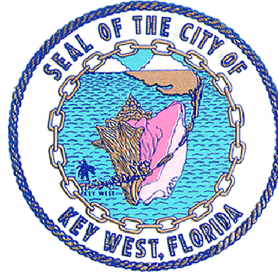


EXECUTIVE SUMMARY



TO: Community Redevelopment Agency

FROM: Mark Tait, Marilyn Wilbarger

CC: Jim Scholl

DATE: June 7, 2012

SUBJECT: 1-Year Dockage Agreement

ACTION STATEMENT: The purpose of this item is to approve a 1-year commercial marina dockage agreement and 3% rate increase for the commercial tenants at Key West Bight Marina.

BACKGROUND: This 1-year dockage agreement and 3% rate increase were previously approved by the Bight Board and placed on the CRA agenda in March of this year but because of concerns raised by the tenants and staff regarding the insurance requirements the proposed agreement has been postponed until those issues were addressed and the requirements were adjusted satisfying staff, the tenants and our insurance carrier.

Dockage agreements for the Key West Bight Marina have always been 30-day agreements. The commercial tenants have been requesting longer term agreements for quite some time however the submerged land lease restricts the use to one year dockage agreements. Attached is the proposed 1-year dockage agreement that staff is recommending. The changes between the current agreement and the proposed agreement are:

- 1-year term instead of 30-day term
- Tenant will pay their share of solid waste (garbage) just like the upland tenants
- 2 months security deposit instead of 1 month
- \$1,000,000 minimum general liability insurance policy instead of \$300,000
- Allows tenant to lease a vessel for commercial use
- Now allows marina to dye test sanitation tanks
- Sale of business must include original vessel
- Transfer fee \$500 instead of \$400.
- No parking associated with agreement

OPTIONS:

1. The CRA can approve the 1-year dockage agreement and 3% rate increase as presented.
2. The CRA can decide not to approve the 1-year dockage agreement and 3% rate increase as presented.

ADVANTAGES/ DISADVANTAGES

- A 1-year agreement provides the tenant with more lease security in support of financing and business needs
- Security deposits same as upland tenants to help offset the lengthy eviction process and standardize security deposits.
- Industry standard for insurance coverage set by our Risk Management Department.
- Current agreement does not allow leased vessels.
- Standardizes transfer fees.

FINANCIAL IMPACT: Staff is requesting a 3% CPI increase to coincide with the new 1-year dockage agreement. The increase has been set by the Key West Bight Board. It has been three years since the last CPI increase for commercial tenants. The upland tenants have an annual rate increase built into their lease the marina tenants do not.

RECOMMENDATION: Staff recommends that the CRA approve the proposed 1-year dockage agreement and 3% rate increase.

ATTACHMENTS:

Proposed 1-year dockage agreement and updated marina rules
Current dockage agreement