passes, Open, First Come	1 Pass, Open, & Street	1 Pass, Open, & Street	1 Spot & Street	1 Pass, Open	Metered Street, Fee Lot
Shuttle	No	No	No	Yes, Free	No	Yes, Concierge
Mail/Packages	No	Yes	Yes	Yes	Yes	Yes
Pool, Gym, Amenities	No	Pool (free), Playground	Pool (free), Gym (fee) Golf Course adjacent	2 Pools, Gym (both free)	Pool, Sauna, Private Beach, Gym (all free)	Pool, Sauna, Private Beach, Gym (all free)
Clubhouse/ Lounge/Bar	No	Several Shaded Lounge Areas, Outdoor Grill, Bar, Restaurant	No	Rooftop Club, 3 Bars/ Restaurants, Pool Bars	Pool Bar, Tiki Huts, Outdoor Kitchen, Outdoor Event Space	Lounge, Bar, Restaurant
Bathroom & Laundry	Bathhouse Coin Laundry	Bathhouse Coin Laundry	Bathhouse Coin Laundry	Bathhouse Coin Laundry	Bathhouse Coin Laundry	Bathhouse Coin Laundry
Pump-out	Free	Free	\$5 per use	Free	Free	\$10 per use
Solid Waste	\$34.41/month	Free	Free	Free	Free	Free
Water/Sewage	Meter Billed	Free	Free +pump-out fee	Free	Free	Free
Electric	Meter Billed	Meter Billed	\$78 re 30' allowance \$135 re 40' allowance	\$170 for 50 amp \$350 for 100 amp	\$170	Meter Billed
Beam Fee*	\$26.84/ft over 15'	No, if fits slip	No, if fits slip	No, if fits slip	No, if fits slip	No, if fits slip
Application/ Lease Fees Non-Refundable	\$5,000 to \$16,000 based on boat purchase price.* +\$5k to add others	\$75 appl. fee	\$75 appl. fee	No	No	No
Base rent/ft 40-60' Without Tax	\$17.18/ft + \$10.42/ft to \$33/ft with Lease Fee*, +\$5,000 to add others to lease \$10.42	\$34/ft + \$275/mo Live-aboard fee= \$6.88/ft. No fee for months not onboard.	\$48.83/ft	\$55/ft	\$55/ft	\$110/ft (40'+) \$120/ft (60'+)
Income Producing	No	No	No	Yes, AirBnB	Yes, AirBnB	No
Adjustments/ Income? (Amenity adjustment per marina appraiser) *	+ water/sewage, solid waste, mail est. @ \$3/ft (+\$10.42/ft to add another person to lease)*	- 15% resort amenity adjustment @ \$6.13/ft +\$6.88/ft live-aboard fee. No fee for months not on board.	-15% resort amenity adjustment \$7.32/ft	- 15% resort amenity adjustment \$8.25/ft + Rental Income @ \$300/nite x 60=\$18k/yr	- 15% resort amenity adjustment \$8.25/ft + Rental Income @ \$300/nite x 60=\$18k/yr	N/A Non-Comparative Outlier
TOTAL PER MONTH 40' Before Tax	Min. \$30.60/ft + electric, applicable 7.5% sales tax +\$10.42/ft to add person*	\$34.75 + electric, tax Minus \$6.88/ft for months not on board	\$41.51 + electric, tax	\$46.75 + electric, tax -\$1,500/mo. *	\$46.75 + electric, tax -\$1,500/mo. *	No Year-Round Leases
Lease Term	Month-to-Month After 12 Months	12-Month Renewable	12-Month Renewable	12-Month Renewable	12-Month Renewable	No Annual Leases

***GARRISON BIGHT LEASE FEE:** Nonrefundable \$5,000.00 or 4% of boat purchase price for initial 12-month lease term (\$150k boat = \$6k extra, \$200k boat = \$8k, \$250k boat = \$10k, up to \$16k approx.) averages between \$10 & \$33/foot on top of base rate, plus \$5,000 extra to add others after lease signing. (See page 7.) This fee is not taxed. First, last months' rent + Security advance required. Lease converts to month-to-month after initial 12-months, NO exceptions, subject to termination on 15-day notice per Florida Statutes.

***BEAM FEE:** No beam fees in comparison marinas for boats over 15 feet wide that fit in one normal size slip. ***HOUSEBOATS:** most types of houseboats in Garrison Bight are not allowed in the comparison marinas. (See email objections from marinas, p.3-4.)

***\$5k ADDITIONAL PERSON:** GB charges \$5k to later add another person to lease. No guests allowed on board without lessee on board.

***RENTAL INCOME:** Based on 5-8 nights per month or 2-3 months per year (60-90 days) @ \$300/night = \$1,500 to \$2,400/month. SIYC charges \$750/month extra during months rented. Rental houseboats should carry extra liability insurance.

*Amenity Adjustment note in Column 1 and highlight colors elsewhere were added after initial publish date.

Submerged Land Lease Errors

Besides its City Marina at Garrison Bight for Live-aboards, the City also leases submerged land in the harbor to Spencer's Boatyard, Harborside Hotel, Garrison Bight Marina at Tai Island, Paradise Harbor Condominiums, Old Town Trolley, Pelican Landing, KW Community Sailing Center, etc. The Market Rate Study compares prices of these ten City-owned submerged land leases to ten submerged land lease prices in other places (The Reach Hotel, Spottswood, Hyatt, The Galleon, Fury, Truman Annex/North Basin, etc.). The ten Garrison Bight leases, it noted, ranged in cost from "\$0.75 to \$0.85 per square foot," and *excluded* the Sailing Center which pays \$1 per year (total, not per foot—essentially free) as an outlier. The ten comparable leases, it noted, ranged in price from "\$0.14 to \$1.72 per square foot," but it *included* the \$1.72 outlier (Spottswood). With both outliers removed (\$0/ft & \$1.72/ft) to prevent skewing the market rate averages, Garrison Bight's average is \$0.84/sf and the comparable marinas' average is \$0.27/sf—a difference of over **triple** (311%).²⁷ With outliers included, it is \$0.76/sf vs. \$0.42/sf—a difference that approaches **double** (181%).²⁸

The Market Rate Study's "**Conclusion**"? Garrison Bight rates are "*competitive in the market*" and are "*considered in line with current pricing and demand,*" (p.36).²⁹ The market rate study does not use a chart to compare *all twenty* rate differences. It provides no methodology or logic to support its extraordinary and inaccurate conclusions, or to render it believable.³⁰ Weighty material errors in this submerged land lease section are very concerning and bring into serious question the validity and credibility of other important areas in the study.

Grandfathering Existing Live-aboard Tenants

Section 18 of the Florida Administrative Code, which is cited in the deeds granting the entire Garrison Bight 92-acre harbor ownership (for ten dollars) to the City of Key West, contains grandfathering and exception provisions (F.A.C. 18-21.001) used when appropriate by the State under its submerged land lease laws. The State granted the City's petitions in 2006 and 2013 to allow an exception for all Garrison Bight's submerged lease private commercial and private entity tenants along Eisenhower Drive and Palm Avenue to continue "existing" occupation that was in direct violation of its public use deed "*restrictions*" and ownership "*reversion*" clauses (memorialized in Florida to KW Deeds 19529-A, B, C and 2013-14 memorandums. **See Florida DEP Certification document on pages 13-15**), rather than inflicting severe financial hardship and harm on those businesses and private entities by evicting them. Similarly, the City has within its discretion to "Grandfather" existing Garrison Bight live-aboard tenants leasing slips on the *same* deeded submerged lands of the marina rather than inflicting severe financial harm and personal hardships permanently upon them and their families or forcing evictions due to inability to pay the proposed near-doubling rent increases. Many are retired senior citizens on fixed incomes and other families who are earning below federal affordable housing income standards.³¹

A reasonable and compassionate "Grandfather" accommodation³² by the City for existing live-aboards is the solution. *The live-aboard lessees are requesting continued existing legal occupation under current lease terms and conditions, with its existing annual CPI rate increases.* This accommodation will still allow the marina to achieve its live-aboard revenue growth goals—if new/future live-aboard tenant rates are changed to the new amounts. City Marina at Garrison Bight management projects live-aboard turnover rate to be approximately 8 to 18 percent annually based on its live-aboard lease transfer fee income noted in its Annual Budget³³. ***Based on the historical live-aboard turnover rates tracked by the City, this will result in tens of thousands of dollars in annual revenue increases within the first year and will grow into hundreds of thousands of extra dollars annually after just a few years, ultimately generating millions for City Marina at Garrison Bight in perpetuity.*** This is on top of the millions that will be generated by rent increases from other categories of renters sought by the Port Director's office.

Professional Standards for Appraisal Credibility & Believability

The live-aboard section in City Marina at Garrison Bight is exclusively a residential community, for which the appraiser, All Keys Appraisal Company, Inc., has been contracted to determine value. According to The Appraisal Foundation, which is authorized by U.S. Congress as the source of appraisal standards, *“A credible appraisal is one that is worthy of belief. A credible appraisal provides support, by relevant evidence and logic, for the opinion of value.”* It also states, *“all appraisal reports must contain sufficient information to enable the intended users to understand the report properly”* and *“A credible appraisal must effectively communicate the data and analysis required to support the opinion of value.”*³⁴

According to professional appraisal standards, the “relevant evidence”, “logic”, and “sufficient information” have not been provided to support the “opinions of value”, or to “effectively communicate the data and analysis required”, or for its “users to understand the report”. In accordance with these professional appraisal industry standards—in addition to all the documented material errors and omissions identified in this Supplement—this appraisal report is not “credible” or “believable”.

Analysis

The larger concern identified here is not just that the Market Rate Study’s appraiser made so many significant mistakes that were easy to notice, or that professional appraisal standards were not followed. A preliminary copy of the Market Rate Study was reviewed for accuracy by marina management and approved with hand-written initials³⁵ then returned to the appraiser to make corrections before releasing the final study. Yet so many obvious and blatant errors were not caught and corrected, only *some* of which are identified and addressed in this Supplement. This leaves serious concerns for errors and omissions yet to be identified in the Market Rate Study³⁶ and in the Port & Marine Services’ rent increase proposals and other in-progress marina projects or reports.

The original marina Study by this author, **True Housing Costs in City Marina at Garrison Bight**, and its three Supplements, **Material Financial Omissions**; **Plan Will Bankrupt Marina**; and **Market Rate Study Discredited**, have identified for the City Commission numerous material errors and omissions in its Port & Marine Service office’s planning, memorandums, proposals, its market rate study/analysis report, and pending resolutions. Additional **Supplements** are in progress documenting Key West’s significant historical and cultural losses not considered in the marina’s proposals or market rate study that are gradually and permanently occurring due to poorly considered marina proposals and policies, as well as documenting misleading gross inaccuracies regarding floating home and houseboat capital gains promulgated in marina management’s memorandums and proposals.³⁷ These mistakes will cost the City significant additional revenues, accelerate its affordable housing crisis³⁸, and result in incalculable historical-cultural losses³⁹ for Key West and its residents.

Conclusion

For the marina’s live-aboard residents, it has raised serious suspicions as to why the City’s Port & Marine Services office, in its original proposed Resolutions, twice attempted to get the City Commission to approve doubling rent rates in City Marina at Garrison Bight—only for live-aboard residents—*before* conducting and providing for the Commission a market rate study to document and justify its objectives (which turned out to have too many significant errors to be useful, as documented above). Every step of the way over the last year and half has resulted—unnecessarily—in numerous reversals, retractions, errors, and confusion for the City Commission, its officials, and its live-aboard residents. The lack of transparency has further compounded the problems. Now, the erroneous results and breaches of required professional standards in this Market Rate Study have added to the confusion and disfunction.

For City officials, amongst their many other critical government responsibilities, they are relying on receiving accurate information in this Market Rate Study and in the marina proposals it was contracted (for \$25,000) to support—to help guide their major financial decisions and official votes that will permanently impact the City’s affordable housing crisis, its businesses that need affordable homes for its workers to live, and all the families, workers, and senior citizens living in City Marina at Garrison Bight plus other paying users of the marina. However, as documented in this Supplement, the Market Rate Study is seriously flawed and cannot be relied on for accuracy. Unfortunately, much of the other information provided by the Port & Marine Services office has also been flawed with material errors and substantial omissions, as documented in the original marina Study and its three Supplements.

Grandfathering the City’s existing live-aboard tenants in Garrison Bight is a legal remedy that will not inhibit the marina’s ability to sustain itself nor will it inflict undue hardship or harm upon its residents. But it is also important for the City Commission to consider the negative impact any rent-doubling proposals will have on potential newcomers and its future workforce, who, unlike land-based renters, not only must pay slip rents but they must also pay all floating home purchase, ownership, and maintenance costs, which can easily reach triple or more than what is paid in rent. Doubling these Key West “affordable housing” rents will only make Key West’s ongoing housing crisis worse.

With due consideration to these identified issues, not only do our esteemed Mayor and City Commissioners have full authority to approve Grandfathering its existing live-aboard tenants and to vote this unsupported proposal down—while still sustaining the self-funding marina—they have clear justifications to do so.

Sincerely and respectfully,



Joseph A. Miccio
Tarpon Pier, City Marina at Garrison Bight
Live-Aboard Vessel FIREFIGHTER MIKE CARLO
FDNYjoe@aol.com

Author’s Professional Background: Mr. Miccio served two terms on an advisory committee to the U.S. Secretary of Labor. He was the Research Director and Labor-Management Chair for the FDNY’s labor union⁴⁰ IAFF Local 94 for many years, representing its 50,000 active/retired New York City firefighters and their families—including for its Marine Bureau—and is a decorated rescuer at the World Trade Center on 9-11-01. He also served as a behavioral science instructor in the NYPD Police Academy. Immediately after the 9-11 attacks he co-founded the September 11th Families Association⁴¹ and the Coalition of 9-11 Families⁴² to fight successfully for a dignified recovery of victims’ remains and to give victims’ families a voice. Mr. Miccio was made an Honorary Conch by Wilhelmina Harvey in 2001. He’s a USCG licensed 100-ton captain, and former commercial fisherman in Montauk and Oceanic Society research vessel captain. He is also an author, member of the Key West writers’ community, and multiple award-winning designer of educational products.

GARRISON BIGHT DEED INFO, ENDNOTES FOLLOW



Jeb Bush
Governor

Department of Environmental Protection

Marjory Stoneman Douglas Building
3900 Commonwealth Boulevard
Tallahassee, Florida 32399-3000

Colleen M. Castille
Secretary

STATE OF FLORIDA

COUNTY OF LEON

CERTIFICATE

I, Cynthia Muir, do hereby certify that the Governor and Cabinet, sitting as the Board of Trustees of the Internal Improvement Trust Fund of the State of Florida, met on October 3, 2006, and approved the following Item 1 on the agenda for that date.

Item 1 City of Key West Deed Restriction Modification

REQUEST: Consideration of a request for a partial modification of a deed restriction on approximately 3 acres of submerged lands contained in Board of Trustees Deed Number 19259-A to the City of Key West.

COUNTY: Monroe

APPLICANT: City of Key West (City)

LOCATION: Section 33, Township 67 South, Range 25 East

STAFF REMARKS:

Site History

On April 11, 1947, the Board of Trustees conveyed approximately 92 acres of sovereignty submerged land, known as Garrison Bight (Bight), to the City. The Board of Trustees approved the sale, subject to a reversionary clause whereby the land would revert should it ever be used for other than public purposes; however, the public purpose clause was not included when Deed Number 19259 (original deed) was issued to the City.

A series of correspondence from July 1959 shows that the City became aware of the omission and notified the Director of the Trustees of the Internal Improvement Trust Fund that the City had previously leased portions of the Bight, and intended to lease another portion of the Bight to a private entity for a public marina. Attorney General R.W. Ervin opined that the City was bound to use the property for public purposes and suggested that the City Commission should retain the authority to revoke or terminate the lease in the event that any development should occur that was not in the public's interest.

"More Protection, Less Process"

Printed on recycled paper.

Who is responsible
for these seawalls?

Certificate for Item 1
October 3, 2006 Trustees' Agenda
Page Two

At the October 8, 1963 Board of Trustees' meeting discussion of the proposed lease, the City inquired as to whether the public purpose restrictions on the Bight would hinder the State Road Department's construction of a causeway and bridge. Attorney General Ervin suggested amending the original deed to (1) include the public purpose clause, (2) add specific reference to the road construction and marina, and (3) require that the Board of Trustees review and approve the lease terms and design for the marina. DEP staff recommended that the Attorney General, rather than the Board of Trustees, approve the lease provisions which would ensure the public purpose requirement was met. This recommendation was approved by the Board of Trustees, and Attorney General Ervin subsequently granted approval of the lease on October 22, 1963.

On July 1, 1965, the Board of Trustees issued Corrective Deed Number 19259-A (corrective deed), which superseded the original deed and added the reversionary language on the 92 acres originally conveyed. Soon after, the City requested a release of the public purpose clause from a 0.446-acre portion of the 92 acres that was partially filled during construction of the causeway, but outside of the right-of-way. The request was approved by the Board of Trustees on August 10, 1965, and Deed Number 19259-B was issued upon the City's consideration payment of \$500.

On July 18, 1967, the City requested a release of the public purpose clause on an additional 2.41 acres that are adjacent to the 0.446-acre parcel, for the purpose of leasing the parcel to a tenant to fill and construct a dry storage for pleasure boats. The City submitted \$2,892 for consideration of the release. At the October 12, 1967 Board of Trustees meeting, the Board of Trustees denied the City's request and the consideration was returned.

Current Status

Since the late 1960s, several private docks have been constructed along the western shoreline of the Bight between the Palm Avenue Causeway and Roosevelt Boulevard without consideration of the public purpose clause in the corrective deed. Of the five existing docks within the three-acre parcel, two are private multi-slip docks that exceed the 40:1 ratio, one of which was erroneously issued a Department of Environmental Protection permit in 2005 for the installation of two new finger piers for two slips. Mr. Ed Swift, the owner of the parcel located at 719 Eisenhower Drive, applied to expand his existing dock, which was constructed sometime between 1991 and 1994 prior to his ownership, but the permitting process was halted when the deed restriction was discovered.

While the City is committed to maintaining public access to the water within the Bight, it is also interested in allowing existing structures to remain to provide additional docking facilities in the area. The continuing demand for docking facilities in and around the City remains a significant issue, which was clearly demonstrated when the City and DEP relocated the liveaboards in Houseboat Row to the Bight.

Florida DEP
relocates
liveaboards to
Garrison Bight

*NOTE: highlight color tags added after publish date.

Certificate for Item 1
October 3, 2006 Trustees' Agenda
Page Three

Until such time as the issue is addressed, no permits can be issued to reconfigure docks or repair dock facilities that may be damaged as a result of storms. Staff is recommending that the Board of Trustees grant the partial modification of the deed restriction on approximately 3 acres along the shoreline between the Palm Avenue Causeway and Roosevelt Boulevard. All existing structures within the 3-acre area will be allowed to remain, with any future expansion of a structure being subject to chapter 18-21, Florida Administrative Code. In addition, the City shall utilize all revenue generated through the leasing of the submerged land to fund the operation of water-related activities for the general public. This would allow the historic use to continue at those facilities that were constructed many years ago thereby maintaining the docking space currently available in the area, allowing modifications to the configuration of existing docks within the subject area and performance of necessary repairs in the case of storm damage, and finally, generating revenue that will fund activities for the general public.

A consideration of the status of the local government comprehensive plan was not made for this item. The Department of Environmental Protection has determined that the proposed action is not subject to the local government planning process.

RECOMMEND APPROVAL

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Seal of the Board of Trustees of the Internal Improvement Trust Fund on this 3rd day of October A.D., 2006.



Cynthia J. Muir
 Cynthia Muir, Director
 Office of Cabinet Affairs

City Exhibit 1

Garrison Bight State Deed Violations

The State granted the City's petitions in 2006 and 2013 to allow all Garrison Bight's submerged leases to commercial and private tenants along Eisenhower Drive and Palm Avenue to continue "existing" occupation that was in major violation of its deed restrictions and ownership "reversion" clauses re "public purposes" (memorialized in Florida to KW Deeds 19529-A, B, C and 2013-14 memorandums.), rather than inflicting severe financial hardship and harm on those private businesses and private entities. This is the same deeded parcel that the Houseboats and Floating Homes of Garrison Bight reside on with State permission. The live-aboard lessees there are requesting continued existing legal occupation under current lease terms and conditions, with its existing annual CPI rate increases.

Full copies of Deeds and Official Memorandums are available upon request.

*NOTE: highlight colors added after initial publish date.

ENDNOTES

¹ **Incorrect Study Date, Two-Month Difference:** An unfinished “first draft” (below left) was given to the Port Director’s office preliminarily for comments, recommended corrections and adjustments, and was hand-dated with the Port Director’s initials February 5, 2025. The final Market Rate Study, with multiple changes, was completed and provided to the City by the appraiser late February/early March 2025 (below right). However, the completion and release date noted on the final study is December 31, 2024, which is inaccurate by two months, and predates its multiple changes and deletions. **Dating a study earlier than its actual completion and release date is a form of falsification and creates a false impression about the research’s history and development.** *(This timeline was confirmed by this Supplement’s author with firsthand timely observations of the City’s unfinished “first draft” copy—all pages—which were hand-marked-up and hand-dated/initialed in February by the City’s reviewers. See cover excerpt, below left, from the unfinished February draft. The finished copy (below right) is dated **BEFORE** the Port & Marine Services’ hand-initialed approval (below left). The full, unfinished, hand-marked-up draft copy is available for verification of the above timeline, upon request.)*

Page 1

MARKET RATE STUDY

The City Marina @ Garrison Bight
Key West Bight / Port Authority
City of Key West

Prepared By:
ALL KEYS APPRAISAL COMPANY, INC.

Effective Date of Valuation:
12-10-2024

Client File Number:
PR025153

Internal Order Number:
09045-24

Date of Report:
12-31-2024

Report Type:
Comparative Rate Study Report

Prepared For:
Karen Olson,
Port & Marine Services
Director
City Marina @ Garrison Bight of Key West
201 William Street
Key West, FL 33040

Page 1

MARKET RATE STUDY

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Port & Marine Services
Deputy Director
City of Key West
201 William Street
Key West, FL 33040

- ² **Difference Between Houseboats & Floating Homes:** In general, **Floating Homes** are house-like dwellings that float without the ability to navigate under their own power which must comply with relevant local building codes when constructed and must have valid Certificates of Occupancy and pay property taxes. Floating homes are not considered vessels (or boats) and do not have vehicle/vessel registrations. **Houseboats**, in contrast, technically are supposed to be navigable vessels that have house-like elements (though no local building code requirements) and must have valid registrations with a proper government agency, as is required of other power vessels. Summary definitions of floating homes and vessels/houseboats are included in Garrison Bight tenant leases.
- ³ **Dissimilar Use, Floating Homes Prohibited:** Go to Page 6, and also Endnote 12 of this Supplement for details.
- ⁴ **Missed Swimming Pools/Private Beaches:** Go to page 6 of this Supplement for details.
- ⁵ **The Galleon:** Go to page 6 of this Supplement for details, **Comparison Marina Location Value Errors.**
- ⁶ **Simple Observations Missed by Appraiser:** The Galleon Marina and Stock Island Yacht Club both have swimming pools and private beaches, simple and obvious observations which were missed by the appraiser in the Market Rate Study. Other simple and obvious observations missed by the appraiser: These two marinas and the three other comparison marinas don’t have floating homes or the types of houseboats that are in Garrison Bight. (Floating homes have no propulsion systems but houseboats do, Endnote 2.) These important details were not reported anywhere by the appraiser in the Market Rate Study. However, the Market Rate Study states: “The research conducted included canvassing of local waterfront marinas, resorts and facilities,” (p.22) and “Data was collected from local Owners, Landlord & Tenants, Realtors and Property Management

Agents by canvassing, along with additional resources including public website and local multiple listing services.” (p.14). In-person canvassing of these marinas, asking basic questions to marina owners/management/landlords/tenants, and reviewing their websites’ descriptions/photos should have easily prevented these significant and obvious comparison errors and omissions by the Market Rate Study’s appraiser. Go to page 6 of this Supplement (Dissimilar Use, Floating Homes Prohibited) and also Endnote 12 for details about the prohibitions.

⁷ **CALCULATION VERIFICATIONS:** Formulas, calculations, and mathematical error corrections to the Market Rate Study have been assisted, reviewed, verified by a professional forensic economist for accuracy.

⁸ **Omitted Garrison Bight Lease Fees:** Go to page 7 of this Supplement for details of these missing costs.

⁹ **Monthly Slip Rate Error:** Go to page 8 of this Supplement for details.

¹⁰ **Sales Tax Error:** Go to page 8 of this Supplement for details.

¹¹ **Submerged Land Lease Errors:** Go to page 7 of this Supplement for details.

¹² **Prohibited Floating Homes/Houseboats:** Floating homes and most of the types of houseboats in Garrison Bight are NOT permitted in any of the “comparison” marinas, rendering them incomparable to Garrison Bight. *The reasons most types of houseboats in City Marina at Garrison Bight are not allowed in the comparison marinas, according to their dockmasters in conversations and written communications, is because they are older with a bracket-mounted outboard, not so easily navigable, and appear to be more house-barge than houseboat and “not the style of vessel that fits in our environment.”* (See marina management emails on pages 3 & 4. Marina info was also clarified by telephone and visits to each marina, and another follow-up call in particular to The Galleon to check for clarity on its email re prohibition of year-round rentals.) When Garrison Bight is compared to the posh and well detailed mobile vessels in the “comparable marinas”—which are mostly personal sport, recreation, or commercial vessels—the difference in income status of the clientele and utilization becomes obvious. The marina information in this Supplement was obtained during personal visits to each “comparison” marina, conversations with dock-masters and marina staff, email correspondences, reviewing marina written policies, websites, and photographic evidence of the marinas and their vessels. Download the original Study from the link on page 1, *True Housing Costs in City Marina at Garrison Bight*, for these marina particulars and photos.

¹³ **Garrison Bight Below Market Rate Housing:** The Port Director’s 9/14/23 rent increase memorandum states: “*The City has considered the liveaboards at City Marina (at Garrison Bight) as affordable housing for locals living and working in the lower Florida Keys and Key West.*” City Commissioner Sam Kaufman said of Garrison Bight, “...it’s important for us to remember, this is affordable housing,” when unwarranted live-aboard lease changes were last proposed then modified with his help (Keys Weekley <https://keysweekly.com/42/proposal-opposed/>).

City of Key West Public Housing, First Street, 1200 Block, across the street from Garrison Bight:

<https://www.kwha.org/kwha/topic/index.php?topicid=19&structureid=14>

¹⁴ **The Galleon vs. Garrison Bight:** Besides using the word “similar” to compare the locations, in other places it says The Galleon is “similar or slightly superior.” Synonyms for “slightly” are: a little, a touch, a tad, faintly. When describing or comparing these two “locations,” none of these words are applicable by any measurable standard nor would they be anywhere near accurate. See page 11 for appraisal industry professional standards for comparisons.

¹⁵ **Professional Standards for Appraisal Credibility:** Go to page 11 of this Supplement for details.

¹⁶ **Lease Fees:** City Marina at Garrison Bight Live-aboard Lease, Paragraph #18: The new tenant “*shall pay to the LESSOR a transfer fee the sum of \$5,000.00 or 4% of the purchase price... whichever is greater.*” Converts to month-to-month after initial 12 months—no exceptions/no refunds—subject to 15-day notice termination per Florida Landlord Tenant Statutes Chapter 83. The study’s appraiser states, “*The lease is transferable to prospective buyers,*” and that this brings “intrinsic value” (p.21) to the lease but omits the huge up-front nonrefundable financial cost (\$5,000 minimum to approx. \$16,000 depending upon the boat purchase value) for that right or that the tenant can be evicted upon 15-day notice without cause, per Florida Statutes. For a comparison appraisal report by a professional appraiser, to omit this key information is a gross dereliction.

¹⁷ **12-Month Lease Term:** City Marina at Garrison Bight Live-aboard Lease, Paragraph #1: The initial “*lease period shall be for a one-year term.*” Converts to month-to-month after initial 12 months—no exceptions/no refunds—subject to 15-day notice termination per Florida Landlord Tenant Statutes 83. The Market Rate Study states “*These slips provide long term dockage for lessee’s (sic) on an annual basis.*” (p.21). “Annual basis” is misleading because the appraiser omits lease language that it converts to a “month-to-month” basis thereafter, subject to termination upon 15-day notice, no exceptions, per Florida Landlord Tenant Statutes Chapter 83.

¹⁸ **Florida Statutes Chapter 83, Landlord and Tenant:**

http://www.leg.state.fl.us/statutes/index.cfm?App_mode=Display_Statute&URL=0000-0099/0083/0083.html

¹⁹ **\$5,000 Additional Occupant Fee:** See page 7 for Port & Marine Services email confirming \$5k to add remove/tenants.

²⁰ **Guests Not Allowed Alone:** Garrison Bight residents are cited for lease violations if a visiting guest is discovered on board when the owner is not on board—even just one night—even for family. Unfortunately, that’s how marina management

interprets and enforces its Lease language: *“If the LESSEE named on the Agreement ceases to occupy the vessel/floating home, the remaining occupants has/have no right to continue occupancy.”* If you are police officer, firefighter, EMT, nurse, flight attendant, hotel employee, bar tender, etc., and must go to work for a night while your family is visiting, they must vacate your home (unless you pay \$5,000 to add them to your lease).

²¹ **Additional Required Fees:** Garrison Bight base rent is \$16.18 per foot, plus \$1/ft capital improvement fee (which is not taxed). The initial 12-month lease fee is a *minimum* of \$5,000, on top of rent. When divided by 12 months it equals \$416.67 extra cost per month *minimum*. Divided by 40' = \$10.42 per foot extra (for a 40' live-aboard), plus the base rent, which increases the base fee by 61% to \$27.60 per foot, plus 7.5% tax on base, bringing the cost to \$28.81 per foot, plus \$3 for water/solid waste removal/mail & package services for which the comparison marinas don't charge, bringing the lowest possible per-foot cost to \$31.81. Higher purchase price houseboats are charged more (See below Endnote). Capital Improvement Fees and Lease Fees are not taxed. (*Calculation formulas* are detailed in the next Endnote, below.) For more expensive boats, the cost increase can reach 100% or more above the base rate because the Lease Fee increases correspondingly, in general, up to about \$12,000, (or even to \$16,000, approximately, for a more costly houseboat than that, though this would be the exception).

²² **Garrison Bight Per Foot Formulas for 40' Houseboat:**

\$1= nontaxed capital improvement fee. \$3 = water/sewer, solid waste removal, and outside mail/package service approximate costs. USPS smallest PO Box \$192/yr. Solid Waste \$34.41/month. Metered water/sewer ranges \$50 to \$75/month (or more for large families). 7.5% sales tax is calculated in the formulas below.

- \$125k Houseboat: \$5,000 minimum/12 months = 416.67/40' = \$10.42 extra
 $16.18 \times 1.075 = 17.39 + 10.42 + 1 = 28.81 + 3 = \mathbf{\$31.81/ft}$. This is the lowest 12-month lease rate for a 40' houseboat.
- \$200k Houseboat@4%: \$8,000/12 months = 666.67/40' = \$16.67 extra
 $16.18 \times 1.075 = 17.39 + 16.67 + 1 = 35.06 + 3 = \mathbf{\$38.06/ft}$
- \$250k Houseboat@4%: \$10,000/12 months = 833.33/40' = \$20.83 extra
 $16.18 \times 1.075 = 17.39 + 20.83 + 1 = 39.22 + 3 = \mathbf{\$42.22/ft}$
- \$400k* Houseboat@4%: \$16,000/12 months = 1,333.33/40' = \$33.33 extra
 $16.18 \times 1.075 = 17.39 + 33.33 + 1 = 34.33 + 3 = \mathbf{\$51.72/ft}$. *A houseboat of this sale price in GB is the exception.

²³ **Extra Beam Fee:** Garrison Bight slip rates are *“subject to additional per foot width charge for beams over 15 wide,”* (currently \$26.84/ft), per lease agreement. Garrison Bight Lease “Dockage Information” Item #1.

²⁴ **Utility & Other Fees:** Garrison Bight also charges fees that the comparison marinas include free, such as waste removal (\$34.41/mo.), metered water & sewage (\$50 to \$75+/mo.), and a beam (width) fee of \$26.84 per foot of beam over 15' (i.e., an 18' wide houseboat adds 3 feet of billable beam rent, totaling \$80.52 beam fee plus \$6.04 sales tax) to the monthly rent that is not charged in the comparison marinas for boats that fit in a normal slip for its length. Plus, a USPS Box costs \$192/year, which are musts for live-aboards in Garrison Bight because the marina does not accept deliveries, U.S. Mail, or packages.

²⁵ **\$18 Per Foot Mistake:** For a 40' houseboat, solid waste removal amounts to 60 cents per foot. ($\$18/40 = .60$)

²⁶ **Capital Improvements & Sales Tax:** Per the Florida Department of Revenue, *“Generally, transactions that involve items that are permanently installed into a structure, where they cannot be removed without destroying them, are classified as real property and are not subject to sales tax.”* The Garrison Bight lease invoices sent each month to tenants adhere to this government standard and do not charge tenants sales tax on the “capital improvement fee” portion of their rent. Corrected formula: $\$16.18 \times 1.075 \text{ tax} = \$17.39 + \$1 \text{ Cap Fee} = \18.39 , . https://floridarevenue.com/forms_library/current/gt800067.pdf

²⁷ **Submerged Land Lease Average Rate Formulas, Outliers Excluded:**

- Comparison Marina rates added (outlier *excluded*)/average: $.14+.23+.25+.83+.21+.14+.21+.21+.21 = \2.43 total.
 Divided by the number of leases: $\$2.43/9 = \mathbf{\$0.27}$ per square foot average Comparison Marina lease rate.
- Garrison Bight rates added (outlier *excluded*)/average: $.75+.85+.85+.85+.85+.85+.85+.85+.85 = \7.55 total.
 Divided by the number of leases: $\$7.55/9 = \mathbf{\$0.84}$ per square foot average Garrison Bight lease rate.

Garrison Bight rate of \$0.84 divided by Comparison Marina rate \$0.27 equals 3.11—a 311% difference.

²⁸ **Submerged Land Lease Average Rate Formulas, Outliers Included:**

- Comparison Marina rates added (outlier *included*)/average: $.14+.23+.25+.83+.21+.14+.21+.21+.21+1.72 = \4.15 total.
 Divided by the number of leases: $\$4.15/10 = \mathbf{\$0.42}$ per square foot average Comparison Marina lease rate.
- Garrison Bight rates added (outlier *included*)/average: $.75+.85+.85+.85+.85+.85+.85+.85+.85+0 = \7.55 total.
 Divided by the number of leases: $\$7.55/10 = \mathbf{\$0.76}$ per square foot average Garrison Bight lease rate.

Garrison Bight rate of \$0.76 divided by Comparison Marina rate \$0.42 equals 1.81—a 181% difference.

²⁹ **Submerged Land Lease Differentials:** The appraiser stated that Garrison Bight is *“competitive in the market,”* but misleads regarding the large differential by adding, *“though currently in the upper range”* (p.36), which does not reconcile at all with being triple and double the prices as the comparable rates quoted.

³⁰ **Professional Standards for Appraisal Credibility:** Go to page 11 of this Supplement for details.

³¹ **HUD Affordable Housing:** The U.S. Department of Housing and Urban Development regarding affordable housing: <https://archives.hud.gov/local/nv/goodstories/2006-04-06glos.cfm>. The Florida Housing Coalition, Inc., a statewide non-profit organization, mirrors the HUD standard: <https://www.flhousing.org/wp-content/uploads/2023/08/Affordable-Housing-in-Florida-1.pdf>. The City of Key West Code of Ordinances includes its affordable housing descriptions, which encompasses a variety of income stratifications and household expense levels regarding affordable housing standards for very low income, low income, median income, moderate income, middle income, retirees, other medians, etc.

³² **Grandfathering:** According to the Cornell Law School Legal Information Institute, a “*Grandfather clause refers to a section of a law, regulation, or other legal document that limits how changes will be applied to legal relations and activities existing prior to the change. When laws and regulations go through major changes, they can critically harm businesses or individuals who relied on the prior system. So, legislators, regulators, and businesses often negotiate grandfather clauses to make the changes apply only to new activity. Businesses or individuals who were partaking in the regulated activity prior to the change can continue to do so after the law or regulation goes into effect.*” https://www.law.cornell.edu/wex/grandfather_clause

³³ **Live-aboard Turnover Rate:** According to City’s Published Annual Budgets 2021/22 thru 2023-24, actual and projected lease transfer fees ranged between \$80k and \$90k per year:

([\)](https://www.cityofkeywest-fl.gov/DocumentCenter/View/9547/Adopted-Budget-for-Fiscal-Year-2023-2024-PDF?bidId=) The minimum fee per transfer is \$5k, but it increases for boats that cost over \$125k because of the 4% scaling fee on higher sale prices. At \$5k per transfer, this translates to 16 to 18 transfers per year. At \$10k per transfer, this translates to 8 to 9 transfers per year. This results in a combined range of between 8 and 18 lease transfers each year, approximately. For the 2024 fiscal year, however, according to the Marina’s Income Statement, there was a noticeable actual decrease in transfer fees collected, totaling \$65k. This 27% reduction of turnover revenue correlates exactly with when the Port Director’s rent doubling plan was promulgated to marina tenants. During this same period, a higher-than-normal number of live-aboard homes in the marina are trying to sell, according to a prominent local realtor who sells many live-aboard homes in KW, but “potential buyers are taking a wait-and-see approach,” he says, “afraid to purchase if rents will be doubled.” *The marina’s correlational data documents that after the Port Director’s rent increase proposals were announced to tenants (fall 2024), a noticeable increase of people have been trying to sell their live-aboard homes—but fewer are being sold.* The pool of people who can afford the increased rent appears to have diminished, according to interviewed sellers, the local houseboat realtor, and the reduced slip transfer fee data.

³⁴ **Appraisal Credibility & Believability Professional Standards, The Appraisal Foundation:** <https://appraisalfoundation.sharefile.com/share/view/sb32f60230f14a329>

³⁵ Go to Endnote 1 of this Supplement, on page 16, for images of the hand-marked draft report cover vs. final report cover.

³⁶ This Supplement addresses only the errors noted and does not address other errors in the Market Rate Study.

³⁷ **Rent Increase Proposals:** MEMORANDUM September 14, 2023, Subject: Approving City Marina Liveaboard Pricing Structure (Resolution #23-241). MEMORANDUM June 6, 2024, Subject: 24-5845 Partial Rescission of Resolution #23-241 City Marina Liveaboard Pricing Structure. Proposals and Resolutions from the Port Director’s office to the City Commission.

³⁸ **Housing Crisis:** The City Planning Director warned the Mayor and City Commissioners in her April 11, 2024 memorandum: “*the City’s ongoing affordable and workforce housing crisis impacts nearly every aspect of life within the City. A lack of housing opportunities has forced residents to flee the region and it has adversely impacted local businesses, which continue to struggle to find workers. Emergency service personnel, members of the law enforcement community, nurses, doctors, and every type of public sector worker struggles with a lack of housing.*” City of Key West Strategic Plan, posted on the City’s website: “***affordable housing is the community’s top priority.***”

³⁹ **Key West’s Storied Houseboat Row History Lives On in Garrison Bight:** To name a few...

- **Treasure Hunter Mel Fisher:** Down on his pennies at the time, the late-world famous Mel Fisher and his family lived in three affordable floating homes on Houseboat Row during their epic world-famed pursuit of history-making treasure-hunting glory! “*Today’s the Day!*” is a day that otherwise might not have happened if not for Key West’s affordable now-transplanted houseboat community. <https://www.theledger.com/story/news/1998/12/20/treasure-hunter-mel-fisher-dies-at-76/26537706007/>

- **Conch Republic Secretary General Peter Anderson:** Peter was tapped by Capt. Tony Tarracino, owner of the Original Sloppy Joe’s, then-mayor of Key West, to take the Conch Republic helm. He made rounds in his official Conch Republic electric car and branded Key West’s popular slogan, “*We seceded where others failed*” and started selling the authentic-looking Conch Republic passports.[†] Past president of Reef Relief and founding president for The Keys’ Habitat for Humanity, he also created the Conch Republic Drag Race, with high-heeled drag queens racing down Duval Street. Key West’s history and culture might be quite different if Peter Anderson hadn’t found his beloved home on Houseboat Row all those years ago. [†]Sentence updated after initial publish date. <https://www.miamiherald.com/news/local/obituaries/article1975803.html>

• **Jimmy Buffet & Margaritaville:** A lovely long-time major airline flight attendant lives in Garrison Bight on a floating home built by its original Houseboat Row live-aboard owner years ago, who was the skilled carpenter that built for Jimmy Buffet the detailed interior of his famed Duval Street establishment, Margaritaville, the carpenter explained. This unique little houseboat is named The Hobbit Hole because its owner was a little guy who built it with low ceilings and tiny everything. It's strong as a mini-tank and charmed by its unique hand-crafted style and beauty. On a flight attendant's salary, would its latest owner have been able to afford living and owning anywhere else in Key West, a place and lifestyle she loves and cherishes, if not for the humble little Hobbit Hole in Garrison Bight?

• **Sea Dog Author:** Morgan and Margaret Dennis brought the very first houseboat to Houseboat Row in 1957, at the invitation of the City, according to Keys News. Morgan authored his popular local children's book at the time, "The Sea Dog," named after his Key West houseboat. Nearly 70 years later, the historic and iconic Sea Dog lives on in Garrison Bight. Would Key West's storied Houseboat Row, Mel Fisher's historic treasure discovery, or even the Conch Republic's world-recognized legacy that Peter Anderson help shape have even happened if not for Morgan and Margaret Dennis' bold first move here with their houseboat, The Sea Dog? Thankfully, this Key West historic treasure—The Hobbit Hole—and its maritime legacy lives on in Garrison Bight.

⁴⁰ Uniformed Firefighters Association of Greater New York Local 94, International Association of Firefighters AFL-CIO: <https://ufanyc.org>

⁴¹ <https://911families.org/>

⁴² <https://911families.org/coalition-of-911-families/>