

SANTA ROSA ISLAND AUTHORITY
COMMITTEE MEETINGS
JANUARY 28, 2009
5:00 P.M.

Special Meeting/ Private Attorney: Client meeting regarding Outzen vs. Santa Rosa Island Authority (in Circuit Court in and for Escambia County, Florida, Case No.: 2008 CA 002798) prior to Regular Board Meeting

A. OPERATIONS COMMITTEE, VERNON PRATHER, CHAIRMAN,
ELWYN GUERNSEY AND DAVE PAVLOCK, MEMBERS

Item # 1 - Discussion regarding Portofino Beautification Financing. (Staff report by Executive Director Buck Lee) (Referred from the 12/17/2008 Committee Meeting)

Item # 2 – Discussion on the implementation of an Emergency Call System for Quietwater Boardwalk. (Staff report by Bob West)

Item # 3 – Request for additional lifeguard position numbers. (Staff report by Bob West)

B. DEVELOPMENT & LEASING COMMITTEE, TAMMY BOHANNON,
CHAIRMAN, FRED GANT AND ELWYN GUERNSEY, MEMBERS

Item # 1 - Discussion on the change of lease for Gary Work as Trustee of the Pensacola Land Trust a/k/a Portofino – 10 Portofino Drive. (Referred from the December 17, 2008 Committee meeting) (Report by Mike Stebbins)

Item # 2 – Mr. Jerry Wright – Sabine Marina Associates, LLC – 751 Pensacola Beach Boulevard - Request to sublease to Kingdom Concessions for the operation of a portable food and beverage trailer. (Staff report by Executive Director Buck Lee)

Item # 3 – Mr. William “McGuire” Martin – Floyd Flounders, Inc. a Florida Corporation d/b/a Flounders Chowder and Ale House - 800 Quietwater Beach Road – Request for a commercial lease extension. (Staff report by Jayne Bell)

Item # 4 – Mr. William “McGuire” Martin – Boudreaux’s Beachside Bar and Grill d/b/a Crabs Restaurant - # 6 Casino Beach Road- Request for a commercial lease extension. (Staff report by Jayne Bell)

Item # 5 – Mr. William “McGuire” Martin – Fred Flounders, Inc. a Florida Corporation - 800 B Quietwater Beach Road – Request for a commercial lease extension. (Staff report by Jayne Bell)

Item # 6 – Azure Development, LLC – Soundside Center – Tiki Island Golf & Games (sublessee) - 5 Via De Luna – Request to place a

portable/inflatable water slide on leasehold property behind Wings at 5 Via De Luna. (Staff report by Matt Mooneyham)

Item # 7 – Pensacola Beach Holdings – Mr. Gary Powell – 400 Quietwater Beach Road – Request to expand the current sublease for Lee Tracy's retail business located in Suite #8 to include Unit's # 10 – A & # 10 - B, subject to paying all applicable percentage fees. (Staff report by Jayne Bell)

Item # 8 - Pensacola Beach Holdings – Mr. Gary Powell – 400 Quietwater Beach Road – Request to sublease to Mr. Will Eberling – Bullfeathers Beach Bar & Grill – to operate a family style restaurant in unit # 5, subject to paying all applicable percentage fees. (Staff report by Jayne Bell)

C. ARCHITECTURAL AND ENVIRONMENTAL COMMITTEE, DAVE PAVLOCK, CHAIRMAN, VERNON PRATHER AND THOMAS CAMPANELLA, MEMBERS

Item # 1 - Sandshaker Lounge & Package Store, LLC – 731 Pensacola Beach Boulevard – Request to eliminate obstruction of pedestrian easement to and from Little Sabine Bay (Staff report by Matt Mooneyham)

Item # 2 - Pensacola Beach Transportation Plan 2008 - Escambia County Interim Status Report (Staff report by Matt Mooneyham)

Item # 3 – Santa Rosa Dunes Homeowner's Association – 900 Fort Pickens Road – Request to install a rock revetment along MHW line to prevent further erosion of beach adjacent to Santa Rosa Sound. (Staff report by Matt Mooneyham)

D. ADMINISTRATIVE COMMITTEE, ELWYN GUERNSEY, CHAIRMAN, DAVE PAVLOCK AND TAMMY BOHANNON, MEMBERS

Item # 1 – Report on Financial Statements and Expenditures (Staff report by Dottie Ford)

Item # 2 –Mr. and Mrs. Rob Kimbrough – 21 Calle Marbella – Request for consideration of payment schedule and waiver of late charges associated with the annual lease payment default. (Staff report by Jayne Bell)

Item # 3 – Request to amend the Residential Lease Building Time Provision Policy. (Staff report by Jayne Bell)

Item # 4 – Request to move the previously scheduled May 13, 2009 regular Board Meeting to May 6, 2009. (Staff report by Jayne Bell)

Please note that the Santa Rosa Island Authority does not make verbatim transcripts of its meetings, although the meetings are tape recorded. Any person desiring a verbatim transcript of a meeting of the Santa Rosa Island Authority will need to independently secure such verbatim transcript.)

Due to the size of the file additional back up
upon request

January 28, 2009
Committee Meeting
Operations Committee
Item A - 1

Item # 1 – Discussion of Portofino Beautification Financing. (Report by Executive Director Buck Lee)

Background:

Items of particular concern:

- 1) Reuse water at \$855,000? Add or deduct from fund or change lease to incorporate fee.
- 2) Verify dollar amount of interest stated by Mr. Rinke is correct.
- 3) Do we go out for an RFP for landscape Architect and does it come out of the beautification plans?
- 4) All expenses related to “town hall “ meetings for Via De Luna residents about easements to be paid out of the beautification fund; advertisement, letters, Architects rendering, postage, etc....

January 28, 2009
Committee Meeting
Operations Committee
Item A - 2

Item # 2 – Discussion on the implementation of an Emergency Call System for Quietwater Boardwalk. (Staff report by Bob West)

Recommendation:

Staff recommends not implementing the Emergency Call System for Quietwater Boardwalk. This System would be extremely costly and the research suggests it would not be effective for this location.

Background:

At the December 17, 2008 Committee Meeting Board Member Vernon Prather requested that staff look into the possible implementation of an Emergency Call System for Quietwater Boardwalk similar to what is available to students on University Campuses across the country.

See Attached

January 28, 2009
Committee Meeting
Operations Committee
Item A - 3

Item # 3 – Request for additional lifeguard position numbers. (Staff report by Bob West)

Recommendation:

Staff recommends that the Board authorize the Executive Director to add position numbers, as needed, to optimally fill the seasonal Pensacola Beach Lifeguard staffing plan. The staffing plan is controlled by the approved budget and there would be no additional personnel expenditures (with the exception of slightly increased training costs due to the addition of “available” staff). The additional position numbers would not necessarily always be filled. However, the ability to have a larger pool of staff to draw from to fill the staffing plan during the “shoulder seasons” would dramatically increase our ability to protect the public on Pensacola Beach.

Background:

See Attached

January 28, 2009
Committee Meeting
Development & Leasing Committee
Item B - 1

Item # 1 - Discussion on the change of lease for Gary Work as Trustee of the Pensacola Land Trust a/k/a Portofino – 10 Portofino Drive. (Referred from the December 17, 2008 Committee meeting) (Report by Mike Stebbins)

Background:

This item has been referred to the January 28, 2009 Committee Meeting for an update regarding the proposed changes to the lease for Gary Work as Trustee a/k/a Portofino.

January 28, 2009
Committee Meeting
Development & Leasing Committee
Item B - 2

Item # 2 – Mr. Jerry Wright – Sabine Marina Associates, LLC – 751 Pensacola Beach Boulevard - Request to sublease to Kingdom Concessions for the operation of a portable food and beverage trailer. (Staff report by Executive Director Buck Lee)

Recommendation:

Staff recommends denial of the request to sublease to Kingdom Concessions for the operation of a portable food and beverage trailer (8' x 20').

Background:

Bobby D's restaurant closed in March of 2007. The Sand Bar is now operating in their space. Based upon Article 13.04.00 Parking Requirements the number of parking spaces required for Sabine Marina, based upon all usage, is 79 spaces. The site plan and a physical count identifies 73 spaces. The requested portable food and beverage trailer is 8' x 20' and would use approximately 3 parking spaces. Sabine Marina is short by 6 parking spaces.

The Board has allowed temporary/portable food trailer for the Sandshaker Lounge and Paradise Bar & Grill until a permanent kitchen/food structure could be built on leasehold property.

January 28, 2009
Committee Meeting
Development & Leasing Committee
Item B - 3

Item # 3 – Mr. William “McGuire” Martin – Floyd Flounders, Inc. a Florida Corporation d/b/a Flounders Chowder and Ale House - 800 Quietwater Beach Road – Request for a commercial lease extension. (Staff report by Jayne Bell)

Recommendation:

Staff recommends approval of the request for a lease extension to thirty (30) years (March 20, 2021 – March 20, 2051), which will require a waiver of the fact that there is no renewal clause in the original lease agreement. The purpose of the Commercial Lease extension policy is to provide an equitable basis for the extension of commercial leases and this waiver is necessary to allow that for this lease. Also, subject to paying all applicable percentage fees.

Background:

Mr. Martin wishes to have all of his Commercial leases, Floyd Flounders, Inc. a Florida Corporation d/b/a Flounders Chowder and Ale House, Boudreaux’s Beachside Bar and Grill d/b/a Crabs Restaurant and Fred Flounders, Inc. expire in the same year (2051) allowing these assets to be congruent and more viable for financing purposes; This makes the extension time requested different for each lease.

The current lease for Floyd Flounders, Inc. a Florida Corporation d/b/a Flounders Chowder and Ale House expires on March 20, 2021, and has twelve (12) years remaining. Mr. Martin is attempting to refinance and the financial institution requires a lease extension to increase the value and provide better loan coverage.

January 28, 2009
Committee Meeting
Development & Leasing Committee
Item B - 4

Item # 4 – Mr. William “McGuire” Martin – Boudreaux’s Beachside Bar and Grill d/b/a Crabs Restaurant - # 6 Casino Beach Road- Request for a commercial lease extension. (Staff report by Jayne Bell)

Recommendation:

Staff recommends approval of the request for a lease extension to thirty one (31) years (December 17, 2020 – December 17, 2051), which will require a waiver of the twenty five (25) year lease extension allowed in Section XXIII of the current Commercial Lease Agreement. The waiver will be consistent with the Commercial Lease Extension Policy. Also, subject to paying all applicable percentage fees.

Background:

Mr. Martin wishes to have all of his Commercial leases, Floyd Flounders, Inc. a Florida Corporation d/b/a Flounders Chowder and Ale House, Boudreaux’s Beachside Bar and Grill d/b/a Crabs Restaurant and Fred Flounders, Inc. expire in the same year (2051) allowing these assets to be congruent and more viable for financing purposes; This makes the extension time requested different for each lease.

The current lease for Boudreaux’s Beachside Bar and Grill d/b/a Crabs Restaurant expires on December 17, 2020, and has eleven (11) years remaining. Mr. Martin is attempting to refinance and the financial institution requires a lease extension to increase the value and provide better loan coverage.

January 28, 2009
Committee Meeting
Development & Leasing Committee
Item B - 5

Item # 5 – Mr. William “McGuire” Martin – Fred Flounders, Inc. - 800 B Quietwater Beach Road – Request for a commercial lease extension. (Staff report by Jayne Bell)

Recommendation:

Staff recommends approval of the request for a lease extension to forty (40) years (March 20, 2011 – March 20, 2051), which will require a waiver of the twenty five (25) year lease extension allowed in Section XXIII of the current Commercial Lease Agreement. The waiver will be consistent with the Commercial Lease Extension Policy. Also, subject to paying all applicable percentage fees.

Background:

Mr. Martin wishes to have all of his Commercial leases, Floyd Flounders, Inc. a Florida Corporation d/b/a Flounders Chowder and Ale House, Boudreaux’s Beachside Bar and Grill d/b/a Crabs Restaurant and Fred Flounders, Inc. expire in the same year (2051) allowing these assets to be congruent and more viable for financing purposes; This makes the extension time requested different for each lease.

The current lease for Fred Flounders, Inc. expires on March 20, 2011, and has two (2) years remaining. Mr. Martin is attempting to refinance and the financial institution requires a lease extension to increase the value and provide better loan coverage.

January 28, 2009
Committee Meeting
Development & Leasing Committee
Item B - 6

Item # 6 - Azure Development, LLC – Soundside Center – Tiki Island Golf & Games (sublessee) - 5 Via De Luna – Request to place a portable/inflatable water slide on leasehold property behind Wings at 5 Via De Luna. (Staff report by Matt Mooneyham)

Recommendation:

Staff recommends approval of the request by Tiki Island Golf and Games sublease to Azure Development, LLC to place a portable/inflatable water slide on the leasehold property behind Wings, subject to meeting all applicable codes and regulations and obtaining all required permits, and execution of an agreement noting that the structure will be removed within the time frame required by the Authority in the event of severe weather conditions and posting a bond to cover the Authority's cost to remove the facility should the leaseholder not remove the structure as requested..

Background:

The inflatable structure is 47' x 175' and stands 36 feet high. The leasehold property behind Wings at 5 Via de Luna would accommodate this portable structure, subject to bringing approved white sand to level the existing grade.

In 2004 the Board approved portable/inflatable recreational structures for this site.

January 28, 2009
Committee Meeting
Development & leasing Committee
Item B - 7

Item # 7 – Pensacola Beach Holdings – Mr. Gary Powell – 400 Quietwater Beach Road Suite's #8 – Request to expand the current sublease for Lee Tracy's retail business located in Suite #8 to include Unit's # 10 – A & # 10 - B, subject to paying all applicable percentage fees. (Staff report by Jayne Bell)

Recommendation:

Staff recommends approval of the request of Pensacola Beach Holdings – Mr. Gary Powell – 400 Quietwater Beach Road Unit's #8 – Request to expand the current sublease for Lee Tracy's retail business located in Suite #8 to include Unit's #10 – A & #10 - B, subject to paying all applicable percentage fees. (Staff report by Executive Director Buck Lee)

Background:

Lee Tracy is expanding their space to include Wet/ Outboard

January 28, 2009
Committee Meeting
Development & leasing Committee
Item B - 8

Item # 8 - Pensacola Beach Holdings – Mr. Gary Powell – 400 Quietwater Beach Road – Request to sublease to Mr. Will Eberling – Bullfeathers Beach Bar & Grill – to operate a family style restaurant in unit # 5, subject to paying all applicable percentage fees. (Staff report by Jayne Bell)

Recommendation:

Staff recommends approval of Pensacola Beach Holdings – Mr. Gary Powell – 400 Quietwater Beach Road – Request to sublease to Mr. Will Eberling – Bullfeathers Beach Bar & Grill – to operate a family style restaurant in unit # 5, subject to paying all applicable percentage fees. (Staff report by Jayne Bell)

Background:

Bullfeathers Beach Bar & Grill is requesting to open in the space that was previously occupied by Cabo Grill. The concept is casual dining with a family atmosphere and staff feels it would be a great addition to the Boardwalk. Mr. Eberling was successful as the owner and operator of a similar restaurant at Orange Beach and has decided to bring his experience to Pensacola Beach to be closer to home and his family.

January 28, 2009
Committee Meeting
Administrative Committee
Item D - 1

Item # 1 – Report on Financial Statements and Expenditures (Staff report by Dottie Ford)

Background:

The documentation of financial statements and expenditures is enclosed for your review.

January 28, 2009
Committee Meeting
Administrative Committee
Item D - 2

Item # 2 –Mr. and Mrs. Rob Kimbrough – 21 Calle Marbella – Request for consideration of payment schedule and waiver of late charges associated with the annual lease payment default. (Staff report by Jayne Bell)

Recommendation:

Staff recommends denial of Mr. & Mrs. Kimbrough's request for a payment schedule and waiver of late charges associated with the annual lease payment default.

Background:

Attached is the timeline for this account from the initial billing to the date of the default letter. Policy was followed and the penalty was assessed due to the fact that the payment was late and is per Section XII of the master lease. A verification of the mailing address for Mr. & Mrs. Kimbrough shows that every correspondence was sent to the proper address and nothing was returned as undelivered.

Please see attached also copies of default letters for every year since 2002 when Mr. and Mrs. Kimbrough became the leaseholders for 21 Calle Marbella; as you can see there is a history of late payments from Mr. and Mrs. Kimbrough.

January 28, 2009
Committee Meeting
Administrative Committee
Item D - 3

Item # 3 – Request to amend the Residential Lease Building Time Provision Policy. (Staff report by Jayne Bell)

Recommendation:

Staff recommends approval of amending the Residential Lease Building Time Provision Policy.

Background:

The current Residential Lease Building Time Provision Policy requires Leaseholders who have not begun construction by May 4, 2010 must apply for an extension and pay an extension fee of \$2,000.00 for the first year, \$4,000.00 for the second year and \$6,000.00 for the third year; subsequent years to be established on a case by case basis.

Taking the difficult economic circumstances and the housing market into consideration staff requests approval to amend the current Policy as follows:

	Extension Fee:
First year (no construction commencement by May 4, 2012):	\$2,000.00
Second year (no construction commencement by May 4, 2013):	\$4,000.00
Third year (no construction commencement by May 4, 2014):	\$6,000.00
Subsequent years:	To be established on a case by case basis by SRIA Board.

As of this date there are 288 vacant properties on Pensacola Beach.

January 28, 2009
Committee Meeting
Administrative Committee
Item D - 4

Item # 4 – Request to move the previously scheduled May 13, 2009 regular Board Meeting to May 6, 2009. (Staff report by Jayne Bell)

Recommendation:

Staff recommends approval to move the previously scheduled May 13, 2009 regular Board Meeting to May 6, 2009.

Background:

Chairman Fred Gant, Matt Mooneyham, Jayne Bell and Dottie Ford will be out of town for the May 13th Board Meeting. Chairman Gant and Matt Mooneyham will be attending the Governors Hurricane Conference in Ft Lauderdale, Florida. Jayne Bell and Dottie Ford will be in Savannah, Georgia attending Continuing Professional Education classes recommended by our auditors.

Moving the meeting to the preceding week (May 6, 2009) would allow attendance by staff and the Chairman.