



THE CITY OF KEY WEST
201 William Street Key West, FL 33040 (305) 809-3790

EXECUTIVE SUMMARY

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TO: Jim Scholl, City Manager

CC: Sarah Spurlock, Assistant City Manager
Greg Veliz, Assistant City Manager

FROM: Doug Bradshaw, Port and Marine Services Director

DATE: February 3, 2015

SUBJECT: Mallory Pier Submerged Land Lease Renewal.

ACTION STATEMENT

Approving the renewal of the submerged land lease between the Board of Trustees of the Internal Improvement Trust Fund of the State of Florida and the City of Key West for the sovereignty submerged lands located out from Mallory Pier pursuant to BOT File No. 440769265 and authorize the renewal payment.

PROJECT ISSUE

The bay bottom lease for Mallory Square expired on August 8th, 2014. The City notified the State as required under the terms of the lease on May 15, 2014. This is a continuance of the submerged land lease which authorizes the City to operate a port facility, one commercial dock, and a recreational area to be used exclusively for temporary mooring of commercial vessels for delivery of exhibits to the city aquarium in conjunction with an upland city port, without fueling facilities, with a sewage pumpout facility if it meets the regulatory requirements of the State of Florida Department of Environmental Protection or State of Florida Department of Health, whichever agency has jurisdiction, and without liveboards. The State sent the renewal approval on December 18, 2014. During the time between expiration of the lease and receiving the renewal, the State and City agreed to operate under the requirements of the expired lease.

The lease has additional provisions including the following:

- a. No vessel shall be moored at the dock 45 minutes before or 45 minutes after daily estimated time of sunset as stipulated by the Dock Master;
- b. No vessel using the docking facility shall operate in any manner which infringes upon the view of the horizon within this time period;
- c. The Sunset Celebration activities on the Mallory dock shall be allowed to continue until and unless an agreement has been reached between the Lessor and Lessee to move the Sunset Celebration activities to a different site; and

Key to the Caribbean – Average yearly temperature 77° F.

- d. No more than twelve one-night variances per calendar year are allowed.

OPTIONS

There are two options:

1. Renew the lease and continue the docking of cruise ships per the terms of the lease
2. Do not accept the renewal and discontinue utilizing Mallory Square Pier

ADVANTAGES/DISADVANTAGES

Renewal of the lease protects the City from financial loss of canceled port calls. If the lease is not renewed, the City loses the right to use the State's submerged lands and pier over those submerged lands for docking of cruise ships. For 2014-2015, the City is expecting approximately 50 port calls at Mallory with an anticipated net revenue of \$426,000.

FINANCIAL ISSUES

Docking of cruise ships at Mallory Square nets the City \$426,000 for the 2014-2015 budget year. The annual fee is waived by the State. The renewal fee is \$619.00.

RECOMMENDATION

Staff recommends approving the renewal of the submerged land lease between the Board of Trustees of the Internal Improvement Trust Fund of the State of Florida and the City of Key West for the sovereignty submerged lands located out from Mallory Pier pursuant to BOT File No. 440769265 and authorizing payment of the renewal.