

RESOLUTION NO. 10-167

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA, ACCEPTING THE PROPOSAL OF TROPICAL SOUP CORPORATION FOR PARCELS 1, 2, 3 AND 4 AT MALLORY SQUARE (CABLE HUT, HOSPITALITY HOUSE AND MALLORY SQUARE); AUTHORIZING THE CITY MANAGER TO ENTER INTO NEGOTIATIONS FOR THE LEASE OF THOSE PARCELS; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, on March 3, 2010, the City received two responses to a Request for Proposal for lease of four parcels of land in the Mallory Square vicinity; and

WHEREAS, staff recommends acceptance of the Tropical Soup Corporation proposal, and authorization for the City Manager to enter into lease negotiations based upon the terms proposed, with the negotiated lease to be brought to the City Commission for final approval.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA AS FOLLOWS:

Section 1: That the proposal submitted by Tropical Soup Corporation is hereby accepted.

Section 2: That the City Manager is hereby authorized to enter into negotiations for a lease of parcels 1, 2, 3 and 4 at Mallory Square.

Section 3: That the negotiated lease shall be presented to the City Commission for approval.

Section 4: That this Resolution shall go into effect immediately upon its passage and adoption and authentication by the signature of the Presiding Officer and the Clerk of the Commission.

Passed and adopted by the City Commission at a meeting held this 18 day of May, 2010.

Authenticated by the Presiding Officer and Clerk of the Commission on 19 day of May, 2010.

Filed with the Clerk on May 19, 2010



CRAIG CATES, MAYOR

ATTEST:


CHERYL SMITH, CITY CLERK

EXECUTIVE SUMMARY



CITY OF KEY WEST
CITY MANAGERS OFFICE

TO: Jim Scholl
City Commission

CC: Mark Finigan, Shawn D. Smith

FR: Marilyn Wilbarger, RPA, CCIM

DT: April 29, 2010

RE: New Lease for Mallory Square Parcels

ACTION: This is a request to accept a proposal and authorize the City Manager to enter into lease negotiations for the property located at Mallory Square and identified as parcels 1, 2, 3, and 4 on the attached survey. In accordance with City Ordinance 05-15, Sec 2-941 (b), the City advertised for proposals pursuant to sections 2-826 through 2-844. A mandatory pre-proposal meeting and walk through was held to present the survey, clarify allowable uses per the current uses and zoning and to inspect the physical structures.

BACKGROUND: Parcel 1 and parcel 5 (known as the Cable Hut) are leased to Tropical Shell and Gift for the purposes of housing the pumps and well that service the Key West Aquarium. That lease expires at the end of May 2010 and does not contain any renewal language. At this time a renewal has not been negotiated for the entire area covered in the prior lease, however the City is working with the tenant to renew the lease for parcel 5 only, which was not included in this solicitation.

Parcel 2 was previously occupied by Island Adventures Inc, and sub-leased to Dough Balls of Mallory Square, Inc. which most recently operated as Sunset Margaritas. The lease commenced in 1999 and provided for the demised area to be used for retail sales/rentals, marketing of real estate or attractions, snack shop bistro, or other such uses permitted by Landlord. The lease expired in September of 2009 and was not renewed.

Parcel 3 is a vacant unused area on city owned property.

Parcel 4 is known as the Hospitality House and was previously leased to the Old Island Restoration Foundation who relinquished the lease in 2009.

In response to the advertisement, the City received four proposals. Two of the proposals addressed only parcel 2 and two addressed parcels 1, 2, 3 and 4. Based upon the highest

and best use, the proposals that included all four areas are considered here and a comparison of those proposals is attached for your reference.

Both proposals received are in conformance with the Historic Public Service Zoning list of allowable uses and the existing non-conforming use allowable on parcel 2.

Both proposals contemplate construction of a new building which will require major development plan approvals.

Both proposers are well established business owners with the financial capacity to enter into a lease agreement.

The proposal received from Tropical Soup Corporation. has offered \$303,000 in annual base rent consideration for ten years whereas the proposal received from Tropical Shell and Gifts, Inc, Inc. offered \$72,000 in base rent per year in the first three years with \$108,000 per year for seventeen years.

Tropical Soup Corporation is wholly owned by Joseph Walsh who is the majority owner of five restaurants in Key West including Caroline's Café, Fogarty's Restaurant, Jack Flats, Redfish Bluefish, and Mangos. Tropical Soup intends to use the premises for the purposes of operating a full service restaurant and outdoor café-style seating, a park and green space, and an ADA accessible attraction and museum featuring an interactive historical perspective on Mallory Square and the waterfront.

Tropical Shell and Gifts Inc. proposes to operate a self-serve open pavilion-style restaurant, and a Mallory Steamship and Key West Maritime Museum. The small open space would be used for plaques and a photo history of the Western Union. Tropical Shell plans to partner with the Stock Island Lobster Company and El Meson de Pepe's to provide fresh fish and seafood and utilize the existing kitchen area for prep and food storage.

Copies of both proposals are attached for your reference.

FINANCIALS:

Until this time the rent received was derived solely from parcel two and was less than \$30,000 annually. A recent study of market rents for restaurant uses on a per seat basis range from \$600 to \$1,600. Based upon staff analysis of available seating for this location the rent proposed by Tropical Soup Corporation is at \$1,594 per seat at the guaranteed base rent revenue of \$303,000 annually. At other city owned properties rents per seat are approximately as follows:

El Meson de Pepe	\$1,560
Conch Republic Seafood Co.	\$1,428
Southernmost Beach Café	\$1,466

RECOMMENDATION:

This lease will constitute a major redevelopment of under-utilized property at one of our most important locations for visitors and residents alike. Tropical Soup Corporation, has proposed a rental rate that is substantially higher than that of Tropical Shell and Gifts and has agreed to provide bonds or letters of credit to guarantee the construction and as security for the leasehold.

Staff recommends acceptance of the Tropical Soup Corporation proposal and approval for the City Manager to enter into lease negotiations based upon the terms proposed, however the City Commission will make the final selection.

ATTACHMENTS:

Public Notice

Survey

Proposal Comparison

Proposals

PUBLIC NOTICE

**AVAILABLE FOR LEASE
MALLORY SQUARE**

**CABLE HOUSE PROPERTY PARCEL ID # 00072082-001100
HOSPITALITY HOUSE PROPERTY PARCEL ID # 00072082-001400**

Pursuant to City Ordinance Section 2-941, notice is hereby given that the City of Key West, Florida is seeking proposals to conform with section 2-941(c) for the market rate, highest and best use, lease of either one or both properties which may have a contiguous area joining the two parcels.

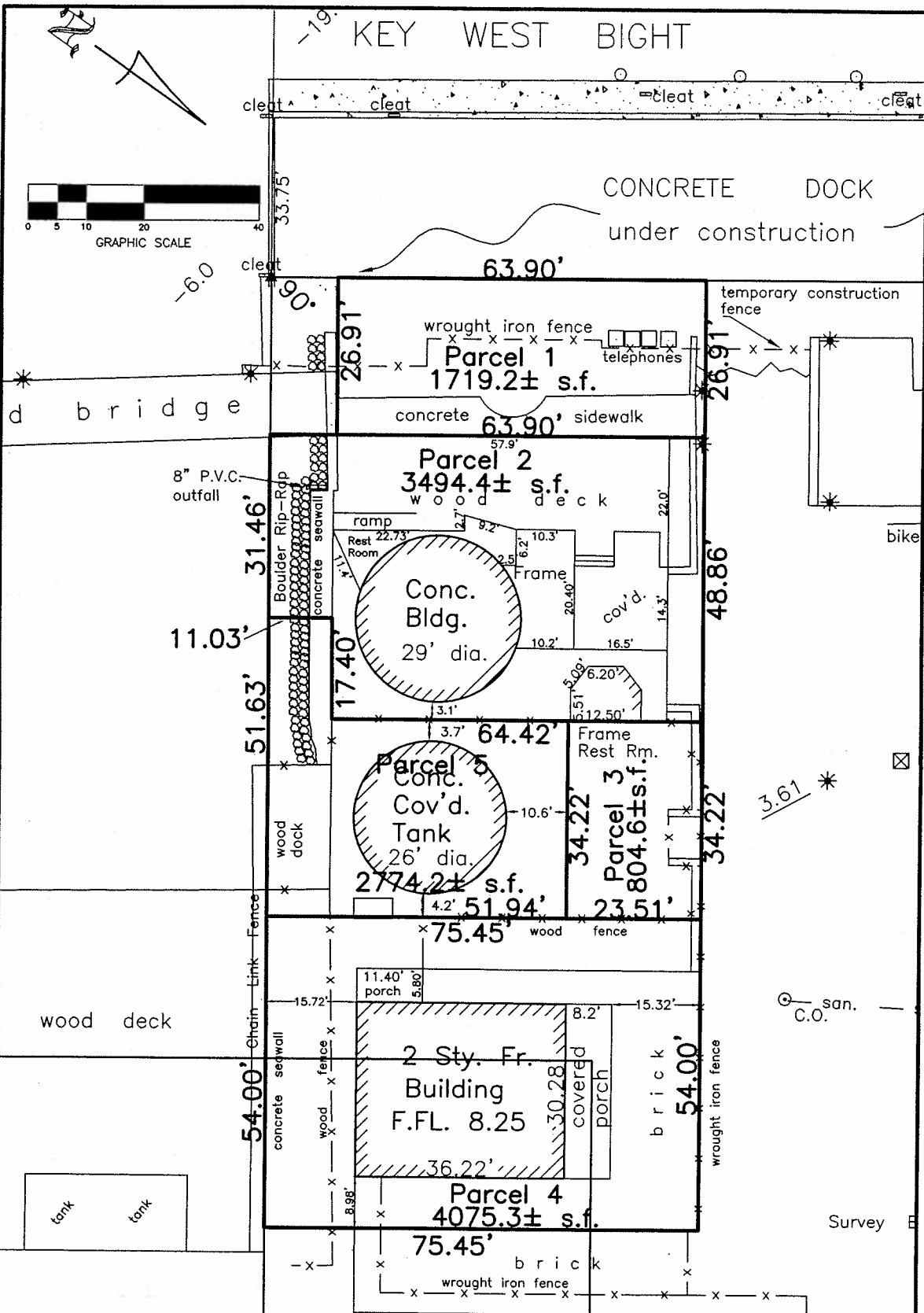
The parcels are located at Mallory Square and are known as the Cable Hut and as the Hospitality House. The parcels are zoned Historic Public Service. There are existing non-conforming uses for the Cable House parcel that may be continued. A listing of the existing and allowable uses is available upon request.

At a minimum, proposals should address the proposed use of the property which must comply with all regulatory and statutory requirements governing the use of the properties, any proposed improvements and the proposed income to the City of Key West. A mandatory pre-proposal meeting and walk-through of the properties will be held on January 29, 2010 at 9:00AM, additional property specific information will be distributed at that time. Sealed proposals shall be clearly identified as a proposal on the exterior of the envelope and delivered to the office of the City Clerk, City of Key West, 525 Angela Street, Key West, FL 33040 and must be received no later than March 2, 2010 at 3:00 PM. All proposals must contain a non-collusive affidavit and a public entity crimes form sworn and executed by the offeror and acknowledged before a notary public with the notary seal affixed to the document.

All proposals will be opened by the City Clerk at 525 Angela on March 3, 2010 3:00PM. City management will analyze and summarize proposals for presentation to the City Commission.

For additional information, interested parties should contact Marilyn Wilbarger, 305-809-3794, Fax: 305-809-3806, E-mail: mwilbarg@keywestcity.com

Published, January 24, 2010



City of Key West Mallory Square			
Lease Areas		Dwn No.: 10-108	
Scale: 1"=20'	Ref. file	Flood panel No. 1516K	Dwn. By: F.H.H.
Date: 1/28/10		Flood Zone:	Flood Elev.
REVISIONS AND/OR ADDITIONS			
f:/datafred/dwg/cityofkeywest/lease2			

ISLAND SURVEYING INC.
ENGINEERS PLANNERS SURVEYORS

3152 Northside Drive
 Suite \2101
 Key West, Fl. 33040
 (305) 293-0466
 Fax. (305) 293-0237
 fhildeb1@bellsouth.net

Lease proposals for Mallory Square

Proposer	Tropical Soup, Inc, Joseph Walsh, President	Tropical Shell and Gifts, Inc, Edwin O. Swift, President
Use	A full service destination restaurant and outdoor café style seating, a park and green space, and an ADA accessible attraction and museum featuring an interactive historical perspective on Mallory Square and the waterfront.	A self order/pick up open pavilion style restaurant, and a Mallory Steamship and Key West Maritime Museum. The small open space would be used for plaques and a photo history of the Western Union.
Term	10 Years	20 Years and add El Meson de Pepe to tie the two leases together to run concurrently which would require voter approval in November Right to cancel the lease leaving all improvements and equipment in place in year three
Rent	\$303,000 annually in base rent plus 7% of sales above a breakpoint	\$72,000 yr 1,2,3 and \$108,000 yr 3-20 or 6% of gross sales whichever is higher Annual cost of living or 3% increase in the minimum rent, whichever is lower
Rent Abatement	Proposer may seek rent credits to offset some of the preservation and construction costs	None
Improvements	Development and construction of a new building on parcel 2 within the HARC guidelines and replace the damaged dock area, restoration and ADA compliance of the historic Hospitality House on parcel 4, landscaping, fountain, bronze statuary or park seating and fencing on parcel 3	Remove the current restaurant (except for the Cable House) and rebuild the structures and docks on parcel 2, maintain and repair and make the historic Hospitality House wheelchair accessible on parcel 4, plaques and photo history of Western Union on porcelain engraved markers on parcel 3, extend the raised deck toward Malory Dock on parcel 1
Financial	Will provide bonds or letters of credit to guarantee construction and as security for the leasehold	Not included
Zoning	Compliant	Compliant

Proposal from
Tropical Soup Corporation

Tropical Soup Corporation

509 1/2 Duval Street

Key West, Florida 33040

305-293-2876

Copy

March 1, 2010

PROPOSAL

To: The City of Key West
Address: 525 Angela Street, P.O. Box 1409
Key West, Florida 33041

Project Title: **Mallory Square Cable House and Hospitality House**
Project Date: Published on January 24, 2010

Bidder's person to contact for additional information on this Proposal:
Name: Joseph Walsh
Telephone: 305 293-2876

The undersigned, hereinafter called the Bidder, declares that the only persons or parties interested in this Proposal are those named herein, that this Proposal is, in all respects, fair and without fraud, that it is made without collusion with any official of the Owner, and that the Proposal is made without any connection or collusion with any person submitting another Proposal on this Contract.

This bid includes: the Public notice offered by the City on January 24, 2010, The Survey of parcels 1 through 5 by Island Surveyors Inc. dated January 28, 2010, bidder's public entities statement, bidder's anti collusion affidavit, bidder's conceptual drawings titled Mallory Square by Florida Building Consultants dated February 1, 2010 and bidder's narrative summary.

The Bidder further declares that he has carefully examined the Contract Documents, that he has attended the mandatory pre-bid conference meeting and walk-through held on January 29, 2010, has personally inspected the Project, that he has satisfied himself as to the work involved.

The Bidder is experienced in restaurant ownership and management. Principals of the bidder are majority owners of Caroline's Cafe, Fogarty's Restaurant, Jack Flats, Redfish Bluefish and Mangoes Restaurant in Key West, and Fogarty's Grill in Coral Springs, Florida. Combined these restaurants have approximately 350 employees. The bidder has been able to turn unprofitable restaurant locations into successful ones.

The bidder has adequate financial resources to undertake this project, and will provide bonds or letters of credit to guarantee the construction, and as security for the leasehold. The bidder will seek no loans, nor is financing of the proposed construction a contingency of this proposal.

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This proposal is in response to the notice by the City of Key West on January 24, 2010 seeking a lease proposal for Mallory Square Cable House Property Parcel ID #0072082-001100, Hospitality House Property Parcel ID #00072082-001400 and shown on the survey drawn by Island Surveying Inc. Number 10-108 on January 28, 2010.

Tropical Soup Corporation, a Florida corporation offers to lease the 4 parcels as described in the City's offer of January 24, 2010, and shown on the survey done by Island Surveying Inc drawing number 10-108 on January 28, 2010. The bidder, would build a new structure to house a full service restaurant and would offer outside cafe style seating with umbrellas. The bidder anticipates a small retail component along with the restaurant. The bidder would replace the damaged dock area. The bidder would create a park and green space and would offer an ADA accessible attraction and museum featuring an interactive historical perspective on Mallory Square and the Key West waterfront. The bidder would strive to create a destination restaurant as well as recreational and cultural elements that could stand alone, or become an additional positive point of interest in an integrated waterfront promenade.

The bidder believes that the interests of the City have been poorly served by the benign neglect of Mallory Square. The construction of black "prison style" bars around buildings, the location of OMI equipment and electrical transformers in public view, the lack of resources dedicated to the City's only public restrooms as well as the underutilization of high profile locations are all massive areas of opportunity for Key West to become more friendly and inviting for tourists as well as residents. The sporadic use of Mallory Square by city residents, typically when out of town guests are visiting, or for special events is a shame. The revitalization of this waterfront park (ing lot) should be a focal point in making the City a more desirable place to live and visit.

The bidder has included conceptual architectural renderings with this proposal, and anticipates ongoing discussions with the City concerning design and landscape elements. The bidder anticipates the need to create some form of landscaping, fountain, or fencing elements to block off parcel five from Mallory Square. the bidder anticipates meetings with City Staff in the planning, building, landscaping and HARC offices as well as the boards for all of those organizations. The bidder is cognizant of some of the concerns regarding this area and would work to address any issues while retaining a need to be able to pay its rental obligations. The bidder would attempt to retain as much landscaping as possible and would work with the city on park design ideas be they a fountain, bronze statuary, or landscaping and park seating. The bidder may seek rent credits to offset some of the preservation and construction costs of this project. The bidder has discussed the historic character of Mallory Square with city staff and believes that it can complete its plan within HARC guidelines. The Hospitality House, occupying a portion of Parcel 4 would be repaired and made ADA compliant. The frame construction on parcel 2 would be removed, and further discussions would be held regarding the use of the concrete structure on Parcel 2. This building is not included in the Sanborn maps of 1948, and is not included in the Key West Historic Resources Survey.

The area is zoned, Historic Public and Semipublic Services District (HPS) Compared to the City's other commercial zoning districts, this has relatively limited permitted uses. As such, the existing restaurants, food service vendors, animal acts, retail stores, retail stands and other uses offering goods for sale are all non-conforming. Many of the special events that Mallory Square is used for are also non-conforming uses. The City asserts that there is an existing non-conforming use for the proposed lease space. Bidder

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anticipates the continuation of the non-conformity, but hopes that the City addresses the obvious discrepancies in this zoning district.

The Bidder has read the most recent examples of leases that the city has executed with some of its other tenants and is generally comfortable with the form and language. In the event that the initial lease is valued at market, however, the bidder has serious reservations about large annual increases in rent not tied to the bidder's sales.

The bidder offers \$303,000.00 in annual rent for the combined parcels. Bidder further believes that it could offer more in annual rent if the inappropriate zoning were addressed. Bidder believes that in both gross dollars, and per square foot that this offer is considerably higher than the City receives from its other tenants at Mallory Square. The bidder would expect the lease term to be 10 years. The bidder further offers additional rent determined by 7 percent of sales above a reasonable break point. Bidder is aware of no City leases offering this level of participation on the upside of its leases. The percentage rent offer anticipates the possibility of revisiting the zoning issues and allows for the City to participate in the event that modified zoning allows bidder to maximize its potential sales.

There appears to be inadequate licensed seating to operate a full service restaurant on these parcels. The bidder anticipates working with the city to an equitable solution to secure adequate seating to operate the business profitably, but that would remain an asset of the property owner. Bidder further anticipates reasonable accommodations from both bidder and the City with regard to easements, ingress and egress as well as setbacks. There are several likely ongoing areas of cooperation including: access to parcel 5, homeland security issues related to cruise ship or port traffic, Mallory square special events be they bidder's or another vendor, utility access, drainage issues for Mallory Square, foot bridge and dock access, restroom access and maintenance. Bidder is interested in exploring parking validation or other options like the City has with some of its other tenants.

Bidder will be pleased to provide any additional information that the City would deem helpful in evaluating its bid. Please direct any inquiries to Joseph Walsh at 305-293-2876. Email: tropicalsoup1@gmail.com

Truly Yours,



Joseph H. Walsh

President

Tropical Soup Corporation

FLORIDA BUILDING CONSULTANTS, INC.
 400 APPELBOURN LANE, SUITE 1-7
 KEY WEST, FLORIDA 33040
 (305) 854-8500
 CA #88046

PLAN, R. SCHMIDT
 PREPARED DATE: _____

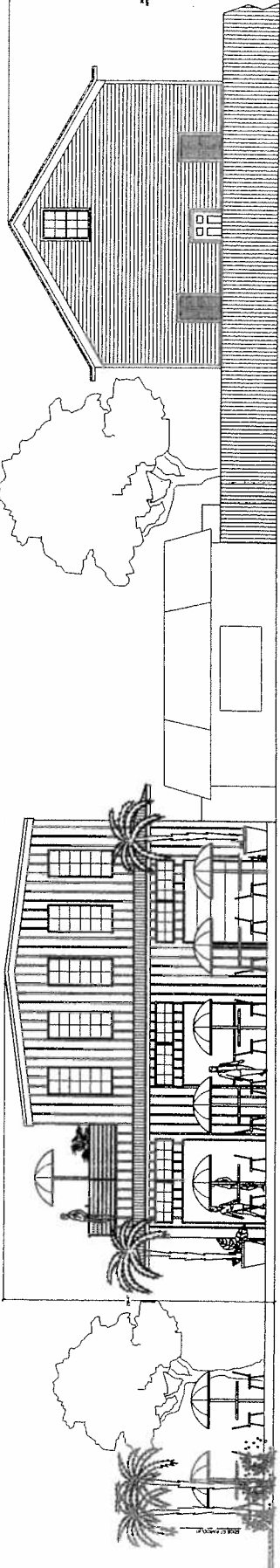
KEY WEST, FLORIDA

MALLORY SQUARE

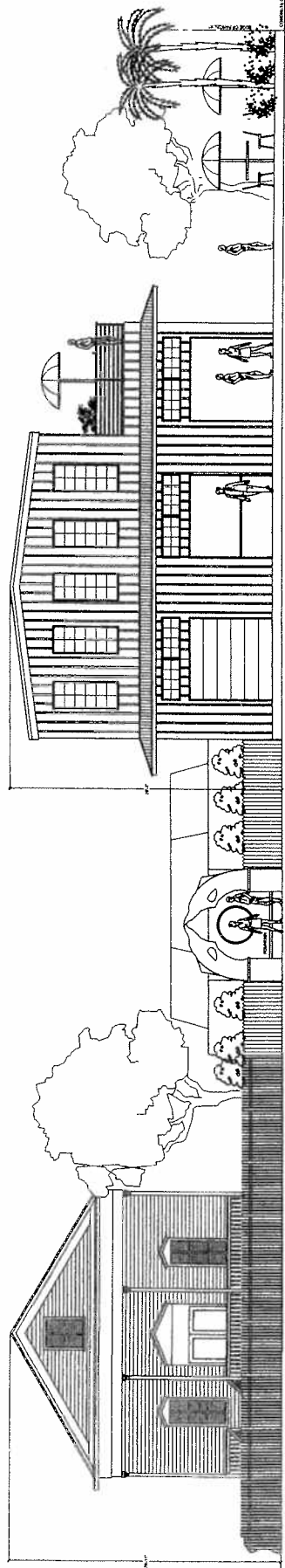
REVISIONS

JOB: _____
 START DATE: 09-01-15
 ISSUE DATE: _____
 DRAWN: ERM

08



SOUTHWEST ELEVATION
 SCALE: 1/4" = 1'-0"



NORTHEAST ELEVATION
 SCALE: 1/4" = 1'-0"

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PUBLIC NOTICE

**AVAILABLE FOR LEASE
MALLORY SQUARE**

**CABLE HOUSE PROPERTY PARCEL ID # 00072082-001100
HOSPITALITY HOUSE PROPERTY PARCEL ID # 00072082-001400**

Pursuant to City Ordinance Section 2-941, notice is hereby given that the City of Key West, Florida is seeking proposals to conform with section 2-941(c) for the market rate, highest and best use, lease of either one or both properties which may have a contiguous area joining the two parcels.

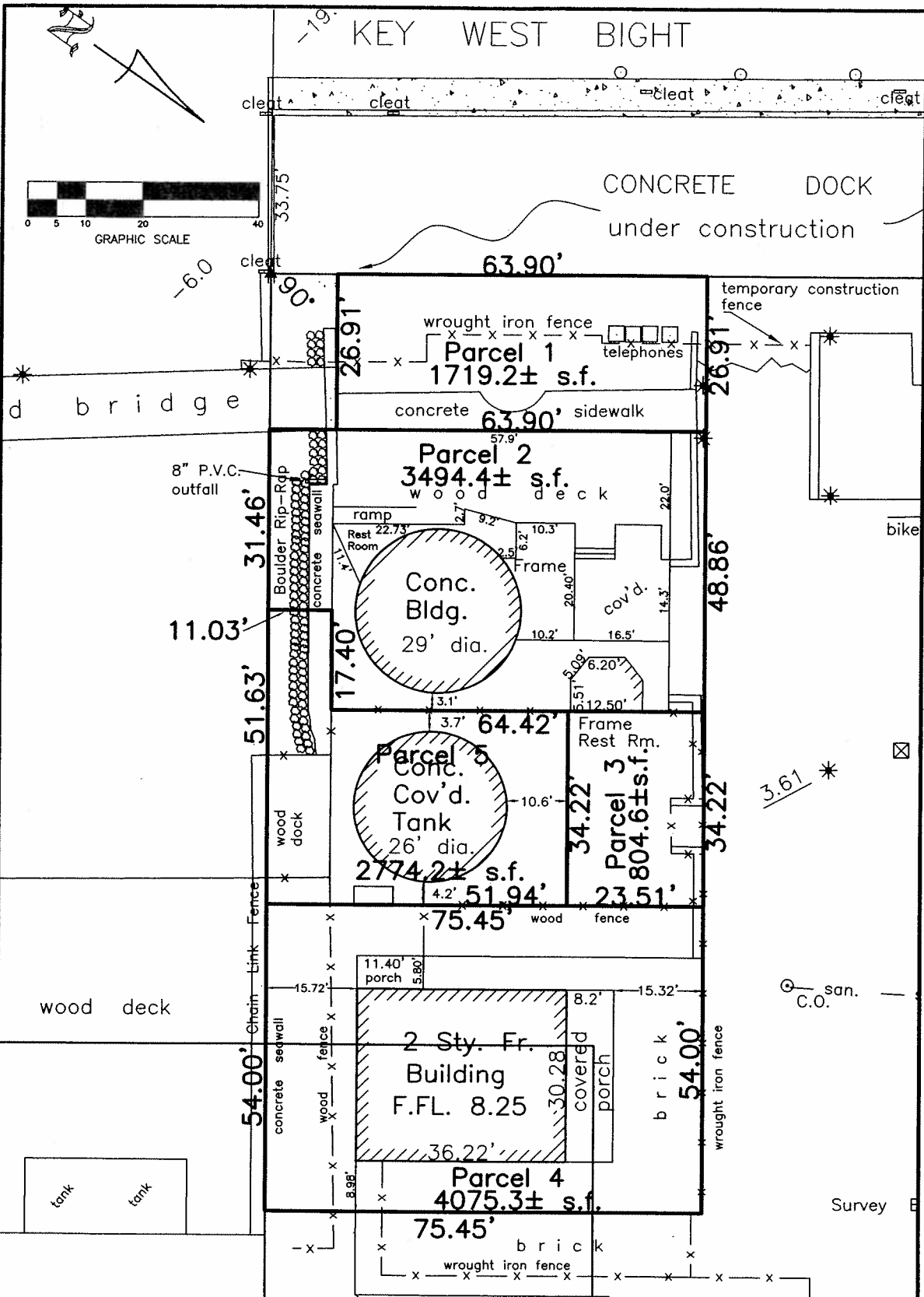
The parcels are located at Mallory Square and are known as the Cable Hut and as the Hospitality House. The parcels are zoned Historic Public Service. There are existing non-conforming uses for the Cable House parcel that may be continued. A listing of the existing and allowable uses is available upon request.

At a minimum, proposals should address the proposed use of the property which must comply with all regulatory and statutory requirements governing the use of the properties, any proposed improvements and the proposed income to the City of Key West. A mandatory pre-proposal meeting and walk-through of the properties will be held on January 29, 2010 at 9:00AM, additional property specific information will be distributed at that time. Sealed proposals shall be clearly identified as a proposal on the exterior of the envelope and delivered to the office of the City Clerk, City of Key West, 525 Angela Street, Key West, FL 33040 and must be received no later than March 2, 2010 at 3:00 PM. All proposals must contain a non-collusive affidavit and a public entity crimes form sworn and executed by the offeror and acknowledged before a notary public with the notary seal affixed to the document.

All proposals will be opened by the City Clerk at 525 Angela on March 3, 2010 3:00PM. City management will analyze and summarize proposals for presentation to the City Commission.

For additional information, interested parties should contact Marilyn Wilbarger, 305-809-3794, Fax: 305-809-3806, E-mail: mwilbarg@keywestcity.com

Published, January 24, 2010



City of Key West Mallory Square			
Lease Areas		Dwn No.: 10-108	
Scale: 1"=20'	Ref. file	Flood panel No. 1516K	Dwn. By: F.H.H.
Date: 1/28/10		Flood Zone:	Flood Elev.
REVISIONS AND/OR ADDITIONS			

ISLAND SURVEYING INC.
ENGINEERS PLANNERS SURVEYORS

3152 Northside Drive
 Suite 2101
 Key West, Fl. 33040
 (305) 293-0466
 Fax. (305) 293-0237
 fhildeb1@bellsouth.net

Copy

**SWORN STATEMENT UNDER SECTION 287.133(3)(a)
FLORIDA STATUTES, ON PUBLIC ENTITY CRIMES**

**PROJECT REQUEST FOR LEASE PROPOSALS FOR MALLORY SQUARE
PARCELS 1,2,3,4 CABLE HOUSE, HOSPITALITY HOUSE and MALLORY
SQUARE NOTICE DATED JANUARY 24, 2010**

**THIS FORM MUST BE SIGNED IN THE PRESENCE OF A NOTARY PUBLIC
OR OTHER OFFICE AUTHORIZED TO ADMINISTER OATHS.**

1. This sworn statement is submitted with an accompanying Proposal, in response to the City of Key West's request dated January 24, 2010, to Lease a portion of MALLORY consisting 4 parcels.
2. This sworn statement is submitted by Tropical Soup Corporation, whose business address is 509 Duval Street Key West Florida 33040 and its Federal Employer Identification Number (FEIN) is 27-1952267.
3. My name is Joseph Walsh, and I am the President of Tropical Soup Corporation
4. I understand that a "public entity crime" as defined in Paragraph 287.133(1)(g), Florida Statutes, means a violation of any state or federal law by a person with respect to and directly related to the transaction of business with any public entity or with an agency or political subdivision of any other state or with the United States, including but not limited to, any Proposal or contract for goods or services to be provided to any public entity or an agency or political subdivision of any other state or of the United States and involving antitrust, fraud, theft, bribery, collusion, racketeering, conspiracy, material misrepresentation.
5. I understand that "convicted" or "conviction" as defined in Paragraph 287.133(1)(b), Florida Statutes, means a finding of guilt or a conviction of a public entity crime, with or without an adjudication of guilt, in any federal or state court of record relating to charges brought by indictment information after July 1, 1989, as a result of a jury verdict, nonjury trial, or entry of a plea of guilty or nolo contendere.
6. I understand that an "affiliate" as defined in Paragraph 287.133(1)(a), Florida Statutes, means
 1. A predecessor or successor of a person convicted of a public entity crime: or
 2. An entity under the control of any natural person who is active in the management of t entity and who has been convicted of a public entity crime. The term "affiliate" includes those officers, directors, executives, partners, shareholders, employees, members, and agents who are active in the management of an affiliate. The ownership by one person of shares constituting controlling interest in another person, or a pooling of equipment or income among persons when not for fair market value under an arm's length agreement, shall be a prima facie case that one person controls another person. A person who knowingly enters into a joint

COPY

venture with a person who has been convicted of a public entity crime in Florida during the preceding 36 months shall be considered an affiliate.

7. I understand that a "person" as defined in Paragraph 287.133(1)(8), Florida Statutes, means any natural person or entity organized under the laws of any state or of the United States with the legal power to enter into a binding contract and which Proposals or applies to Proposal on contracts for the provision of goods or services let by a public entity, or which otherwise transacts or applies to transact business with a public entity. The term "person" includes those officers, directors, executives, partners, shareholders, employees, members, and agents who are active in management of an entity.

8. Based on information and belief, the following statement is true in relation to the entity submitting this sworn statement:

Neither the entity submitting this sworn statement, nor any officers, directors, executives, partners, shareholders, employees, members, or agents who are active in management of the entity, nor any affiliate of the entity have either been charged with, or convicted of a public entity crime.

(Signature) _____

(Date) _____

[Handwritten signature]

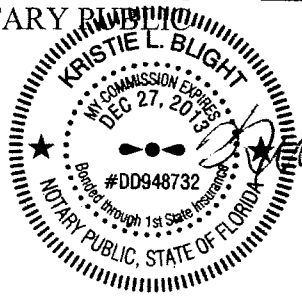
March 2, 2010

STATE OF Florida
COUNTY OF Monroe

Joseph Walsh PERSONALLY APPEARED
BEFORE ME, the undersigned authority, who, after first being sworn by me, affixed his/her signature in the

space provided above on this day of March 2, 2010.

My commission expires: December 27, 2013
NOTARY PUBLIC



Kristie L. Blight

Copy

ANTI-KICKBACK AFFIDAVIT

PROJECT: REQUEST FOR LEASE PROPOSAL at Mallory Square Cable House and Hospitality House, parcels 1 to 4 Key West, Florida
Project dated: JANUARY 24, 2010:

STATE OF FLORIDA)

COUNTY OF MONROE)

I, the undersigned hereby duly sworn, depose and say that no portion of the sum herein Proposal will be paid to any employees of the City of Key West as a commission, kickback, reward or gift, directly or indirectly by me or any member of my firm or by an officer of the corporation.

By: _____

Joseph H. Walsh (President)

STATE OF

Florida

COUNTY OF

Monroe

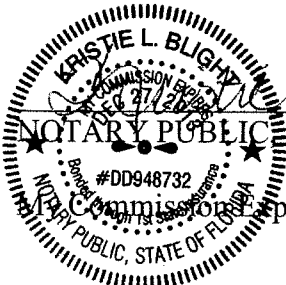
Joseph Walsh

PERSONALLY APPEARED

BEFORE ME, the undersigned authority, who, after first being sworn by me, affixed his/her signature in the space provided above, on this 2nd day of February, 2010.

March

(KLB)



K. Bligh

NOTARY PUBLIC

State of Florida at Large

#DD948732

Commission Expires

December 27, 2013

Proposal from
Tropical Shell and Gifts, Inc.

SWORN STATEMENT UNDER SECTION 287.133(3)(a)
FLORIDA STATUTES, ON PUBLIC ENTITY CRIMES

RFP Cable House Property Parcel ID# 00072082-001100
Hospitality House Property Parcel ID# 00072082-001400

THIS FORM MUST BE SIGNED IN THE PRESENCE OF A NOTARY PUBLIC OR OTHER OFFICE AUTHORIZED TO ADMINISTER OATHS.

1. This sworn statement is submitted with Proposal, Proposal or Contract No. Parcel ID 00072082-001100 & Parcel ID#00072082-001400 for
Cable House Property and Hospitality House Property

2. This sworn statement is submitted by Tropical Shell & Gifts, Inc.
(Name of entity submitting sworn statement)
whose business address is 201 Front Street, Suite #224, Key West, Fl. 33040
and (if applicable) its Federal Employer Identification Number (FEIN) is 59-0966923 (If the entity has no FEIN, include the Social Security Number of the individual signing this sworn statement.)

3. My name is Edwin O. Swift, III and my relationship to
(Please print name of individual signing)
the entity named above is President.

4. I understand that a "public entity crime" as defined in Paragraph 287.133(1)(g), Florida Statutes, means a violation of any state or federal law by a person with respect to and directly related to the transaction of business with any public entity or with an agency or political subdivision of any other state or with the United States, including but not limited to, any Proposal or contract for goods or services to be provided to any public entity or an agency or political subdivision of any other state or of the United States and involving antitrust, fraud, theft, bribery, collusion, racketeering, conspiracy, material misrepresentation.

5. I understand that "convicted" or "conviction" as defined in Paragraph 287.133(1)(b), Florida Statutes, means a finding of guilt or a conviction of a public entity crime, with or without an adjudication guilt, in any federal or state trial court of record relating to charges brought by indictment information after July 1, 1989, as a result of a jury verdict, nonjury trial, or entry of a plea of guilty or nolo contendere.

6. I understand that an "affiliate" as defined in Paragraph 287.133(1)(a), Florida Statutes, means
 1. A predecessor or successor of a person convicted of a public entity crime: or
 2. An entity under the control of any natural person who is active in the management of t entity and who has been convicted of a public entity crime. The term "affiliate" includes those officers, directors, executives, partners, shareholders, employees, members, and agents who are active in the management of an affiliate. The ownership by one person of shares constituting controlling interest in another person, or a pooling of equipment or income among persons when not for fair market value under an arm's length agreement, shall be a prima facie case that one person controls another person. A person who knowingly enters into a joint venture with a person who has been convicted of a public entity crime in Florida during the preceding 36 months shall be considered an affiliate.

- 7. I understand that a "person" as defined in Paragraph 287.133(1)(8), Florida Statutes, means any natural person or entity organized under the laws of any state or of the United States with the legal power to enter into a binding contract and which Proposals or applies to Proposal on contracts for the provision of goods or services let by a public entity, or which otherwise transacts or applies to transact business with a public entity. The term "person" includes those officers, directors, executives, partners, shareholders, employees, members, and agents who are active in management of an entity.
- 8. Based on information and belief, the statement, which I have marked below, is true in relation to the entity submitting this sworn statement. (Please indicate which statement applies.)

XX Neither the entity submitting this sworn statement, nor any officers, directors, executives, partners, shareholders, employees, members, or agents who are active in management of the entity, nor any affiliate of the entity have been charged with and convicted of a public entity crime subsequent to July 1, 1989.

 The entity submitting this sworn statement, or one or more of the officers, directors, executives, partners, shareholders, employees, members, or agents who are active in management of the entity, or an affiliate of the entity has been charged with no convicted of a public entity crime subsequent to July 1, 1989, AND (Please indicate which additional statement applies.)

 There has been a proceeding concerning the conviction before a hearing of the State of Florida, Division of Administrative Hearings. The final order entered by the hearing officer did not place the person or affiliate on the convicted vendor list. (Please attach a copy of the final order.)

 The person or affiliate was placed on the convicted vendor list. There has been a subsequent proceeding before a hearing officer of the Sate of Florida, Division of Administrative Hearings. The final order entered by the hearing officer determined that it was in the public interest to remove the person or affiliate from the convicted vendor list. (Please attach a copy of the final order.)

XX The person or affiliate has not been put on the convicted vendor list. (Please describe any action taken by or pending with the Department of General Services.)

 (Signature)

 (Date) March 2, 2010

STATE OF Florida
 COUNTY OF Monroe

PERSONALLY APPEARED BEFORE ME, the undersigned authority,
Edwin O. Swift, III who, after first being sworn by me, affixed his/her signature in the
 (Name of individual signing)

space provided above on this 2nd day of March, 2010.

My commission expires: Marion Hope Casas
 NOTARY PUBLIC



ANTI-KICKBACK AFFIDAVIT

Cable House Property Parcel ID#00072082-001100
RFP- Hospitality House Property Parcel ID# 00072082-001400

STATE OF FLORIDA)
 : SS
COUNTY OF MONROE)

I, the undersigned hereby duly sworn, depose and say that no portion of the sum herein Proposal will be paid to any employees of the City of Key West as a commission, kickback, reward or gift, directly or indirectly by me or any member of my firm or by an officer of the corporation.



By: Edwin O. Swift, III
President

Sworn and subscribed before me this

2nd day of March, 2008.

Marion Hope Casas

NOTARY PUBLIC, State of Florida at Large

My Commission Expires: _____

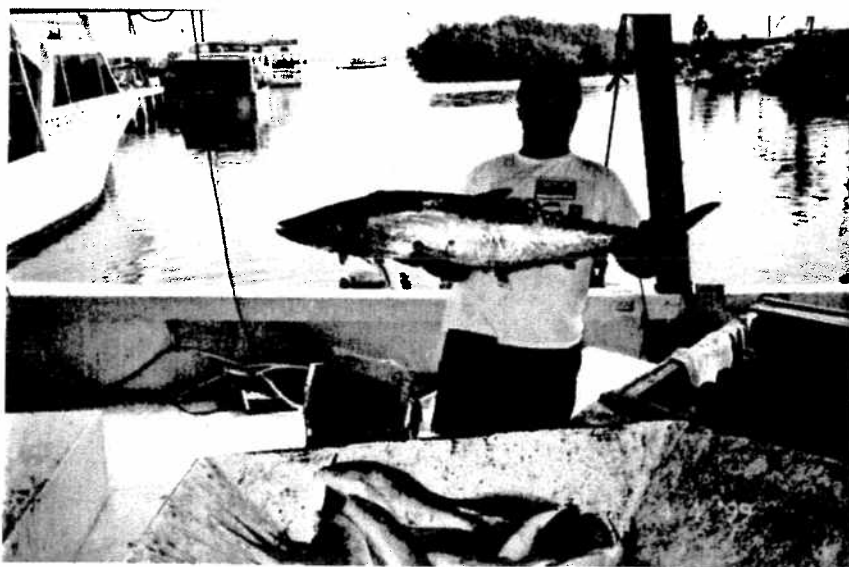


NARRATIVE
Pete's Fish House
Mallory Dock

In 1977 Peter Bacle, owner of Stock Island Lobster Company, the last family owned fish house in Key West, opened what was to become one of the most successful and beloved small restaurants on the island at 619 Duval Street. At Pete's Fish Market Restaurant the menu was simple and simply irresistible. Whatever was fresh in Key West and landed that day at the fish house on Stock Island was served.



Stock Island Lobster Company





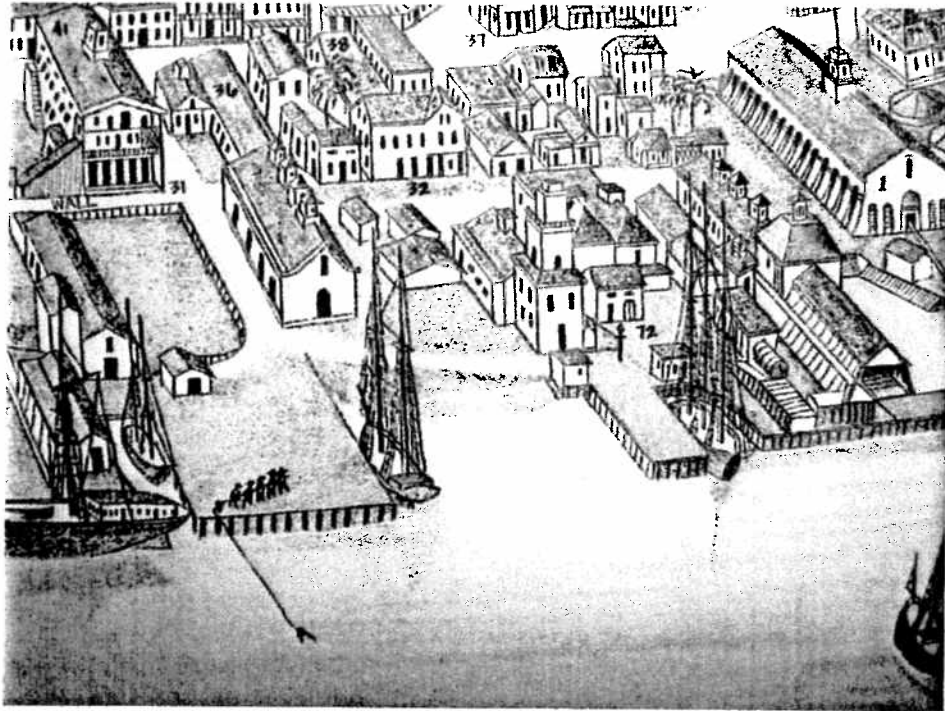
Fried Lobster, and fresh Grunt sandwiches, Yellowtail, half and whole Lobster, Stone Crab's, Grouper grilled or fried. Whatever came in the door at the fish house ended up on the tables of Pete's Fish Market Restaurant. The menu was rounded out with Cuban bread, fried potatoes, potato salad, lobster salad, Key West Pink's from the Stock Island shrimp docks. Fresh Caicos Conch was the only imported item for making Pete's Conch Salad, Cracked Conch, Conch Chowder and fritters that still must hold the Key West record for Conch content.

Peter eventually sold the restaurant to his partner and he in turn sold it to someone for use as a grocery store but the legend of Pete's Fish Market Restaurant has remained as serving the freshest caught, best prepared, no pretense, Key West seafood. Our proposal would revive that restaurant in its simplicity, quality and Key West heritage on Mallory Dock.



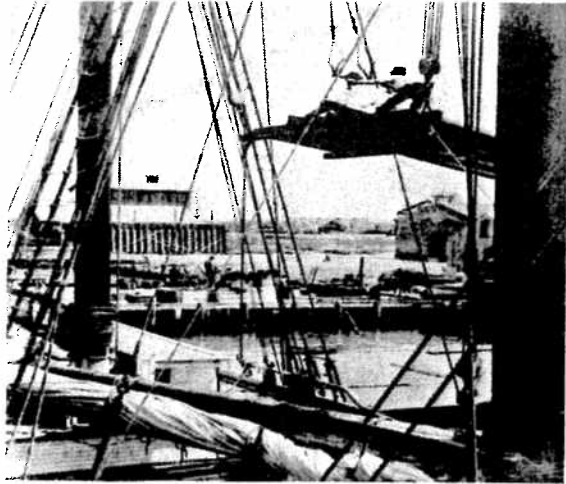
Pete's Fish House Restaurant on Mallory Dock

Whatever happens on Mallory Dock and in Mallory Square is of significant importance to the image of Key West. This particular waterfront embodies what was the epicenter of much of what became Key West's historic past from the earliest times.

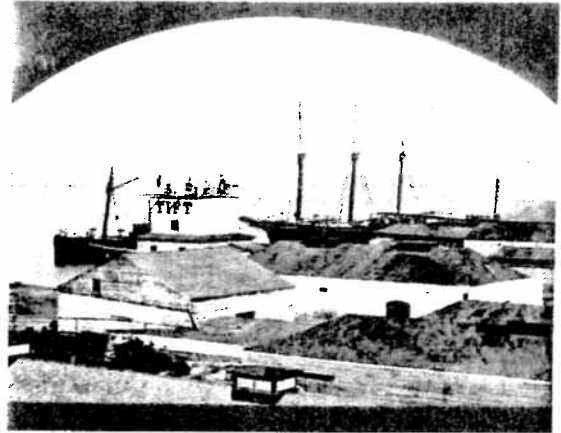


Tift's Docks and Warehouse 1884

Consider for a moment that the city's property in Mallory Square was on Wall Street originally owned by Key West's most prominent wrecker, businessman Asa Tift. He and his family built the island's oldest commercial structure in 1851, Tift's Ice House. (Now the Shell Warehouse) Here his wrecking warehouse held the goods from ships that had come to ultimate peril on our treacherous reefs. At the docks his wrecking schooners were at the ready and his wrecking tower soared over the waterfront. Auctions were held on these docks for the salvaged goods thus adding to the wealth and prosperity of our island outpost.

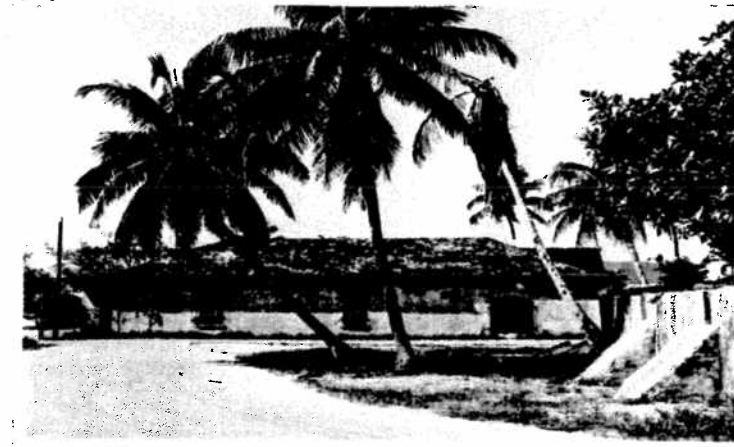


"Off Loading Ice -1860's"
(The wharf shown is where the Cable Houses are now.)



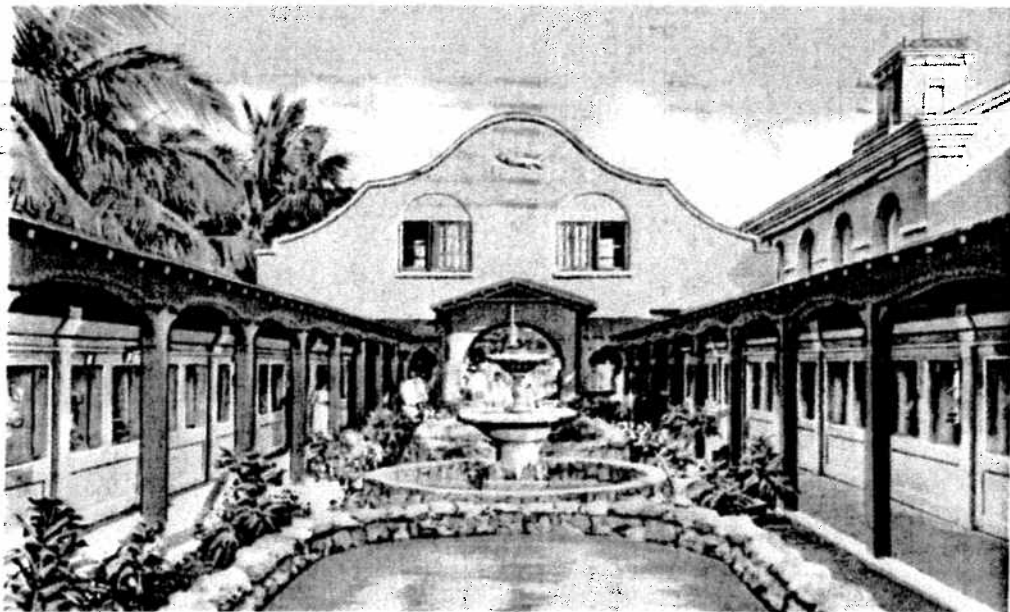
"Tift's Wrecking Tower"

On Wall Street William Wall's tobacco warehouse was constructed in 1879. (Now El Meson de Pepe's) Mr. Wall had initiated the Cuban cigar rolling industry in Key West in the year 1831 employing 50 rollers and the man himself was involved in nurturing the beginning of the cigar industry in Key West that became the biggest producer in America of hand rolled cigars. By the turn of the century over 100 million hand rolled cigars a year were produced locally. Down Tift's Alley, beginning in the 1830's thousands of Cuban immigrants entered America from this waterfront area escaping persecution of Spanish rule in Cuba.



Tift's Alley (The Chamber Building 1950's)

Today's Waterfront Playhouse was yet another warehouse for salvaged goods. Sheds for storing sponges were erected, and sponge auctions took place here. In later years the Mallory Steamship Company extended the docks and began to bring freight and passengers to what became known as Mallory Square. Here all manner of goods arrived, produce from Cuba, bananas from South America, cucumbers from the Isle of Pines and Cuban tobacco leaf. It was also here that the WPA built, in 1934, with local labor during the depths of the depression, Key West's first tourist attraction, The Key West Aquarium.



Tropical Open-Air Aquarium, Key West, Fla.

8A.H1130

Mallory Square continues to play a major role in today's Key West. Mallory Square boasts one of Key West's most attended events of each day, the Sunset Celebration, captivating thousands of visitors and locals. The Waterfront Playhouse has hosted live stage theater for 70 years. The Key West Shipwreck Treasures Museum keeps alive our wrecking past. The Key West Historic Memorial Sculpture Garden provides a walk through our island's history through the life stories of those whose lives that made a significant difference to Key West's journey. The Key West sponging traditions are kept alive at the Sponge Warehouse.



Perhaps one of the most significant institutions and businesses is Cayo Hueso y Habana that uses the old William Wall tobacco warehouse to house El Meson de Pepe's Restaurant, Bar and Museum and cigar store dedicated to the Cuban culture and the Cuban Conch food many of us grew up on. A museum setting re-focuses our island Cuban connection and culture. Because of the owners commitment to the concept of preserving the Key West Cuban culture by founding the Key West Cuban American Festival and reviving the Comparsa dancers and reminding our young people of their Cuban /Spanish heritage as well as of the prominent role their forefathers played here long before the much more recent Cuban immigration into Dade County and the rest of the U.S.

It is with the same sensitivity to Key West history we are approaching the re-use of the Old Western Union Cable House later in our answer to the R.F.P..

Theme and Décor of Pete's Fish House

Because literally millions of people come to Mallory Square for sunset what was allowed to happen here in and around this historic structure before, must never happen again. What our visitors want and what we need is to put our best foot forward and to educate our guests about our Conch Key West specialness and the importance of the seafood industry that is so nearly gone from the island. It is understood that the business operating here needs to produce revenue enough to service the city's need to maximize the location but to use this unique space, visited by hundreds of thousands of visitors a year, must also inform them of our unique island history and portray our heritage. Our long term prosperity as an island depends on the multiple memories that our island's guests take home and

those memories and the stories they tell will, more than anything else, foretell who we will attract here in the future and how Key West will be viewed in the future as a tourist destination.

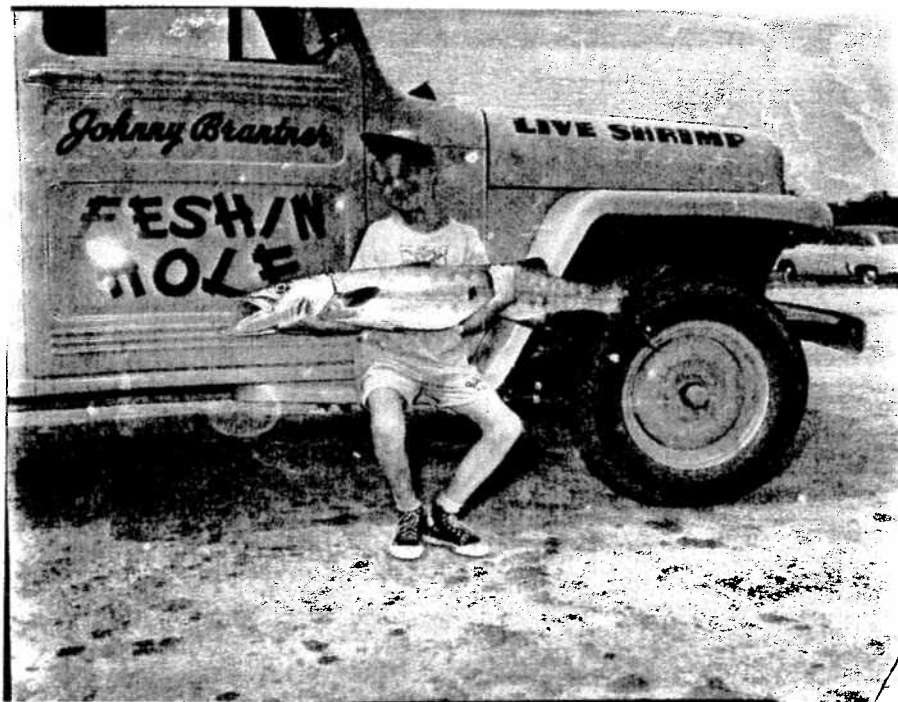
It is with these factors in mind, revenue, positive guest experience and our history that our team of partners has planned our RFP presentation. Because our proposal will require government approvals i.e. development orders, building permits, HARC etc. and perhaps a referendum the time frames may be somewhat extended but we believe it will be worth the effort and in the long run maximize the cities potential cash flow from percentage rent.



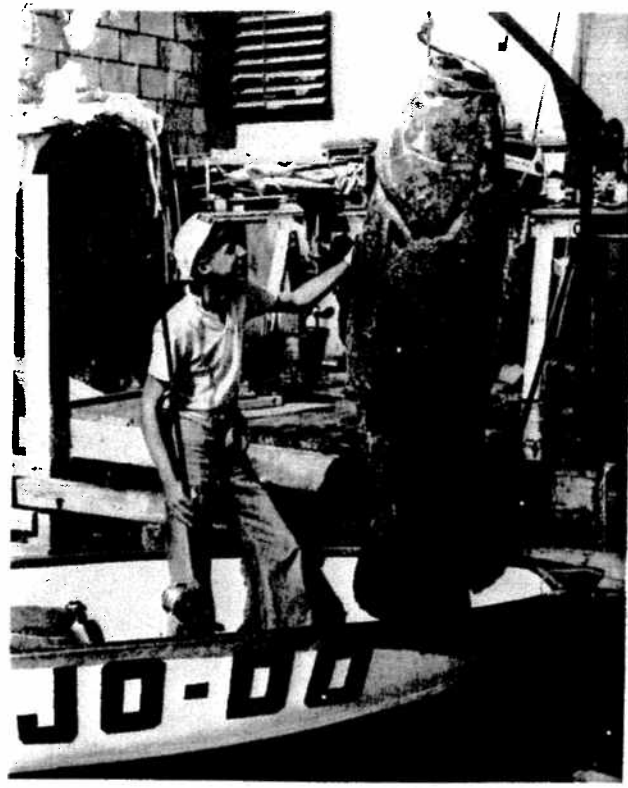
Pictures by Ed Swift, Jr.

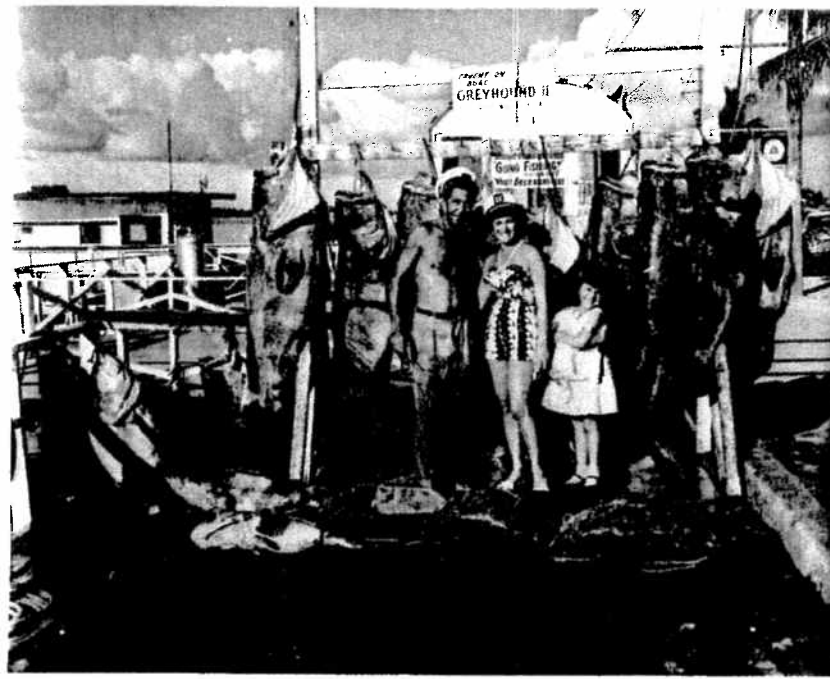
This theme of the bountiful harvest from the local waters will be featured though out this laid back setting. Making the connection between what is on the guest's plate and the men and women, from the present and past, who provided our catch, will be reflected in our wall murals on the Cable House menu to the photo and fishing memorabilia inlaid tables.

We will use fish hooks and jigs, sinkers and all types of fishing paraphernalia along with old and new charter boat brochures and advertisements from our personal archives and postcards from the Charter boats past and present and trip tickets and catch histories from the fish houses etc. and we will embed them in the table tops This technique can be now seen at Cayo Hueso y Habana, El Meson de Pepe's in Mallory Square. The ceilings will have multiple fish mounts representing what you see on the menu. So, when asked, the waitress can point to a Black Grouper or a Grunt or a school of Yellowtail or Kingfish, Mutton Snapper, Mackerel etc. Also a few nostalgic now unavailable fish and sea creatures will be thrown in like turtles, and Jew Fish (Giant Sea Bass) that are now off limits or over fished.

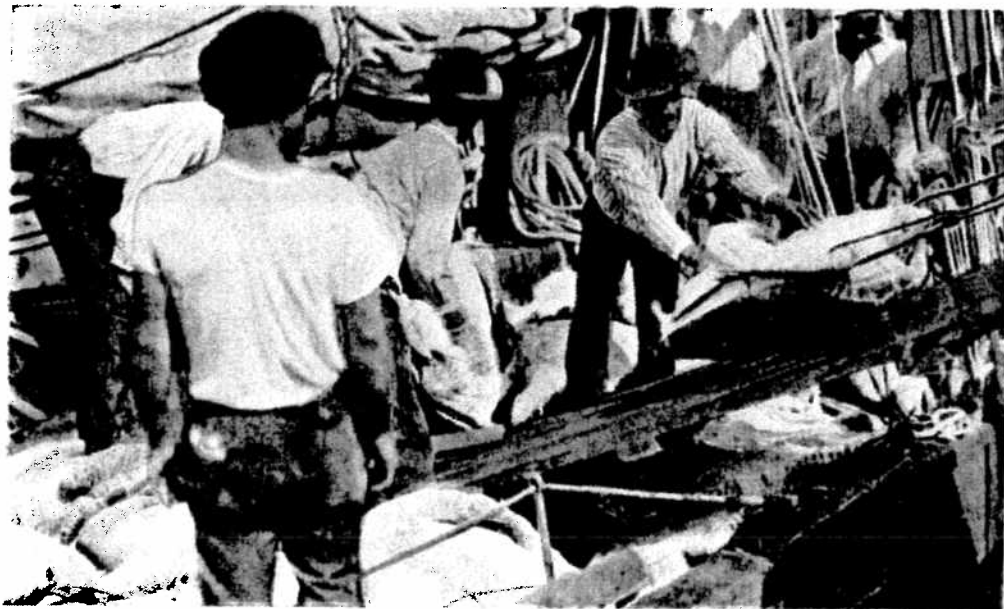


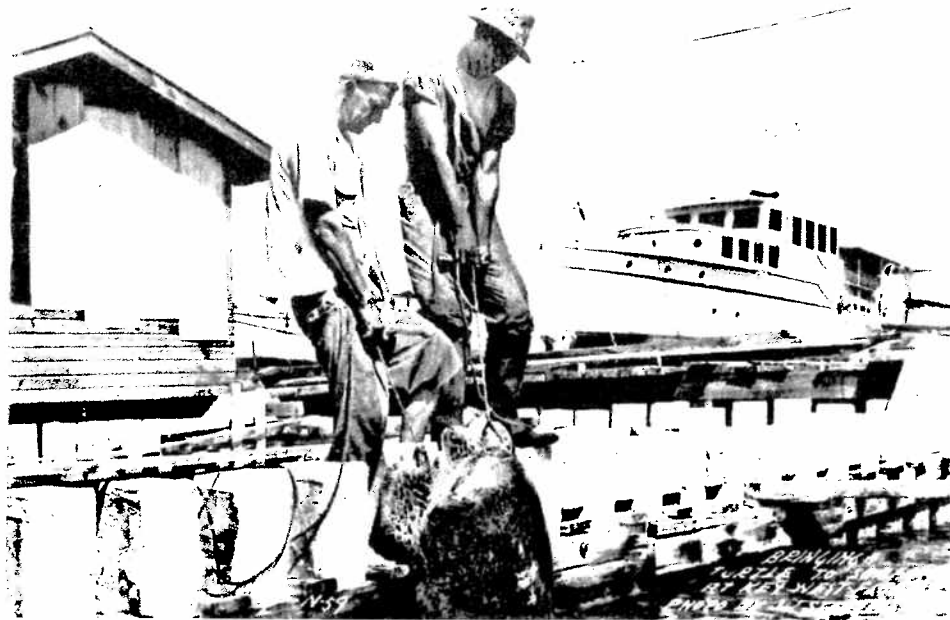
Picture by Ed Swift, Jr.





UNLOADING GREEN TURTLES AT KEY WEST, FLORIDA





Conch Shells attached to the table will hold the salt and pepper shakers. Real discarded Kingfish and Mackerel nets, Lobster and Stone Crab traps and floats, will be used to round out the casual setting. Seating which will be both table and bench style. Finally interviews with fisherman from the docks from 1978 until the present take from Ed Swift, III's personal collection will play continually at the order stations. All food will be self ordered and picked up. Food will be served in environmentally friendly tableware, plates and glasses. No glass, metal containers will be served and all non-disposable containers will be recycled.

The music will be strictly Key West artists and everything will be Florida Keys and Key West focused.

Note: *For over 14 years from 1950 until his passing in 1964 my father, Ed Swift, Jr., a professional photographer, shot "fish pictures of charter boat catches" in the Keys. At least that is what we called them at home. In our early years in the Keys this was our family's main source of income. His collection, now archived in the Monroe County Library, shows off the bounty of the waters of the Florida Keys. He also documented the Keys commercial fishing industry from the Key West Bight's "Pink Gold" shrimp dock era, to the Kingfish net bonanza and turtles landings by the thousands on the island.*



**Shrimp Fleet
Key West Bight - Circa 1960**

The Structure

One of the greatest disappointments to many people interested in Key West history was the fact that the historic “Cable House” was slowly but surely covered up by the previous tenant. It is our intent to expose that important architecturally round structure by incorporating it under the sloped tin roof of the new structure shown in the architectural rendering. Removing the mish-mash of modern electric boxes and auxiliary structures now attached to the Cable House and then using its rounded walls to show off the photos and memorabilia without obscuring the structural shape will be our goal. (See architectural detail.)

Again, this telling and re-telling of the history of the seafood industry is integral to the overall success of both this restaurant and Key West’s reputation as a producer and place to still get fresh local seafood.

As pictures are worth a thousand words we have engaged Mr. Bill Horn (architect) to create a visual for you of the open pavilion with the Cable House as its centerpiece.

The building will reflect the maritime and commercial docks and buildings past and keep in mind the roofline and height of the hospitality house staying in harmony as viewed across the square. (See Exhibit “A” Plans)

Because there is the Cable House next door, that houses the well house and pump systems of the Key West Aquarium, the exterior of this building and adjacent area will be included in the telling of the story of the Western Union and the maintenance and laying of the telegraph cable to Cuba by Key West’s flagship (We hope soon to be the State of Florida’s flagship.)

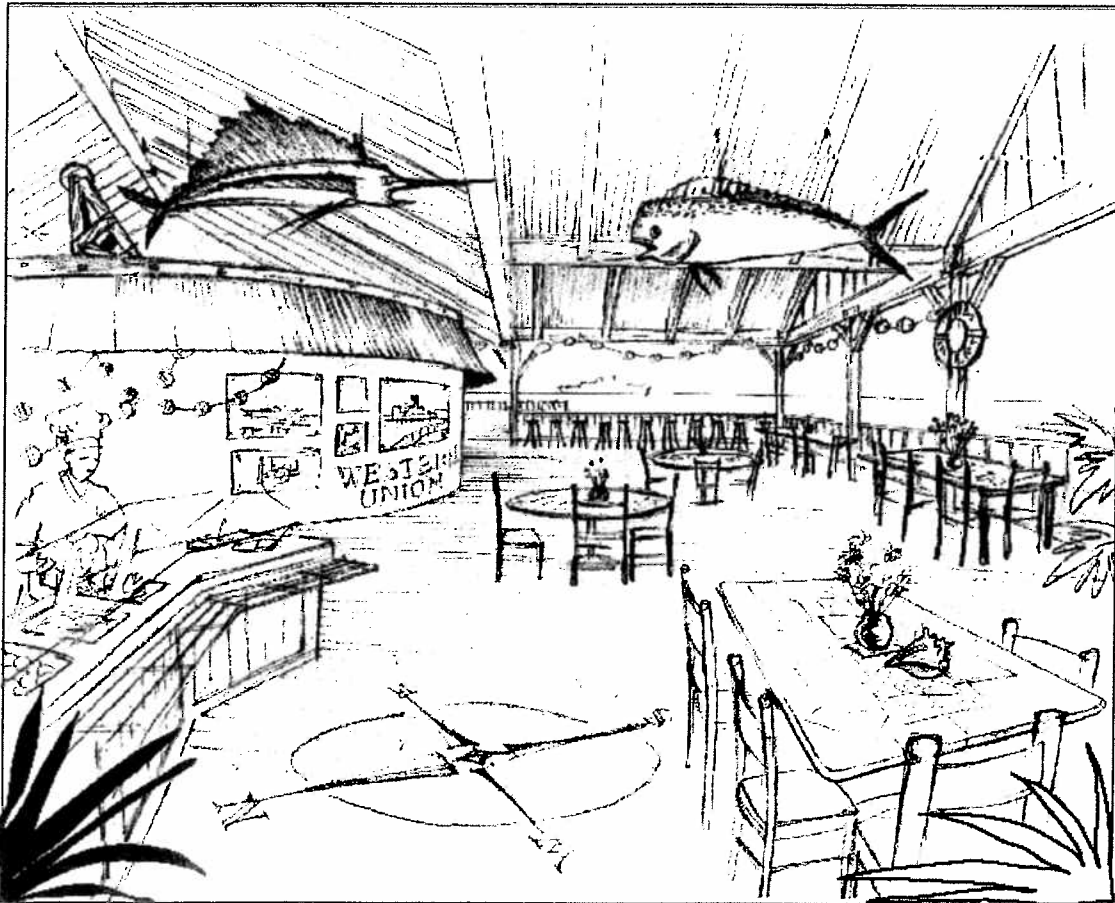
History Note: *Here in these two buildings submerged in oil the cable itself was stored wrapped around huge metal cones. The Western Union would dock next to the cable houses and the cable would come out through the roof of the cable house and traveled over the pulley system (still mounted there) and pulled out by the massive wench system on the Western Union and on down into the schooner’s hold later to be disgorged in repair of the telegraph cable between here and Cuba. Repairing the cable in depths up to 2,000 feet insured the vital link to*

communications between the US and Cuba and then on to the Yucatan Peninsula was in good working order. (See Exhibit "B")

The small open space under the Gumbo Limbo trees will be used for the plaques and photo history of the Western Union on porcelain engraved markers (as seen at the Military Memorial next door) and the vital element of the Cable Houses played in the process will be documented. (See enclosed history Exhibit "C")

The Docks

Please note that it is our intent to replace the docks in the aquarium channel that were lost in Wilma. While this is a major undertaking the expanded area will make the restaurant more enjoyable and less crowded and offer guests seating along with the under pavilion seating. The restaurant will be "all weather" thus maximizing income throughout the year.



Pete's Fish House Mallory Dock

It is our intent to work with the City and State through the development order planning process to expand the non-conforming use of this site to bring the seating up to a minimum of 150 seats are required to serve liquor with meals.

We feel that this expansion is necessary to financially justify a pay back of the upfront investment necessary to build and to still make a profit.

We will also expand, to the extent allowed the raised deck toward Mallory Dock (about 4 ft.) and still allow for safe and sufficient passage of traffic from the foot bridge when cruise ships are docked.

In our opinion and that of Mr. Horn, our architect, the roofed area shown with its roll down see through doors will allow year round operation thus giving ourselves and the city every opportunity to maximize revenues. The roof structure and deck design also tie the components together so that visually the building takes on a Key West waterfront feel and as seen from the sunset square works in harmony with Hospitality House and is reminiscent of Mallory Square commercial maritime past. It should be understood and pointed out that a restaurant of this size or even one of 65 seats serving fresh seafood and homemade slaw, lobster salad, island desserts etc. in quantities large enough to pay the desired to rent to the City must have a prep, storage and kitchen and trash systems area much larger than this site can hold. It is our intent to use the much larger area of El Meson de Pepe's with its current freezers, coolers, and prep areas to service this building thus allowing the interior of the Cable House mostly for cooking food. (See proposed kitchen layout) To do this we will need to tie both leases into one as we cannot have El Meson de Pepe's lease or the new Pete's lease to run out separately.

One further thing should be pointed out is that delivery to this site, especially of fresh product and removal of trash will be especially challenging for the operation. To overcome this we will use El Meson de Pepe's as a drop off of all goods and will transfer prepped food and supplies across the square before and after peak operating hours. Trash will be handled in much the same manner.

“Development and Operating Team”

Peter Bacle – second generation owner operator of Stock Island Lobster Company, Key West’s only remaining fish house. Peter’s daughter and his mother at 88 years of age run the office and his son fishes “The Big Crawl” out of the fish house.



Peter and Son Lucas

Edwin O. Swift, III, Christopher C. Belland, Gerald R. Mosher – Local entrepreneurs, restorers, and historians. This partnership has been involved with the preservation of Key West for 40 years. They helped establish the Key West Historic Memorial Sculpture Garden maintaining it daily for the Friends of Mallory Square, a not-for-profit organization. Their company, Historic Tours of America, Inc. operates the Harry Truman Little White House for the state of Florida, built the Shipwreck Treasure Museum, restored the Key West Aquarium and are responsible, beginning in 1970, for the restoration of over 25 buildings along Duval Street in Key West’s historic business district, the Key West Aquarium etc.

El Meson de Pepe's is a family owned and operated Cuban Restaurant here in Key West for over 20 years. Chef Pepe Diaz and family first opened El Meson de Pepe in 1984 at 1215 Duval Street, bringing locals and tourists alike delicious Cuban favorites.



"The Diaz"

Pepe came to the States via Spain, where he worked in various kitchens and infused some Spanish culinary delights into his Cuban Kitchen. He came to Key West in 1979 where he opened the Cuban Club Restaurant on Duval Street. Soon after, he bought and opened Tony's Grocery & Deli at 1211 Duval Street, birthplace of our local artist Mario Sanchez. In 1984, Pepe purchased, then known as Papa's Place, and opened the original El Meson de Pepe. In the late 90's, Pepe sold the property on 1215 Duval Street and shortly after opened El Meson de Pepe @ The Casa Cayo Hueso y Habana, where it is still operating today.

Today the legacy continues. Sons Jose and Augusto Diaz oversee day to day operations with Pepe still vigilantly overseeing the kitchen. Jose graduated from the University of Central Florida with a degree in General Business and simultaneously graduating from Southeast Culinary Academy in 1997. He interned at Panulo's in Winter Park, Florida and soon after, returned home to open El Meson De Pepe on Mallory Square. Augusto graduated from the University of Havana and has worked and managed several restaurants throughout his career including Yuca on South Beach, and locally at La Tratorria.

El Meson de Pepe is a family oriented restaurant dedicated to great quality food and the preservation of Cuban-Conch Heritage in Key West.

Fred Salinero - Fred Salinero was born to Antonio Salinero and Celia Carmona on March 21, 1947 at 415 Amelia Street. He only spoke Spanish to the age of six. He spent most of his days at his Grandfather Jesus Carmona Ice Cream Polar "El Anon". Graduated from Key West High School in 1965 and went to College in Jacksonville and Graduated with Business and Computer Degree. Was hired by RCA working in Computers.

In 1971 after passing the State exam, became a State Certified General Contractor.

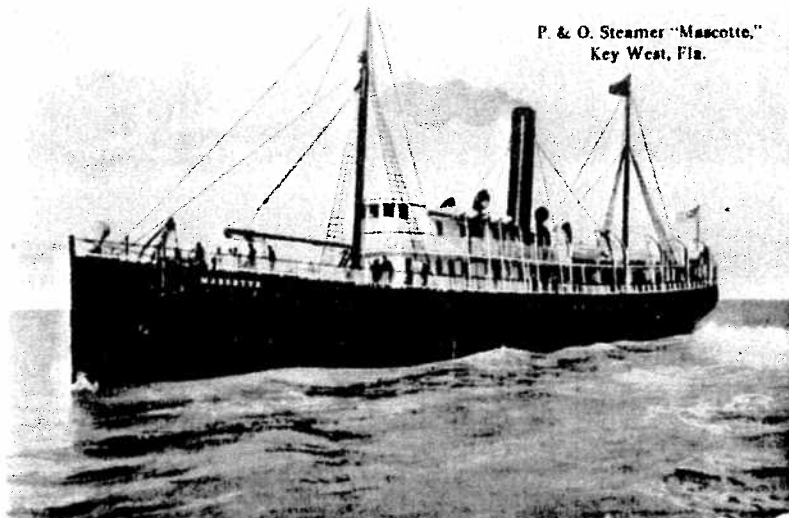
In 1984 returned home to continue building. He has built hundreds of Homes, Apartments, Hotels, Restaurants, and numerous renovations to Present.

In 1997 became a partner in the Casa Cayo Hueso Corporation that is owner of El Meson De Pepe Restaurant.

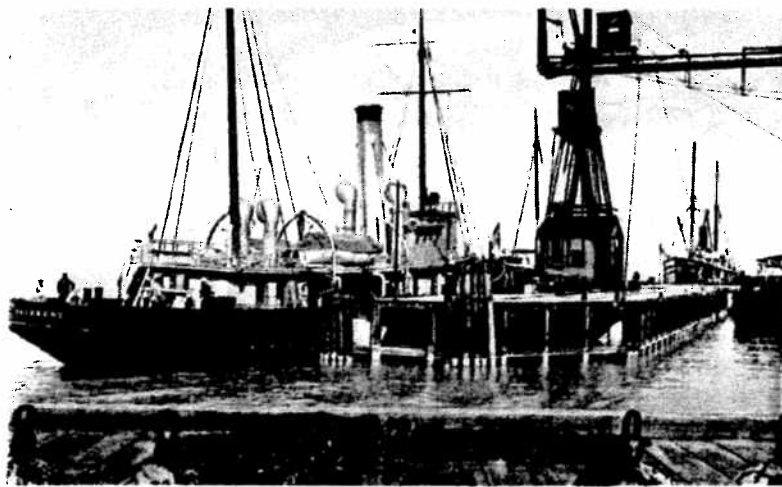
The Hospitality House

Formerly the Mallory Steamship Company Office and Ticketing Headquarters

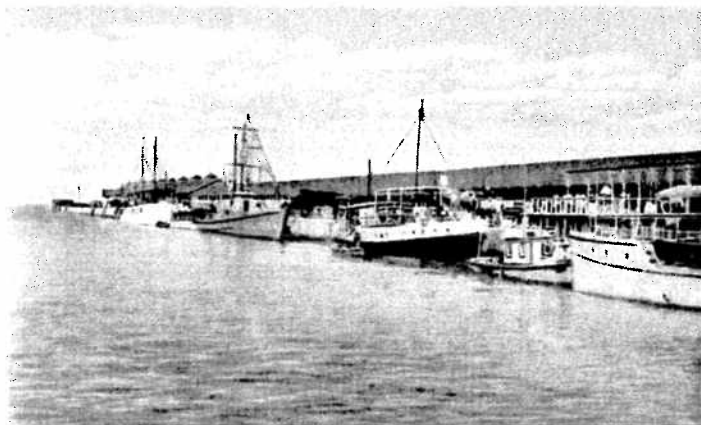
Long before the Oversea Highway connected Key West to the mainland Key West was a major seaport. The fact that the sea was our lifeline to the outside world until the Flagler train arrived in 1913 and one of Florida's most important ports, is somewhat lost on our visitors. Our proposed use of the Hospitality House would remedy this situation.



P. & O. Steamer "Mascotte,"
Key West, Fla.

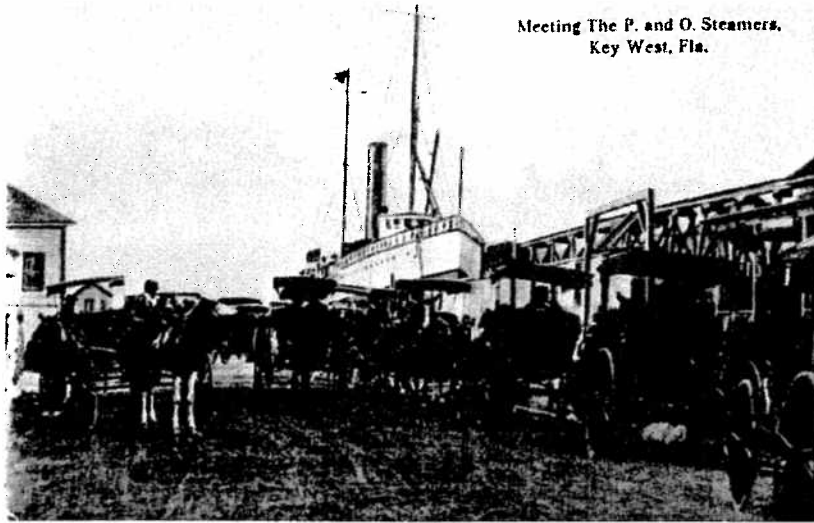


NAVAL BOATS AT COALING DOCK, KEY WEST, FLA.

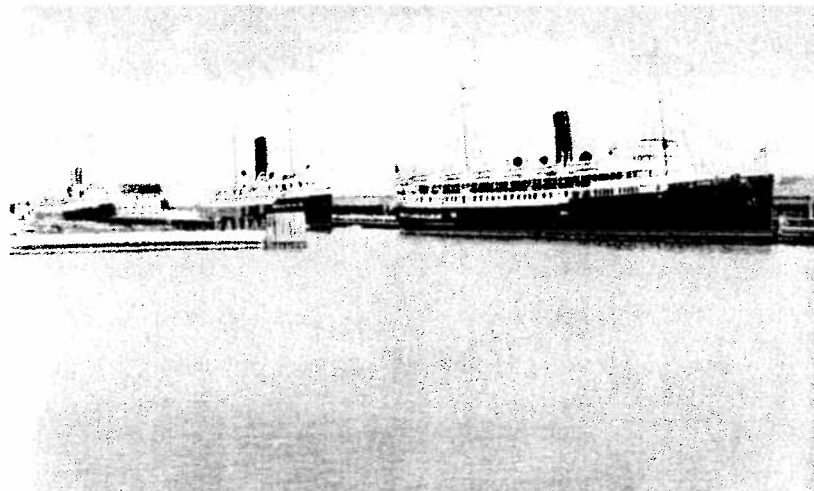


P. E. C. TERMINAL DOCKS, KEY WEST, FLA.

Meeting The P. and O. Steamers,
Key West, Fla.



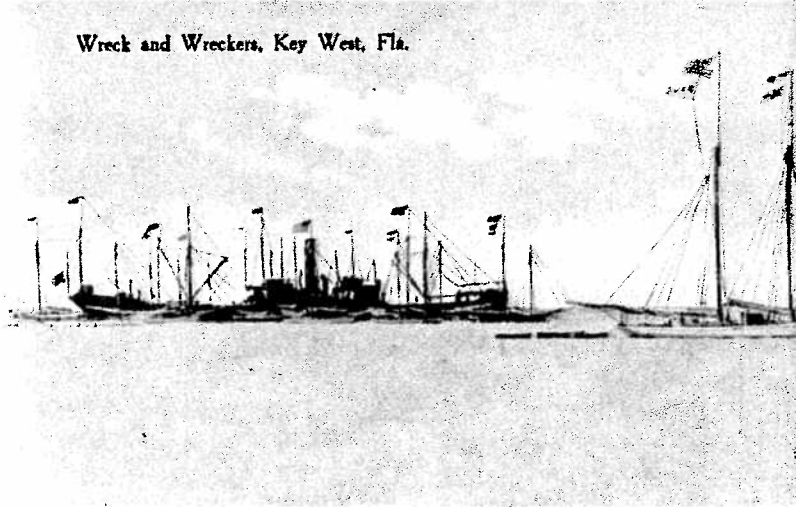
Upper Harbor, Key West, Fla.



P. & O. DOCKS & F. E. C. R. R. TERMINAL KEY WEST FLA

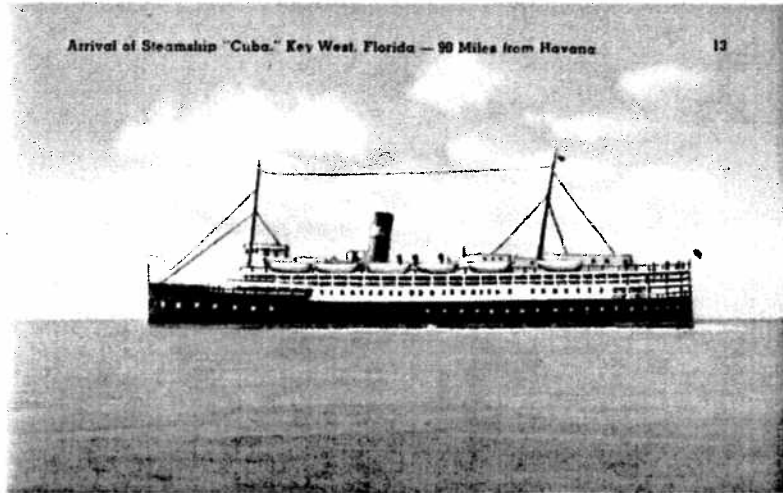
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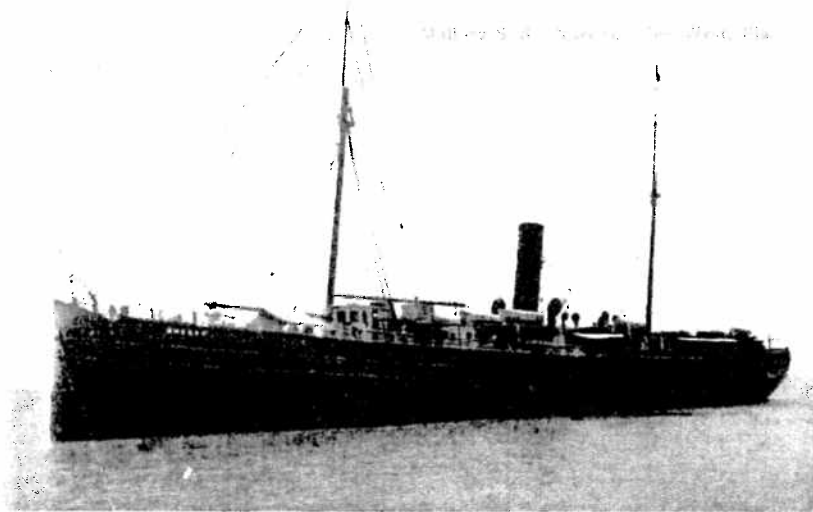
Wreck and Wreckers, Key West, Fla.




Arrival of Steamship "Cuba," Key West, Florida — 90 Miles from Havana

13






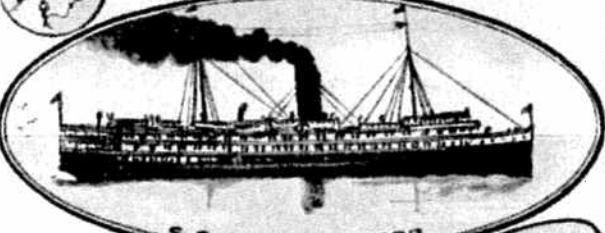
IMPRESSIONS OF A VISIT TO GAY
HAVANA
"The Paris of the Western Hemisphere"



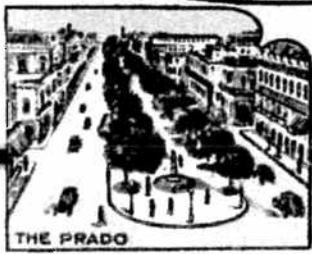
MORRO CASTLE
A SPANISH BEAUTY




COLUMBUS CATHEDRAL




S.S. GOVERNOR COBB



THE PRADO

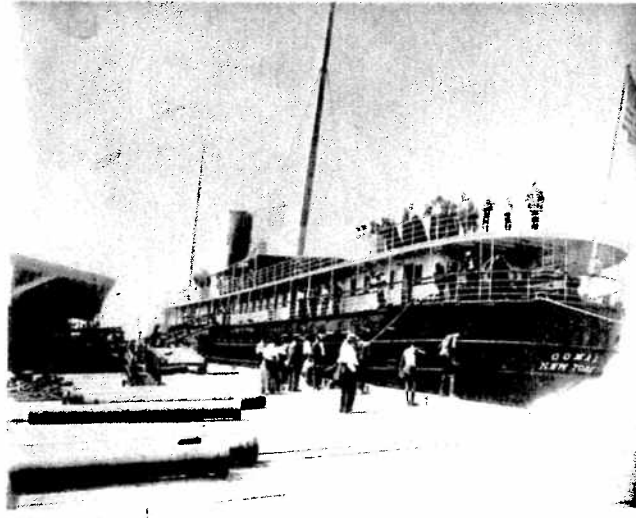


THE RACES



GRAND CASINO

THE P. & O. STEAMSHIP COMPANY
 • THE SHORTEST SEA ROUTE •
 ESPIGON DEL ARSENAL, HAVANA, CUBA.
 GENERAL OFFICE - JACKSONVILLE, FLORIDA.



Mallory Co. Steamship at Mallory Dock

In the late 1950's the city acquired the Mallory Docks from the Mallory Steamship Company as part of an overall economic development plan. While cruise shipping was not a major player in their desire to stabilize the docks having good deep water access in the control of the city of Key West was. Since the Navy controlled virtually all of the deep water port and the Key West bight was all privately held, and not really usable for large ships, the Mallory property offered the only possibility to public access and for the landing of goods and for parking for the growing tourist trade.





When the parking lot was originally laid out it stretched from the Gulf Oil Docks (now #1 Duval Street - Ocean Key House) to the cable houses. In the middle of the proposed parking lot was the ticketing office for the Mallory Steamship Company. Built there in 1889 the office was located directly behind the Waterfront Playhouse.



The Mallory Steamship Ticketing Office

The decision was made that to maximize parking that the house (ticketing office) would be moved next to the cable house and turned over to Old Island Restoration Foundation in 1961 (From 1961 to 1966 ORIF restored the building – see enclosed Exhibit “C”) to act as an integral part of the new parking lot and tourist visitors welcome center as a hospitality house to greet and give directions and maps. Mrs. Paul (Rita) Sawyer and Mrs. Sonny (Merili) McCoy were integral in keeping it operating. (Note – for years the ongoing annual house tours, were hosted by the Conch Tour Train and O.I. R.F. (Old Island Restoration Foundation) begun from the house because parking was plentiful.)

When the city reconfigured the Mallory Square parking lot in the early 1990’s, to achieve more open space, the house became isolated and the homeless became a huge problem (thus the current surrounding fence) Note: the current parking lot on the far side of the Wall building was to be three stories to make up for the parking lost to the expansion of the open space. This was never accomplished.

Our suggestion for this important historic building (See the enclosed materials and the Historic American Building Survey (see Exhibit D) registry application and designation) is that in consideration of its status and in recognition that the

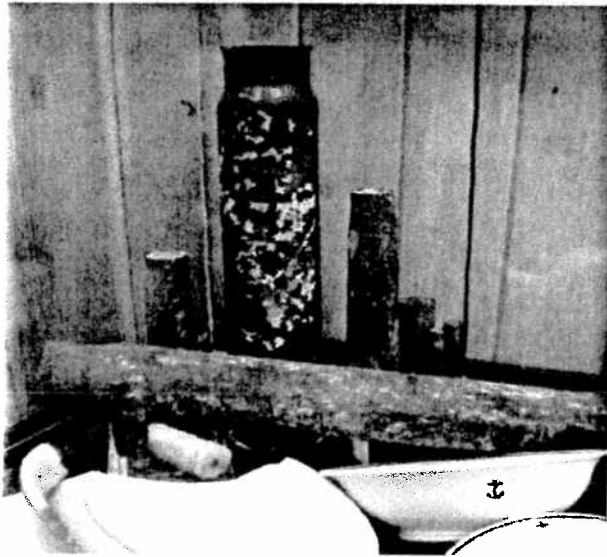
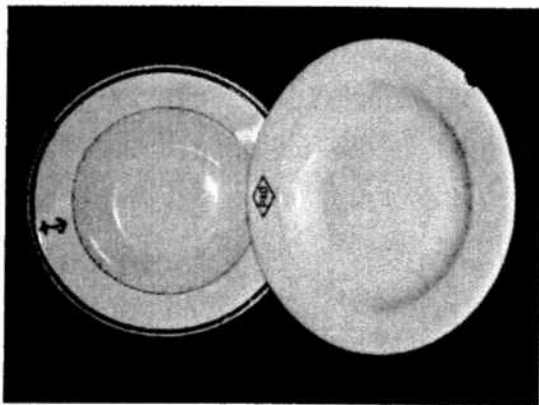
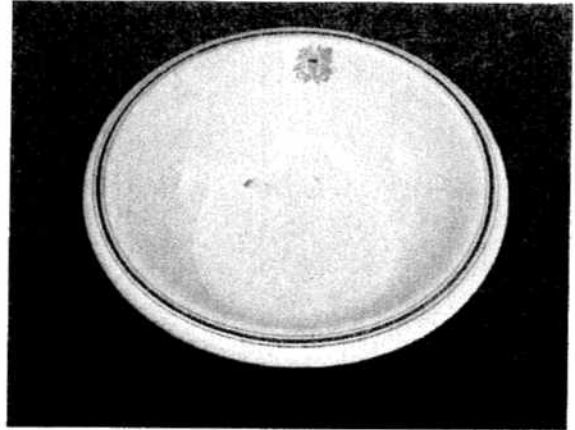
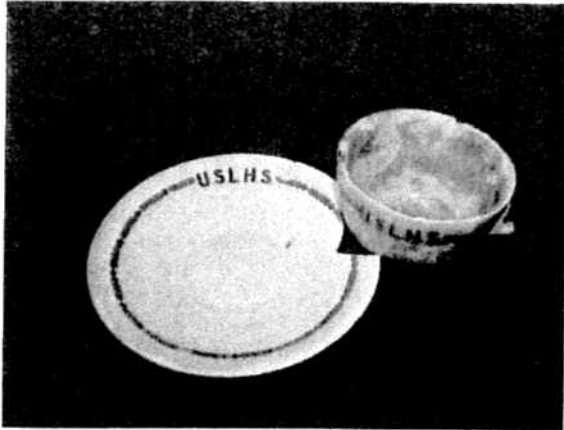
interior wall's should not be modified and the ticketing counter should remain and due to the fact that retail sales would not be successful due to location and raised construction and zoning that the following proposed for use be considered: (see Exhibit "D"- Letters from Bob Cerkleski(Aquarium manager and Mallory and P& O Steamship historian and collector of artifacts and Clinton Curry, history buff on the wrecking era.)

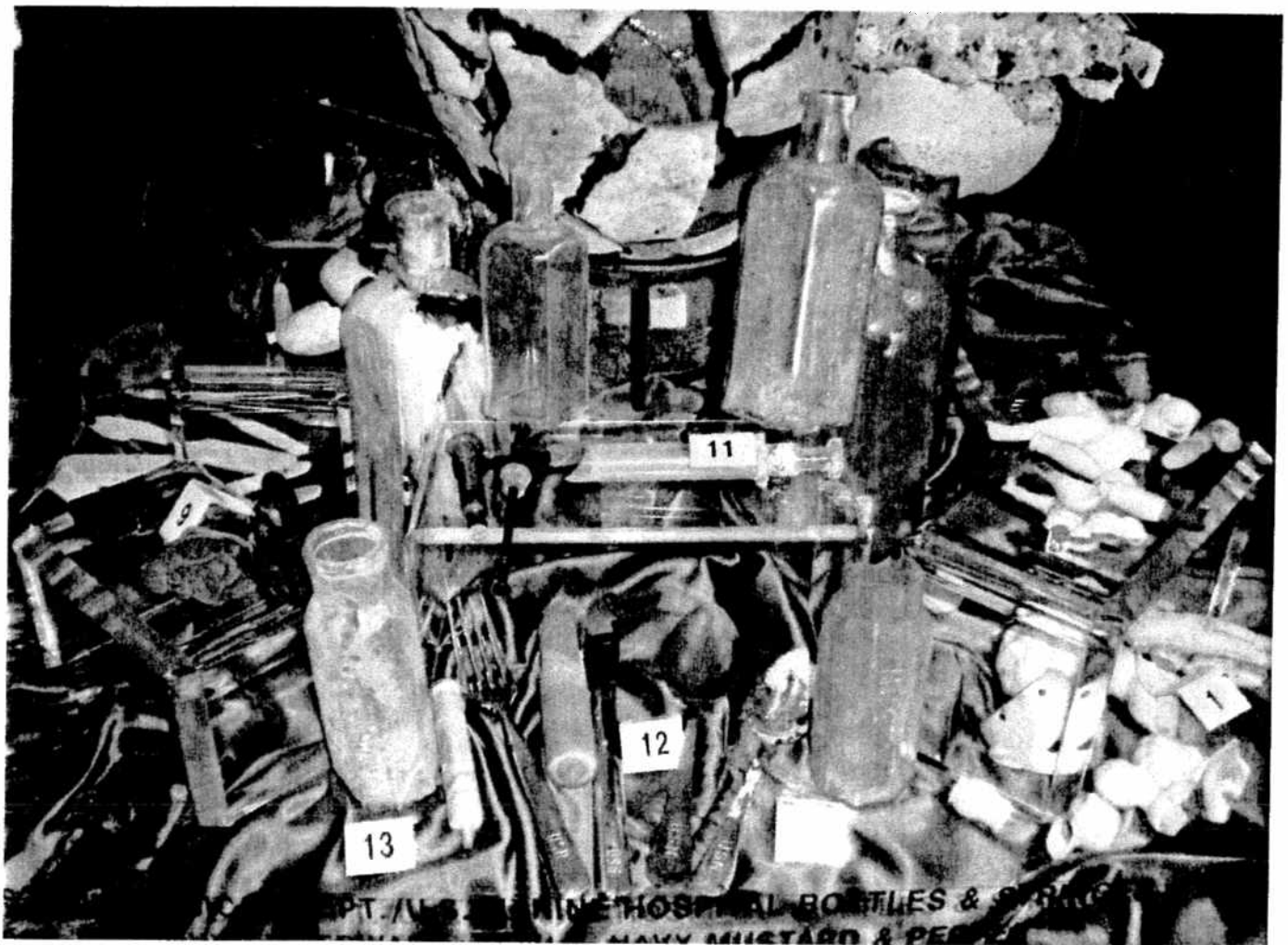
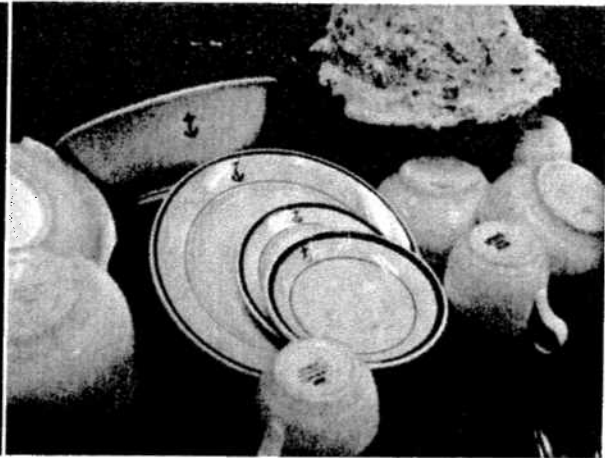
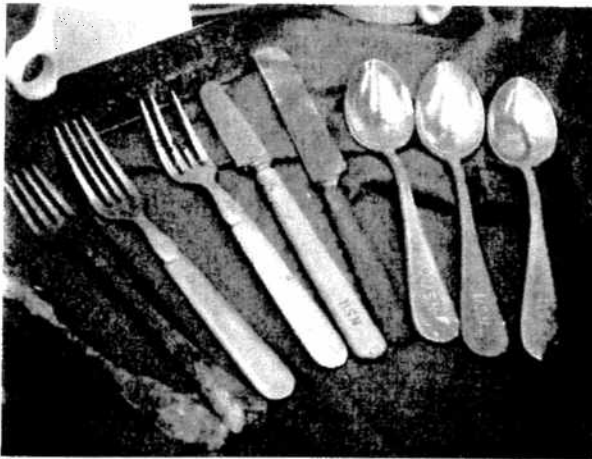
Concepts for Use

1. That the original art work of the Mallory Steamship on display in the Hospitality House be restored, insured and returned to its place on the main lobby wall.
2. For over 20 years our team at the Aquarium headed by manager Bob Cerkleski has continued to dive the harbor docks in search of artifacts from the Mallory and P & O Steamship Company and Navy docks next door buried, in some cases, for centuries (see photos) in the soft bottom.



The following and all artifacts from the Port of Key West discovered along Mallory Dock, the former Navy property and coaling station off what is now Pier "B".







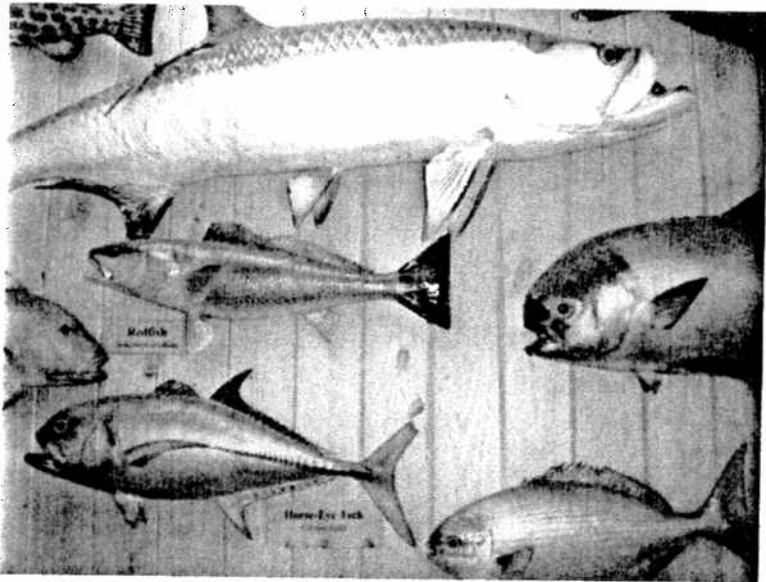
We now have at the front of the Aquarium a small museum of these artifacts that belongs to Mallory Square's history, (along with those that are in storage) in their own space. It is our contention that these artifacts need to be displayed and the story of the Key West waterfront and Mallory Square which they embody needs to be told.

This museum would be free to the public that visits the Aquarium. The office would be used by the curator and the general open floor space in the interior would be available to historic organizations and marine science organizations and not –for-profits for a cost based maintenance fee.

3. No changes would be made to exterior openings.

This proposal would fulfill the original intent for the buildings preservation by the City and Old Island Restoration Foundation. Our company, Tropical Shell and Gifts would agree to maintain and repair the building, make it wheelchair accessible and pay the City and County taxes. We do not propose to make entry a separate ticket to the extent its availability enhances the Key West Aquarium revenues will most probably not be significant. The city will however, receive its 10% of Aquarium ticket revenue. But having the classroom space to expand our mission of teaching marine ecology would be worth to the Aquarium the cost of taxes and

maintenance to our company. We would also display the fabulous “skin mount” Key West fish collection donated to the Key West Chamber in 1964.



Another approach to this building that we may consider would be establishing a not-for-profit arm or foundation to help offset the inevitable cost of maintaining a historic wooden building. This inherent high cost of maintenance was most

probably a major factor in the Old Island Restoration's decision to turn back the building to the city.

Hours of Operations

Pete's Mallory Dock Fish House Restaurant – 10 AM until 10 PM with the possibility of Cuban coffee and light breakfast's, Cuban bread, Guava pastries etc. at 8 o'clock to 10 AM mornings.

365 Days a year weather permitting.

Mallory and P&O Steamship Company Museum

10 AM until 6 PM – 365 days a year weather permitting.

Rent and Lease

Pete's Mallory Dock Fish House Restaurant

Minimum guaranteed - \$6,000 a month for the first three years.

\$9,000 a month the next 17 years or a minimum guaranteed percentage rent of 6% of gross sales whichever is higher.

Annual cost of living or 3% increase on the minimum rent, whichever is lower.

Triple net lease with option to cancel lease leaving all improvements and equipment in place for landlord in year three.

Lease would be triple net.

Mallory Steamship and Key West Maritime Museum

Rent -0-

Taxes – paid by tenant

Maintenance- paid by tenant

Museum Creation Maintenance and Security and Museum Displays – paid by tenant

Terms

In Mallory Square (unlike the Key West bight) to enact a 20 year lease requires that the proposed lease must be put to referendum.

To maximize the city's return and by ensuring that percentage rent levels are attained and surpassed the current restaurant set up needs to be completely removed (except the Cable House) and the structures , docks etc. need to be built at wind-speed requirement commensurate with the waterfront location.

The estimated cost of completing the structures suggested in our proposals and putting in place the equipment, plumbing and electric as required by law is estimated somewhere between \$600,000 and \$800,000.

Another approach would be to leave the premises as is and with repair and modification and operate with 65 seats. This approach can be considered however the return to the city on percentage rent and the ability to operate in virtually all weather will be dramatically lessened. Also creating a restaurant that would be attractive enough to the public to draw customers throughout the day would be very doubtful if the restaurant was left in its present form.

We believe it is the city's and the operator's best financial interest to utilize the property in such a way that it creates an iconic attraction as well as a food service more along the lines of Cayo Hueso y Habana, and The Raw Bar at the Bight. To create this attraction and feel of history and do so within the bounds and rules of today's construction, health, ADA and storm requirements is expensive and complicated but it can be done.

Financial Facts

1. To make the investment we are suggesting the operator will have to borrow the funds and the possibility of amortization over 10 years makes the repayment of these funds not possible and probably would prohibit a bank loan or a prudent investment.
2. To serve a fresh local product and to prep and keep cool both the meat and side dishes in sufficient quantities cannot be done on the site and as we perceive it requires a nearby off-site commissary.

3. What we are suggesting is to tie the two restaurants, El Meson de Pepe's and Pete's Mallory Dock Fish House Restaurant by making their leases run concurrently for 20 years.

The above would require that both the leases to go to full public hearing to be scrutinized by the press and public and voted on this November.

While none of us welcome this lengthy process if the City Commission and public see the advantage then we would be willing to negotiate a lease on this basis.

Should the city reject this approach then we could reduce our proposals scope, change the menu and would re-submit if so allowed while keeping somewhat the same theme within the confines of the existing much smaller space. This would of course limit the ability to create a Key West restaurant that would draw the same attention or create the same attraction for the public. It would also decrease our ability to re-expose the historic structure. This approach would of course reduce our cost of creating the restaurant dramatically.

In making this proposal we have taken into consideration the stated desire by the City staff to:

1. Create a landmark operation that would draw customers to the waterfront all day long.
2. Make the operation Key West and Florida Keys centric.
3. Promote the history of the island through the operation.
4. Maximize within the above goals the cities return (revenue).
5. To the greatest extent possible protect the shape and tell the story of the Cable Houses.
6. Keep the Mallory Ticket Office as was intended in 1961 for a public purpose and present and extend its history and that of Mallory Square.

We appreciate the opportunity to submit this proposal for the use of all the property in the request for the RFP. Thank you.

Sincerely yours,


Edwin O. Swift III, President

Southern Express Company
Mallory Steamship Company Ticket Office
S.W. end of Mallory Square
Key West
Monroe County
Florida

HABS No. FLA-174

HABS,
FLA,
44-KEY,
13-

PHOTOGRAPHS
WRITTEN HISTORICAL AND DESCRIPTIVE DATA

Historic American Buildings Survey
Office of Archeology and Historic Preservation
National Park Service
Department of the Interior
Washington, D.C. 20240

HISTORIC AMERICAN BUILDINGS SURVEY

INDEX TO PHOTOGRAPHS

Southern Express Company
(Mallory Steamship Company
Ticket Office)
SW end of Mallory Square
Key West
Monroe County
Florida

HABS No. FL-174

Documentation: 4 sheets (1967, including site plan, plans, elevations)
3 exterior photos (1967)
1 interior photo (1967)
6 data pages (1967)

J.F. Brooks, Photographer, September 1967

FL-174-1 NORTH (FRONT) ELEVATION
FL-174-2 NORTH AND WEST ELEVATIONS
FL-174-3 SOUTH AND EAST ELEVATIONS
FL-174-4 FIRST FLOOR, STAIRWAY

HISTORIC AMERICAN BUILDINGS SURVEY

HABS No. FL-174

SOUTHERN EXPRESS COMPANY
(Mallory Steamship Company Ticket Office)

Location: Southwest end of Mallory Square, Key West, Monroe County, Florida.

USGS Key West Quadrangle, Universal Transverse Mercator Coordinates: 17.417930.2714920.

Present Owner: City of Key West, Florida, 525 Angela Street, Key West, Florida.

Present Occupant: Old Island Restoration Foundation, Inc.

Present Use: Office and Hospitality House.

Significance: The building was constructed originally on the site of the former office and observation tower of Tift and Company. After the fire of 1886, it was the Southern Express Company's first office at Key West and later served as a ticket office for Mallory Steamship Lines.

PART I. HISTORICAL INFORMATION:

A. Physical History:

1. Date of erection: Circa 1889.
2. Architect: Not known.
3. Original and subsequent owners: Built on what was known at that time as Tift's Wharf and part of Lot 4, Square 3, it now stands on part of Lot 5, Square 3. A conditional sale of this property was made by Fielding A. Browne and William A. Whitehead to A.C. Tift & Company on June 5, 1837 (Deed Book B, p. 408) and sold by Amos C. Tift to Asa F. Tift, his brother, January 2, 1841 (Deed Book C, p. 125). Asa F. Tift died intestate in 1889. His heirs sold the property to the New York & Texas S.S. Co. of New Jersey in 1901 (Deed Book SS, p. 391, etc.). This company, on November 15, 1906, sold the entire property to the Mallory Steamship Co. (Deed Book W, p. 162). The Mallory Line consolidated with the Clyde Steamship Co. in 1932 (Deed Book G-4, p. 162). Later they became part of the Agwiline which conveyed the property to Gulf Atlantic Transportation Co. on August 8, 1952 (Deed Book G-64, p. City of Key West (Deed Book G-64, p. 274)). In 1961, the City Commission of Key West leased the building to the Old Island Restoration Foundation, Inc.

4. Original plans, construction, etc.: Architecturally an enlarged version of what is known locally as a cigar makers cottage, its original floor plan was one large front room and two small rooms in the rear with attic storage area. A full veranda extended across the front. The house was on brick piers.
5. Alterations and additions: After the building was leased to the Old Island Restoration Foundation, Inc., by the City of Key West, it was moved from its original site to its present location and set on a new foundation of concrete piers. Captain O.A. Sandquist, CEC, USN (Ret.) was in charge of moving the building and engineering and placing the new foundation.

A small addition at the right rear side was removed and a small porch built in 1962 to provide a second entrance. New balustrades on the front porch and the replacement of the broken shutters completed the renovation of the exterior.

The plan originally provided three rooms on the main floor. The large front room was divided into two spaces by a high "L" shaped counter. In order to facilitate contemporary functions, the counters were re-arranged across the rear of the room. Parts of the wire grille from the old counter were used on the new counters.

The rear rooms were remodeled to provide an office, a small kitchen and two rest rooms. The mezzanine over part of this section was retained.

The floor of the front room was originally of 9" glazed red tile of poor quality. The two back rooms had concrete tile of random design. In remodeling, new 12" red tiles have been installed throughout.

New wiring and light fixtures were installed. This work was done over a span of five years, from 1961 to 1966. Walter H. Starcke and Daniel Stirrup were in charge of renovations from 1963 to 1966.

B. Historical Events and Persons Connected with the Structure:

The Tift's Wharf site where the building is located played a major role in Key West's commercial life and provided complete facilities for ships visiting the port. A weekly schedule was maintained with all the large ports of the East Coast and Gulf, as well as Cuba.

C. Sources of Information:

1. Old views:

Southern Express Co., Collage copy of building taken from old pamphlet, circa 1914, Monroe County Library Photo Collection. (Quality of photograph is poor.)

Pinder, Don, photographer, photograph circa 1960, Key West Citizen
603 Green Street, Key West, Florida.

2. Bibliography

a. Primary and unpublished sources:

Monroe County Courthouse Records and Deed Books, County Clerk's
Office, Key West, Florida.

Monroe Land Title Company Abstract, Lot 4, Square 3, Key West,
Florida.

Sanborn Map of Key West, 1889, Sanborn Map, Co., New York.

b. Secondary and unpublished sources:

Browne, Jefferson B. Key West, The Old and The New, The Record
Co., St. Augustine, Florida, 1912.

3. Interviews:

Moreno, Curry (deceased) son of first manager of Southern Express
Co., 1962.

Whalton, Stephen M., (deceased) former employee of Southern Express
Co., and son of the manager of Tift & Co., 1962.

Prepared by: Betty M. Bruce
Old Island Restoration
Foundation, Inc.
Project Historian
HABS Key West Project
July 1967

PART II. ARCHITECTURAL INFORMATION

A. General Statement:

1. Architectural character: This structure is a well preserved example of a small wood-frame 19th century commercial building; its form derived from a local housing type known as the cigar maker's cottage.
2. Condition of fabric: Excellent, with minor modifications of the original.

B. Description of Exterior:

1. Overall dimensions: A 30' 4" x 44' 4" one-and-a-half story building, with three bays across the front.
2. Foundations: Modern concrete piers with wood lattices at the interstices.
3. Wall construction: Horizontal lapped wood siding, 4 1/2" exposed, painted gray on wood framing, 2" x 4" at 25" on center.
4. Structural system: Wood frame; roof trusses, 2" x 6" at 23" on center.
5. Porches: Wood porch extends across north elevation, four wood 6" square columns, chamfered edges, capitals are in an exaggerated classic motif of stepped moldings, wood balustrade; floor of 2 1/2" wood strips; 1" pipe railing on steps; porch at southwest corner added 1962.
6. Openings:
 - a. Doorways and doors: North entrance: Two inswinging, two-panel doors, upper panel glazed, transom sash of two panes fixed; classic pediment, molded trim at jambs.

South and southwest entrances: Five-panel outswinging wood doors, fixed lighted transoms one and two panes; hood over south door.
 - b. Windows and shutters: First floor windows four-over-four light double hung sash, 2'-10" x 7'-0", simple molding, classic molded pediment north elevation only; operating louvered shutters on north elevation, fixed shutters elsewhere; attic windows, four-over-four-light double hung sash, window trim painted red; louvered shutters painted dark green.
8. Roof:
 - a. Shape, covering: Gable roof, terne plate covering.
 - b. Cornices, eaves: Boxed eaves, classic cornice with enclosed gutter.
 - c. Other: Roof hatches or "scuttles", one at each slope, are pivot hinged at the top to provide attic ventilation.

C. Description of Interior:

1. Floor plan:

S a. First floor: Full width main room at north entrance, divided into public and private spaces by counter partition; south portion originally divided into two spaces; southwest space divided by modern partitions (mezzanine accessible by ladder).

b. Attic space: Unfinished.

2. Stairway: Stairway to attic: "L" shaped, closed string stairway in corner with window, 19 risers 9 1/2" high; average tread 10 1/2"; partition railing of 3" vertical beaded board and molded rail; upper run enclosed; closet under turning.

3. Flooring: 1' square modern red cement "Cuban" tile in all interior spaces, 1/2" gray mortar joints (added 1962).

4. Wall and ceiling finish: Ceiling of 4" wood boards painted green white and modern white gypsum board. Walls are vertical car siding painted green white; 2'-10" wainscot of 3" beaded vertical boards; molded cornice; gypsum wall board on modern partitions.

5. Doorways and doors: Four-panel doors with two-panel operating transoms above, simple molded trim; modern finish doors and double two louvered-panel doors 1962 addition.

6. Notable hardware: Metal frame and wire screen with crockets above counter between public and private spaces; metal flagpole brackets and lanyard guide in north gable.

7. Lighting: Two chandeliers, each composed of six kerosene lamps adapted to electricity in north room, two-light hanging globe fixtures in offices; fixtures 1962 additions.

D. Site: The building faces north on the Mallory Square situated between the end of the square and a U.S. Coast Guard slip. Two cable storage tanks are to the west.

Prepared by: F. Blair Reeves, AIA
Supervisory Architect
HABS Key West Project
June 1967

PART III. PROJECT INFORMATION

These records were prepared in 1967 during a summer project jointly sponsored by the Old Island Restoration Foundation, Inc. of Key West, and the Historic American Buildings Survey. Twenty-two structures were recorded, ranging from commercial structures, residences and hospitals to a convent, a lighthouse, and the Memorial to the Victims of the Disaster of the U.S. Battleship Maine.

The project was under the direction of F. Blair Reeves, AIA, Associate Professor, Department of Architecture, University of Florida. Measured drawings were prepared by student architects John D. Davenport and John F. Grimm of Texas A. and M. University, and John O. Crosby of the University of Florida. Mrs. Betty M. Bruce of the Old Island Restoration Foundation, Inc., and Professor Reeves were responsible for the historical and architectural data. They were assisted by members of the Foundation. J. Franks Brooks, Photographer, of Key West, supplied the photographs.

HISTORIC WATERFRONT SEAPORT AND FISHING MUSEUM

Enclosed please find a proposal outlining what the Key West Aquarium feel is the best economic solution for the limited use property known as “THE HOSPITALITY HOUSE”.

We feel that the historic attributes of this building must be retained for the public to identify with. A presentation and display of the Mallory and Peninsular and Occidental Steamship Companies is a must along with physical artifacts displayed in showcases. The restoration and display of the famous maritime painting that once adorned the wall of this building would be displayed also. We also feel that we have a great opportunity to tell the story of other historic events that took place in the surrounding area by way of worded graphics, photographs and original artifacts of the fishing, naval, lighthouse and revenue cutter services history, to mention just a few.

It is very difficult to ignore that the Key West Aquarium is also a historic treasure and the city of Key West has benefited from the historic preservation of this great WPA building. As you may already know the Key West Aquarium received some 150,000 guests last year in which the visitor to our great city are educated about our marine environment. However u may or may not know of the thousands of elementary, middle, high school and college level students that also visit us to further educate themselves of our fragile marine ecosystem. We feel that we have a great opportunity to expand on the education of our marine environment by using the “Historic Seaport Building” as an addition classroom-like environment with audio visual enhancement to be available to our local’s schools and visiting schools alike. In the surrounding area of this building can be marine displays that may enhance the marine experience. Due to the fact that no actual revenues can be made on this limited lease building we would propose to begin a non-profit 501-C organization in which all moneys brought forth would benefit the City of Key West and its economy in a positive manner.

HISTORIC SEAPORT / FISHING MUSEUM

The historic building in Mallory Square known as “The Hospitality House” offers many unique and exciting possibilities for a multi-use museum/educational facility. While Key West is home to several nautical history museums, each focusing on a particular aspect and era of seafaring, there is no single institution that fully addresses all facets of Key West’s rich maritime history.

A “Historic Seaport Museum” could present a chronological account of maritime Key West that would give a voice to lesser-known and over-looked chapters such as the lighthouse and revenue cutter services in conjunction with 150 years of U.S. Navy presence, while touching briefly on areas such as wrecking, sponging and turtling covered more comprehensively in other museums. The building itself, a former office for both the Mallory and P & O steamship lines, would provide a striking introduction to historic Key West. Built in 1889, it has ties to seminal figures like Fielding Brown and William Whitehead as well as wrecking tycoon Asa Tift, on whose wharf it once stood. A fine example of 19th century commercial architecture based on the cigar-worker cottage and constructed of Dade County pine, the building has a uniquely Key West flavor. The restoration and re-installation of the celebrated painting that once hung in the foyer would promise a dramatic first impression upon each visitor while re-enforcing Key West’s relationship with the fine art community.

The building’s proximity to (and proposed entrance through) the Key West Aquarium would mesh nicely with a history of fishing, both commercial and recreational, in and around Key West. While this mainstay of Key West’s economy could fill a museum on its own, it offers endless possibilities ranging from tales of sport fishing heroes to examinations of the Keys’ fragile eco-system. The nearness of the historic cable houses would also tie in nicely in telling the important role of the schooner Western Union in Key West’s past.

Providing a centralized and consolidated presentation of Key West as a historic seaport would have many advantages. The Key West Aquarium welcomed over 150,000 guests last year, among them thousands of elementary, middle, high school and college level students. The inclusion of a museum exploring all aspects of Key West’s maritime history would enhance its profile as a destination for educational groups both locally and visiting. The building’s classroom-like environment, enhanced with audio/visual resources, could be made available to a wide variety of groups and the area surrounding the building offers a variety of possibilities to expand on both marine education and historic interpretation.

A “Historic Seaport Museum” could also provide a conduit to issues, organizations and foundations of interest and concern such as the Preservation of the Western Union or Coral Reef Regeneration with displays or exhibits relating to issues considered worthwhile.

While space in the building is limited, this obstacle could be easily overcome both practically and economically through the application of current technologies such as digital picture frames – offering the opportunity to view anywhere from a few to hundreds of images at a single station. A small collection of physical artifacts relating to different aspects of the museum’s subject matter could be

strategically displayed throughout the space alongside appropriate graphics with care taken to preserve the building interior's historic character.

The fact that no actual revenues can be collected on this limited-lease building make Aquarium-only access an ideal solution. The formation of a 501-C non-profit organization is recommended as this would facilitate grants for restoration and possibly staffing while all moneys brought forth could benefit the City of Key West and its economy in a positive manner.

The establishment of a museum such as this would not only appeal to highly diverse demographics ranging from visiting fishermen to local school groups, but also meet our community's need for an institution dedicated to both preserving our unique maritime past and cementing our place in history as a great American seaport.