

MINUTES

KEY WEST BIGHT MANAGEMENT DISTRICT BOARD MEETING

OLD CITY HALL, 510 GREENE STREET

DECEMBER 12, 2012

A regular meeting of the Key West Bight Management District Board of the City of Key West, Florida, was held in Commission Chambers, Old City Hall, 510 Greene Street, on Wednesday, December 12, 2012.

The Chairman called the meeting to order at 9:00 a.m.

Answering roll call were Board Members Jermy Ashby, Harry Bowman, Steve Henson, Jimmy Lane, Kathryn Ovide, Dan Probert and Chairman Michael Knowles presiding.

Also present were Assistant City Attorney Ron Ramsingh, Key West Bight Marine Manager Mark Tait, Port Operations Manager John Castro, Senior Property Manager Marilyn Wilbarger and Clerk of the Board Sue Harrison.

Others in attendance were Jack Anderson from the Key West Bight Preservation Association.

The pledge of allegiance to the flag of the United States of America was given by all present.

CHANGES TO THE AGENDA:

It was moved by Mr. Lane and seconded by Mr. Probert to approve the agenda. The Chairman asked for objections and seeing none, the agenda was accepted.

HARC REPORT – Enid Torregrosa

- 1) Signs for Key West Bight

Enid Torregrosa, Historic Preservation Planner for the City of Key West, stated the memo to Marilyn Wilbarger, in the packet to the Board, included some issues that were very important to

address regarding the sign issue. She stated the maximum square footage of the signs should be 4.5 square feet and the lower portion of the sign to be 6 feet 4 inches from the deck. Ms. Torregrosa stated that pedestal signs were not recommended in the area as they are bulky and can create traffic congestion. There will be some signs that will be higher for better visibility. There are specific ordinances regarding signage in the historic district that date from the 1940's. There are types of signs in the Bight that are prohibited in the entire historic district. The intent is to have fair treatment to everybody with the specific size and number of signs. In the end it will be less visually cluttered.

Ms. Ovide asked how to address the signs that are there now. Mr. Ramsingh stated legal non-conforming signs would have had to been legal at the time they were erected. If the sign was not legal at that time they do not enjoy that status of protection. Each would need to be looked at on a case-by-case basis to establish when the sign was put up and what the regulations were at that time.

Mr. Probert stated a requirement in the lease was that signs needed to be approved by management. He asked if any signs had management approval. Ms. Wilbarger was not aware of any such approvals.

Mr. Ramsingh said, from a Code perspective, if a sign was illegal and on City right-of-way Code could site the property to bring it into compliance.

The following person spoke on the matter:

Paul McGrail, 306 Peacon Lane

Ms. Ovide commented there had been significant discussion regarding the placement of the signs over the walkway and/or over the water.

Mr. Castro explained the original design provided by mbi-k2m Architecture (Michael Ingram) was a schematic presentation showing the placement of the sign over the walkway and his

drawing showed the sign over the water.

Chairman Knowles asked that all the regulations be made available by each individual body for the board for review.

APPROVAL OF MINUTES:

2) November 14, 2012 (Regular)

It was moved by Mr. Probert and seconded by Mr. Lane to approve the minutes of November 14, 2012.

The Chairman asked for objections and seeing none the minutes were approved unanimously.

ACTION ITEMS:

3) Approving Task Orders for Thompson Fish House Assessment and Design

John Castro, Port Operations Manager, reviewed the Task Orders and options for the Board. The Task Order, Phase 1 only, provides the structural condition assessment for \$102,330.00. Option 2 is to approve the Task Order that includes both Phase 1 and Phase 2. It is the quickest way to go for this project for \$165,965.00. He said they have no idea what is wrong with the building until the structural assessment is complete.

It was moved by Mr. Henson and seconded by Ms. Ovide, for discussion, to approve Phase 1 and 2, contingent upon going forward with the project.

The Chairman asked the Clerk to call the roll.

Yeas: Board Members Ashby, Bowman, Henson, Lane, Ovide, Probert and Chairman Knowles

Nays: None

4) Approving Modification to the Waterfront Brewery Lease for 201 William Street

Ms. Wilbarger stated this lease is before the Board to consider modifications that would advance the funding for the initial structural improvements which would be amortized at a market rate of return to the CRA over the first term of the lease and also for a rent credit for the additional impact fee. The terms are listed in the executive summary, A through F. She stated the financial impact of advancing these funds over the term of the lease and calculating cumulative interest would total approximately \$972,000.00 return on our investment at 4.25%. The rent credits would be calculated and divided over the first twenty four months of the lease. The funding source for the advanced funds comes from the reserves that are around \$8,000,000.00.

Ms. Wilbarger stated this investment is structural and the improvements eligible for this funding are structural in nature and does accrue to the benefit of the CRA. If the tenant defaults in the future we end up with a building that's finished and leasable.

Ms. Ovide asked if the City Manager and the Finance Director have reviewed this and support this.

Mr. Bob Vitas, City Manager, assured the Board that this had been reviewed with staff several weeks prior to this meeting and he has approved the lease modifications as presented.

Ms. Ovide asked about the legal authority to lend the money. Ron Ramsingh, Assistant City Attorney stated there were no legal hindrances to proceeding.

Shawn Smith, City Attorney, explained to the Board that under Florida Constitution there is a provision that prohibits the loaning or pledging of credits of a municipality's funds to aid a private corporation. It has to be clearly structured that this is for the benefit of City property.

Ms. Ovide asked what remains in the account collected from the previous tenant. Ms. Wilbarger said it was about \$320,000.00 to \$350,000.00.

Mr. Henson commented that any lease agreement that is approved include the financials from the principal owners of the company would have to be approved by the Legal Department and by the City Manager. He recommended moving forward contingent on the financials showing adequate strength to back up his lease agreement.

The following people spoke on the matter:

Joe Walsh, Waterfront Brewery LLC and 909 16th Terrace, Key West
Bill O'Connor, 804 Caroline Street

It was moved by Mr. Lane and seconded by Mr. Henson to approve the item with the lease hold improvements being attached to the property contingent upon the financial information to be provided.

The Chairman asked the Clerk to call the roll.

Yeas: Board Members Ashby, Bowman, Henson and Lane

Nays: Board Members Ovide, Probert and Chairman Knowles

REPORTS:

Manager's Report

Ms. Wilbarger reported this had been a busy month and thanked her staff for helping with all the decorating at the Bight. They did an outstanding job.

Ms. Wilbarger stated business continued as usual. Improvements at the Ferry Terminal were finished and they have two new tenants in the Ferry Terminal supporting ferry operations. The Schooner Wharf project continues on schedule with a completion date in mid-January. The

Discovery Shop rebuild is moving along and is due to be finished within 90 days. The Piano Shop will relocate into that space while they go back and repair the other building.

Sales and parking are down but there are figures provided in the operating report reflecting the number of parking hours purchased based upon rates last year and this year.

Mr. Probert wanted to see a sign for the parking lot. Ms. Wilbarger has asked repeatedly for signs and she expects the signs to be installed very soon. She has also worked with City Planner Don Craig with regard to tasking one of the architectural services firms under contract with the City to start with the way-finding and graphics and the entry arch at William Street. She stated they will also be engaging a landscape architect for improvements. She stated a "banner" is not allowed.

Ms. Wilbarger will be looking at costs for temporary signs for the docks and estimated it at \$1,000.00 to \$2,000.00.

Accounts Receivable Report

Ms. Wilbarger stated the receivables have increased. Sebago has informed her they intend to get their rent paid within the next 10 days. The Key West Ice Cream Factory lease amendment has been written and will be on the next CRA Agenda. B.O.'s Fishmarket is paying \$1,000.00 a week to work down his outstanding balance.

Old Business

Bight Board Meeting Time and Dates for 2013

Ms. Ovide asked for this item on the agenda. At this time she is asking for this to be reconsidered. Mr. Ramsingh stated this could be brought back on the next agenda as an action item. The Clerk confirmed that Wednesdays evenings were still open for consideration. Chairman

Knowles requested the Board speak with their Commissioners regarding the time they want the meetings to begin. They would base their decision on the input from the City Commission.

Marina Rules and Regulations

Mr. Tait stated the Rules and Regulations that were not approved by the City Commission had yet to be brought back for consideration. Mr. Tait had provided Mr. Bowman the proposed rules and current rules and regulations. He asked if they were made aware of what part the tenant's wanted amended they would be able to proceed. Mr. Bowman would speak with the tenants.

Key West Bight Preservation Association Report

Mr. Anderson spoke about the signs being about 8 feet from the ground as they were in the 1940's. He stated about 10 years ago there had been signs and historic markers that had been paid for that never appeared. After that other signs had been put up but when the decking was redone those signs disappeared. He wanted to know if that was prohibited in the new policy.

Mr. Anderson congratulated Ms. Wilbarger for getting signs up in the parking lot.

PUBLIC COMMENTS:

There were no comments from the public.

BOARD COMMENTS

Mr. Lane commended Staff on the lights at the Bight and how nice it looked.

Mr. Probert commented that the Board voted to not give rent credits any longer. He wanted to see the sign situation resolved by having a sign committee so they can accommodate those signs that don't fit the post and square footage. They needed some way to accommodate tenants that need signs and can't use a post. He wished a Merry Christmas and Happy New Year to the Board.

Mr. Ashby thanked Ms. Wilbarger and Staff and Mr. Stroh for the tree lighting and wished a

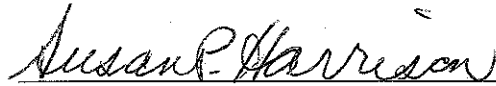
Happy Holiday to everyone.

Ms. Ovide commented about the change to leases regarding selling photos at the ticket booths. She asked if the landscaping had been approved. Mr. Castro said the landscaping bid was rejected and the City has a landscaping contractor and they are working with him. Ms. Ovide wished everyone a Merry Christmas and a blessed New Year.

Chairman Knowles wished everyone a Merry Christmas.

ADJOURNMENT:

There being no further business the Chairman adjourned the meeting at 10:33 a.m.



Susan P. Harrison, CMC, Clerk of the Board
Senior Deputy City Clerk