



THE CITY OF KEY WEST
3140 Flagler Ave Key West, FL 33040 (305) 809-3700

EXECUTIVE SUMMARY

TO: Jim Scholl, City Manager

FROM: Greg Veliz, Assistant City Manager
Jim Bouquet, P.E., Engineering Director

DATE: August 10, 2016

RE: Acquisition of the Former Key West Diesel Plant

ACTION STATEMENT

Recommending the City Commission commence the necessary process including citizen referendum to acquire the Former Key West Diesel Plant from KEYS Energy Services.

BACKGROUND

KEYS Energy Services (KEYS) has approached the City of Key West (City) with the option to acquire a portion (the Site) of the Key West Diesel Plant (the Property). The Site consists of three buildings identified as 100 Angela Street, 709 Fort Street and 101 Geraldine Street and the Fort Street Extension right-of-way (ROW). On behalf of the City, AMEC Foster Wheeler, Inc. (AMEC) performed a Structural Condition Assessment, summarized existing environmental considerations and estimated costs for building demolition and selective ("white box") renovation. AMEC subconsulted Atlantic Engineering Services (AES) for the Structural Condition Assessment. The environmental summary was based on AMEC review of previous assessments and associated reports provided by KEYS. A summary of AMEC/AES findings/recommendations and a building address map are provided in the attached Engineering Services prepared *City Acquisition of Key West Diesel Plant Property Buildings Structural/Environmental Condition Assessment and Repairs Estimate* dated August 9, 2016. Supporting reports by AMEC are also attached.

Due to the unsafe/unstable roof and deteriorated wall and steel framing conditions, Engineering Services recommends demolition of 101 Geraldine and 709 Fort Street. 100 Angela was reported by AMEC/AES to be in "good condition" with relatively new roofing/rafter system and masonry wall repairs. AMEC/AES recommended coating steel framing corrosion, replacing concrete flooring, and repointing masonry. Based on this assessment, the City would have the option to rehabilitate 100 Angela for future use.

Considering historical use of the buildings (i.e., housing generators used for electrical power generation), the presence of impacted soil at the Site, and the proximity of the Site to the electrical

Keys Substation, future development and use of the Site as a commercial property or for City operations (e.g. Community Services) is recommended. Development of the Site must also consider the Site Rehabilitation Order with Conditions (SRCO-C) issued by the Florida Department of Environmental Protection (FDEP) for the Property.

Asbestos containing materials and lead based paint in building components will require abatement prior to demolition or renovation of the buildings.

PURPOSE AND JUSTIFICATION

Acquisition of the Former Key West Diesel Plant buildings will make available additional land/buildings for future development/use by the City. Additionally, acquisition will support development/use of, and access to, adjacent properties including the Truman Waterfront Park, the Caroline Street Corridor and Bahama Village Community Redevelopment Agency, and the Fort Street ROW.

FINANCIAL

Cost estimates developed by AMEC/AES and Engineering Services to implement the recommendations for the Site are as follows:

	\$996,929
Demolish 101 Geraldine and 709 Fort Street; "White Box" 100 Angela:	\$629,971.
	\$629,971
Demolish 101 Geraldine, 709 Fort Street and 100 Angela:	\$996,929.

The above costs assume the followings:

1. Estimates include design, contractor general conditions/profit and contingency.
2. Demolition includes only roof and wall systems down to the top of Finish Floor Elevation. AMEC estimates an additional \$130,000 to remove foundations, not including soil investigation and removal (see Item 7 below).
3. Diesel Engines can be removed and recycled at no additional cost.
4. HARC approval will be required.
5. Compliance with FDEP issued Site Rehabilitation Order with Conditions (SRCO-C).
6. Funding the removal of 101 Geraldine foundation within the Fort Street ROW in a separate Fort Street extension to Angela Street project.
7. Estimates do not include an additional environmental site assessment and subsurface hydrocarbon impacted soil/rock material disposal cost. AMEC estimated an additional site assessment at an additional \$50,000 and disposal of a 2-foot-thick soil layer over the Site at an additional \$372,400 (total additional cost \$422,400).

The proposed FY2016/2017 City budget does not include funding for Site acquisition including implementation of the above recommendations.

RECOMMENDATION

Staff recommends the City Commission commence the necessary process including citizen referendum to acquire the Former Key West Diesel Plant from KEYS Energy Services.