RESOLUTION NO. 25-153

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA, APPROVING THE ATTACHED ADJUSTED DOCKAGE RATES AT GARRISON BIGHT MARINA; AUTHORIZING ANNUAL CPI ADJUSTMENTS; AMENDING TO PROVIDE FOR AN EXEMPTION FOR IDENTIFIED MONTHLY TRANSIENT TENANTS PAYING A DOCKAGE RENTAL RATE OF $32.24/ft. AS OF 6/4/2025; DIRECTING STAFF TO IDENTIFY AND PRESENT A PROPOSED CONTRACT TO EXEMPT THOSE IDENTIFIED TENANTS FOR COMMISSION APPROVAL; REQUIRING EACH IDENTIFIED TENANT TO EXECUTE THEIR CONTRACT WITHIN TEN (10) DAYS FOLLOWING COMMISSION APPROVAL OF THEIR CONTRACT OR THEIR RATES WILL INCREASE TO THE ADJUSTED RATE OF $55.00/ft; AUTHORIZING ANY NECESSARY BUDGET TRANSFERS OR ADJUSTMENTS; AUTHORIZING THE CITY MANAGER TO EXECUTE DOCUMENTS UPON CONSENT OF THE CITY ATTORNEY; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, dockage rates at City Marina at Garrison Bight have fallen behind market rates as compared to other marinas in the general vicinity; and

WHEREAS, a Market Rate Study prepared by All Keys Appraisal Company, Inc. provided comparable data from area marinas and recommended adjustments to rates at Garrison Bight Marina to more closely reflect fair market value in the area; and

WHEREAS, City staff finds it would be reasonable to raise Garrison Bight dockage rates to terms more comparable to Key West Bight Marina; and

WHEREAS, increased revenue from adjusted rates will enable Garrison Bight to better maintain and improve infrastructure and services to protect and enhance the health, welfare and safety of the commercial, recreational, liveaboard and transient customers of City Marina at Garrison Bight and the City of Key West; and

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

Section 1: That the adjusted rates set forth in the attached "Table 1" are hereby approved in their entirety, and as amended, to be effective August 1, 2025.

Section 2: That an automatic annual adjustment by Consumer Price Index is hereby authorized at the beginning of each fiscal year.

Section 3: That staff is hereby directed to identify and present a proposed contract for Commission approval to exempt each identified monthly transient tenant currently paying $32.24/ft. as of June 4, 2025 and requiring execution of the contract by the tenant within ten (10) days following Commission approval of the their contract or their rates will increase to the adjusted rate of $55.00/ft.

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 4th day of June, 2025.

Authenticated by the Presiding Officer and Clerk of the Commission on the 24th day of June, 2025.

Filed with the Clerk on June 24th, 2025.

Mayor Danise Henriquez	Yes
Vice Mayor Lissette Carey	Yes
Commissioner Aaron Castillo	Yes
Commissioner Monica Haskell	Yes
Commissioner Mary Lou Hoover	Yes
Commissioner Sam Kaufman	Yes
Commissioner Donald "Donie" Lee	Yes

DANISE HENRIQUEZ, MAYOR

ATTEST:

KERI O'BRIEN, CITY CLERK

MEMORANDUM

Date: June 3, 2025

To: Honorable Mayor and Commissioners

Via: Brian L. Barroso, City Manager

From: Karen Olson, Deputy Director Port & Marine Services

Subject: 25-3487 City Marina at Garrison Bight Rate Increase

Introduction: Resolution approving rate increases for City Marina at Garrison Bight to more closely match fair market value per Table 1 as outlined in the City commissioned Market Rate Study.

Background: Rental rates at the City Marina have increased only by the Consumer Price Index (CPI) for many years leaving the current pricing structure well below market rate, grossly undervaluing the Marina's potential. In response to direction by the City Commission, staff commissioned a Market Rate Study (Study) to determine fair market rates to be charged at the City Marina. The Study, dated December 2024, determined adjusted fair market rates for liveaboard, commercial, transient, recreational, mooring field, submerged lands leases and boat ramp and trailer fees. This resolution will not address liveaboard, commercial (Charter Boat Row), mooring field, submerged lands leases or trailer storage fees.

Staff are proposing rate increases to come more in line with Key West Bight Marina (KWB) pricing structure utilizing the Study as justification. Maintaining rates comparable to KWB will ensure the City Marina retains its customers and tenants while increasing revenues to sustain the Marina long-term. ***City Marina can expect upwards of $20,000,000 in infrastructure repairs and/ or replacements over the next ten years. Without rate increases the Marina cannot sustain itself long-term.***

Table 1 below provides current rates for City Marina and KWB, proposed rates for City Marina and Study recommendations.

TABLE 1 - CURRENT, PROPOSED and RECOMMENDED RATES

Slip or Fee Type	Current City Marina Rates	**Proposed** City Marina Rates	Current Key West Bight rates	Study Recommended Rates
Commercial (Angelfish)	$25.25/ft	**$35.00/ft** ***	$37.90/ft	$45.00 - $50.00/ft
Transient - Daily	$ 2.53/ft	**$ 4.00/ft** ***	$ 5.00/ft **	$5.30 - $5.75/ft
Transient - Monthly	$32.24/ft	**$55.00/ft** ***	$78.32/ft **	$85.00 - $88.50/ft
Recreational	$24.24/ft	**$40.00/ft** ***	$32.93 *	$61.00/ft
Ramp Fees in/out per day	$10.00	**$15**	NA	$17.50

KWB Recreational rates are proposed to increase to $44.00/ft *

Average blended KWB seasonal rates **

Rate to be increased in two (2) increments over a 1-year period ***

Slip fees will be increased in two (2) increments over a 1-year period as follows:

Commercial (Angelfish) increased to an adjusted rate of $35.00/ft ($35.00 - $25.25 = $9.75/2 = **$4.88/ft**)

$25.25 + $4.88 = **$30.13/ft** effective August 1, 2025
$30.13 x 3% (est. CPI) = **$31.03/ft** effective October 1, 2025
$31.03 + $4.88 = **$35.91/ft** effective August 1, 2026

Transient (daily) increased to an adjusted rate of $4.00/ft ($4.00 - $2.53 = $1.47/2 = **$0.74/ft**)

$2.53 + $0.74 = **$3.27/ft** effective August 1, 2025
$3.27 x 3% (est. CPI) = **$3.69/ft** effective October 1, 2025
$3.69 + $0.74 = **$4.43/ft** effective August 1, 2026

Transient (monthly) increased to an adjusted rate of $55.00/ft ($55.00 - $32.24 = $22.76/2 = **$11.38/ft**)

$32.24 + $11.38 = **$43.62/ft** effective August 1, 2025
$43.22 x 3% (est. CPI) = **$44.93/ft** effective October 1, 2025
$44.93 + $11.38 = **$56.31/ft** effective August 1, 2026

Recreational increased to an adjusted rate of $40.00/ft ($40.00 - $24.24 = $15.76/2 = **$7.88/ft**)

$24.24 + $7.88 = **$32.12/ft** effective August 1, 2025
$32.12 x 3% (est. CPI) = **$33.08**/ft effective October 1, 2025
$33.08 + $7.88 = **$40.96/ft** effective June 1, 2026

Full **ramp fee** increase to be effective August 1, 2025.

All other related fees and charges remain the same and a new Study will be performed every five (5) years, and rates will be adjusted accordingly as approved by the City Commission.

Procurement: The approved pricing structure will be implemented on **August 1, 2025**, as outlined above, and will increase at the beginning of each fiscal year by annual CPI. The additional revenues from the approved rate structure will greatly increase City Marina's ability to complete needed infrastructure repairs.

Recommendation: The City Manager's Office recommends the Mayor and Commission approve the rate increases for City Marina at Garrison Bight to more closely match fair market value per Table 1 as outlined in the City commissioned Market Rate Study.

MARKET RATE STUDY

The City Marina @ Garrison Bight
Key West Bight / Port Authority
City of Key West

Prepared By:

ALL KEYS APPRAISAL COMPANY, INC.

Effective Date of Valuation:

12/2024

Client File Number:

PR025153

Internal Order Number:

09045-24

Date of Report:

12-31-2024

Report Type:

Comparative Rate Study Report

Prepared For:

Karen Olson,
Port & Marine Services
Deputy Director
City of Key West
201 William Street
Key West, FL 33040

Table of Contents

Table of Contents....2
Transmittal Letter....3
Certification of The Appraiser....4
Executive Summary....5
Introduction....6
Approaches Performed....7
Assumptions and Conditions....9
Area and Neighborhood....11
Market Overview....13
Site Description....13
Boat Ramp Fees....14
Boat Trailer Storage Rates....15
Commercial Dockage Leases (Angelfish Pier)....16
Commercial Dockage Leases (Charter Boat Row)....18
Liveaboard Dockage Leases....21
Recreational Dockage....25
Transient Dockage Rates....28
Mooring Field Rates....31
Submerged Land Leases....32
Addenda
Appraiser Qualifications....37
Definitions....46

Transmittal Letter

17085 Overseas Highway, Sugarloaf key, FL 33042 ; P.O. Box 2391, Key West, Florida 33045 ; PH:305-296-9255; EMAIL:Allkeysappraisal@aol.com

Ms. Karen Olson, Port & Marine Services
Deputy Director
City of Key West
201 William Street
Key West, FL 33040

Re: Market Rate Study - Rental and Leasing Activities
City Marina at Garrison Bight

Dear Ms. Olson:

Pursuant to the Scope of Work, outlined in the Request for Quotation, we have conducted the research necessary to form an opinion of value for the rentals, leases and fees for the City Marina operations. The summary appraisal report that follow sets forth the identification of the properties, the assumptions and limiting conditions, pertinent facts about the area and the subject rents, leases and fees for the City Marina facilities, and comparable market data. The results of the investigation and the reasoning leading to the conclusions set forth. The report that follows is considered to be a summary of our analysis and conclusions. Supporting documentation concerning the data, reasoning, and analyses is retained in our file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated in the report. We are not responsible for unauthorized use of this report.

Per conversations with the client and the intended use of the report, the scope of work in this report is intended to be consistent with industry standards and has been performed so as to develop a credible report. This letter is invalid as an opinion of value if detached from the report, which contains the text, exhibits and Addenda.

Respectfully submitted,

Mark J. MacLaughlin,
Cert Gen RZ 3053
allkeysappraisal@aol.com

Certification of the Appraiser
Mark MacLaughlin, Cert Gen RZ

I certify that, to the best our my knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
6. The report analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the *Uniform Standards of Professional Appraisal Practice*.
7. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
8. I have made a personal inspection of the property that is the subject of this report.
9. Elizabeth Maclaughlin provided significant real property appraisal assistance to the person signing this certification.

Mark J. MacLaughlin
Cert Gen RZ 3053
All Keys Appraisal Company

Executive Summary

The purpose of the report is to determine the fair market value of rental rates and usage fees for the City of Key West, City Marina facilities including submerged land leases; boat ramp and trailer parking fees; liveaboard and commercial dockage rates; mooring fields, recreational and transient dockage rental rates.

In accordance with the Uniform Standards of Professional Appraisal Practice, the appraiser is responsible for developing and reporting a scope of work that results in credible results that are appropriate for the appraisal problem and the intended use or users. The appraiser must identify and consider the client, intended users, the intended use of the report, the type and definition of value, the effective date of value, the assignment conditions, typical client expectations and the typical work by other peer appraisers for similar assignments in the market area.

The client and intended user of this report is City of Key West, Port & Marine Services. The purpose is provide an opinion of the Fair Market Value of the rents, leases and fees as specified, for use in making internal management decisions. No other intended use is intended or authorized by All Keys Appraisal Company, Inc. Under no circumstances shall any of the following parties be entitled to use or rely on this appraisal report: (1) any loans of financing secured by or related to the subject property; (2) any guarantors of such loans or financing; (3) principals, shareholders, investors, members or partners of such borrower(s) or guarantors.

Property Information

Property Name	City Marina at Garrison Bight
Street Address	1801 N Roosevelt Blvd
City	Key West
State	Florida, 33040
Property Class	Marina
Property Type	Public Marina & Dockage

Zoning Characteristics

Zoning Code	PS - Public Services

Improvements

Number of Buildings	Four (4)
Accessory Structures: Wood Docks, Boat Ramp Fencing, Site Improvements	

Sales Data

Sale Status	
Date of Last Sale	Not Applicable
Amount of Last Sale	
OR Book/Page	
Prior Sale Date	

Scope of Work Information

Client Name	City Marina@ Garrison Bight Karen Olson, Deputy Director
Intended Use	Internal Management

Executive Summary (continued)

Indicated Values

1. Boat Ramp Fees	**$ 17.50 per in/out, per each day**
2.Trailer Parking Fees	**$ 10.00 per day, single or double axle**
	$ 20.00 per day, triple axle
3. Commercial Dockage Agreements (Angelfish Pier)	**$ 45.00-$50.00 per foot per month**
4. Commercial Dockage Agreements (Charter Boat Row)	**$ 35.50- $38.00 per foot per month**
5. Liveaboard Dockage Agreements	**$ 49.00 per foot per month**
6. Recreational Dockage Agreements	**$ 61.00 per foot per month**
7. Transient Dockage Agreements	
Daily	**$ 5.30 - $5.75 per foot**
Monthly	**$ 85.00- $88.50 per foot**
8. Mooring Field Dockage Agreements	
Daily	**$ 24.31 flat rate**
Monthly	**$ 427.59 flat rate**
9. Submerged Land Leases	**$0.75 to $0.85 per SF**

INTRODUCTION

Subject Property Summary:

The subject under the Market Rate Study consists of the City Marina at Garrison Bight, including all submerged lands and improvements. The improved parcel is occupied by the City Marina, providing public marine services. The Scope of Work is to determine an opinion of rental, lease and usage fee rates which are competitive in the local market area.

Ownership:

The upland and bay bottom are currently owned by the City of Key West.

Sales History:

Not Applicable for this Scope of Work and the Public property in consideration.

Purpose of the Appraisal:

The purpose of the appraisal is to estimate and report an opinion of the market value of the subject's rental rates, lease rates and usage fees as of the effective date herein.

Intended Use and User of the Report:

This appraisal was prepared for use by the City of Key West Port and Marine Services for internal management purpose. No additional Intended Users or Uses are identified or intended by the appraiser or All Keys Appraisal Company Inc. Due to the relationship between the Client and the appraiser, reliance of this report by any other parties for any use whatsoever, is prohibited.

Scope of Work:

As part of this appraisal, we completed a thorough investigation and analysis of the data considered pertinent to valuing the subject's rents, leases and fees. The analysis is based on the information available from the physical inspection, any current or expired data in the local Board of Realtors MLS, public tax records, and other independent and relevant sources available through the normal course of business as of the effective date herein.

Property Identification:

The property has been identified using the following sources:

- Postal Address
- Monroe County Public Records
- Legal Description

Type and Extent of Data Researched:

The data was collected and analyzed to the extent required to develop and report a credible opinion of value for the subject property. The following information was reviewed in preparing this report:

- Present or Past MLS Data or Listings
- Flood zone status
- Zoning Requirements
- Applicable Tax Data
- Demographics
- Public Record Data
- Comparable Data

Type and Extent of Analysis

The data has been gathered and analyzed through the use of appropriate and accepted appraisal methodology to arrive at a probable value indication via each applicable approach to value.

Approaches Performed

The appraiser has considered the sales comparison approach to value and utilized the applicable approach herein.

Data Sources

Item	Source(s)
Site Size	Monroe County Property Appraisers Records, MCPAFL(mcpafl.org) Survey, Client Provided
Zoning	Muni Code, City of Key West Planning Department
Tax Data	MCPA Records
Gross Building Area	MCPA Records, Field Inspection
Rentable Area	Local Agents, Rent Roll
Year Built	MCPA Records
Parking Spaces	Physical Inspection

Definitions

Pertinent definitions, including the definition of market value, are included in the Glossary, located in the Addenda to this report.

Assumptions and Limiting Conditions

The value conclusion and certification within this report are made expressly subject to the following assumptions and limiting conditions as well as any further reservations or conditions stated within the text of the report.

1) No responsibility is assumed for the legal description or for matters including legal or title considerations. Title to the property is assumed to be good and marketable.

2) All existing liens and encumbrances, (except the existing leases if any) have been disregarded, and the property is appraised as though free and clear.

3) Responsible ownership and competent property management are assumed.

4) The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.

5) All engineering is assumed to be correct. Any plats, site plans and illustrative materials, if provided in this report, are included only to assist the reader in visualizing the property.

6) It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.

7) It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless non-compliance, is stated, defined, and considered in the appraisal report.

8) It is assumed that all applicable zoning and use regulations and restrictions have been complied with, except where non- conformity has been stated, defined, and considered in the appraisal report.

9) It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

10) It is assumed that the utilization of the land and improvements is within the boundaries of property lines or the property described and that there is no encroachment or trespass unless noted in this report.

11) Subsurface rights were not considered in making this appraisal.

12) The distribution, if any, of the total valuation of this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.

13) Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event only with proper written qualification and only in its entirety.

Assumptions and Limiting Conditions (continued)

14) The appraiser herein by reason of this appraisal is not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.

15) This report may be utilized at the discretion of the Client for purposes of advertising, public relations, public information, news, sales, or through other media.

16) The existence of potentially hazardous material used in the construction or maintenance of the building and/or the existence of toxic waste which may or may not be present on or under the site was not observed during our inspection. However, we are not qualified to detect such substances. These substances, if they exist, could have a negative effect on the estimated value of the property. The user of this report is urged to retain an expert in this field if desired.

17) Unless specifically stated to the contrary in the report, no independent evaluation of concurrence matters were made for the subject or any sales comparables. In the event concurrence is found to affect subject property or any of the sales comparables, we reserve the right to reconsider the value conclusion.

18) This appraisal was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.

19) The Americans with Disabilities Act (ADA) became effective January 26, 1992. The appraiser has not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the act. If so, this fact could have a negative effect upon the value of the property. Since the appraiser has no direct evidence relating to this issue, he did not consider possible noncompliance with the requirements of the ADA in estimating the value of the property.

Area and Neighborhood

Monroe County Data

Monroe County stretches 150 miles south and west of Miami and Dade County along a series of island or keys connected by 42 bridges carrying U.S. 1 (The Overseas Highway) to terminus Key West, the county seat. Total usable land area scattered over the larger keys is about 100 square miles, which includes Key West's 6+ square miles. Of this 100 square miles, only approximately 25% is improved and most of the remaining 75% vacant land is either wetlands and preserves, mangroves, or native areas protecting endangered species of deer, birds, animals, plants and marine life and thus undevelopable. Virtually all of this land is 0 to 16 feet above mean high water and classified within the FEMA 500 year flood hazard zone. Total land area both usable and non-usable is 997 square miles with an estimated .03 persons per square mile in 2000 compared to the state's overall 296.4 per square mile. The geology is mostly oolite (calcium carbonate granules) and coral rock. Tropical vegetation covers surface areas with a wide assortment of grasses, vines, shrubs and trees such as palms and pines. The shoreline is extensive and nearly all in mangroves, a protected specie. Sand beaches are few and are usually found in five or six state parks. Surrounding water are shallow, 1 to 3 feet deep with channels often 6 feet or less. Key West has the only deep water harbor maintained at 30 to 34 feet. On the Atlantic Ocean or Florida Straits side of the Keys is a string of barrier reefs four to six miles off-shore with the axis of the Gulf stream two to four miles beyond, flowing northward. This band of turquoise and blue water contains some of the finest sport fishing in the world. Snorkeling and scuba diving are very popular, especially at John Pennekamp and Looe Key Underwater Parks. Lobstering and shrimping are substantial commercial enterprises in these waters.

Climate

Monroe County's climate is sub-tropical, situated south of the frost line in Florida. The Keys mean temperatures range from 70 to 85 degrees, with a record high of 97 degrees and record low of 41 degrees. Mean precipitation for the year ranges from a high in September of 5.45 and the low in February of 1.51 inches, based upon 2013 statistics from NOAA. Temperatures in the northern end of the county tend to be more extreme. Hurricanes do occur; the last direct hit on the Southern Lower Keys was Irma in 2017. Warning systems are very good and the resident population is well prepared to survive the hurricane season which typically lasts from July through October. Marathon has some wood frame structures in excess of 100 years old still in use as mute evidence that weather hazards are not much different in Monroe County than other hurricane and tornado prone areas.

Key West History

Key West was settled by many Bahamians in the early 1820's. By 1831 it had a population of 367 and by 1860 it was Florida's largest city with 18,000 people. For 40 years it ranked highest in the state per capita income, due primarily to its lucrative wrecking activities. Many of the homes were built of the planking of salvaged ships. There was a large influx of Cubans in the 1870's, with over 200 employed in local cigar factories by 1876. During the 12 years of Prohibition, smuggling from the Bahamas was commonplace, grand fathering today's illicit drug trade. After the collapse of the Florida Land Boom in 1926 the City fell on hard times and went bankrupt in 1934. It revived somewhat through tourism and the sacrifices of the citizenry until the infusion of the World War II military expansion. Turtles became an important food source and industry until 1969, when turtle fishery was declared unlawful. Many presidents of the United States, including Cleveland, Taft, Roosevelt, Truman, Eisenhower, and Kennedy, visited Key West, providing worldwide press coverage. Truman was a regular winter visitor at the "Little White House" on the Naval Base, and he continued his visits after he stepped down as President.

Key West History (cont)

Key West became home for many notable artists, authors, and playwrights. Monroe County other than Key West was sparsely settled through these early years, and began to develop after US 1 Overseas Highway was completed in 1938. The highest rate of development today is found in the Upper Keys.

Geography

Monroe County is the southernmost of Florida's 67 counties beginning at the Dade County line about 40 miles south of Miami, extending west and north to include the Everglades National Park and part of the Big Cypress National Preserve, and 120 miles south and west along the largest of some 800 islands or Keys across 42 bridges carrying US 1 (Overseas Highway) to terminus in Key West, the County seat. Total county area is 1788 square miles, 1672 square mile of which is national park and preserve. Unincorporated public and private usable areas is approximately 94 square miles plus about 6.27 square miles in the City of Key West, approximately 4.87 square miles private and 1.4 square miles military. There is another 116 square miles in offshore islands and Fort Jefferson - Dry Tortugas.

Neighborhood

According to The Dictionary of Real Estate Appraisal, 14th Edition, Appraisal Institute, a neighborhood is defined as: "a group of complimentary land uses; a congruous grouping of inhabitants, buildings, or business enterprises."

The subject property is located on North Roosevelt Blvd (US Highway 1), a commercial corridor on the westerly end of the New Town District, the main connector between New Town and the Historic District of Key West. This is in the primary commercial areas of the district and near the main area of Old Town destination attractions and downtown activity. The area supports a tourist destination environment with restaurants, bars, retail businesses and shopping. The subject property is located on the Boulevard stretch between Palm Avenue and Eisenhower Boulevard. The neighborhood boundaries are the Gulf of Mexico to the South, the Florida Bay to the North, Eisenhower Drive to the West and Fifth Street to the East. The neighborhood is on the edge of the downtown, historic district and maintains a concentration of larger commercial establishments and activity. The area is made up of retail properties, hotels, restaurants, guest houses, small shops of all types, and some marina and water based businesses.

The neighborhood is primarily composed of many buildings which are not historically significant, many of which were built as recently as the 1960's and 1970's, and newer. The strict guidelines which govern much of the City's building and reconstruction do not typically apply to the subject's neighborhood.

The neighborhood is urban an almost totally built-up except for a rare vacant lot. The subject is located within the commercial mid town district of Key West. Rent levels and property values are stabilized after a period of decline in recent years due to the overall national economic conditions, recession, and real estate value 'bubble burst' and decline in real estate and financial markets. Due to the uniqueness of the tropical environment of the Florida Keys, the market usually maintains rates above the state and national averages.

The reputation of the Florida Keys, including Key West and the Lower Keys, has been and continues to be a world renowned destination resort, proximate to and easily accessible from Miami, and thus the economy typically recovers faster than the overall national economy. Properties in this section of Key West enjoy good exposure to local and tourist traffic due to the centrally located area, desirable for occupancy.

Market Overview

A complete analysis of market conditions has been made. We maintain and have access to comprehensive databases for this market area and have reviewed the market for sales and listings relevant to this analysis. Portions of the market overview are retained in our files and database. Commercial marinas, slips, boatyards and other water front and water borne parcels are prevalent in the subject's geographical area.

The subject neighborhood is in a commercial and residential area with a mixture of commercial retail, marine, residential and office uses. Vehicular traffic primarily occurs on North Roosevelt Boulevard, with pedestrian and bicycle traffic. The side streets of are primarily comprised of limited commercial, commercial residential, single and multi family residential uses. The local and tourist traffic can utilize this corridor to go back and forth between the primary destination of New Town and Old Town. The subject is located within a commercial corridor with stable rents, supply and demand for retail spaces.

Site Description

The subject facilities are located in the City of Key West, public water access frontages around the Garrison Bight and City Marina, Palm Avenue and North Roosevelt Blvd, and the Key West Harbor, in the central part of Key West. The site is irregular in shape but mostly rectangular in nature with street frontage . The Street and Highway corridors in these areas are primarily commercial with offices, retail, gas stations, restaurants, industrial, institutional and marine uses. There are scattered commercial development and commercial residential occupancies with similar frontage.

The site maintains amentities such as off street parking, with improvements supporting the operations including public restrooms and dockage facilities in good condition. Any building improvements are not considered herein in accordance with the agreed Scope of Work. Street improvements in the area on adjacent roads and collectors include one or two travel lanes in each direction, sidewalks, curb and gutter, traffic control devices, some street lighting and signage. US Highway 1 maintains two lanes in each direction with some turn lanes and paved shoulders.

The sites subject were inspected from the exterior, in accordance with the agreed Scope of Work. The analysis is based on the information available from the inspection, any current or expired data in the local Board of Realtors MLS, public tax records, various State Department website and other independent sources available through the normal course of business as of the effective date herein.

Zoning

The subject property is zoned PS, Public and Semi-Public Services District by the Growth Management Department of the City of Key West, Monroe County, Florida. The PS commercial district was created to provide a framework for implementing comprehensive plan, performance of criteria in CH 102, 108 and article II of Chapter 10. Permitted uses include community centers, educational institutions, golf courses, hospitals, nursing homes, rest homes and convalescent centers, parks and recreation facilities, commercial office and retail, marine related services, medical services parking lots and vehicular services, government Adminsitrator and transit facilities, other general commercial activities specified in section 130-21 pertaining to land use by districts. The PS district is located along major segments of the commercial corridor and other parts of the area, which generally include larger scale commercial uses oriented toward the motoring public.

Highest And Best Use

Based on the Scope of Work and analysis required herein, the development of the highest and best use of the properties was not considered applicable for the assignment.

Valuation

Market Approach:

The Market Approach, comparison of similar market rate units of amenities was considered the only applicable approach to value for the subject assignment. Market approach is based upon the principles of substitution and states that a prudent purchaser, or user of a facility in the case of the subject assignment, would pay no more for that service in use than the cost utilizing a substitute facility as available on the open market. Substitution may assume purchase of an existing use or rental of a similar facility or site with equal utility as the subject property.

The market approach has been utilized to collect comparable rental rates and leases, and develop an opinion of market rates and lease amounts for the services or facilities in the City's portfolio. The reported rents, leases or fees, are based on services, facilities or sites with equal utility. The values are reported have been developed utilizing the principles and methodology of the sales comparison approach.

Data Collection

Our search was conducted utilizing comparable data west of approximately mile marker 8, and inclusive of Stock Island, the Key West City limits, based on the agreed scope of work. Due to limited available data for analysis, some of the search was expanded beyond scope preferred boundaries, however this is not atypical for the subject's market area. Data was collected from local Owners, Landlord & Tenants, Realtors and Property Management Agents by canvassing, along with additional resources including public website and local multiple listing services.

Unit of comparison sought were most similar in use or potential use and generally accepted by market activity including rates per square foot or linear foot, in/out fees, typical leases and conditions, and site amenity.

Facility Market Analysis

1. Boat Ramp Fees

The City Marina maintains a superior quality boat ramp facility and trailer storage on a first come first serve basis. The site is easily accessed from both North Roosevelt Boulevard and the Palm Avenue, with sufficient space maneuverability and launching of vessels. The location is proximate to the mid town district of the island and provides good access and waterways to both the Gulf of Mexico and the Atlantic Ocean, as well as the Key West Harbor and many site on the island accessible by water.

The ramp fee currently charged by the City is $10 per use, in and out same day, plus applicable sales tax. The are several private ramps in the lower keys and some public ramps. The public ramps are free to use at your own risk and include locations at Simonton Beach Park, 11th Street Ramp, Stock Island Public Boat ramp, Gulf View Park, Geiger Key Marina, and Shark Key Public ramp. These public ramps are typically in inferior condition, limited access and with no or inferior facilities. They still provide a viable option for some boaters. The Naval Air station maintains ramp facilities but the use is restricted to military members and federal government employees. There are campgrounds in the survey area with ramps also, however, most restrict their use to tenants and guests and include the ramp amenity at no additional fee.

Of the ramps available for analysis, those who charge a fee for use, charged a range from $15 to $20 per use, in and out, same day. The search area was expanded to include up to Cudjoe Key Marina, in order to gather rates for consideration. The fee ramps located are inferior to the City Marina's ramp and given the proximity of the Garrison Bight ramp to Key West, the ramp fee currently charged is below market.

Analysis/Conclusion:

The market data was researched for user fees of boat ramps within the study area, which had to be expanded in order to locate additional comparable fee ramps. There are a sufficient number of free use ramps in the study area available to boaters outside of the immediate area. The subject ramp appears to appeal to visitors, transient users, tourists, and local guides who trailer their boats daily. The area fee ramps charge an average price of $17.50 per use, above the current City rate of $10 per use, in & out per day.

2. Boat Trailer Storage

The City Marina maintains a parking facility for trailer storage, on a first come first serve basis. There is parking for a variety of trailer types and sizes. The subject's prices range from $10 per night for one and two axle trailers and $20 per night for three axle trailers. As noted above, in Section 1, the City site is easily accessed from both North Roosevelt Boulevard and the Palm Avenue, with sufficient space for maneuverability and launching of vessels. The location is proximate to the mid town district of the island and provides good access and waterways to both the Gulf of Mexico and the Atlantic Ocean, as well as the Key West Harbor and many site on the island accessible by water.

Trailer storage is not readily available to the public on a fee basis in many areas of the lower Keys. Several factors contribute to the lack of trailer storage facilities, but the primary factor is the value of the land for other development or use when compared to open storage. There are few areas where retail trailer storage is available. Storage sites canvassed included Midguard Storage, Gator State Storage, local marinas, RV parks and other storage sites. Most of the marinas, RV sites or campgrounds with trailer storage retain the use for guests only. Of the sites available, the storage facilities had prices ranging from $3 to $15 per day, on a monthly basis. Short term rental sites were typically consistent with the City's current rate.

For example, The Promenade at Perrys on Stock Island charges $10 per day for short term trailer storage. The Mile Marker Ten marina, now in the process of redevelopment, was charging $10 to $15 per day for trailers, with additional monthly and longer term rates, competitive with the storage facilities.

Analysis/Conclusion:

The market data was researched for user fees of trailer storage facilities within the Study area, which had to be expanded in order to locate additional comparable storage. The search was expanded to the Lower Keys in order to find trailer storage facilities. Storage rates ranged for $3 to $15 per day for longer term storage and $10 to $15 per day for short term and daily rentals. The current City rate of $10- $20 per day for short term storage appears to be in line and competitive with the market data available.

3. Commercial Dockage Leases (Angelfish Pier)

The City maintains Commercial Dockage Leases for the purpose of commercial enterprises other than Charter Fishing businesses. The lease provides for the use of the slip by one specific business and vessel, for the term of the lease, one (1) calender year, on a month to month basis. The lease includes solid waste and recycling, all electric, water and sewer is to be contracted for separately by the tenant from the appropriate utilities. These slips are not intended for residential use and the vessel cannot be used for domicile purpose. Each slip is permitted a dock box no larger than 24" x 48" placed on the sidewalk so as not to violate any ADA requirements. Advertising signage for the vessel or business is permitted on the pier railing and the vessel itself. Parking for crew and customers is available on a first come basis and n assigned or reserved spaces shall be permitted.

The City currently leases these spaces for a monthly rate of $25.25 per foot plus $18 per month solid waste, plus applicable sales tax, with metered water.

Market data was collected within the search area mile marker eight and west through Key West. The search criteria was for non charter fishing vessel slips and dockage with similar amenity when compared to the City's slips.

The terms and conditions of the commercial leases from comparable use sites are typical for the market area and include provision for compliance with local, State and Federal Laws governing the agreement and the site.

The research conducted included canvassing of local waterfront marinas, resorts and facilities offering non Charter boat commercial slips with terms and conditions similar to that of the City's lease requirements and facilities. The geographical area was limited to the Key West and Stock Island areas, in accordance with the agreed scope of work.

Items of comparison sought included lease terms, responsibilities of the parties, availability and cost responsibility for any utilities, as available from the comparable lease data in the open

market. Consideration of the City Marina's location, when compared to the similar leased slips, as some of the comparables are located outside of the City and less proximate to destinations and local attractions.

The following data was collected and compared to the subject property, City Commercial slips.

Commercial Non-Charter Comparable Lease Data					
	Subject	**Oceans Edge Marina**	**Promenade at Perry's**	**Sunset Marina**	**Stock Island Yacht Club**
Location	Mid Town	Stock Island, Inferior	Stock Island Inferior	Stock Island, Inferior	Stock Island, Inferior
Utilities	$18 per month Solid Waste Metered Water	Included	Included	Included, Pump Out Service, Plus Electric	Included
Club House / Bathhouse	Bathhouse Security	Bathhouse, Similar	Bathhouse, Similar	Bathhouse, Similar	Bathhouse, Similar
Parking	Open, First Come	Open, First Come	Open, First Come	Open, First Come	Open, First come
$/Foot /Mo					
40-60	$25.25	$35.00	$48.00	$44.50 (30')	$60.00
61-80	$25.25	$35.00	$60.00	$51.25 (40')	$60.00
81-100		na	na	$56.00 (50')	na
101 +		na	na	$56.42 (60'+)	na

Elements of Comparison

The price per linear foot of slip was analyzed for the Commercial rental lease properties, utilities, and amenities available or included for the rents. Lease terms were compared for the effect on value.

The lease terms reviewed were similar to the City's commercial slips. The City location is superior to the comparables as most are outside of Key West. The Bight's mid town location makes it proximate to hotels, guesthouses and transient living locations in town. The site is highly visible and easy to access. The comparable sites are located further from the City's main business district, however the Stock Island locations provide good boating access for commercial marine business.

Utilities addressed in the City's lease agreements are metered water and $18 per month for solid waste. Comparable commercial leased sites included provisions for utilities. Parking for the businesses was similar with the sites providing adequate facilities and access.

Analysis:

The comparison included similar commercial leased spaces for businesses other than charter fishing and utilized lease and rental data from local marinas and resorts within the search area criteria of the assignment. Substitution principles apply to the lease rates of the comparable sites with equal utility to that of the subject property.

The area of comparison sought was the lease rate per linear foot of vessel for commercial slips in the market area. The leased slips included a range of rates of $37.63 to $64.50 per foot after taxes, for similar commercial uses. The median market rate from data collected is $51.00 per foot after tax, rounded, for these slips, inclusive of solid waste.

Conclusion:

The rates in the City lease are slightly below market rates, with similar lease agreement terms. The City currently is charging rates of $25.25, plus $18 per month for solid waste, plus applicable taxes, totaling $46.49 per foot per month. Metered water, and electric are not included. The market rates identified herein range from $35.00 to $60.00 per foot for similar range in size or slip. The site is superior in location, visibility and access, and should command an similar market rate.

The market data indicate that the fair market rate is in the range of $45.00 to $50.00 per foot per month and the City current rate, after waste charge and taxes is $46.49, which falls within the fair market range based on data collected.

4. Commercial Dockage Leases (Charter Boat Row)

The City maintains Commercial Dockage Leases for the purpose of Charter Fishing businesses. The piers are the Amberjack, Bonefish and Bonita Piers of the Marina. The lease provides for the use of the slip by one specific business and vessel, for the term of five (5) years. The lease includes provisions for annual adjustments based on the Consumer Price Index annual average change.

Active membership in the Key West Charter Boat Association for advertising purposes and shall include a $50 per month additional fee to the base rent, collected by the City. The lease includes solid waste and recycling, all electric, water and sewer is to be contracted for separately by the tenant from the appropriate utilities. These slips are not intended for residential use and the vessel cannot be used for domicile purpose. Each slip is permitted a dock box placed on the dock but not to impede walkways, ice machine of size and style approved by the City and signage attached to the rafter of the covered walkway, not to exceed two feet by six feet in size. One Fish rack is allowed to be installed by the City. Advertising signage for the vessel or business is permitted on the pier railing and the vessel itself. Parking for crew is designated and the parking immediately adjacent to the slip is reserved for customer parking only.

The City currently leases these spaces for a rate of $25.25 per foot per month, plus monthly solid waste fee of $107.62 and applicable taxes.

Market data was collected within the search area of mile marker 8 and west through Key West of commercial fishing piers. The search criteria was for piers designated for charter fishing vessel slips and dockage.

The terms and conditions of the commercial leases from comparable use sites are typical for the market area and include provision for compliance with local, State and Federal Laws governing the agreement and the site. The research was conducted in the same manner as other sections of this report, and included canvassing of local waterfront marinas, resorts and facilities offering Charter boat commercial slips with terms and conditions similar to that of the City's. The geographical area was limited to the Key West and Stock Island areas, in accordance with the agreed scope of work.

Items of comparison sought included lease terms, responsibilities, availability and cost responsibility for any utilities, as available from the comparable lease data in the open market. Consideration of the City Marina's location, when compared to the similar leased slips, as some of the comparables are located outside of the City and less proximate to destinations and local attractions.

The City lease had more stringent requirements than the comparables in terms of the Charter Boat Association membership and fee collections. Mandatory membership and fee collection is included for Charter businesses leasing these spaces. The typical market Charter Boat lease did not require this membership or specify terms for advertising, signage and similar restrictions on the pier areas. The terms varied from one to five years, with similar terms for annual increases. Leases did not specifically limit the beam of the vessel, as long as it fits in the slip the vessel is acceptable.

The following data was collected and compared to the subject leases:

Commercial Charter Fishing Comparable Lease Data					
	Subject	**Safe Harbor Marina**	**Promenade at Perry's**	**Ocean's Edge Marina**	**Stock Island Yacht Club**
Location	Mid Town	Stock Island, Inferior	Stock Island Inferior	Stock Island, Inferior	Stock Island, Inferior
Utilities	Solid Waste Recycling $107.62	Included	Included	Included	Included
CAP Improvement	$1.00 per foot	None	None	None	None
Club House / Bathhouse	Bathhouse Security	Bathhouse, Similar	Bathhouse, Similar	Bathhouse, Similar	Bathhouse, Similar
Parking	Open, First Come	Open, Street	Open, First Come	Open, First Come	Open, First come
Advert Fee	$50 Flat fee	None	None	None	None
$ / Foot /Mo					
40-60'	$25.25	$45.00	$35.00	$45.00	$55.00
61-80'	$25.25	$45.00	$35.00	$60.00	$55.00

Elements of Comparison

The price per linear foot of slip was analyzed for the lease properties, utilities, and amenities available or included for the rents. Lease terms were compared for the effect on value.

The City location is superior to the comparables as most are outside of, but proximate to Key West. The Bight's mid town location makes it proximate to hotels, guesthouses and transient living locations in town. The site is highly visible and easy to access. The comparable sites are located further from the City's main business district, however the Stock Island locations provide good boating access for commercial marine business. Consideration of the mandatory membership and fees was considered in the analysis as comparable leases did not have similar requirements.

Solid waste fee of $107.62 is included in the City lease. Other utilities are not included in the City's lease agreements and are contracted independently by the tenant. Commercial leased sites included similar provisions for utilities. Parking for the businesses was similar with the sites providing adequate facilities and access.

Analysis:

The Comparison included similar leases and rents of Charter Fishing Boat piers and locations. The City base lease is $25.25 per foot. Additional monthly fee include a flat rate for solid waste currently reported as $107.62, a $1.00 per foot capital improvement fee, and the advertising fee of $50 per month. One hundred percent of the advertising fees are returned to the Charter Boat Association quarterly. For example, a 40' vessel is charged a total of $31.40 per foot per month, plus utilities expense other than solid waste. A 40' vessel would pay a market rate of $43.00 to $45.00 per foot per month, with no utilities expense included. This represents a rate approximately 35-40% below the comparable market rates.

Market rate charter boat leases and rentals of similar terms and amenities were considered to be good indicators of value for the lease rates of the City. Substitution principles apply to the lease rates of the comparable sites with equal utility to that of the subject property.

The comparable data indicated an unadjusted range in rates, for Charter Fishing businesses from $35.00 to $60.00 per linear foot rate. The market rates do not include utilities expense, similar to the City's lease. Further the advertising expense is born solely by the tenant and not a factor in the lease. There is no capital contribution and solid waste fees are built into the lease rates.

Conclusion:

The market rates in the survey area indicate a value range of $43.00 to $45.00 per foot per month for vessels in the 40' to 60' range. City current lease rates are ranging from $31.40 (rounded) per foot per month, including fees, charges, and sales tax for similar size vessels. As noted above, the rates are 35% to 40% below market based on the data herein. The market date would indicate a rate of $35.50 to $38.00 to for the City slips, not including advertising charge, improvement contribution and taxes.

5. Liveaboard (LAB) Dockage Leases

The City maintains liveaboard (LAB) rental slips in the City Marina for both vessel/house boats and floating structures, as defined in their lease agreement. These slips provide long term dockage for lessee's on an annual basis and include use of the parking facilities, marina restroom/bathhouse, coin operated laundry service, and pier access. Solid waste removal and recycling is provided at an additional cost of $34.31 per month. The City further allows dockage of small vessel or dinghy on the rear of the moored vessel, not to exceed the width of the beam.

There is no mail service or package delivery service to this site. Onsite security is provided and the City Police details regularly patrol the property. Connection to local utilities for electric, water and sewer are provided and the lessee is required to arrange for and pay for all utility connections and service over the term of the Lease. The lease is transferable to prospective buyers and to the heirs of the lessee upon death. This provide significant intrinsic value to the marketability and resale of the LAB moored in the City Marina, as many competitive sites do

not permit transfer of the lease. The terms and conditions of the lease otherwise are typical for the market area and include provision for compliance with local, State and Federal Laws governing the agreement and the site.

The research conducted included canvassing of local waterfront marinas, resorts and facilities offering liveaboard or long term (annual) dockage with terms and conditions similar to that of the City's lease requirements and facilities. The geographical area was limited to the Key West and Stock Island areas, in accordance with the agreed scope of work. Items of comparison sought included lease terms, responsibilities of the parties, availability and cost of utilities, and facilities and amenities provided, as available from the comparables in the open market.

The City location was considered superior, as many of the comparables are located outside of the City and less proximate to destinations and local attractions. Stock Island locations, though close were considered inferior locations as they are a few miles from the Key West commercial and downtown areas.

The value of the lease or market rate sought for the dockage for liveaboard was the rate per linear foot of vessel/houseboat and floating structures. The slips at the rates analyzed were restricted to a maximum beam width of fifteen (15) feet and many were scaled based on the slip size requirement of the vessel or home. Additionally, contacted was Oceans Edge Resort & Marina, however, this site did not accommodate LAB's.

The following data was collected and compared to the subject property, City LAB slips.

Liveaboard Comparable Market Lease Data						
	Subject	**Safe Harbor Marina**	**Galleon Resort**	**Promenade at Perry's**	**Sunset Marina**	**Stock Island Yacht Club**
Location	Mid Town	Inferior	Slightly Superior	Inferior	Inferior	Inferior
Utilities	Solid Waste Recycling $34.31 monthly	$275 per Month Plus Electric	Included	Included	Included, Pump Out Service, Plus Electric	Included
Club House / Bathhouse	Bathhouse Security	Bathhouse, Outdoor Amenity	Bathhouse, Similar	Bathhouse, Similar	Bathhouse, Similar	Bathhouse, Similar
Laundry	Coin	Coin	Coin	Coin	Coin	Coin
Parking	Open, First Come	Open, Street	Metered Street, Fee Parking Lot	1 sp	Open, Street	1 sp
Pool, Site Amenity	None	Pool	None	Pool	Pool	None
$ / Foot / Month						
40-60	$17.18	$34.00	$110.00	$55.00	$44.50 (30')	$55.00
61-80	na	$34.00	$120.00	$63.00	$51.25 (40')	$55.00
81-100	na	**na**	$130.00	$71.00	$50.83 (50')	**na**
101 +	na	**na**	$130.00	$76.00	$53.17 (60'+)	**na**

Elements of Comparison

The price per linear foot of slip was analyzed for the leased properties and amenities available and included for the rents. The location was identified for the readers reference. Upland amenities were reviewed for contributory value in relation to those provided by the subject City properties. Lease terms were compared for the effect on value. The analysis is based on a vessel beam of less than 15 feet.

Location of the City property is considered superior to the Stock Island sites and similar to the in town location of the Galleon Marina. The Garrison Bight's mid town location makes it proximate to services, shopping, destinations and attractions in both new town and old town. Many restaurants and stores can be accessed by walking or biking as opposed to most of the comparables. The Galleon's Old Town location was the only comparable with similar or slightly superior location when compared to the subject.

Utilities are not included in the City's lease agreements and are contracted for independently by the tenant. However, the City's terms do include a fee of $34.31 currently for solid waste collection. The liveaboard comparables were varied when the utilities were considered with each having a different level of what was included for utilities in the base rent but included the solid waste. The comparable sites did not maintain long term hookups for waste water and rely on mobile pump out services at an additional fee. Electricity is provided at the locations via direct billing or with a base limit on usage up to maximum, and then additional billing for the excess use.

Site amenity for the comparables was generally superior to that available at the City's marina. Clubhouses or bathhouses, coin operated laundry and recreational facilities were relatively consistent between the City and the comparables utilized. Most of the comparables maintained additional resort style amenity such as swimming pool access, outdoor cooking & dining facilities, onsite restaurants & bars, and recreational facility access. These were considered superior to the City lease site.

Parking was considered as the City site includes two parking space passes on a "first come first serve" basis. The Galleon Marina was significantly inferior to the subject, as no onsite parking is available for long term slip lessee's use. The other comparables had one open or assigned parking included, but typically less than the City's two parking passes.

Analysis:

The comparison included similar long term rental data from local marinas and resorts within the search area criteria of the assignment. Market rate long term rentals were considered to be good indicators of value for the lease rates of the City. Substitution principles apply to the lease rates of the comparable sites with equal utility to that of the subject property.
The area of comparison sought was the rental rate per linear foot of vessel or floating home and that could be acquired with long term rental occupancy.

The City lease provided by the Client included a base rate of $16.18 per lineal foot per month. A solid waste charge of $34.41per month, a capital improvement & Maintenance Assessment

of $1 per foot was added plus sales tax, 7.5%, resulted in a lineal foot charge of $18.47 per foot(40') and the same rate for up to a 60' vessel, annual lease, solid waste included, no other utilities. The rate includes access passes of up to two parking spaces on a first come availability.

The comparable data indicated an unadjusted range in rates, assuming a forty (40) foot vessel or home, from $43.94 to $118.25 after tax per linear foot rate. For a sixty (60) foot vessel or home the rates range from $41.48 to $129.00 per foot after tax. The market rates include a varying degree of utilities expense for the tenant but include solid waste.

Conclusion:

The rates in the City lease are below market rates despite the exclusion of utilities, as lease terms require the tenant to contract separately for water and sewer, electric and internet. The City currently is charging rates of $18.47/foot for a 40' vessel or home where the market area ranges from $43.94 to $118.25, with an adjusted rate of approximately $57.80 per foot per month.

Additionally, the average market rate for a 60' vessel or floating home is $70.32 with an adjusted rate of approximately $60.30 per foot, however, the City maintains the same rate as above for up to 60'. Since the City site does not maintain the resort amenities to the extent of the comparables, an adjustment was applied to the market rates indicated herein of approximately 15% for the resort amenities, resulting in the value conclusion for lease rates for Liveaboard slips.

The market data indicate an opinion of value for the Leased Liveaboard (LAB's) rate in the range $49.00 per foot, rounded, in the market area.

6. Recreational Dockage Leases

The City maintains recreational dockage slips which are intended to be leased for a temporary basis, with an initial term of six month's and then reverting to a month to month tenancy, and for the exclusive use of the named vessel and Owner, limiting that use to only recreational purpose. A six (6) month minimum initial term is a commonly required by the City to reduce the likelihood of a lessee taking the recreational lease to avoid transient lease expenses and then terminating the tenancy after shorter periods. The named vessel is the only permitted dockage and under no circumstance is residing on the vessel or any other use permissible under the terms of the tenancy. These slips provide short term dockage for recreational lessee's on a monthly basis and include use of the parking facilities, marina restroom/bathhouse, pier access. The total cost is base rent, plus metered water and electric, and a fee of $7.80 per month for solid waste and recycling removal, plus applicable taxes. The terms and conditions of the lease are typical for the market area and include provision for compliance with local, State and Federal Laws governing the agreement, the vessel and the site.

The research conducted included canvassing of marinas, resorts and facilities offering recreational dockage with terms and conditions similar to that of the City's lease requirements. The geographical area was limited to the Key West and Stock Island areas, in accordance with the agreed scope of work.

Items of comparison sought included lease terms, responsibilities of the parties, usage requirements and limitations, amenities provided, as available from the comparables in the open market.

Dockage for recreational use is rented at a price per linear foot of the vessel to be moored in the slip and this criteria was used to search for comparable rate data in the market area. The slips at the rates analyzed. Additionally, some of the comparable slips maintained seasonal adjustments to their rates. The typical range of the adjustments broke down into two periods, (1) November 1 through April 30 and (2) May 1 through October 31. Comparables one, two and four maintained year round rates with no seasonal variance noted. The data below includes the seasonal rates where applicable. The following data was collected and compared to the subject property, City Recreational slips.

Comparable Recreational Monthly Rental Data

	Subject	**Safe Harbor Marina (Year Rd)**	**Galleon Resort (Year Rd)**	**Promenade at Perry's (1) / (2)**	**Sunset Marina (Year Rd)**	**Stock Island Yacht Club (1) / (2)**
Location	Mid Town	Stock Island	Old Town	Stock Island	Stock Island	Stock Island
Utilities	Solid Waste/Recy $7.80/Mo Metered Water & Elec	$275 per Month Plus Electric	Water, Solid Waste	Water, Solid Waste	Water, Solid Waste	Water, Solid Waste
Club House / Bathhouse	Bathhouse Security	Bathhouse, Outdoor	Bathhouse, Similar	Bathhouse, Similar	Bathhouse, Similar	Bathhouse, Similar
Laundry	Coin	Coin	Coin	Coin	Coin	Coin
Parking	Open, First Come	Open, Street	None	1 sp	Open, Street	1 sp
Pool, Site Amenity	None	Pool	None	Pool	Pool	None
$/Foot/Mo.						
40-60	$24.24	$75.00	$110.00	$75 / $65	$55.00	$70 / $60
61-80	$24.24	$75.00	$120.00	$105 / $85	$56.50	$70 / $60
81-100	na	na	$130.00	$115 / $93	**na**	**na**
101 +	na	na	$130.00	$125 / $110	**na**	**na**

Elements of Comparison

The price per linear foot of slip was analyzed for the monthly lease properties, available amenities, and utilities included in the rates. Site amenities were reviewed for contributory value in comparison to those provided by the subject City properties. Lease terms were compared for the effect on value.

Location of the City property is considered superior to the Stock Island sites and similar to the in town location of the Galleon Marina. The Bight's mid town location makes it proximate to services, shopping, destinations and attractions in both new town and old town.

Many restaurants and stores can be accessed by walking or biking as opposed to most of the comparables. The Galleon's Old Town location was the only comparable with similar or slightly superior location when compared to the subject.

Solid Waste and Recycling is billed monthly at a rate of $7.80. Water and electric are metered and billed monthly on a usage basis in the City's agreement. The monthly comparable lease sites included base utilities and solid waste in the rates.

Site, resort amenities for the comparables were generally superior to that available at the City's marina. Clubhouses or bathhouses, coin operated laundry and dock box storage facilities were consistent between the City and the comparables utilized. However, most of the comparables maintained additional resort amenities such as swimming pool access, outdoor cooking and eating facilities, onsite restaurants & bars, and recreational facility access included in the lease rate. These were considered superior to the City lease terms.

Parking was also a factor as the City lease which includes one parking space pass for first come first serve parking, proximate to the piers. The Galleon Marina was significantly inferior to the subject, as no onsite parking is available for long term slip lessee's use. The other comparables had one open or assigned parking included, inferior to the City's two spaces.

Analysis:

The Comparison included similar monthly rental data from local marinas and resorts within the search area criteria of the assignment. Market rate monthly rentals were considered as potential indicators of fair market values for comparison to the Lease rates of the City. Substitution principles apply to the lease rates of the comparable sites with equal utility to that of the subject property.
The area of comparison sought was the rental rate per linear foot per month for Recreational vessels.

The City lease provided included a base rate of $24.24 per linear foot per month. Solid waste is billed at a rate of $7.80 per month. The rate doe not include water and eclectic, which are metered and billed based on usage. The base rate does not include applicable sales tax on the month to month lease.

The comparable data indicated an unadjusted range in rates of $55.00 to $130.00 per foot per month for recreational vessel dockage in the range of 40' to 60' in length. Two comps offered reduced rates in the "off" or summer season, ranging from $60.00 to $110.00 for those specific locations. For analysis, the peak seasonal rates for 40' to 60' vessels were considered. The average rate is $77.00 per foot per month. An additional adjustment (reduction) was applied of 20% to account for the resort amentities in the comparables when compared to the City site.

Conclusion:

The rates in the comparable, adjusted market rates indicate a fair market value of $61.00 (rounded) per foot per month for Recreational vessels.

7. Transient Dockage Rates

The City maintains Transient dockage slips which are intended to be leased on short term basis including daily and weekly rates, with the term not to exceed a total of ninety (90) days.

The named vessel is the only permitted dockage and under no circumstance is residing on the vessel or any other use permissible under the terms of the tenancy. These slips provide short term dockage for lessee's on a monthly basis and include use of the open parking facilities on a first come first serve basis, marina restroom/bathhouse, pier access. The base rent includes rent, water, solid waste removal and recycling waste removal, along with applicable taxes. Electric is metered and billed monthly on the basis of usage. The terms and conditions of the lease are typical for the market area and include provision for compliance with local, State and Federal Laws governing the agreement, the vessel and the site.

The research conducted included canvassing of marinas, resorts and facilities offering recreational dockage with terms and conditions similar to that of the City's lease requirements. The geographical area was limited to the Key West and Stock Island areas, in accordance with the agreed scope of work. Items of comparison sought included lease terms, responsibilities of the parties, usage requirements and limitations, amenities provided, as available from the comparables in the open market.

Dockage for Transient use is rented at a price per linear foot of the vessel to be moored in the slip and this criteria was used to search for comparable rate data in the market area. Additionally, some of the comparable slips maintained seasonal adjustments to their rates. The typical range of the adjustments broke down into two periods, (1) May 1 through October 31 and (2) November 1 through April 30. The data below indicates the split as noted.

The following data was collected and compared to the subject property, City Transient slips

Comparable Transient Slip Rental Data						
	Subject	Safe Harbor Marina Year Rd	Galleon Resort (1) / (2)	Promenade at Perry's (1) / (2)	Sunset Marina Year Rd	Stock Island Yacht Club (1) / (2)
Location	Mid Town	Stock Island	Old Town	Stock Island	Stock Island	Stock Island
Utilities	Solid Waste Recycling, Water & Sewer	$275 per Month Plus Electric	Water, Solid Waste	Water, Solid Waste	Water, Solid Waste	Water, Solid Waste
Club House / Bathhouse	Bathhouse Security	Bathhouse, Outdoor	Bathhouse, Similar	Bathhouse, Similar	Bathhouse, Similar	Bathhouse, Similar
Laundry	Coin	Coin	Coin	Coin	Coin	Coin
Parking	Open, First Come	Open, Street	None	1 sp	Open, Street	1 sp
Pool, Site Amenity	None	Pool	None	Pool	Pool	None
$/Foot						
Daily	$2.53	$6.00 / $6.00	$8.00 / $6.50	$6.25 /$6.25	$6.25	$5.28
Weekly	$17.71 (daily rate)	$61.92	na	na	$22.50	$32.25
Monthly	$32.24	na	$130 / $110	$75 / $65	$55.00	na

Elements of Comparison

The transient price per linear foot of vessel was analyzed for the amenities available, and utilities included in the rates. The location was identified for the readers reference. Upland amenities were reviewed for contributory value in relation to those provided by the subject City rental. Rental rules and regulations were considered for their impact on value.

Transient use at the City location is considered superior to the Stock Island sites and similar to the old town location of the Galleon Marina. The Bight's mid town location makes it proximate to services, shopping, destinations and attractions in both new town and old town.

Many restaurants and stores can be accessed by walking or biking as opposed to most of the comparables. The Galleon's Old Town location was the only comparable with similar or slightly superior location when compared to the subject.

Water, Solid Waste and Recycling are included in the City's rental rates. Electric service is metered and billed on usage basis. The other transient site's included similar terms for the rates.

The transient site amenities for the comparables were generally superior to that available at the City's marina most maintaining some resort access or facilities. Clubhouses or bathhouses, coin operated laundry and recreational facilities were relatively consistent between the City and the comparables utilized. Most of the comparables maintained additional site amenity such as swimming pool access, outdoor cooking and eating facilities, on site restaurants & bars and recreational facility access. These were considered superior to the City Marina.

Parking was considered as the City maintains adequate parking for guests, on a first come first serve basis. The Galleon Marina was significantly inferior to the subject, as no onsite parking is available for transient users. The other comparables had open parking, similar to the City's.

Analysis:

The Comparison included similar monthly rental data from local marinas and resorts within the search area criteria of the assignment. Market rate monthly rentals were considered to be good indicators of value for the lease rates of the City. Substitution principles apply to the lease rates of the comparable sites with equal utility to that of the subject property.

The area of comparison sought was the transient rental rate per linear foot of recreational vessel.

The City lease provided included a yearly rate of $ 2.53 per linear foot per day and $32.24 per foot on a monthly basis. The rate includes sewer, solid waste and recyclable waste removal, and an applicable sales tax, 7.5%, was not included.

The comparable data indicated an unadjusted range in daily rates of $5.28 to $8.00 per foot, and monthly rates of $55.00 to $130.00 per foot, pre sales tax. Weekly rates from comparable data were not considered as the City does not offer similar rate structure.

Conclusion:

The market data indicate that the Fair Market Value of Transient Rental rates per foot should be in the range daily of $5.30 to $5.75 and monthly $85 to $88.50 per foot, rounded. The City does not offer a weekly rate, as stays are calculated on the daily rate for less than a month stay. The comparable sites typically offered slightly superior, resort amenities such as swimming pools, outdoor facilities, onsite restaurant & bar facilities, and access to recreational facilities. The City currently is charging daily rates approximately 45-50%, and around 30-50% below monthly rates, when compared to average market transient rates that include slightly superior amenity.

8. Mooring Field Dockage Rates

The City maintains Mooring Field of mooring buoys permanently anchored in the Florida Bay for transient dockage, which are intended to be leased on short term basis including daily and monthly rates, with the term not to exceed a total of one (1) year. There are a total of 149 transient mooring locations and the rate includes dinghy space at the pier. The dinghy pier site is located within the Marina and is easily accessed from both North Roosevelt Boulevard and Palm Avenue. The lease rights are evidenced by issuance of a Permit, which identifies the permittee and the vessel allowed to moor in the field. The mooring field is serviced by a landward location at the Marina, specific piers for dinghy dockage. The Marina location is proximate to the mid town district of the island and provides good access and waterways to both the Gulf of Mexico and the Atlantic Ocean, as well as the Key West Harbor and many site on the island accessible by water.

There are no similar sites within the survey area, as defined within the Scope of Work. The search identified similar mooring buoys for lease in the Boot Key Harbor, in Marathon, Florida, approximately 50 mile to the east of Key West. Additionally, it is noted that the Florida Keys National Marine Sanctuary has installed approximately 400 mooring buoys in the waters off the Keys, which are free for use and intended to provide recreational anchorage only and reduce the anchoring impact on the sites.

The site in Marathon's Boot Key Harbor represents the most proximate site with data available for analysis. The Boot Key site offers similar amenity for boaters utilizing the mooring rentals as is available in Key West. 70% of the field is designated for short term rentals and 30% available for 12 month lease. The lease provides for dinghy dockage, bath & shower facilities, coin operated laundry facilities, weekly holding tank pump out, and land side vehicular parking for rentals of one month or longer. Boot Key offers a monthly rate of $384.00 plus applicable sales tax and daily rates of $25.00 plus tax. A annual rate of $350 per month is available for a 12 month lease.

The Key West marina is currently charging $24.31 for daily mooring and a rate of $427.59 for monthly leases in the mooring field, plus tax. The City marina rates are competitive with the Boot Key location, however the terms are slightly inferior, as the Boot Key site includes an assigned parking space for longer term rentals and a weekly pump out, whereas the City includes one parking space on a first come first serve basis. Use of bathhouse, coin operated laundry facilities and water usage are included with both sites.

Analysis/Conclusion:

There is limited market data available for fee mooring facilities. The closest site is In the City of Marathon however, despite the distance for the subject, the Boot Key Harbor site is considered a good comparable. Based on the fees indicated, the Key West site has competitive market rates while offering slightly inferior services, when compared to the Boot Key location. Both the daily and monthly rates re consistent with the market data available.

9. Submerged Land Leases

The City Marina maintains submerged land leases with several tenants with riparian upland rights around the City Marina. Commercial and residential properties on the perimeter of the bight and frontage on North Roosevelt Boulevard, Eisenhower Drive, and Palm Avenue have leases for the submerged lands adjacent to their parcels. The uses are typically for wet slip dockage in conjunction exclusively with the upland use of the tenant. Most of the lease's include requirement for pump out service, restrict and omit fueling facilities, and restrict liveaboard uses. The terms and conditions of the lease are typical for the market area and include provision for compliance with local, State and Federal Laws governing the agreement, the vessel and the site.

The research conducted included some canvassing of local marinas, resorts and facilities adjacent to unowned bay bottom and research of state agencies governing similar leases and submerged land uses. The geographical area initially searched was limited to the Key West and Stock Island areas, in accordance with the agreed scope of work, however it was necessary to expand the search criteria in order to obtain sufficient data for analysis. Items of comparison sought `included lease terms, responsibilities of the parties, usage requirements and limitations, amenities provided, as available from the submerged land leases collected and reviewed.

The following summarizes the existing City's leases considered.

Paradise Harbor Condominium
Upland Address: 719 Eisenhower Drive
Area Leased: 11,529 square feet (sf)
Current Annual Lease Fee Rate: $0.85 per sf plus applicable tax
Current Monthly Lease Fee: $877.89
Lease Term: Ends 8/31/2025

Garrison Bight Investors LLC
Upland Address: 1601-1605 Eisenhower Drive
Area Leased: 7,813 square feet (sf)
Current Annual Lease Fee Rate: $0.85 per sf plus applicable tax
Current Monthly Lease Fee: $594.93
Lease Term: Ends 8/31/2025

SBY Key West LLC
Upland Address: 701 Palm Avenue
Area Leased: 25,021 square feet (sf)
Current Annual Lease Fee Rate: $0.85 per sf plus applicable tax
Current Monthly Lease Fee: $1,905.25
Lease Term: Ends 8/31/2025

Garrison Bight Marina Inc
Upland Address: 711-717 Eisenhower Drive
Area Leased: 15,740 square feet (sf)
Current Annual Lease Fee Rate: $0.85 per sf plus applicable tax
Current Monthly Lease Fee: $1,198.54
Lease Term: Ends 8/31/2024 (no extension provided)

Garrison Bight SMI LLC
Upland Address: Angelfish Pier, Palm Avenue
Area Leased: 19,874 square feet (sf)
Current Annual Lease Fee Rate: $0.85 per sf plus applicable tax
Current Monthly Lease Fee: $1,513.32
Lease Term: Ends 11/30/2028

Harborside Hotel and Marina Inc.
Upland Address: 903 Eisenhower Drive
Area Leased: 18,486 square feet (sf)
Current Annual Lease Fee Rate: $0.85 per sf plus applicable tax
Current Monthly Lease Fee: $1,407.63
Lease Term: Ends 8/31/2025

Harbor Lodge Condominium Owners Association
Upland Address: 833 Eisenhower Drive
Area Leased: 13,709 square feet (sf)
Current Annual Lease Fee Rate: $0.85 per sf plus applicable tax
Current Monthly Lease Fee: $1,043.88
Lease Term: Ends 8/31/2025

Key West Community Sailing Center Inc.
Upland Address: 705 Palm Avenue
Area Leased: 33,018 square feet (sf)
Current Annual Lease Fee Rate: $1.00 Per year
Current Monthly Lease Fee: $0.083
Lease Term: Ends 8/31/2025

Old Town Trolley of Washington DC
Upland Address: 801 Eisenhower Drive
Area Leased: 12,974 square feet (sf)
Current Annual Lease Fee Rate: $0.75 per sf plus applicable tax
Current Monthly Lease Fee: $810.88
Lease Term: Ends 12/31/2025

Pelican Landing, A Private Fishing Condominium Inc
Upland Address: 915 Eisenhower Drive
Area Leased: 18,886 square feet (sf)
Current Annual Lease Fee Rate: $0.85 per sf plus applicable tax
Current Monthly Lease Fee: $1,438.09
Lease Term: Ends 8/31/2025

The City leases are typical for leased submerged land in the market area. The lease provided mirrors the State Department of Environmental Protection, Board of Trustees Land Documents System (BTLDS) lease format, as noted on the website for the public leases in the State. The City leases run for a variety of periods however most are up for renewal in 2025. The City's current rate is $0.75 to $0.85 per square foot for all but one of its current leases. The Sailing Club enjoys a preferential rate due to the nature of its public service business. The lease for the Old Town Trolley is sightly favorable at $0.75 per square foot and expires at the end of December, 2025.

In researching the comparable submerged land leases it was necessary to expand the search area in order to provide additional data and support the opinion of value. There were four leases considered within the City limits. An additional five leases from Stock Island and up to mile marker 28. These leases represent the most current available on the BTLDS website and public records. The following is a summary:

Submerged Land Leases					
Lease Number	Square Foot	Lease Term	Leased Fee Tax Included	Fee per S. F.	Owner / Location
440003375	13504	5/21-6/45	$1924.75	$0.14	Waterfront 6631 LLC 6631 Maloney Avenue, Stock Island
441570565	17206	7/23-7/28	$3684.50	$0.23	Truman Annex, North Basin LLC
440249865	3611	7/23-7/28	$847.93	$0.25	Reach Hotel 1240 Simonton Street, KW
440011755	7887	1/22-1/27	$6511.83	$0.83	Tannex Development 271 Front Street, KW
441736935	1800	5/22-5/32	$3092.99	$1.72	Spottswood, Spottswood, Spottswood New Found Harbor, Ramrod
440030225	4035	8/23-8/28	$864.05	$0.21	Hyatt Residence Club 5051 Overseas Hwy, KW
440004045	23719	4/22-4/32	$3424.37	$0.14	Libben LLP 3558 Meadow Grove Tr Ann Arbor, MI Hurricane Hole Marina
440006695	46566	4/21-4/26	$8679.90	$0.21	Trudo Leschert 1510 Tuttle Ave Sarasota, FL The Galleon Resort
440353455	3622	9/23-9/28	$775.61	$0.21	NHC FL 136 LLC Sunset Harbor Village LLC 27777 Franklin Rd, Ste 300, Southfield MI
440343315	9357	10/23-10/28	$2003.70	$0.21	Spottswood Partners LTD 506 Fleming St, KW Little Palm Island, Ramrod

Analysis:

The comparison included similar annual lease fees for submerged land from shore line properties in Key West, the lower and middle keys. The search area revealed sufficient similar comparables for analysis in the prescribed market area. The City marina location was superior to many of the available leased areas. The Fury lease for example is in the middle of the open bay with no adjacent facilities. The Galleon leased area is proximate and more similar to the subject in location and amenity, however with limited parking in the resort. The Tannex property was most similar in lease rate to the subject's lessee's agreements. Substitution principles apply to the lease rates of comparable sites with equal utility to that of the subject property. The lease terms were similar for the City lease and the submerged land leases from the State. The permitted uses varied slightly with some allowing all uses including fueling docks while others were limited to recreational uses.

The City lease provided included an annual rate of $ 0.75 to $0.85 per square foot. The leased City Marina areas are considered superior to most of the comparables. The comparable data indicated an unadjusted range in annual leases of $0.14 to $1.72 per square foot of leased submerged land. The sight variances in permitted uses did not significantly effect rates and thus adjustments were not considered applicable.

Conclusion:

The City's submerged land lease rate is competitive in the market, though currently in the upper range when compared to leases available. The current rates on the comparable data are for terms that range from five to ten years with most being in the early stage of the terms. As the rate is consistent with the recent renewals and their respective terms, the existing rates are considered in line with current market pricing and demand.

ADDENDUM

Appraiser's Qualifications

Mark J Maclaughlin
State-Certified General Real Estate Appraiser
All Keys Appraisal Company
PO Box 2391, Key West, Florida 33045
Phone: 305-296-9255 Fax: 305-296-9535

Professional Experience:

3/2007 to Present	All Keys Appraisal Company, Key West, FL Certified Commercial RE Appraiser; Retail, Light Industrial, Marinas, Institutional, Mixed Use and Commercial Residential Properties
03/2005 to 3/2007	All Keys Appraisal Company, Key West, FL Certified Residential Appraiser; Single Family and Multi family Residential Properties, Assist in the Research, Verification and Report Preparation of Commercial Appraisals.
11/2003 to 03/2005	All Keys Appraisal Company, Key West, FL Registered Trainee Appraiser aiding in Research, Verification & Report Preparation of Single Family, Multi-Family and Commercial Reports.
04/2004 to Present	RWA Realty, Inc., Key West, FL Broker, General Manager Real Estate Brokerage Firm licensed as a RE Broker Real Estate Sales/Service
07/1999 to 03/2003	Century 21 All Keys Inc., Key West, FL Real Estate Sales Associate Residential Sales
06/1987 to Present	Island Angles, Inc., Key West, FL General Building Contractor Residential & Commercial Projects from Custom Single Family to Commercial Retail, Hotel Renovations, Historical Guesthouses

Education:

2006	State Certified General Real Estate Appraisal Course Work
2006	USPAP Update and 14 Credits Continuing Education, Appraisal
2006	30 Hours Business Law, Building Codes, Continuing Education, General Contractor
2005	Appraisal Institute, Miami Chapter, Forms & USPAP Update
2004	Course 400; 410; 420 National USPAP, Business Practices and Ethics, Florida State Law for Real Estate Appraisers
2004	State Certified Residential Appraiser License, RD 4916
2004	State Certified Real Estate Brokers License, State of Florida
2004	FREAB Residential Appraiser Course I, Fundamentals of RE Appraisal
2003	Uniform Standards of Professional Appraisal Practice

2003	State Certified Residential Trainee License, State of Florida
1999	State Certified Real Estate Salesperson License, State of Florida
1987	State Certified Building Contractors License, State of Florida
1983-1984	MBA, Finance Program-Drexel University, Philadelphia, PA
1983	Bachelor of Arts Degree, University of Maryland, College Park, MD
1979	HS Diploma, Nether Providence High School, Wallingford, PA

Professional Association:

Associate Member Of The Appraisal Institute, Key West Association of Realtors, Key West Chamber of Commerce, KW Navy League

Ron DeSantis, Governor

Melanie S. Griffin. Secretary

dbpr

STATE OF FLORIDA
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION

FLORIDA REAL ESTATE APPRAISAL BD

THE CERTIFIED GENERAL APPRAISER HEREIN IS CERTIFIED UNDER THE PROVISIONS OF CHAPTER 475, FLORIDA STATUTES

MAC LAUGHLIN, MARK JAMES

1010 KENNEDY DR SUITE 305
KEY WEST FL 33040

LICENSE NUMBER: RZ3053

EXPIRATION DATE: NOVEMBER 30, 2026

Always verify licenses online at MyFloridaLicense.com

ISSUED: 11/27/2024

Do not alter this document in any form.

This is your license. It is unlawful for anyone other than the licensee to use this document.

Definitions

Market Value

Market Value for the purpose of this appraisal is defined:

> "The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably and assuming the price is not affected by undue stimulus."

Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

a. buyer and seller are typically motivated;

b. both parties are well informed or well advised, and acting in what they consider their own best interests;

c. a reasonable time is allowed for exposure in the open market;

d. payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and

e. the price represents a normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Highest and Best Use

The Appraisal of Real Estate, published by the Appraisal Institute, defines "Highest and Best Use" as follows:

> "The reasonably probable and legal use of vacant land or improved property, which is physically possible; appropriately supported, financially feasible, and that results in the highest value."

In our analysis to estimate the Highest and Best Use of the subject land, we have given consideration to the following factors.

a. A detailed analysis of the growth and area trends in the County in general, and the subject area specifically.

b. An analysis of the type of improvements currently being constructed on sites somewhat similar to the subject property, if available.

c. There are no private restrictions to limit the use of the subject land, other than that for which it has been zoned, and for which similar land in the area has been approved.

Highest and Best Use (continued)

d. An investigation of zoning regulations, which revealed that there are no detrimental features, from the standpoint of zoning changes or infiltration of inharmonious uses within a reasonable radius of the subject area.

The preceding definition and explanation applies specifically to the Highest and Best Use of the land. Implied within these statements is the recognition of the contribution of a specific use to a community environment or a community development in addition to the wealth maximization of the subject property owners. Also implied in this determination of Highest and Best Use are the results from the appraiser's judgment and analytical skill in that the use determined from this analysis represents an opinion, not a fact to be found. In appraisal practice, the concept of Highest and Best Use represents the premise upon which the value is based. In the context of Market Value (most probable selling price) another appropriate term to reflect Highest and Best Use would be Most Probable Use. In the context of investment value, an alternative term would be Most Profitable Use.

Property Rights Appraised

The property rights being appraised are all rights existing in a fee simple estate, as of the appraisal date.

Fee Simple Estate is defined as follows: (The Dictionary of Real Estate, 14th Edition, Appraisal Institute):

Fee Simple Estate: "Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat."

Marketing Time, Market Exposure:

Market exposure for the subject property is the time at which the property, at the value indicted herein, would have taken to transfer and consummate a deal. Inherent in this analysis is the understanding that the exposure time is directly subordinate to the type of property and the value range that is determined by the analysis. This differs from Marketing Time in that exposure is assumed to precede the valuation of the property. Marketing time is an estimate of the amount of time it may take to sell the subject property.

Neighborhood

A congruous group of complimentary land uses.

Market Area

The geographical region, for a subject property, from which most demand comes and in which most of the competition is located.

Market Rate Study Discredited

Supplement #3 to 2024 Study:

True Housing Costs in City Marina at Garrison Bight

March 28, 2025
Key West

Table of Contents

1. Executive Summary p.2
   - Comparison Marina Errors
   - Financial Calculation Errors
2. Information Requests & Replies from Comparison Marinas p.3-4
3. Erroneous Marina Comparisons p.6
   - Dissimilar Use, Floating Homes Prohibited
   - Missed Swimming Pools & Beaches
4. Comparison Marina Location Value Errors p.6
5. Thousands of Dollars in Slip Rate Errors & Omissions p.7
   - Port & Marine Services Communication
6. Free Extras & Amenities in Comparison Marinas p.8
7. $18 per Foot Added by Mistake p.8
8. Monthly Sales Tax Errors p.8
9. Submerged Land Lease Errors p.10
10. Grandfathering Existing Live-aboard Tenants p.10
11. Professional Standards for Appraisal Credibility & Believability p.11
12. Analysis p.11
12. Conclusion p.11

Exhibits/Attachments

- Comparison Marina Photos p.5
- Marina Management Emails p.3,4,7
- Corrected Comparison Marina Rate Chart p.9
- Garrison Bight Deed Modification Document p.13-15
- Endnotes p.16-20

NOTE: The original Study, *"True Housing Costs in City Marina at Garrison Bight"*, *was published September 18, 2024.* ***Study Supplement #1 titled "Material Financial Omissions"*** *was published December 6, 2024.* ***Study Supplement #2 titled "Plan Will Bankrupt Marina"*** *was published February 20, 2025. All were provided to the Key West City Commission.* Request the original *Study* and all *Supplements* by emailing the author at FDNYjoe@aol.com for PDFs. They are also available for immediate download via Dropbox link in multiple parts:
https://www.dropbox.com/scl/fo/lliuya0ha94loyjuh6uiv/AByCS6lkZsmooDmpdZloKco?rlkey=rpxb5g3fbgw2tbzuu8a0ktywd&st=nris97ii&dl=0

Marina Study Supplement #3
True Housing Costs in City Marina at Garrison Bight:
Market Rate Study Discredited

Executive Summary

In September 2024, the City of Key West Director of Port & Marine Services budgeted for a private appraiser at a cost of $25,000 to conduct a study† to determine market rate valuations for City-owned slip rentals and submerged land leases in Garrison Bight, promoting a proposal to nearly double its live-aboard rent rates. The final study was completed in March 2025[1]. The number and scope of transgressions in this study undermine the validity of the information provided and conclusions drawn. It contains numerous material factual errors in its financial data, use comparisons, allowed rentals, valuable amenities, and conclusion assumptions. Some, of note:

COMPARISON MARINA ERRORS *(details explained in the following pages)*:

- The appraiser reports incorrectly that comparison marinas have *"**equal** utility"* and *"**similar** use"* to Garrison Bight. However, most notably, management from comparison marinas report: Floating homes and Houseboats[2] are ***not allowed*** in their marinas[3] and year-round rentals are totally prohibited in one of them. *(See attached email objections from those marinas, on next page.)*
- Swimming pools were stated as *"None"* for comparison marinas *with* swimming pools.[4]
- Private beaches were omitted from comparison charts of marinas with private beaches.[4]
- It reports that Garrison Bight's location is *"similar to the in-town location"* of The Galleon Marina in Old Town Historic Harbor—one of the most valuable locations in Key West.[5]

It does not appear that the appraiser conducted in-person inspections of each comparison marina, nor direct communications with comparison marina management or a thorough review of their website information[6]. ***Otherwise, he would have observed in those marinas (and been informed of) swimming pools and private beaches but NO floating homes—and more.*** Floating homes and most houseboat types in Garrison Bight are not allowed in the comparison marinas, and The Galleon doesn't allow year-round rentals, nor is it *"similar"* to Garrison Bight. These are discredited marina comparisons.

FINANCIAL CALCULATION ERRORS[7] *(details explained in the following pages)*:

- Thousands of dollars in required Garrison Bight *"live-aboard lease"* fees were omitted, reducing reported rates paid over the *"12-month lease"* term by 61 to over 100 percent.[8]
- A monthly sanitation fee was erroneously added to the per-foot slip rental rate, mistakenly increasing the marina slip monthly rate by 71 percent.[9]
- Sales tax errors in monthly capital improvement fees were made, assuming tenants pay 7.5 percent in sales tax on these fees when they in fact pay zero sales tax on the fee.[10]
- Submerged land lease rent comparison conclusions were off by nearly double, up to over triple, in rent rate differences. And skewed outliers were selectively included or excluded.[11]

Details with documentation are explained in this Study Supplement, with supporting Photos, a Comp Chart, Documents, and Endnotes. These noteworthy errors and omissions undermine the credibility and believability of the Market Rate Study. *Our esteemed City Commission cannot rely on its accuracy for their decision-making process regarding City Marina at Garrison Bight—and should vote accordingly.*

† Post-publish edit on 3/31/2025 to reflect Sept. 17, 2024 Final Annual Budget approval

INFO REQUESTS SENT TO ALL COMPARISON MARINAS:

From: Joseph Miccio <fdnyjoe@aol.com>
Sent: Thursday, March 13, 2025
Subject: (Marina Name) Slip Rental

Dear (Marina Name) Dockmaster,

We are looking in the Key West area to rent a year-round live-aboard slip for a 50' x 15' floating home that does not have a propulsion system, or we are considering purchasing an older, box-shape houseboat powered by an outboard engine mounted with an external bracket instead.

Does your marina rent year-round to live-aboard tenants on these types of boats, and what are the monthly rates and lease rules/terms/particulars? Also, does your marina have a pool? If so, are slip renters allowed to use it? Please email this information. Thank you in advance for your assistance.

Sincerely,

Joe Miccio

COMPARISON MARINA REPLIES*:

From The Galleon Marina:

From: [redacted] <[redacted]@galleonresort.com>
Subject: Re: Galleon Slip Rental
Date: March 13, 2025 at 10:39:27 AM EDT
To: Joseph Miccio <fdnyjoe@aol.com>

Good Morning,

We do not offer year-round rentals or slips for these types of vessels.

Thank you,
[redacted]
Galleon Marina, [redacted]
619 Front Street
Key West, Florida 33040
(305) 292-1292
www.GalleonMarinaKeyWest.com

From Safe Harbour Marina:

From: Safe Harbour Marina <safeharbourmarina@gmail.com>
Subject: Re: Safe Harbor Marina Slip Rental
Date: March 13, 2025 at 12:32:51 PM EDT
To: Joseph Miccio <fdnyjoe@aol.com>

Good afternoon,

Due to our Marina insurance, we do not allow any floating home, houseboats to be in our marina.

Safe Harbour Marina LLC Management
6810 Front Street
Key West, FL 33040
Office 305-294-9797
Email safeharbourmarina@gmail.com

From Sunset Marina:

From: [redacted] <office@pelagicpropertymanagement.com>
Subject: Sunset Marina Slip Rental
Date: March 13, 2025 at 11:23:21 AM EDT
To: Joseph Miccio <fdnyjoe@aol.com>

Unfortunately, neither floating home you describe meets the requirements of the Marina. We do not allow actual houseboats. The boats must have a steering system and motor power.

[redacted]
Sunset Marina
305-780-7176

From Stock Island Yacht Club:

From: [redacted] <[redacted]@stockislandmarinafl.com>
Subject: Re: Stock Island Yacht Club Slip Rental
Date: March 21, 2025 at 11:26:18 AM EDT
[redacted]

Hi Joe,

I apologize for the long response time. Unfortunately, I don't think we will be able to accommodate you at this facility. It may be beautiful but just not the style of vessel that fits in our environment. I would suggest giving Safe Harbor Marina on Front street a try. Thank you for checking with us and good luck.

Thanks,

[redacted]
(305) 292-3121
[redacted]@stockislandmarinafl.com
6000 Peninsular Avenue I Key West, FL

From The Perry Marina:

From: [redacted] <[redacted]@perrymarina.com>
Subject: RE: Perry Marina Slip Rental
Date: March 25, 2025 at 3:47:03 PM EDT
To: Joe Miccio <fdnyjoe@aol.com>

Joe,

We are unable to accommodate a home of this type. Thanks for considering the Perry.

Take care,

[redacted]
Office: (239) 294-0229
7001 Shrimp Road, Key West, FL

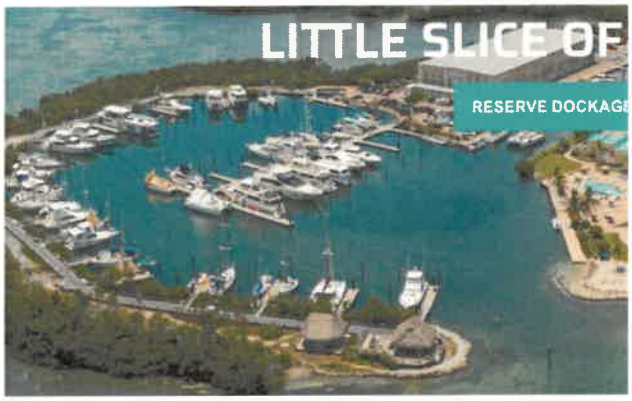
Author Note: Follow-up communication confirmed The Perry was referring to floating home/structure.

THE MARKET RATE STUDY STATES (p.22): ***"The value of the lease or market rate sought for the dockage for liveaboard was the rate per linear foot of vessel/houseboat and floating structures."***
As indicated in the above emails and as shown in the **Photo Comps** on next page, the "comparison marinas" do **NOT** cater to or accept floating homes/structures and most types of Garrison Bight houseboats.

**Name, titles, and other personal identifying information have been redacted from emails reproduced in this Supplement to maintain the privacy of marina employees providing information. Formatting of info has been adjusted and condensed to fit space. Original emails with all info are available upon request from recognized media organizations upon the condition of maintaining senders' privacy.*

*NOTE: highlight colors added after initial publish date.

Comparison Marina Photos



Top: City Marina at Garrison Bight
Second Row: The Perry Marina & Stock Island Yacht Club
Third Row: The Galleon Marina & Resort
Bottom Row: Sunset Marina & Safe Harbour Marina

Erroneous Marina Comparisons:

- **Dissimilar Use, Floating Homes Prohibited:** The Market Rate Study states: *"Substitution principles apply to the lease rates of the comparable sites with **equal utility** to that of the subject property,"* (p.24) and *"Unit of comparison sought were **most similar in use**"* (p.14), and ***"The value of the lease or market rate sought for the dockage for liveaboard was the rate per linear foot of vessel/houseboat and floating structures."*** *(p.22)*

  Yet, conversely, floating homes and most types of houseboats in Garrison Bight are **not allowed** in the comparison marinas used[12] and The Galleon **prohibits** year-round rentals. (Sport and recreation vessels in comparison marinas are also not allowed in Garrison Bight live-aboard slips, unless they have full live-aboard capacity.) Besides in marina policies, cursory visuals of these marinas easily confirm these disparities. There is no "equal utility" or "similar(ity) in use" between the subject and comparison marinas. *A simple inquiry to marina management would have documented this critical missed disparity.* Also, a conspicuous **absence** of subject and comparison marina photos compound the inability for readers to visualize or understand the appraiser's opinions of comparison values. *See Marina Comp Photos on previous page.*

- **Missed Swimming Pools & Beaches:** The Market Rate Study erroneously reported in three separate comparison charts regarding amenities on three different pages (p.23, 26, 29) that there were no swimming pools in two of the five comparison marinas—and it also missed *both* of their private beaches. The appraiser states in the study (p.4): *"I certify that, to the best our my (sic) knowledge and belief: The statements of fact contained in this report are true and correct."* Besides the obvious bluntness of missing such prominent and significant amenities, a bigger concern these oversights raise is how many other important matters in this Market Rate Study were missed or are non-factual? Numerous other errors and omissions, including financial, in the Market Rate Study have been documented in this Supplement. As a result, credibility of the Market Rate Study is in serious doubt.

Comparison Marina Location Value Errors

The Galleon vs. Garrison Bight: The 109-unit live-aboard City Marina at Garrison Bight is located across the street from the 117-unit Key West Housing Authority Public Housing Project, which is closer to the marina than all other residences in Key West. It is also on one of the busiest, loudest, and most dangerous intersections in Key West, with the firehouse across the street's response sirens sounding at all hours day and night. According to the City of Key West, both are considered affordable and *below market rate* housing communities[13]. The Galleon Marina & Resort in Downtown Historic Old Harbor is located on one of the most valuable pieces of property in Key West and its marina is the closest to direct Atlantic Ocean *and* Gulf access than all other Key West marinas. Its 40' slips, starting at $110 per foot, command twice the price of any comparison marina used in the Market Rate Study.

The Market Rate Study states that the location of the City Marina at Garrison Bight property is *"similar to the in-town location"* of The Galleon Marina in Old Town Historic Harbor[14]. Elsewhere it describes The Galleon as *"similar or slightly superior."* These conclusions, on face value, are off by a wide margin by any objective standard.[15] The market rate study provides no methodology or logic for drawing these surprising conclusions… which offers no basis whatsoever to be believable. The Galleon Marina & Resort is not a valid similar comparison marina, and it does **not allow year-round leases** or floating homes and most types of houseboats that are in Garrison Bight (see attached objection email from its Dockmaster on page 3). *Also of note, the appraiser's Liveaboard Comparable Data Chart is missing numerous important comp data and has a significant number of errors and omissions, compounding data comprehension issues. See corrected Marina Comparison Chart on page 9 and corresponding Marina Photos on page 5.*

Thousands of Dollars in Slip Rate Errors & Omissions

Unlike all the comparison marinas, the Live-Aboard lease in City Marina at Garrison Bight states that the tenant "*shall pay to the LESSOR a transfer fee the sum of* ***$5,000.00 or 4% of the purchase price***" of the tenant's vessel/floating home, "*whichever is greater, in order to reserve the slip for the continued use of the vessel/floating home.*"[16] ($150k boat = $6k extra, $200k boat = $8k, $250k boat = $10k, etc.) The lease also states: *"LESSEE'S initial lease period shall be for a one-year term."* [17] Converts to month-to-month after initial 12 months—no exceptions/no refunds—subject to 15-day notice termination per Florida Landlord Tenant Statutes Chapter 83.[18] **This nonrefundable $5,000 or 4% *minimum* (up to approx. $16,000) live-aboard cost was *omitted* from the Market Rate Study.**

Plus, if the tenant adds another person to the lease *after* signing—such as a spouse, parent, child, or sibling—**another $5,000 fee** is charged by the City. (See below email per the Port Director.)[19] No one is permitted onboard unless the tenant listed on the lease is also onboard[20]. The lease may terminate after twelve months without return of the $5,000 to $16,000 fee (and the additional $5,000 fees paid to add family or others). These financial obligations require the tenant to pay the per-foot rate *plus* the transfer fee *plus* any additional person fees for adding family or roommates. This increases Garrison Bight's twelve-month lease cost by 61 to over 100 percent *greater than the slip rates quoted* in the Market Rate Study[21] (not including the $5,000 costs charged for adding others).

From: [redacted] <[redacted]@cityofkeywest-fl.gov>
Subject: Liveaboard dockage agreement
Date: December 21, 2023 at 9:38:33 AM EST
To: Joseph Miccio <fdnyjoe@aol.com>

Good morning Joe,
I have talked to the Port Director and he said, that a $5,000 transfer fee has to be paid if you remove / add a person to the Live-aboard dockage agreement.
Kind regards,

[redacted]
City of Key West / Port & Marine Services
201 William Street
Key West, FL 33040
Phone 305-809-3802

Besides another $5,000 if adding others, this non-refundable initial lease fee adds—***at a minimum***—an extra $10.42 per foot for a 40' $125,000 houseboat on top of the $17.18 per foot rate (total 28.81/ft with tax) over the 12-month lease term. (There is no slip guarantee after 12 months.) Or $16.67 extra for a $200k houseboat (total $35.06/ft with tax). Or $20.83 extra for a $250k houseboat (total $39.22/ft with tax). Plus, the $3/ft average cost for water/sewer, solid waste removal, and outside mail service that Garrison Bight tenants must pay for (comparison marinas include for free), bringing the tenant total costs to $31.81/ft, $38.06/ft, and $42.22/ft respectively—or up to/over $50/ft for higher houseboat purchase prices.[22] Further, for tenants who later add another user to their lease, they must pay the $5,000 extra fee, which adds an additional $10.42/ft over a 12-month lease term.

None of the comparison marina leases have fee clauses of this financial magnitude. **Shockingly, the Market Rate Study makes zero reference to these nonrefundable $5,000 to $16,000 fees nor the $5,000 add-a-person fee in the Garrison Bight lease—or that the comparison marinas DO NOT charge these fees.** These huge omissions skew the market rate cost comparisons significantly and bring into serious question the validity of the Market Rate Study. *See corrected rate comparison chart, p.9.*

When including *all* the actual lease costs that Garrison Bight tenants must pay over the 12-month lease term (which the Market Rate Study appraiser failed to consider), with an increasing varied cost scale based on houseboat purchase price, their actual adjusted rents come close to the market range of the comparison marinas in most instances when factoring in the 15% adjustment *"for the resort-amenities"* (p. 25) the appraiser used, and excluding The Galleon Marina *outlier* comparison the appraiser incorrectly used, which does not accept year-round rentals (or houseboats/floating homes).

Free Extras & Amenities in Comparison Marinas

Unlike Garrison Bight, the comparison marinas offer a FREE water/sewer, solid waste removal, and a mail/package reception address, plus no extra beam fees ($26.84/ft) for boats over 15 feet wide that fit in a normal slip.[23] Every marina charges for electricity, but the appraiser *erroneously reported that electricity was "included"* in several of the comparison marinas (p.23 chart). Depending on water usage, mail service contracted, and beam, these extra costs for Garrison Bight tenants add up[24]. Garrison Bight does not have free amenities such as swimming pools, private beaches, saunas, gyms, shuttle service, private clubhouses, outdoor event areas—or on-site restaurants, bars, an adjacent golf course, or other services—depending on the comparison marina. The appraiser factored a 15% market rate adjustment (p.25) to compensate for the lack of these amenities at Garrison Bight but provided no formulas or documentation for its basis. *The appraiser also did not factor in or mention the value of short-term subletting and AirBnB rental income, which some of the comparison marinas allow, or chartering—but not Garrison Bight. These are neglected significant cost offsets to the market rate values that should have been identified and factored in by the appraiser.*

$18 Per Foot Added by Mistake

The Market Rate Study ***"Conclusion"*** states that for Commercial Dockage on Angelfish Pier (p.18), *"The City currently is charging rates of $25.25, plus $18 per month for solid waste, plus applicable taxes, totaling $46.49 per foot per month."* The appraiser mistakenly added the $18 to the per foot rate instead, plus tax, erroneously increasing the lease rate by $19.35 per foot, with tax, bringing it to a mistaken total of *"$46.49 per foot"*—and repeating the mistake in another paragraph. The correct rate total should have been $27.14 per foot, plus a handful of pennies[25] per foot for solid waste, not *"$46.49 per foot per month."* The Market Rate Study ***"Conclusion"*** here is off by 71 percent and does not fall anywhere *"within the fair market range"* claimed in the study of *"$45 to $50 per foot per month."*

Monthly Sales Tax Errors

The Garrison Bight live-aboard lease includes a $1 per foot per month Capital Improvement Fee (adding $40 to $60+ per month to rents), which is not subject to the 7.5 percent monthly sales tax in the leases. Unlike slip rent, waste removal fees, or other expenses, capital improvements are *not* subject to sales taxes in Florida, nor does the marina charge tenants taxes on this fee.[26] However, the appraiser mistakenly calculated and included sales taxes on the capital improvement fees[25] (p.24-25).

The appraiser for the Market Rate Study has the following professional credentials: Florida State Licensed/Certified Real Estate Appraiser, Certified Commercial Real Estate Appraiser, Florida State Real Estate Broker License, General Building Contractor for Residential & Commercial Properties for over 35 years, and a Finance MBA college education—all noted in the Market Rate Study. *A lifelong professional with these industry-specific credentials would no-doubt know that capital improvements in Florida are not charged sales tax.* While this rudimentary error is only $3 to $5 per month, when added to the more serious documented types of mistakes in this Market Rate Study, this causes further concern regarding its overall accuracy.

CORRECTED MARINA COMPARISONS	Garrison Bight Subject Property	Safe Harbour Marina	Sunset Marina	The Perry Marina	Stock Island Yacht Club	The Galleon Marina & Resort
Location Location desires in the Keys are subjective by individual preference: Downtown vs Remote, Quiet vs Busy, Ocean vs Gulf, etc. **(Quiet Stock Island locations are preferred over GB noisy traffic** location by most people sampled.)	Mid-Island, Gulf Side, High Traffic/ Very Noisy/Most Dangerous Intersection/2 Gas Stations Adjacent/ Close to Firehouse Constant Sirens.	Stock Island, Ocean Side, Quiet area	Stock Island, Gulf Side, Quiet area	Stock Island, Ocean Side, Quiet area	Stock Island, Gulf Side with Easy Ocean Access, Quiet area	Downtown Historic Old Harbor, by Duval Best Access for Ocean/Gulf, Busy Popular Pedestrian area
Liveaboards, Houseboats*, FHs allowed?	**Yes**	**NO Floating Homes/ Houseboats**	**NO Floating Homes/ Houseboats**	**NO Floating Homes, Very Selective re Houseboats**	**NO Floating Homes/ Houseboats**	***Year-Round Rentals NOT Allowed, No FHs or HBs***
Security	Security	Cameras	Cameras	Security	Security	Security
Parking	2 Passes, Open, First Come	1 Pass, Open, & Street	1 Pass, Open, & Street	1 Spot & Street	1 Pass, Open	Metered Street, Fee Lot
Shuttle	No	No	No	Yes, Free	No	Yes, Concierge
Mail/Packages	No	Yes	Yes	Yes	Yes	Yes
Pool, Gym, Amenities	No	Pool (free), Playground	Pool (free), Gym (fee) Golf Course adjacent	2 Pools, Gym (both free)	Pool, Sauna, Private Beach, Gym (all free)	Pool, Sauna, Private Beach, Gym (all free)
Clubhouse/ Lounge/Bar	No	Several Shaded Lounge Areas, Outdoor Grill, Bar, Restaurant	No	Rooftop Club, 3 Bars/ Restaurants, Pool Bars	Pool Bar, Tiki Huts, Outdoor Kitchen, Outdoor Event Space	Lounge, Bar, Restaurant
Bathroom & Laundry	Bathhouse Coin Laundry	Bathhouse Coin Laundry	Bathhouse Coin Laundry	Bathhouse Coin Laundry	Bathhouse Coin Laundry	Bathhouse Coin Laundry
Pump-out	Free	Free	$5 per use	Free	Free	$10 per use
Solid Waste	$34.41/month	Free	Free	Free	Free	Free
Water/Sewage	Meter Billed	Free	Free +pump-out fee	Free	Free	Free
Electric	Meter Billed	Meter Billed	$78 re 30' allowance $135 re 40' allowance	$170 for 50 amp $350 for 100 amp	$170	Meter Billed
Beam Fee*	$26.84/ft over 15'	No, if fits slip	No, if fits slip	No, if fits slip	No, if fits slip	No, if fits slip
Application/ Lease Fees Non-Refundable	$5,000 to $16,000 based on boat purchase price.* *+$5k to add others*	$75 appl. fee	$75 appl. fee	No	No	No
Base rent/ft 40-60' Without Tax	$17.18/ft + **$10.42/ft to $33/ft with Lease Fee*. *+$5,000 to add others to lease $10.42***	$34/ft + $275/mo Live-aboard fee= $6.88/ft. No fee for months not onboard	$48.83/ft	$55/ft	$55/ft	$110/ft (40'+) $120/ft (60'+)
Income Producing	No	No	No	Yes, AirBnB	Yes, AirBnB	No
Adjustments/ Income? (Amenity adjustment per marina appraiser) *	**+ water/sewage, solid waste, mail est. @ $3/ft *(+$10.42/ft to add another person to lease)****	- 15% resort amenity adjustment @$6.13/ft +$6.88/ft live-aboard fee. *No fee for months not on board.*	-15% resort amenity adjustment $7.32/ft	- 15% resort amenity adjustment $8.25/ft + Rental Income @ $300/nite x 60=$18k/yr	- 15% resort amenity adjustment $8.25/ft + Rental Income @ $300/nite x 60=$18k/yr	N/A Non-Comparative Outlier
TOTAL PER MONTH 40' Before Tax	Min. $30.60/ft + electric, applicable 7.5% sales tax *+$10.42/ft to add person**	$34.75 + electric, tax *Minus $6.88/ft for months not on board*	$41.51 + electric, tax	$46.75 + electric, tax *-$1,500/mo.**	$46.75 + electric, tax *-$1,500/mo.**	No Year-Round Leases
Lease Term	Month-to-Month After 12 Months	12-Month Renewable	12-Month Renewable	12-Month Renewable	12-Month Renewable	***No Annual Leases***

***GARRISON BIGHT LEASE FEE:** Nonrefundable $5,000.00 or 4% of boat purchase price for initial 12-month lease term ($150k boat = $6k extra, $200k boat = $8k, $250k boat = $10k, up to $16k approx.) averages between $10 & $33/foot on top of base rate, plus $5,000 extra to add others *after* lease signing. (See page 7.) This fee is not taxed. First, last months' rent + Security advance required. *Lease converts to month-to-month after initial 12-months, NO exceptions, subject to termination on 15-day notice per Florida Statutes.*

***BEAM FEE:** No beam fees in comparison marinas for boats over 15 feet wide that fit in one normal size slip. ***HOUSEBOATS:** most types of houseboats in Garrison Bight are not allowed in the comparison marinas. (See email objections from marinas, p.3-4.)

***$5k ADDITIONAL PERSON:** GB charges $5k to later add another person to lease. No guests allowed on board without lessee on board.

***RENTAL INCOME:** Based on 5-8 nights per month or 2-3 months per year (60-90 days) @$300/night = $1,500 to $2,400/month. SIYC charges $750/month extra during months rented. Rental houseboats should carry extra liability insurance.*

*Amenity **Adjustment** note in Column 1 and highlight colors elsewhere were added after initial publish date.

Submerged Land Lease Errors

Besides its City Marina at Garrison Bight for Live-aboards, the City also leases submerged land in the harbor to Spencer's Boatyard, Harborside Hotel, Garrison Bight Marina at Tai Island, Paradise Harbor Condominiums, Old Town Trolley, Pelican Landing, KW Community Sailing Center, etc. The Market Rate Study compares prices of these ten City-owned submerged land leases to ten submerged land lease prices in other places (The Reach Hotel, Spottswood, Hyatt, The Galleon, Fury, Truman Annex/North Basin, etc.). The ten Garrison Bight leases, it noted, ranged in cost from *"$0.75 to $0.85 per square foot,"* and *excluded* the Sailing Center which pays $1 per year (total, not per foot—essentially free) as an outlier. The ten comparable leases, it noted, ranged in price from *"$0.14 to $1.72 per square foot,"* but it *included* the $1.72 outlier (Spottswood). With both outliers removed ($0/ft & $1.72/ft) to prevent skewing the market rate averages, Garrison Bight's average is $0.84/sf and the comparable marinas' average is $0.27/sf—a difference of over **triple** (311%).[27] With outliers included, it is $0.76/sf vs. $0.42/sf—a difference that approaches **double** (181%).[28]

The Market Rate Study's **"Conclusion"**? Garrison Bight rates are *"competitive in the market"* and are *"considered in line with current pricing and demand,"* (p.36).[29] The market rate study does not use a chart to compare *all twenty* rate differences. It provides no methodology or logic to support its extraordinary and inaccurate conclusions, or to render it believable.[30] Weighty material errors in this submerged land lease section are very concerning and bring into serious question the validity and credibility of other important areas in the study.

Grandfathering Existing Live-aboard Tenants

Section 18 of the Florida Administrative Code, which is cited in the deeds granting the entire Garrison Bight 92-acre harbor ownership (for ten dollars) to the City of Key West, contains grandfathering and exception provisions (F.A.C. 18-21.001) used when appropriate by the State under its submerged land lease laws. The State granted the City's petitions in 2006 and 2013 to allow an exception for all Garrison Bight's submerged lease private commercial and private entity tenants along Eisenhower Drive and Palm Avenue to continue "existing" occupation that was in direct violation of its public use deed *"restrictions"* and ownership *"reversion"* clauses (memorialized in Florida to KW Deeds 19529-A, B, C and 2013-14 memorandums. **See Florida DEP Certification document on pages 13-15**), rather than inflicting severe financial hardship and harm on those businesses and private entities by evicting them. Similarly, the City has within its discretion to "Grandfather" existing Garrison Bight live-aboard tenants leasing slips on the *same* deeded submerged lands of the marina rather than inflicting severe financial harm and personal hardships permanently upon them and their families or forcing evictions due to inability to pay the proposed near-doubling rent increases. Many are retired senior citizens on fixed incomes and other families who are earning below federal affordable housing income standards.[31]

A reasonable and compassionate "Grandfather" accommodation[32] by the City for existing live-aboards is the solution. *The live-aboard lessees are requesting continued **existing** legal occupation under current lease terms and conditions, with its existing annual CPI rate increases.* This accommodation will still allow the marina to achieve its live-aboard revenue growth goals—if new/future live-aboard tenant rates are changed to the new amounts. City Marina at Garrison Bight management projects live-aboard turnover rate to be approximately 8 to 18 percent annually based on its live-aboard lease transfer fee income noted in its Annual Budget[33]. ***Based on the historical live-aboard turnover rates tracked by the City, this will result in tens of thousands of dollars in annual revenue increases within the first year and will grow into hundreds of thousands of extra dollars annually after just a few years, ultimately generating millions for City Marina at Garrison Bight in perpetuity.*** This is on top of the millions that will be generated by rent increases from other categories of renters sought by the Port Director's office.

Professional Standards for Appraisal Credibility & Believability
The live-aboard section in City Marina at Garrison Bight is exclusively a residential community, for which the appraiser, All Keys Appraisal Company, Inc., has been contracted to determine value. According to The Appraisal Foundation, which is authorized by U.S. Congress as the source of appraisal standards, *"A credible appraisal is one that is worthy of belief. A credible appraisal provides support, by relevant evidence and logic, for the opinion of value."* It also states, *"all appraisal reports must contain sufficient information to enable the intended users to understand the report properly"* and *"A credible appraisal must effectively communicate the data and analysis required to support the opinion of value."*[34]

According to professional appraisal standards, the "relevant evidence", "logic", and "sufficient information" have not been provided to support the "opinions of value", or to "effectively communicate the data and analysis required", or for its "users to understand the report". In accordance with these professional appraisal industry standards—in addition to all the documented material errors and omissions identified in this Supplement—this appraisal report is not "credible" or "believable".

Analysis
The larger concern identified here is not just that the Market Rate Study's appraiser made so many significant mistakes that were easy to notice, or that professional appraisal standards were not followed. A preliminary copy of the Market Rate Study was reviewed for accuracy by marina management and approved with hand-written initials[35] then returned to the appraiser to make corrections before releasing the final study. Yet so many obvious and blatant errors were not caught and corrected, only *some* of which are identified and addressed in this Supplement. This leaves serious concerns for errors and omissions yet to be identified in the Market Rate Study[36] and in the Port & Marine Services' rent increase proposals and other in-progress marina projects or reports.

The original marina Study by this author, **True Housing Costs in City Marina at Garrison Bight**, and its three Supplements, **Material Financial Omissions; Plan Will Bankrupt Marina;** and **Market Rate Study Discredited,** have identified for the City Commission numerous material errors and omissions in its Port & Marine Service office's planning, memorandums, proposals, its market rate study/analysis report, and pending resolutions. Additional **Supplements** are in progress documenting Key West's significant historical and cultural losses not considered in the marina's proposals or market rate study that are gradually and permanently occurring due to poorly considered marina proposals and policies, as well as documenting misleading gross inaccuracies regarding floating home and houseboat capital gains promulgated in marina management's memorandums and proposals.[37] These mistakes will cost the City significant additional revenues, accelerate its affordable housing crisis[38], and result in incalculable historical-cultural losses[39] for Key West and its residents.

Conclusion
For the marina's live-aboard residents, it has raised serious suspicions as to why the City's Port & Marine Services office, in its original proposed Resolutions, twice attempted to get the City Commission to approve doubling rent rates in City Marina at Garrison Bight—only for live-aboard residents—*before* conducting and providing for the Commission a market rate study to document and justify its objectives (which turned out to have too many significant errors to be useful, as documented above). Every step of the way over the last year and half has resulted—unnecessarily—in numerous reversals, retractions, errors, and confusion for the City Commission, its officials, and its live-aboard residents. The lack of transparency has further compounded the problems. Now, the erroneous results and breaches of required professional standards in this Market Rate Study have added to the confusion and disfunction.

For City officials, amongst their many other critical government responsibilities, they are relying on receiving accurate information in this Market Rate Study and in the marina proposals it was contracted (for $25,000) to support—to help guide their major financial decisions and official votes that will permanently impact the City's affordable housing crisis, its businesses that need affordable homes for its workers to live, and all the families, workers, and senior citizens living in City Marina at Garrison Bight plus other paying users of the marina. However, as documented in this Supplement, the Market Rate Study is seriously flawed and cannot be relied on for accuracy. Unfortunately, much of the other information provided by the Port & Marine Services office has also been flawed with material errors and substantial omissions, as documented in the original marina Study and its three Supplements.

Grandfathering the City's existing live-aboard tenants in Garrison Bight is a legal remedy that will not inhibit the marina's ability to sustain itself nor will it inflict undue hardship or harm upon its residents. But it is also important for the City Commission to consider the negative impact any rent-doubling proposals will have on potential newcomers and its future workforce, who, unlike land-based renters, not only must pay slip rents but they must also pay all floating home purchase, ownership, and maintenance costs, which can easily reach triple or more than what is paid in rent. Doubling these Key West "affordable housing" rents will only make Key West's ongoing housing crisis worse.

With due consideration to these identified issues, not only do our esteemed Mayor and City Commissioners have full authority to approve Grandfathering its existing live-aboard tenants and to vote this unsupported proposal down—while still sustaining the self-funding marina—they have clear justifications to do so.

Sincerely and respectfully,

Joseph A. Miccio
Tarpon Pier, City Marina at Garrison Bight
Live-Aboard Vessel FIREFIGHTER MIKE CARLO
FDNYjoe@aol.com

Author's Professional Background: *Mr. Miccio served two terms on an advisory committee to the U.S. Secretary of Labor. He was the Research Director and Labor-Management Chair for the FDNY's labor union[40] IAFF Local 94 for many years, representing its 50,000 active/retired New York City firefighters and their families—including for its Marine Bureau—and is a decorated rescuer at the World Trade Center on 9-11-01. He also served as a behavioral science instructor in the NYPD Police Academy. Immediately after the 9-11 attacks he co-founded the September 11th Families Association[41] and the Coalition of 9-11 Families[42] to fight successfully for a dignified recovery of victims' remains and to give victims' families a voice. Mr. Miccio was made an Honorary Conch by Wilhelmina Harvey in 2001. He's a USCG licensed 100-ton captain, and former commercial fisherman in Montauk and Oceanic Society research vessel captain. He is also an author, member of the Key West writers' community, and multiple award-winning designer of educational products.*

GARRISON BIGHT DEED INFO, ENDNOTES FOLLOW

Department of
Environmental Protection

Jeb Bush
Governor

Marjory Stoneman Douglas Building
3900 Commonwealth Boulevard
Tallahassee, Florida 32399-3000

Colleen M. Castille
Secretary

STATE OF FLORIDA

COUNTY OF LEON

CERTIFICATE

I, Cynthia Muir, do hereby certify that the Governor and Cabinet, sitting as the Board of Trustees of the Internal Improvement Trust Fund of the State of Florida, met on October 3, 2006, and approved the following Item 1 on the agenda for that date.

Item 1 **City of Key West Deed Restriction Modification**

REQUEST: Consideration of a request for a partial modification of a deed restriction on approximately 3 acres of submerged lands contained in Board of Trustees Deed Number 19259-A to the City of Key West.

COUNTY: Monroe

APPLICANT: City of Key West (City)

LOCATION: Section 33, Township 67 South, Range 25 East

STAFF REMARKS:

Site History

On April 11, 1947, the Board of Trustees conveyed approximately 92 acres of sovereignty submerged land, known as Garrison Bight (Bight), to the City. The Board of Trustees approved the sale, subject to a reversionary clause whereby the land would revert should it ever be used for other than public purposes; however, the public purpose clause was not included when Deed Number 19259 (original deed) was issued to the City.

A series of correspondence from July 1959 shows that the City became aware of the omission and notified the Director of the Trustees of the Internal Improvement Trust Fund that the City had previously leased portions of the Bight, and intended to lease another portion of the Bight to a private entity for a public marina. Attorney General R.W. Ervin opined that the City was bound to use the property for public purposes and suggested that the City Commission should retain the authority to revoke or terminate the lease in the event that any development should occur that was not in the public's interest.

Who is responsible for these seawalls?

Certificate for Item 1
October 3, 2006 Trustees' Agenda
Page Two

At the October 8, 1963 Board of Trustees' meeting discussion of the proposed lease, the City inquired as to whether the public purpose restrictions on the Bight would hinder the State Road Department's construction of a causeway and bridge. Attorney General Ervin suggested amending the original deed to (1) include the public purpose clause, (2) add specific reference to the road construction and marina, and (3) require that the Board of Trustees review and approve the lease terms and design for the marina. DEP staff recommended that the Attorney General, rather than the Board of Trustees, approve the lease provisions which would ensure the public purpose requirement was met. This recommendation was approved by the Board of Trustees, and Attorney General Ervin subsequently granted approval of the lease on October 22, 1963.

On July 1, 1965, the Board of Trustees issued Corrective Deed Number 19259-A (corrective deed), which superseded the original deed and added the reversionary language on the 92 acres originally conveyed. Soon after, the City requested a release of the public purpose clause from a 0.446-acre portion of the 92 acres that was partially filled during construction of the causeway, but outside of the right-of-way. The request was approved by the Board of Trustees on August 10, 1965, and Deed Number 19259-B was issued upon the City's consideration payment of $500.

On July 18, 1967, the City requested a release of the public purpose clause on an additional 2.41 acres that are adjacent to the 0.446-acre parcel, for the purpose of leasing the parcel to a tenant to fill and construct a dry storage for pleasure boats. The City submitted $2,892 for consideration of the release. At the October 12, 1967 Board of Trustees meeting, the Board of Trustees denied the City's request and the consideration was returned.

Current Status

Since the late 1960s, several private docks have been constructed along the western shoreline of the Bight between the Palm Avenue Causeway and Roosevelt Boulevard without consideration of the public purpose clause in the corrective deed. Of the five existing docks within the three-acre parcel, two are private multi-slip docks that exceed the 40:1 ratio, one of which was erroneously issued a Department of Environmental Protection permit in 2005 for the installation of two new finger piers for two slips. Mr. Ed Swift, the owner of the parcel located at 719 Eisenhower Drive, applied to expand his existing dock, which was constructed sometime between 1991 and 1994 prior to his ownership, but the permitting process was halted when the deed restriction was discovered.

While the City is committed to maintaining public access to the water within the Bight, it is also interested in allowing existing structures to remain to provide additional docking facilities in the area. The continuing demand for docking facilities in and around the City remains a significant issue, which was clearly demonstrated when the City and DEP relocated the liveaboards in Houseboat Row to the Bight.

Florida DEP relocates liveaboards to Garrison Bight

*NOTE: highlight color tags added after publish date

Certificate for Item 1
October 3, 2006 Trustees' Agenda
Page Three

Until such time as the issue is addressed, no permits can be issued to reconfigure docks or repair dock facilities that may be damaged as a result of storms. Staff is recommending that the Board of Trustees grant the partial modification of the deed restriction on approximately 3 acres along the shoreline between the Palm Avenue Causeway and Roosevelt Boulevard. All existing structures within the 3-acre area will be allowed to remain, with any future expansion of a structure being subject to chapter 18-21, Florida Administrative Code. In addition, the City shall utilize all revenue generated through the leasing of the submerged land to fund the operation of water-related activities for the general public. This would allow the historic use to continue at those facilities that were constructed many years ago thereby maintaining the docking space currently available in the area, allowing modifications to the configuration of existing docks within the subject area and performance of necessary repairs in the case of storm damage, and finally, generating revenue that will fund activities for the general public.

A consideration of the status of the local government comprehensive plan was not made for this item. The Department of Environmental Protection has determined that the proposed action is not subject to the local government planning process.

RECOMMEND APPROVAL

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Seal of the Board of Trustees of the Internal Improvement Trust Fund on this 3rd day of October A.D., 2006.

Cynthia Muir, Director
Office of Cabinet Affairs

City Exhibit 1

Garrison Bight State Deed Violations

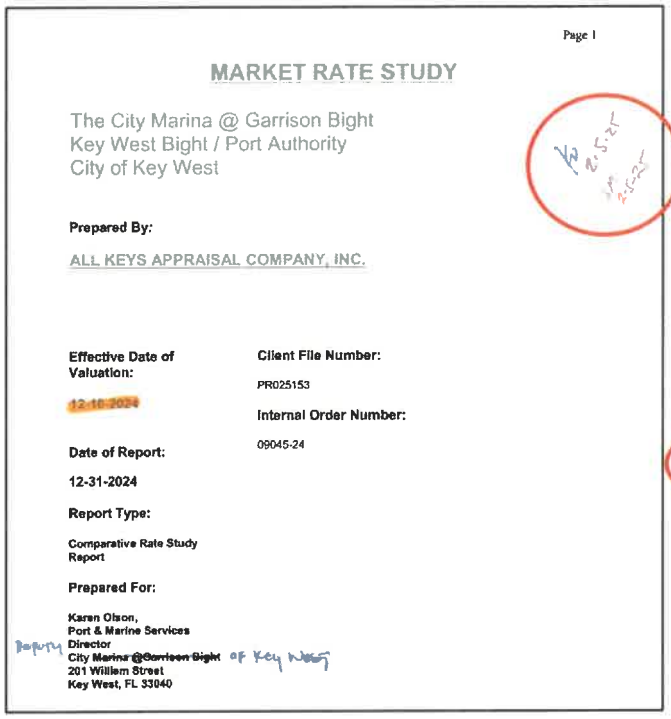
The State granted the City's petitions in 2006 and 2013 to allow all Garrison Bight's submerged leases to commercial and private tenants along Eisenhower Drive and Palm Avenue to continue *"existing"* occupation that was in major violation of its deed *restrictions* and ownership *"reversion"* clauses re *"public purposes"* (memorialized in Florida to KW Deeds 19529-A, B, C and 2013-14 memorandums.), rather than inflicting severe financial hardship and harm on those private businesses and private entities. This is the same deeded parcel that the Houseboats and Floating Homes of Garrison Bight reside on with State permission. *The live-aboard lessees there are requesting continued **existing** legal occupation under current lease terms and conditions, with its existing annual CPI rate increases.*

Full copies of Deeds and Official Memorandums are available upon request.

*NOTE: highlight colors added after initial publish date.

ENDNOTES

[1] **Incorrect Study Date, Two-Month Difference:** An unfinished "first draft" (below left) was given to the Port Director's office preliminarily for comments, recommended corrections and adjustments, and was hand-dated with the Port Director's initials February 5, 2025. The final Market Rate Study, with multiple changes, was completed and provided to the City by the appraiser late February/early March 2025 (below right). However, the completion and release date noted on the final study is December 31, 2024, which is inaccurate by two months, and predates its multiple changes and deletions. **Dating a study earlier than its actual completion and release date is a form of falsification and creates a false impression about the research's history and development.** *(This timeline was confirmed by this Supplement's author with firsthand timely observations of the City's unfinished "first draft" copy—all pages—which were hand-marked-up and hand-dated/initialed in February by the City's reviewers. See cover excerpt, below left, from the unfinished February draft. The finished copy (below right) is dated **BEFORE** the Port & Marine Services' hand-initialed approval (below left). The full, unfinished, hand-marked-up draft copy is available for verification of the above timeline, upon request.)*



Page 1

MARKET RATE STUDY

The City Marina @ Garrison Bight
Key West Bight / Port Authority
City of Key West

Prepared By:

ALL KEYS APPRAISAL COMPANY, INC.

Effective Date of Valuation:

12-16-2024

Client File Number:

PR025153

Internal Order Number:

09045-24

Date of Report:

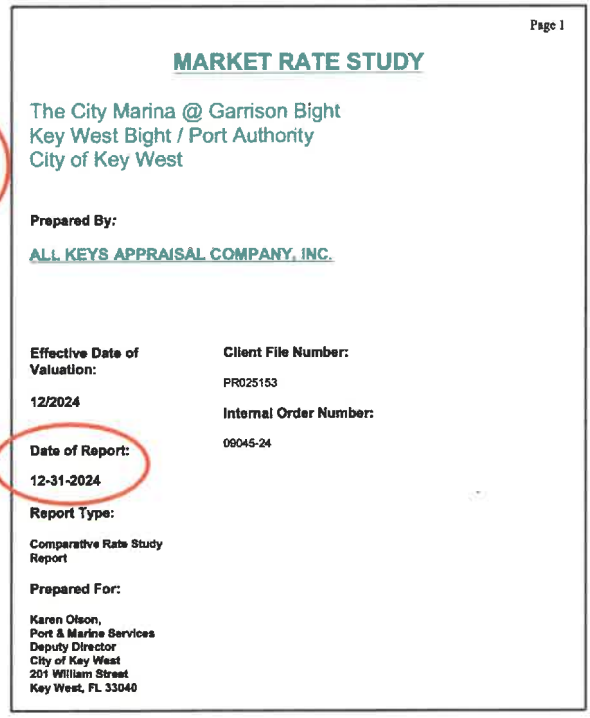
12-31-2024

Report Type:

Comparative Rate Study Report

Prepared For:

Karen Olson,
Port & Marine Services
Director
City ~~Marina @Garrison Bight~~ of Key West
201 William Street
Key West, FL 33040



Page 1

MARKET RATE STUDY

The City Marina @ Garrison Bight
Key West Bight / Port Authority
City of Key West

Prepared By:

ALL KEYS APPRAISAL COMPANY, INC.

Effective Date of Valuation:

12/2024

Client File Number:

PR025153

Internal Order Number:

09045-24

Date of Report:

12-31-2024

Report Type:

Comparative Rate Study Report

Prepared For:

Karen Olson,
Port & Marine Services
Deputy Director
City of Key West
201 William Street
Key West, FL 33040

[2] **Difference Between Houseboats & Floating Homes:** In general, **Floating Homes** are house-like dwellings that float without the ability to navigate under their own power which must comply with relevant local building codes when constructed and must have valid Certificates of Occupancy and pay property taxes. Floating homes are not considered vessels (or boats) and do not have vehicle/vessel registrations. **Houseboats**, in contrast, technically are supposed to be navigable vessels that have house-like elements (though no local building code requirements) and must have valid registrations with a proper government agency, as is required of other power vessels. Summary definitions of floating homes and vessels/houseboats are included in Garrison Bight tenant leases.

[3] **Dissimilar Use, Floating Homes Prohibited:** Go to Page 6, and also Endnote 12 of this Supplement for details.

[4] **Missed Swimming Pools/Private Beaches:** Go to page 6 of this Supplement for details.

[5] **The Galleon:** Go to page 6 of this Supplement for details, **Comparison Marina Location Value Errors**.

[6] **Simple Observations Missed by Appraiser:** The Galleon Marina and Stock Island Yacht Club both have swimming pools and private beaches, simple and obvious observations which were missed by the appraiser in the Market Rate Study. Other simple and obvious observations missed by the appraiser: These two marinas and the three other comparison marinas don't have floating homes or the types of houseboats that are in Garrison Bight. (Floating homes have no propulsion systems but houseboats do, Endnote 2.) These important details were not reported anywhere by the appraiser in the Market Rate Study. However, the Market Rate Study states: *"The research conducted included canvassing of local waterfront marinas, resorts and facilities,"* (p.22) and *"Data was collected from local Owners, Landlord & Tenants, Realtors and Property Management*

Agents by canvassing, along with additional resources including public website and local multiple listing services." (p.14). In-person canvasing of these marinas, asking basic questions to marina owners/management/landlords/tenants, and reviewing their websites' descriptions/photos should have easily prevented these significant and obvious comparison errors and omissions by the Market Rate Study's appraiser. Go to page 6 of this Supplement (Dissimilar Use, Floating Homes Prohibited) and also Endnote 12 for details about the prohibitions.

[7] **CALCULATION VERIFICATIONS:** Formulas, calculations, and mathematical error corrections to the Market Rate Study have been assisted, reviewed, verified by a professional forensic economist for accuracy.

[8] **Omitted Garrison Bight Lease Fees:** Go to page 7 of this Supplement for details of these missing costs.

[9] **Monthly Slip Rate Error:** Go to page 8 of this Supplement for details.

[10] **Sales Tax Error:** Go to page 8 of this Supplement for details.

[11] **Submerged Land Lease Errors:** Go to page 7 of this Supplement for details.

[12] **Prohibited Floating Homes/Houseboats:** Floating homes and most of the types of houseboats in Garrison Bight are NOT permitted in any of the "comparison" marinas, rendering them incomparable to Garrison Bight. *The reasons most types of houseboats in City Marina at Garrison Bight are not allowed in the comparison marinas, according to their dockmasters in conversations and written communications, is because they are older with a bracket-mounted outboard, not so easily navigable, and appear to be more house-barge than houseboat and* ***"not the style of vessel that fits in our environment."*** (See marina management emails on pages 3 & 4. Marina info was also clarified by telephone and visits to each marina, and another follow-up call in particular to The Galleon to check for clarity on its email re prohibition of year-round rentals.) When Garrison Bight is compared to the posh and well detailed mobile vessels in the "comparable marinas"—which are mostly personal sport, recreation, or commercial vessels—the difference in income status of the clientele and utilization becomes obvious. The marina information in this Supplement was obtained during personal visits to each "comparison" marina, conversations with dock-masters and marina staff, email correspondences, reviewing marina written policies, websites, and photographic evidence of the marinas and their vessels. Download the original Study from the link on page 1, *True Housing Costs in City Marina at Garrison Bight,* for these marina particulars and photos.

[13] **Garrison Bight Below Market Rate Housing:** The Port Director's 9/14/23 rent increase memorandum states: *"The City has considered the liveaboards at City Marina (at Garrison Bight) as affordable housing for locals living and working in the lower Florida Keys and Key West."* City Commissioner Sam Kaufman said of Garrison Bight, *"...it's important for us to remember, this is affordable housing,"* when unwarranted live-aboard lease changes were last proposed then modified with his help (Keys Weekley https://keysweekly.com/42/proposal-opposed/).

City of Key West Public Housing, First Street, 1200 Block, across the street from Garrison Bight: https://www.kwha.org/kwha/topic/index.php?topicid=19&structureid=14

[14] **The Galleon vs. Garrison Bight:** Besides using the word *"similar"* to compare the locations, in other places it says The Galleon is "*similar or slightly superior."* Synonyms for "slightly" are: a little, a touch, a tad, faintly. When describing or comparing these two *"locations,"* none of these words are applicable by any measurable standard nor would they be anywhere near accurate. See page 11 for appraisal industry professional standards for comparisons.

[15] **Professional Standards for Appraisal Credibility:** Go to page 11 of this Supplement for details.

[16] **Lease Fees:** City Marina at Garrison Bight Live-aboard Lease, Paragraph #18: The new tenant *"shall pay to the LESSOR a transfer fee the sum of $5,000.00 or 4% of the purchase price... whichever is greater."* Converts to month-to-month after initial 12 months—no exceptions/no refunds—subject to 15-day notice termination per Florida Landlord Tenant Statutes Chapter 83. The study's appraiser states, *"The lease is transferable to prospective buyers,"* and that this brings *"intrinsic value"* (p.21) to the lease but omits the huge up-front nonrefundable financial cost ($5,000 minimum to approx. $16,000 depending upon the boat purchase value) for that right or that the tenant can be evicted upon 15-day notice without cause, per Florida Statutes. For a comparison appraisal report by a professional appraiser, to omit this key information is a gross dereliction.

[17] **12-Month Lease Term:** City Marina at Garrison Bight Live-aboard Lease, Paragraph #1: The initial *"lease period shall be for a one-year term."* Converts to month-to-month after initial 12 months—no exceptions/no refunds—subject to 15-day notice termination per Florida Landlord Tenant Statutes 83. The Market Rate Study states *"These slips provide long term dockage for lessee's (sic) on an annual basis."* (p.21). *"Annual basis"* is misleading because the appraiser omits lease language that it converts to a "month-to-month" basis thereafter, subject to termination upon 15-day notice, no exceptions, per Florida Landlord Tenant Statutes Chapter 83.

[18] **Florida Statutes Chapter 83, Landlord and Tenant:**

http://www.leg.state.fl.us/statutes/index.cfm?App_mode=Display_Statute&URL=0000-0099/0083/0083.html

[19] **$5,000 Additional Occupant Fee:** See page 7 for Port & Marine Services email confirming $5k to add remove/tenants.

[20] **Guests Not Allowed Alone:** Garrison Bight residents are cited for lease violations if a visiting guest is discovered on board when the owner is not on board—even just one night—even for family. Unfortunately, that's how marina management

interprets and enforces its Lease language: *"If the LESSEE named on the Agreement ceases to occupy the vessel/floating home, the remaining occupants has/have no right to continue occupancy."* If you are police officer, firefighter, EMT, nurse, flight attendant, hotel employee, bar tender, etc., and must go to work for a night while your family is visiting, they must vacate your home (unless you pay $5,000 to add them to your lease).

[21] **Additional Required Fees:** Garrison Bight base rent is $16.18 per foot, plus $1/ft capital improvement fee (which is not taxed). The initial 12-month lease fee is a *minimum* of $5,000, on top of rent. When divided by 12 months it equals $416.67 extra cost per month ***minimum***. Divided by 40'= $10.42 per foot extra (for a 40' live-aboard), plus the base rent, which increases the base fee by 61% to $27.60 per foot, plus 7.5% tax on base, bringing the cost to $28.81 per foot, plus $3 for water/solid waste removal/mail & package services for which the comparison marinas don't charge, bringing the lowest possible per-foot cost to $31.81. Higher purchase price houseboats are charged more (See below Endnote). Capital Improvement Fees and Lease Fees are not taxed. (*Calculation formulas* are detailed in the next Endnote, below.) For more expensive boats, the cost increase can reach 100% or more above the base rate because the Lease Fee increases correspondingly, in general, up to about $12,000, (or even to $16,000, approximately, for a more costly houseboat than that, though this would be the exception).

[22] **Garison Bight Per Foot Formulas for 40' Houseboat:**

$1= nontaxed capital improvement fee. $3 = water/sewer, solid waste removal, and outside mail/package service approximate costs. USPS smallest PO Box $192/yr. Solid Waste $34.41/month. Metered water/sewer ranges $50 to $75/month (or more for large families). 7.5% sales tax is calculated in the formulas below.

- $125k Houseboat: $5,000 minimum/12 months = 416.67/40'= $10.42 extra
  16.18 x1.075 = 17.39 + 10.42 + 1= 28.81 + 3 = ***$31.81/ft***. *This is the lowest 12-month lease rate for a 40' houseboat.*
- $200k Houseboat@4%: $8,000/12 months = 666.67/40'= $16.67 extra
  16.18 x1.075 = 17.39 + 16.67 + 1= 35.06 + 3 = ***$38.06/ft***
- $250k Houseboat@4%: $10,000/12 months = 833.33/40'= $20.83 extra
  16.18 x1.075 = 17.39 + 20.83 + 1= 39.22 + 3 = ***$42.22/ft***
- $400k* Houseboat@4%: $16,000/12 months = 1,333.33/40'= $33.33 extra
  16.18 x1.075 = 17.39 + 33.33 + 1= 34.33 + 3 = ***$51.72/ft.*** **A houseboat of this sale price in GB is the exception.*

[23] **Extra Beam Fee:** Garrison Bight slip rates are "*subject to additional per foot width charge for beams over 15 wide,*" (currently $26.84/ft), per lease agreement. Garrison Bight Lease "Dockage Information" Item #1.

[24] **Utility & Other Fees:** Garrison Bight also charges fees that the comparison marinas include free, such as waste removal ($34.41/mo.), metered water & sewage ($50 to $75+/mo.), and a beam (width) fee of $26.84 per foot of beam over 15' (i.e., an 18' wide houseboat adds 3 feet of billable beam rent, totaling $80.52 beam fee plus $6.04 sales tax) to the monthly rent that is not charged in the comparison marinas for boats that fit in a normal slip for its length. Plus, a USPS Box costs $192/year, which are musts for live-aboards in Garrison Bight because the marina does not accept deliveries, U.S. Mail, or packages.

[25] **$18 Per Foot Mistake:** For a 40' houseboat, solid waste removal amounts to 60 cents per foot. ($18/40= .60)

[26] **Capital Improvements & Sales Tax:** Per the Florida Department of Revenue, *"Generally, transactions that involve items that are permanently installed into a structure, where they cannot be removed without destroying them, are classified as real property and are not subject to sales tax."* The Garrison Bight lease invoices sent each month to tenants adhere to this government standard and do not charge tenants sales tax on the "capital improvement fee" portion of their rent. Corrected formula: $16.18 x1.075 tax= $17.39 + $1 Cap Fee= $18.39, . https://floridarevenue.com/forms_library/current/gt800067.pdf

[27] **Submerged Land Lease Average Rate Formulas, *Outliers Excluded:***

- Comparison Marina rates added (outlier *excluded*)/average: .14+.23+.25+.83+.21+.14+.21+.21+.21= $2.43 total.
  Divided by the number of leases: $2.43/9 = **$0.27** per square foot average Comparison Marina lease rate.
- Garrison Bight rates added (outlier *excluded*)/average: .75+.85+.85+.85+.85+.85+.85+.85+.85+.85= $7.55 total.
  Divided by the number of leases: $7.55/9 = **$0.84** per square foot average Garrison Bight lease rate.

Garrison Bight rate of $0.84 divided by Comparison Marina rate $0.27 equals 3.11—a 311% difference.

[28] **Submerged Land Lease Average Rate Formulas, *Outliers Included:***

- Comparison Marina rates added (outlier *included*)/average: .14+.23+.25+.83+.21+.14+.21+.21+.21+1.72= $4.15 total.
  Divided by the number of leases: $4.15/10 = **$0.42** per square foot average Comparison Marina lease rate.
- Garrison Bight rates added (outlier *included*)/average: .75+.85+.85+.85+.85+.85+.85+.85+.85+.85+0= $7.55 total.
  Divided by the number of leases: $4.15/10 = $0.76 per square foot average Garrison Bight lease rate.

Garrison Bight rate of $0.76 divided by Comparison Marina rate $0.42 equals 1.81—a 181% difference.

[29] **Submerged Land Lease Differentials**: The appraiser stated that Garrison Bight is *"competitive in the market,"* but misleads regarding the large differential by adding, *"though currently in the upper range"* (p.36), which does not reconcile at all with being triple and double the prices as the comparable rates quoted.

[30] **Professional Standards for Appraisal Credibility:** Go to page 11 of this Supplement for details.

[31] **HUD Affordable Housing:** The U.S. Department of Housing and Urban Development regarding affordable housing: https://archives.hud.gov/local/nv/goodstories/2006-04-06glos.cfm. The Florida Housing Coalition, Inc., a statewide non-profit organization, mirrors the HUD standard: https://www.flhousing.org/wp-content/uploads/2023/08/Affordable-Housing-in-Florida-1.pdf. The City of Key West Code of Ordinances includes its affordable housing descriptions, which encompasses a variety of income stratifications and household expense levels regarding affordable housing standards for very low income, low income, median income, moderate income, middle income, retirees, other medians, etc.

[32] **Grandfathering:** According to the Cornell Law School Legal Information Institute, a *"Grandfather clause refers to a section of a law, regulation, or other legal document that limits how changes will be applied to legal relations and activities existing prior to the change. When laws and regulations go through major changes, they can critically harm businesses or individuals who relied on the prior system. So, legislators, regulators, and businesses often negotiate grandfather clauses to make the changes apply only to new activity. Businesses or individuals who were partaking in the regulated activity prior to the change can continue to do so after the law or regulation goes into effect. "*
https://www.law.cornell.edu/wex/grandfather_clause

[33] **Live-aboard Turnover Rate:** According to City's Published Annual Budgets 2021/22 thru 2023-24, actual and projected lease transfer fees ranged between $80k and $90k per year:
(https://www.cityofkeywest-fl.gov/DocumentCenter/View/9547/Adopted-Budget-for-Fiscal-Year-2023-2024-PDF?bidId=)
The minimum fee per transfer is $5k, but it increases for boats that cost over $125k because of the 4% scaling fee on higher sale prices. At $5k per transfer, this translates to 16 to 18 transfers per year. At $10k per transfer, this translates to 8 to 9 transfers per year. This results in a combined range of between 8 and 18 lease transfers each year, approximately. For the 2024 fiscal year, however, according to the Marina's Income Statement, there was a noticeable actual decrease in transfer fees collected, totaling $65k. This 27% reduction of turnover revenue correlates exactly with when the Port Director's rent doubling plan was promulgated to marina tenants. During this same period, a higher-than-normal number of live-aboard homes in the marina are trying to sell, according to a prominent local realtor who sells many live-aboard homes in KW, but "potential buyers are taking a wait-and-see approach," he says, "afraid to purchase if rents will be doubled." *The marina's correlational data documents that after the Port Director's rent increase proposals were announced to tenants (fall 2024), a noticeable increase of people have been trying to sell their live-aboard homes—but fewer are being sold.* The pool of people who can afford the increased rent appears to have diminished, according to interviewed sellers, the local houseboat realtor, and the reduced slip transfer fee data.

[34] **Appraisal Credibility & Believability Professional Standards, The Appraisal Foundation**:
https://appraisalfoundation.sharefile.com/share/view/sb32f60230f14a329

[35] Go to Endnote 1 of this Supplement, on page 16, for images of the hand-marked draft report cover vs. final report cover.

[36] This Supplement addresses only the errors noted and does not address other errors in the Market Rate Study.

[37] **Rent Increase Proposals:** MEMORANDUM September 14, 2023, Subject: Approving City Marina Liveaboard Pricing Structure (Resolution #23-241). MEMORANDUM June 6, 2024, Subject: 24-5845 Partial Rescission of Resolution #23-241 City Marina Liveaboard Pricing Structure. Proposals and Resolutions from the Port Director's office to the City Commission.

[38] **Housing Crisis:** The City Planning Director warned the Mayor and City Commissioners in her April 11, 2024 memorandum: *"the City's ongoing affordable and workforce **housing crisis** impacts nearly every aspect of life within the City. A lack of housing opportunities has forced residents to flee the region and it has adversely impacted local businesses, which continue to struggle to find workers. Emergency service personnel, members of the law enforcement community, nurses, doctors, and every type of public sector worker struggles with a lack of housing."* City of Key West Strategic Plan, posted on the City's website: ***"affordable housing is the community's top priority."***

[39] **Key West's Storied Houseboat Row History Lives On in Garrison Bight:** To name a few…

- **Treasure Hunter Mel Fisher:** Down on his pennies at the time, the late-world famous Mel Fisher and his family lived in three affordable floating homes on Houseboat Row during their epic world-famed pursuit of history-making treasure-hunting glory! *"Today's the Day!"* is a day that otherwise might not have happened if not for Key West's affordable now-transplanted houseboat community. https://www.theledger.com/story/news/1998/12/20/treasure-hunter-mel-fisher-dies-at-76/26537706007/

- **Conch Republic Secretary General Peter Anderson:** Peter was tapped by Capt. Tony Tarracino, owner of the Original Sloppy Joe's, then-mayor of Key West, to take the Conch Republic helm. He made rounds in his official Conch Republic electric car and branded Key West's popular slogan, *"We seceded where others failed"* and started selling the authentic-looking Conch Republic passports.† Past president of Reef Relief and founding president for The Keys' Habitat for Humanity, he also created the Conch Republic Drag Race, with high-heeled drag queens racing down Duval Street. Key West's history and culture might be quite different if Peter Anderson hadn't found his beloved home on Houseboat Row all those years ago. †Sentence updated after initial publish date.
https://www.miamiherald.com/news/local/obituaries/article1975803.html

• **Jimmy Buffet & Margaritaville:** A lovely long-time major airline flight attendant lives in Garrison Bight on a floating home built by its original Houseboat Row live-aboard owner years ago, who was the skilled carpenter that built for Jimmy Buffet the detailed interior of his famed Duval Street establishment, Margaritaville, the carpenter explained. This unique little houseboat is named The Hobbit Hole because its owner was a little guy who built it with low ceilings and tiny everything. It's strong as a mini-tank and charmed by its unique hand-crafted style and beauty. On a flight attendant's salary, would its latest owner have been able to afford living and owning anywhere else in Key West, a place and lifestyle she loves and cherishes, if not for the humble little Hobbit Hole in Garrison Bight?

• **Sea Dog Author:** Morgan and Margaret Dennis brought the very first houseboat to Houseboat Row in 1957, at the invitation of the City, according to Keys News. Morgan authored his popular local children's book at the time, "The Sea Dog," named after his Key West houseboat. Nearly 70 years later, the historic and iconic Sea Dog lives on in Garrison Bight. Would Key West's storied Houseboat Row, Mel Fisher's historic treasure discovery, or even the Conch Republic's world-recognized legacy that Peter Anderson help shape have even happened if not for Morgan and Margaret Dennis' bold first move here with their houseboat, The Sea Dog? Thankfully, this Key West historic treasure—The Hobbit Hole—and its maritime legacy lives on in Garrison Bight.

[40] Uniformed Firefighters Association of Greater New York Local 94, International Association of Firefighters AFL-CIO: https://ufanyc.org

[41] https://911families.org/

[42] https://911families.org/coalition-of-911-families/