

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA HEREBY AWARDED REQUEST FOR PROPOSAL (RFP) #26-002 RE-BID TO TROPICAL SHELL & GIFT, INC. FOR THE HISTORIC BUILDING REHABILITATION, LEASE AND ADAPTIVE USE OF THE CITY-OWNED PROPERTY LOCATED AT 402 WALL STREET; ACKNOWLEDGING THAT TROPICAL SHELL & GIFT, INC. SHALL BE RESPONSIBLE FOR ALL COSTS ASSOCIATED WITH THE BUILDING IN ACCORDANCE WITH THE TERMS OF THE RFP, WITH NO DIRECT ASSOCIATED FINANCIAL IMPACT TO THE CITY; AUTHORIZING THE CITY MANAGER, OR DESIGNEE, TO NEGOTIATE AND EXECUTE A LEASE, REDEVELOPMENT AND ADAPTIVE USE AGREEMENT AND OTHER NECESSARY RELATED DOCUMENTS AND ASSOCIATED BUDGET TRANSFERS/ADJUSTMENTS IN ACCORDANCE WITH THE TERMS AND CONDITIONS SET FORTH IN RFP #26-002 AND IN COMPLIANCE WITH ALL APPLICABLE REGULATIONS AND CITY STANDARDS, UPON THE ADVICE AND CONSENT OF THE CITY ATTORNEY; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, on April 3, 2025 the City of Key West publicly advertised Request for Proposals (RFP) No. 25-006 in The Key West Citizen and on DemandStar, in accordance with the City's procurement requirements. This RFP sought proposals from qualified firms or individuals to provide for the historic rehabilitation, lease and adaptive reuse of the City-owned property located at 402 Wall Street, Key West, Florida ; and

WHEREAS, on May 12, 2025 at 3:00 P.M. the City Clerk's Office publicly opened the submittals received in response to RFP No. 25-006. The City received two (2) proposals from the following firms: Hayes Robertson Group and Tropical Shell & Gift, Inc.; and

WHEREAS, the City published notice of the City's Evaluation Committee Meeting scheduled for May 27, 2025 at 10:00 A.M. in the Key West Citizen and the Evaluation Committee convened as scheduled to review and evaluate the two (2) proposals received, in accordance with the established evaluation criteria and scoring matrix; and

WHEREAS, following the Committee's administrative and technical comprehensive review and discussion regarding the two (2) proposals received, only the proposal submitted by Hayes Robertson Group was deemed responsive. The proposal submitted by Tropical Shell & Gift, Inc. was determined to be non-responsive due to its failure to acknowledge and include a required addendum that was issued during the solicitation period. Addenda are critical to the solicitation process, as they communicate revisions and clarifications necessary to ensure consistency and fairness among all proposers. Additionally, discrepancies were identified between the digital submission provided on the flash drive and the submitted hard copy; and

WHEREAS, the Evaluation Committee subsequently confirmed that Hayes Robertson Group met all minimum qualifications, submitted a complete and compliant proposal, and demonstrated the technical capability, financial capacity and relevant experience necessary to successfully perform the project; and

WHEREAS, the receipt of only one (1) responsive proposal

limited the competitive nature of the procurement process. The absence of multiple responsive submissions restricted the City's ability to conduct a comparative evaluation and reduced opportunities to achieve more favorable terms through competition. Pursuant to Section 2-834(4) of the City Code, staff recommended revising and reissuing the solicitation; and

WHEREAS, through Resolution No. 25-209, the City Commission directed staff to revise and reissue the solicitation for the historic Hospitality House rehabilitation project, incorporating such changes as necessary to enhance competition and better align with the City's objectives; and

WHEREAS, on February 19, 2026 the City re-advertised the project as RFP No. 26-002 in The Key West Citizen and on DemandStar. The revised solicitation again sought proposals for the historic rehabilitation, lease and adaptive reuse of the City-owned property located at 402 Wall Street, Key West, Florida; and

WHEREAS, sealed proposals were due and publicly opened on March 12, 2026 in the Office of the City Clerk. The City received two (2) proposals from the following firms: Hayes Robertson Group and Tropical Shell & Gift, Inc.; and

WHEREAS, the City publicly noticed the Evaluation Committee meeting scheduled for March 16, 2026, at 3:00 p.m. in the City Commission Conference Room at City Hall, located at 1300 White

Street, Key West, Florida in The Key West Citizen; and

WHEREAS, on March 16, 2026, the Evaluation Committee convened as scheduled and conducted a comprehensive review, scoring and ranking of both proposals in accordance with the criteria established in the RFP. Based on the results of the evaluation process, Tropical Shell & Gift, Inc. received the highest overall score and their proposal was determined to be the most advantageous to the City based on the Evaluation Committee's scoring and findings; and

WHEREAS, this project is structured as a lease and redevelopment opportunity whereby the City will not incur any upfront capital expenditures or ongoing operational costs related to the improvements. All financial obligations necessary to successfully complete and operate the project shall be borne solely by the selected proposer; and

WHEREAS, there is no direct financial impact to the City associated with the award of RFP No. 26-002 for the rehabilitation, lease and adaptive reuse of the City-owned property located at 402 Wall Street, Key West, Florida. The selected proposer shall be responsible for all costs associated with the design, permitting, rehabilitation, operation and ongoing maintenance of the facility; and

WHEREAS, accordingly, staff recommends the City Commission

award RFP No. 26-002 to Tropical Shell & Gift, Inc. for the rehabilitation, lease and adaptive use of the City-owned property located at 402 Wall Street, Key West, Florida and authorize the City Manager, or designee, to negotiate and execute a contract in accordance with the terms and conditions of RFP #26-002 and in compliance with all applicable regulations and City standards, and upon the advice and consent of the City Attorney; and

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

Section 1: The City Commission hereby approves the award of RFQ #26-002 to Tropical Shell & Gift, Inc. for the rehabilitation, lease and adaptive use of the City-owned property located at 402 Wall Street, Key West, Florida.

Section 2. The City Commission hereby acknowledges that Tropical Shell & Gift, Inc. shall be responsible for all costs associated with the design, permitting, rehabilitation, operation and ongoing maintenance of the facility, in accordance with the terms of the agreement to be negotiated and with no direct associated financial costs to the City.

Section 3. The City Commission hereby authorizes the City Manager, or designee, to negotiate and execute a contract in accordance with the terms and conditions of RFP #26-002 and in compliance with all applicable regulations and City standards, and upon the advice and consent of the City Attorney.

Section 4: That this resolution shall go into effect immediately upon its passage and adoption and the 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 _____ day of _____, 2026.

Authenticated by the Presiding Officer and Clerk of the Commission on the _____ day of _____, 2026.

Filed with the Clerk on _____, 2026.

Mayor Danise Henriquez	_____
Vice Mayor Donald "Donie" Lee	_____
Commissioner Lissette Carey	_____
Commissioner Aaron Castillo	_____
Commissioner Monica Haskell	_____
Commissioner Sam Kaufman	_____
Commissioner Greg Veliz	_____

DANISE HENRIQUEZ, MAYOR

ATTEST:

KERI O'BRIEN, CITY CLERK