MEMORANDUM

Date: April 9, 2025

To: Key West Bight Management District Board (Board)

From: Steve McAlearney, Director Port & Marine Services

Subject: Resolution to create a commercial dockage agreement addendum to apply only to wooden hulled schooners that summer away from the Key West Bight, allowing a substitute vessel for a set period of time. (25-3634)

Introduction

Resolution to create a commercial dockage agreement addendum, to apply only to wooden hulled schooners that summer away from the Key West Bight, allowing a substitute vessel for a set period of time.

Background

Appledore Marine LLC, a wooden hulled schooner tenant, recently asked that they be able to operate a second vessel, of different size and use, out of their slip when the primary vessel is operating away from Key West (*see* Appledore Marine LLC request). The Key West Bight Commercial Dockage Agreement (Agreement) paragraph 2 requires the berthing space to be used by the named vessel only. Owners are allowed to request a replacement vessel of similar size and use; however, the replacement is meant to be permanent. Appledore Marine has exercised the replacement option on multiple occasions over the years. Additionally, Appledore Marine's agreement is for "schooner sailing tours," and as the requested temporary vessel is not a schooner, it fails to meet the "similar size and use" language.

The Key West Bight Management District Board (Board) recognizes the high cost of operating a wooden schooner as they offer a discount on the already low commercial rate to those vessels. The Agreement allows the Board to make up some lost revenue from the discounted rate by allowing the Board to lease the slip at the much higher transient rate when the schooner is away.

Staff believe that the current Agreement is in the best interest of the City, as multiple wooden hulled schooners have operated under it for years, and there are schooners that have been on the commercial wait list for years in anticipation of signing the Agreement as is. Also, adding echo tours/catamarans to the marina in the summer will introduce increased competition to our current tenants who provide that experience year-round.

A desire of the Board is to have historic schooners in the Key West Historic Seaport. Any Amendment to the Agreement would need to come with specific guardrails. The schooner must not be out of the slip for more than seven (7) months. If the primary vessel needs extended or unanticipated maintenance, the tenant will be allowed to exercise the replacement option with another schooner. An absence greater than 210 days would be considered a breach of contract, with a cure time of 15 days. If the breach is not cured, the Agreement will be considered terminated, and the next schooner on the wait list that fits in the slip will be offered an Agreement. Under no circumstances shall the schooner slip be used for more than 7 months in any 12 month period by the substitute vessel.

Additionally, the primary schooner will no longer be required to pay half (50%) the commercial rate while away, and the substitute vessel will be required to pay the full transient rate.

Recommendation

Staff recommends **denying** a resolution to create a commercial dockage agreement addendum to apply only to wooden hulled schooners that summer away from the Key West Bight, allowing a substitute vessel for a set period of time. Additionally, the City of Key West Legal Department does not recommend making the proposed amendment to the dockage agreement.