1. CALL TO ORDER
2. PLEDGE OF ALLEGIANCE
3. MOMENT OF MEDITATION
4. APPROVAL OF MINUTES (Regular Board Meeting – 11/7/2018)
5. CHANGES OR ADDITIONS TO AGENDA
6. ADOPTION OF AGENDA
7. CHAIRMAN'S COMMENTS
8. PENSACOLA BEACH VISITOR’S INFORMATION CENTER
9. UPDATE BY DAVID FORTE, DIVISION MANAGER, PUBLIC WORKS DEPARTMENT, ESCAMBIA COUNTY

CONSENT AGENDA

10. COMMITTEE REPORTS

A. DEVELOPMENT & LEASING COMMITTEE, MS. TAMMY BOHANNON, CHAIRWOMAN, DR. THOMAS CAMPANELLA AND MS. BRIGETTE BROOKS, MEMBERS

Item # 1 – Discussion on the non-renewal of Master Leases that do not pass along the lease fee reduction to their sub-lessees. (Report by Tammy Bohannon)

No action taken.

Item # 2 – Request by Jim Reeves, PB RV Park – 17 Via de Luna – to sublease to Jamie Wells, Local Boyz Hawaiian Shave Ice, to operate a shaved ice business from leasehold property. (Staff report by Robbie Schrock)

The Committee unanimously approved staff’s recommendation.
Item #3 – Request by H & S Development, Hampton Inn – 2 Via de Luna – to sublease to Jamie Wells, Local Boyz Hawaiian Shave Ice, to operate a shaved ice business from leasehold property. (Staff report by Robbie Schrock)

The Committee unanimously approved staff’s recommendation.

Item #4 – Discussion regarding lease fees and the existing lease fee reduction policy. (Staff Paolo Ghio)

The Committee unanimously approved tabling this item.

Item #5 – Discussion regarding adoption of a Board Policy to address lease renewals. (Staff report by Paolo Ghio)

No action taken.

B. ADMINISTRATIVE COMMITTEE, MS. KAREN SINDEL, CHAIRWOMAN, MR. JERRY WATSON AND MS. TAMMY BOHANNON, MEMBERS

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

The Committee unanimously accepted the report on Financial Statements and Expenditures as presented.

Item #2 – Discussion regarding adoption of a Board Policy to address a CPI increase in 2020 for all affected leases. (Staff report by Paolo Ghio)

No action taken.

REGULAR AGENDA

11. OLD BUSINESS

Item #1 – Discussion regarding the activation of a second dedicated Sunpass Lane at the toll plaza. (Staff report by Paolo Ghio)

The Committee unanimously approved composing a letter to the BOCC recommending the addition of a second dedicated SunPass lane to the Bob Sikes toll plaza, with proper speed setting and geometrical designs studies completed prior to determining the best 2 lanes to utilize.
Item # 2 – Approval of the 2019 SRIA Holiday and Meeting Schedules. (Staff report by Robbie Schrock)

Item # 3 – Discussion regarding early termination of “Old” VIC management of concession agreement with Beach Hut, and possibly refunding fees paid, due to early termination. (Staff report by Paolo Ghio)

12. REPORTS

   A. ATTORNEY’S REPORT
   B. ENGINEER’S REPORT
   C. DEVELOPMENT SERVICES DIRECTOR REPORT

13. VISITOR’S FORUM
14. BOARD MEMBER’S FORUM
15. ADJOURN

JERRY WATSON, CHAIRMAN
KAREN SINDEL, VICE CHAIRMAN
JANICE GILLEY, SECRETARY/TREASURER
BRIGETTE BROOKS, MEMBER
THOMAS CAMPANELLA, MEMBER
LIZ CALLAHAN, MEMBER
PAOLO GHIO, EXECUTIVE DIRECTOR

(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.)
1-3. A rescheduled meeting of the Santa Rosa Island Authority was held on Wednesday November 7, 2018, beginning at 4:58 p.m. Members in attendance were: Ms. Karen Sindel, Ms. Tammy Bohannon, Dr. Thomas Campanella, Ms. Brigette Brooks, Ms. Janice Gilley and Mr. Jerry Watson. Mr. Watson, Chair, led the Pledge of Allegiance followed by a moment of meditation.

4. APPROVAL OF MINUTES (Regular Board Meeting – 10/24/2018 – rescheduled from 10/10/2018, due to Hurricane Michael)

Upon motion of Ms. Karen Sindel seconded by Ms. Janice Gilley, the Board unanimously approved the minutes of the Regular Board Meeting (10/24/2018 – rescheduled from 10/10/2018 due to Hurricane Michael) as presented. (6-0)

5. CHANGES OR ADDITIONS TO AGENDA

6. ADOPTION OF AGENDA

Upon motion of Ms. Tammy Bohannon seconded by Ms. Karen Sindel, the Board unanimously approved the agenda as amended. (6-0)

7. CHAIRMAN’S COMMENTS

Mr. Watson voiced his sadness, as well as happiness, for the retirement of Ms. Dottie Ford. He stated the SRIA is very lucky to have Ms. Vickie Johnson to replace her.

8. PENSACOLA BEACH VISITOR’S INFORMATION CENTER

Ms. Alison Westmoreland presented this month’s report for the VIC.

Ms. Karen Sindel asked about how many people were expected for the motorcycle event Pensacola Beach is hosting due to Hurricane Michael hitting Panama City.

Ms. Schrock answered 5,000 -10,000 people were anticipated,
Ms. Gilley complimented the website, saying it had drawn people to the beach that have never visited before.

CONSENT AGENDA

9. COMMITTEE REPORTS

A. ARCHITECTURAL & ENVIRONMENTAL COMMITTEE, DR. THOMAS CAMPANELLA, CHAIRMAN, MS. KAREN SINDEL AND MS. JANICE GILLEY, MEMBERS

Item # 1 – Request by James P. Freedman – 5 Calle Juela. – Lot 3, Block 6, Santa Rosa Villas – to construct an in ground swimming pool with an encroachment of 5’ into the rear yard setback. (Staff report by Paolo Ghio)

The Committee unanimously approved staff’s recommendation.

Item # 2 – Request by Robert and Judith Haspel Ancira, West Bank Option, LLC – 904 Ariola. – Lots ½ 5, 6, 7, Block 4, Villa Segunda – to construct an in ground swimming pool with an encroachment of 10’ into the side yard setback. (Staff report by Paolo Ghio)

The Committee unanimously approved staff’s recommendation.

B. DEVELOPMENT & LEASING COMMITTEE, MS. TAMMY BOHANNON, CHAIRWOMAN, DR. THOMAS CAMPANELLA AND MS. BRIGETTE BROOKS, MEMBERS

Item # 1 – Discussion on the non-renewal of Master Leases that do not pass along the lease fee reduction to their sub-lessees. (Report by Tammy Bohannon)

Discussion item only.

Item #2 – Request by Robert Rinke, Pensacola Beach Boardwalk – 400 Quietwater Beach Rd. – to sublease to Ron Jon Pensacola Beach, LLC, to operate a retail store from leasehold property. (Staff report by Robbie Schrock)

The Committee unanimously approved staff’s recommendation.

C. ADMINISTRATIVE COMMITTEE, MS. KAREN SINDEL, CHAIRWOMAN, MR. JERRY WATSON AND MS. TAMMY BOHANNON, MEMBERS

Item # 1 – Report on Financial Statements and Expenditures. (Staff report by Dottie Ford)
The Committee unanimously accepted the report on Financial Statements and Expenditures as presented.

Upon motion of Dr. Thomas Campanella seconded by Ms. Brigette Brooks, the Board unanimously approved the Consent Agenda as presented. (6-0)

REGULAR AGENDA

10. OLD BUSINESS

Item #1 – Request by JB Schluter, IL for Pensacola Beach, d/b/a Pensacola Beach Marina – 655 Pensacola Beach Blvd. – to have a non-exclusive license to use a portion of the overflow parking lot for customers. (Staff report by Robbie Schrock)

Ms. Schrock gave the background for this item, and stated staff recommended approval.

Mr. Stebbins pointed out a page had been left out on the computer backup, but it was determined the backup sent out the previous Friday, and the hard copies in front of Members contained the entire document. He explained the changes made to the document since the Committee Meeting.

Ms. Bohannon asked if the parking spaces in that lot were counted for other businesses.

Mr. Ghio stated he had found nothing to show that they were called into account for any other business.

Upon motion of Ms. Karen Sindel seconded by Ms. Tammy Bohannon, the Board unanimously approved the request by JB Schluter, IL for Pensacola Beach, d/b/a Pensacola Beach Marina – 655 Pensacola Beach Blvd. – to have a non-exclusive license to use a portion of the overflow parking lot for customers, paying all applicable fees. (6-0)

11. REPORTS

A. ATTORNEY’S REPORT
B. ENGINEER’S REPORT

Mr. Huggins submitted his report for the review of the Board.

Ms. Sindel said she had recommended Escambia County talk to BDI regarding walkovers in Perdido Key.

C. DEVELOPMENT SERVICES DIRECTOR REPORT

Mr. Ghio submitted his monthly report for the review of the Board. He told the heartwarming story of winning a partial grant from the Gulf Breeze “Will Do” group for additional signage at Morgan Park, and the subsequent offer by an anonymous donor to write a $1,518.00 check to make up the difference, so the entire request was fully funded.

12. VISITOR’S FORUM

SPEAKER:

Mark Denunzio – He stated he had 2 concerns:

1. Residents need to be given better notice by organizers of running events, perhaps using portable signage.

2. When utility work is done, the company should be required to put the infrastructure back as they found it, repaired, not just patched.

Ms. Gilley asked about a neighborhood website the Board discussed previously.

Ms. Sindel said it’s called “Next Door” and it’s not very effective, but she does agree that there should be public notification.

13. BOARD MEMBER’S FORUM

Ms. Bohannon said she was entering into a new chapter of her life after 12 years on the SRIA Board. She said she appreciated the opportunity to serve, and will miss everyone.
Ms. Gilley asked a question regarding the anticipated 5,000 – 10,000 people attending the motorcycle rally, and asked how many hotel rooms were available on the Island.

Mr. Ghio said approximately 1500-2000 rooms were on the Island.

Mr. Ghio pointed out that the large numbers were anticipated for the concerts each evening, and that the riders were likely to congregate in town, as well. He said the concerts were going to be a fundraiser for the United Way for hurricane relief in Panama City.

Ms. Bohannon said she had been told people would be allowed to sleep on the beach and the “Leave No Trace” would be lifted for the event.

Ms. Sindel said she had heard that on social media, but it was untrue. She stated all rules would be in place for the event.

Mr. Watson stated it had been a true pleasure working with Ms. Bohannon, that she kept everyone on their toes. He said she will be missed.

14. ADJOURN

There being no further business to come before the Board, Chair Watson declared the Regular Board Meeting of the SRIA Board adjourned at 5:21 p.m.
MEMORANDUM

TO: Authority Members
FROM: Executive Director
DATE: November 14, 2018
RE: Minutes of November 7, 2018 Development & Leasing Committee Meeting

A regularly scheduled meeting of the Development & Leasing Committee was held on Wednesday, November 7, 2018. Members present were Dr. Thomas Campanella, Ms. Brigette Brooks, and Ms. Tammy Bohannon, Chair. Also present were Board Members Ms. Karen Sindel, Mr. Jerry Watson and Ms. Janice Gilley. Ms. Bohannon, Chair, called the meeting to order and presented the following item:

Item #1 - Discussion on the non-renewal of Master Leases that do not pass along the lease fee reduction to their sub-lessees. (Report by Tammy Bohannon)

Ms. Bohannon stated she doesn’t know what the answers should be to this problem. She doesn’t think there is a way to bring everyone into uniformity.

No action taken.

Item #2 - Request by Jim Reeves, PB RV Park – 17 Via de Luna – to sublease to Jamie Wells, Local Boyz Hawaiian Shave Ice, to operate a shaved ice business from leasehold property. (Staff report by Robbie Schrock)

Ms. Schrock gave the background on the item and said staff recommended approval.

Ms. Gilley told Mr. Wells that the approval would be for the clearly defined location in the request, he would not be allowed to move around the property.
SANTA ROSA ISLAND AUTHORITY
DEVELOPMENT & LEASING COMMITTEE
NOVEMBER 7, 2018

SPEAKER:

Jamie Wells – He stated he understood, and would only be moving the trailer due to inclement weather.

Ms. Brooks complimented the well written proposal.

Upon motion of Dr. Thomas Campanella seconded by Ms. Brigette Brooks, the Committee unanimously approved the request by Jim Reeves, PB RV Park – 17 Via de Luna – to sublease to Jamie Wells, Local Boyz Hawaiian Shave Ice, to operate a shaved ice business from leasehold property, paying all applicable percentages and fees. (3-0)

Item # 3 – Request by H & S Development, Hampton Inn – 2 Via de Luna – to sublease to Jamie Wells, Local Boyz Hawaiian Shave Ice, to operate a shaved ice business from leasehold property. (Staff report by Robbie Schrock)

Ms. Schrock gave the background for the item and stated staff recommended approval.

Upon motion of Dr. Thomas Campanella seconded by Ms. Brigette Brooks, the Committee unanimously approved the request by H & S Development, Hampton Inn – 2 Via de Luna – to sublease to Jamie Wells, Local Boyz Hawaiian Shave Ice, to operate a shaved ice business from leasehold property, paying all applicable percentages and fees. (3-0)

Item #4 – Discussion regarding lease fees and the existing lease fee reduction policy. (Staff Paolo Ghio)

Mr. Ghio gave background on the item and stated he and Mr. Stebbins had met with each Board Member regarding this item. He said he would like to discuss the policy, the income it could generate if changed, and how to use the funds generated.

Ms. Brooks asked the amount of the possible income.

Mr. Ghio stated that back in 2015, prior to the policy, it was about 4 million dollars.

Mr. Watson asked if there were long range plans for the money.

Mr. Ghio said yes, he had long range plans, and part of them were to help Escambia County out with a financial shortfall for Public Works and Public Safety services on the Island. He said he had discussed it with them, and landed on 2 million, which is less than the County originally asked for. He said we would pay by a monthly invoice for the services, and the County would be responsible for the balance needed to fund the 2 departments. He said that would leave the SRIA with 2 million, which means an extra 1
million could be added to the $500,000.00 we already put into a nourishment fund, and leaves another million for Capital Improvements.

Ms. Sindel stated the SRIA cut lease fees, and the County took over Public Works and Public Safety, and now due to their shortfall, they are struggling to pay for PW and PS, and they are asking 1 group of citizens in the entire county to step up and pay more. She stated it felt like a “Bait and Switch” of what we promised the leaseholders of the beach and is firmly against it. She said the County can publicly come before the leaseholders and say, “We’re not going to continue to provide services or the level of services that you’ve experienced, because we’re having a budget shortfall.” She pointed out they aren’t going to people in Cordova Park, Myrtle Grove, Perdido Key, or Cantonment and asking those citizens to step up and write an extra check.

Ms. Bohannon believes the County “wants it all”, lease fees and taxes, and is curious how much it takes the County to run the departments compared to when the SRIA ran them. She doesn’t understand how there is a 2 million dollar deficit. She agrees it is a “Bait and Switch”. She suggested the County raise the toll and they would have that money.

Mr. Ghio stated that the toll revenues could only be spent on transportation.

Ms. Bohannon then asked about the Interlocal between the County and Gulf Breeze for the Bob Sikes Bridge and if it could be amended. She asked for it to be reviewed.

Brief discussion followed.

Ms. Brooks asked if it was practical for the SRIA to take back the services.

Mr. Ghio said back in 2015, it cost us 4.5 million dollars to run the services, and if we can get the same level of services for only 2 million dollars, we would be 2.5 million ahead. He said he has no surplus in the SRIA budget for projects on the Island.

Ms. Sindel asked if we went back to full lease fees, could we be self-contained again, and fund PW and PS?

Mr. Ghio said yes, we could do that.

Ms. Brooks said it would cost the SRIA at least 4.5 million, for the same services. She wonders if the County would actually say, “We are not going to provide those services if you refuse to increase lease fees.”

Mr. Ghio pointed out that the BOCC approves our budget, and perhaps they might not do that, without a line item for them. He said we could preempt that, or wait.
Ms. Bohannon said it sounded like Mr. Ghio was folding.

Mr. Ghio said he's trying to be proactive in maintaining services on the Island and maintain control and not be completely defunded.

Ms. Gilley said the SRIA was created by a Special Act and we have lots of duties and responsibilities. She understands that many of those have been given away, but asked if we still control the toll.

Mr. Stebbins said he didn't think the SRIA controlled the toll.

Discussion followed regarding control of the toll.

Ms. Gilley agrees that no other area in Escambia County is being billed due to the shortfall, and the SRIA was never told we would have to make up any shortfall the County was experiencing. She said we need to explore other ways to generate revenue. She stated the Board needs to understand exactly what the County is asking for, and the reasoning behind it.

Mr. Ghio said he has determined from what he's heard at public BOCC meetings, that there is a lack of contribution by Island residents for items used in the County and that there is a looming shortfall in the revenues used to fund those 2 departments. He said he approached County staff and asked how much is the shortfall, and was told 2.5 million. He said he was never told we have to increase our lease fees.

Dr. Campanella disagreed and said that is what Chris Jones referenced in his talk to the BOCC.

Ms. Bohannon wants to know what County services they are saying the residents are utilizing and not paying for.

Dr. Campanella reviewed the history of the County's money handling (buckets, etc.) and how we have gotten to this point with them, and said the County never had enough money to run the departments. He said it isn't fair to raise lease fees back, in order to help the County out. He said we never took a dime from the County, they helped us with a loan and we paid back every penny. He knows Mr. Ghio has worked hard on this, but a different way needs to be figured out. He said once word gets out, leaseholders will be very vocal and unhappy about this idea.

Discussion followed.

Mr. Watson asked if we could table this discussion.

Ms. Bohannon stated she doesn't agree with "bailing them out."
Mr. Ghio suggested looking at neighboring beaches and seeing what they do? Resort fee, perhaps?

Ms. Brooks stated the policy written in 2015 was contingent upon the County taking over those services, and if they aren’t going to do that, then we need to look at the costs associated with taking the services back.

Ms. Sindel said we need to treat the Leaseholders like a big neighborhood, and let them decide what could be done, i.e., user fee, resort fee, toll increase. Her concern is that there would be no new services with an increase in fees. Services will be staying the same, and that won’t sit well with leaseholders.

Mr. Watson said leaseholders will be asking what new or better services they will receive with an increase.

SPEAKER:

Terry Preston – Representing Pensacola Beach Advocates – She stated this is a premature discussion since the County hasn’t even asked for money yet. She wants to know why we are trying to bail them out of their own problem. She said she’s been preparing a financial analysis of all the revenue streams the Island brings to the County and over the last 10 years, it’s over 9 million dollars, annually. She stated the Island doesn’t get its share of Capital Improvements, like the rest of the County from LOST funds and other sources. She point out Commissioner Bergosh has stated he wants all leases renegotiated so 100% pay taxes, which would mean even more millions for the County. She asked for the item to be tabled until more information is gathered.

Upon motion of Dr. Thomas Campanella seconded by Ms. Brigette Brooks, the Committee unanimously approved tabling this discussion. (3-0)

Item # 5 – Discussion regarding adoption of a Board Policy to address lease renewals. (Staff report by Paolo Ghio)

Mr. Ghio gave background on this item and said he recommended adoption of a policy to address lease renewals. He said the only leases this would impact are the ones with the “terms to be negotiated” in the renewal clause. He pointed out we always work with leaseholders that need additional years for financing purposes. He would like to spell out acceptable terms, time frames, fee changes and restrictions to leases. He said if we establish a policy, the BOCC wouldn’t be able to instruct us on what to do when it was time for a negotiation.
Ms. Bohannon disagrees, and said establishing a policy now would give the BOCC more input. She stated the SRIA needs to be flexible on renewals, as times and situations change. She stated things shift based on circumstances and leadership.

Ms. Gilley pointed out a lease renewal triggered this response from the BOCC. She doesn't disagree with the BOCC's response, and feels it should have been researched more thoroughly and perhaps raised fees. She doesn't agree to an automatic renewal without an increase in fees.

Ms. Bohannon pointed out that we've always done amended and restated leases, which always include CPI clauses and language that is better for the SRIA.

Ms. Ford explained the reason we didn't increase fees on previous recent renewals was because the County wanted us to go down on our fees. She said some fees in the past were raised.

Ms. Gilley agreed, and said the County thought they were going to win the tax cases, and have a different revenue source. She said she thinks what Mr. Ghio is suggesting is having a menu of options to consider when a leaseholder comes in and wants to renew. She supports the idea of having a policy.

Ms. Ford said we have a Commercial lease fee renewal policy. She said we take an average of the 3 highest years of revenue, and the new fee is 80% of that number. If the current fee is higher than that number, the fee doesn't change.

Dr. Campanella explained the language is lease specific, some are non-negotiable. This would only apply to the negotiable leases. He pointed out the leases are contracts and we don't know what will happen 40 years from now, when some of the leases come up for renewal. If a lease is renewed, the new terms and conditions don't apply until the start of the new term.

There being no further business before the Committee, the meeting was adjourned.

Paolo Ghio
Executive Director

PG:jt

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MEMORANDUM

TO: Authority Members
FROM: Executive Director
DATE: November 11, 2018
RE: Minutes of November 7, 2018 Administrative Committee Meeting

A regularly scheduled meeting of the Administrative Committee was held on Wednesday, November 7, 2018. Members present were Mr. Jerry Watson and Ms. Karen Sindel, Chair. Ms. Brigette Brooks served on the Committee in the absence of Ms. Tammy Bohannon. Also present were Board Members Dr. Thomas Campanella and Ms. Janice Gilley. Ms. Sindel, Chair, called the meeting to order and presented the following item:

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

Ms. Ford presented the financial report.

Upon motion of Mr. Jerry Watson seconded by Ms. Brigette Brooks, the Committee unanimously accepted the Report on Financial Statements and Expenditures as presented. (3-0)

Item # 2 – Discussion regarding adoption of a Board Policy to address a CPI increase in 2020 for all affected leases. (Staff report by Paolo Ghio)

Mr. Ghio gave background on the item. He continued the conversation from earlier in the evening about how to generate future revenue for the SRIA, suggesting the Board commit to applying the CPI in 2020, effective in 2021.

Ms. Brooks stated there were strong reasons why the CPI wasn't implemented in 2010 and 2015, but agrees that it should be applied in 2020.

Ms. Gilley asked when notices would be sent out, if this was approved.
Ms. Ford said the Board would vote on it in August or September of 2020, effective in January of 2021.

Ms. Gilley said there is still plenty of time for conversation on this item.

Mr. Ghio said he wanted people to know that the Board is not only proactive, but knows how the Island and our budget works. He stated we have an instrument to use and we are capable of using it, if the market allows it. He doesn’t want to hear the County say we aren’t making the necessary adjustments to our market value. He wants it clear that we know what we are doing.

Dr. Campanella asked how the CPI is calculated.

Ms. Ford explained an average is taken from the last 5 years of CPI, and we can’t go higher than that average, but can go up to that number.

Dr. Campanella stated the other reason we haven’t raised it in the past few years is because we’re conservative, and we only do it when we see a need for money. He pointed out if we amass a surplus of funds, the BOCC could take it from us.

Ms. Sindel said she would like to see the financial impact of raising the CPI.

There being no further business before the Committee, the meeting was adjourned.

Paolo Ghio
Executive Director

PG:jt

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SANTA ROSA ISLAND AUTHORITY
OPERATIONS COMMITTEE
NOVEMBER 7, 2018

MEMORANDUM

TO: Authority Members
FROM: Executive Director
DATE: November 16, 2018
RE: Minutes of November 7, 2018 Operations Committee Meeting

A regularly scheduled meeting of the Administrative Committee was held on Wednesday, November 7, 2018. Members present were Ms. Brigette Brooks and Ms. Janice Gilley, Chair. Also present were Board Members Dr. Thomas Campanella and Mr. Jerry Watson. Ms. Karen Sindel served on the Committee in Ms. Tammy Bohannon’s absence. Ms. Gilley, Chair, called the meeting to order and presented the following item:

Item # 1 – Discussion regarding the activation of a second dedicated SunPass Lane at the toll plaza. (Staff report by Paolo Ghio)

Mr. Ghio gave background on the item and stated staff recommends approval of a letter of recommendation be sent to the County.

Ms. Brooks stated she is in favor of the addition of a second lane, and questioned the use of the verbiage, “the time has arrived” in the backup. She asked if it was subjective or objective.

Mr. Ghio said its both. He said the system was designed and installed with the intent to make all 4 lanes SunPass lanes. He said the County wants to phase in all 4 gates. He said while the traffic is light, this would be a good time to acclimate residents to the use of 2 lanes.

Mr. Watson asked which 2 gates were being recommended.

Mr. Ghio said there were 2 schools of thought:
Mr. Ghio said there were 2 schools of thought:

1. Use the lane to the immediate right of the current SunPass lane.
2. Make the 2 far right lanes SunPass. This would be safer for the cashiers and make merging easier, as gates 1 and 2 were stopped to pay.

Mr. Ghio stated it would be easy to try one way and switch to the other if it didn’t work, as the only costs involved were signage and striping. He said all 4 lanes already accept SunPass. He said County traffic will ultimately decide which lanes to use.

Ms. Sindel said she votes for lanes 3 & 4, and explained how SunPass is used in the State of Florida.

Mr. Watson likes the idea of a second lane due to the safety aspect of cars trying to get into the correct lane.

Mr. Ghio said his understanding from this conversation is to recommend a second dedicated SunPass lane, and the Committee believes lanes 3 & 4 would be the best choices for the 2 dedicated lanes.

SPEAKER:

Mark Denunzio – He likes the idea of the 2 dedicated right hand lanes, and asked what the cost would be to move them back to lanes 1 & 2 if that didn’t work out.

Mr. Ghio explained the only costs would be moving signs and restriping the road.

Mr. Denunzio said tourists don’t handle the toll lanes very well, they don’t understand the system.

Mr. Jeff Huggins recommended the SRIA ask for the County to do a study on speed settings and geometrical designs prior to determining which lanes should be utilized.

Upon motion of Ms. Brigette Brooks seconded by Ms. Karen Sindel, the Committee unanimously approved composing a letter to the BOCC recommending the addition of a second dedicated SunPass lane to the Bob Sikes toll plaza, with proper speed setting and geometrical designs studies completed prior to determining the best 2 lanes to utilize. (3-0)

Mr. Stebbins said he would bring the letter back to the next meeting for approval.

Ms. Ford said this is her last meeting, she enjoyed working here, and would miss everyone very much.
There being no further business before the Committee, the meeting was adjourned.

Paolo Ghio  
Executive Director

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HOW DID YOU DISCOVER PENSACOLA BEACH?

Nov. 18 Week 1

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TOTAL # NOT SIGNED IN: 131 54 49 40 34 208
TOTAL SIGNING IN: 126 266 250 255 148 1045
TOTAL VISITORS: 157 320 299 295 182 1253
WEDDING CALLS: 0 0 0 0 0 0
TOTAL PHONE CALLS: 28 54 28 37 62 209
TOTAL GUIDES DISTRIBUTED: 5 22 34 32 19 112
TOTAL E-MAIL: 1 3 8 10 7 29

Eco Trail Maps Distributed: 1pad
Guides to Businesses: 1pad
Trolley Maps to Businesses: 1pad

RAIN DAYS FOR THE MONTH: 1 3 3 2 9

2017 TEMPS  2018 TEMPS
week 1 75 73
WEEK 2 80 76
WEEK 3 75 58
WEEK 4 67 68
week 5 70 75
AVERAGE TEMPERATURE 75 75
### Pensacola Beach Visitor Information Center

#### November 2018

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
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<tbody>
<tr>
<td><strong>Total Visitors</strong></td>
<td>1253</td>
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<td><strong>Total Not Signing In</strong></td>
<td>208</td>
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<tr>
<td><strong>Total Signing In</strong></td>
<td>1045</td>
<td>946</td>
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#### How Did You Discover Pensacola Beach?

<table>
<thead>
<tr>
<th>Source</th>
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</thead>
<tbody>
<tr>
<td>Advertising</td>
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<td>Business</td>
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<td>23</td>
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<tr>
<td>Event/Group</td>
<td>74</td>
<td>182</td>
</tr>
<tr>
<td>Friend/Relative</td>
<td>293</td>
<td>217</td>
</tr>
<tr>
<td>Guide</td>
<td>14</td>
<td>10</td>
</tr>
<tr>
<td>Here Before</td>
<td>368</td>
<td>285</td>
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<tr>
<td>Internet</td>
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<td>205</td>
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#### Total Email Addresses

<table>
<thead>
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<th>Year</th>
<th>Count</th>
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<tbody>
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<td>2018</td>
<td>29</td>
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<tr>
<td>2017</td>
<td>31</td>
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</table>

#### Total Wedding Calls

<table>
<thead>
<tr>
<th>Year</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>0</td>
</tr>
<tr>
<td>2017</td>
<td>0</td>
</tr>
</tbody>
</table>

#### Total Phone Calls

<table>
<thead>
<tr>
<th>Year</th>
<th>Count</th>
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<tbody>
<tr>
<td>2018</td>
<td>209</td>
</tr>
<tr>
<td>2017</td>
<td>246</td>
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</table>

#### Total Mailouts

<table>
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<tr>
<th>Year</th>
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</thead>
<tbody>
<tr>
<td>2018</td>
<td>71</td>
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<tr>
<td>2017</td>
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#### Top 5 States

<table>
<thead>
<tr>
<th>State</th>
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<th>2017</th>
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<tbody>
<tr>
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<td>177</td>
<td>224</td>
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<tr>
<td>Alabama</td>
<td>72</td>
<td>86</td>
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<td>Texas</td>
<td>69</td>
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<tr>
<td>Pennsylvania</td>
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#### Top 3 International

<table>
<thead>
<tr>
<th>Country</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>14</td>
<td>27</td>
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<tr>
<td>France</td>
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<td>Turkey</td>
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</tr>
<tr>
<td>Canada</td>
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<tr>
<td>UK</td>
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<td></td>
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<tr>
<td>Germany</td>
<td>8</td>
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</table>
### Top 5 States with City Detail

<table>
<thead>
<tr>
<th>State</th>
<th>Top Cities</th>
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<tbody>
<tr>
<td>Florida</td>
<td>Pensacola</td>
<td>108</td>
</tr>
<tr>
<td></td>
<td>Gulf Breeze</td>
<td>76</td>
</tr>
<tr>
<td></td>
<td>Pensacola Beach</td>
<td>25</td>
</tr>
<tr>
<td></td>
<td>Jacksonville</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>St. Augustine</td>
<td>4</td>
</tr>
<tr>
<td>Alabama</td>
<td>Montgomery</td>
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<tr>
<td></td>
<td>Huntsville</td>
<td>18</td>
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<td></td>
<td>Andalusia</td>
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<td></td>
<td>Fairfield</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>Hoover</td>
<td>4</td>
</tr>
<tr>
<td>Texas</td>
<td>Metairie</td>
<td>24</td>
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<tr>
<td></td>
<td>Lake Charles</td>
<td>14</td>
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<tr>
<td></td>
<td>Baton Rouge</td>
<td>6</td>
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<tr>
<td></td>
<td>Belle Chasse</td>
<td>2</td>
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<td></td>
<td>Harvey</td>
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<td>North Carolina</td>
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<td>Peachtree City</td>
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<td>Columbus</td>
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<td>Savannah</td>
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<td>Albany</td>
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<td></td>
<td>Aurora</td>
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<td></td>
<td>Elgin</td>
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<td></td>
<td>Rockford</td>
<td>4</td>
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<tr>
<td></td>
<td>Decatur</td>
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<tr>
<td>Pennsylvania</td>
<td>Julian</td>
<td>22</td>
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<td>Allentown</td>
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<td></td>
<td>Media</td>
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<td></td>
<td>North Hampton</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Lancaster</td>
<td>2</td>
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</tbody>
</table>
TO: Paolo Ghio - Executive Director  
Santa Rosa Island Authority  
Jerry Watson – Chair  
Santa Rosa Island Authority Board  
FROM: David Forte, Division Manager  
Transportation & Traffic Operations Division  
DATE: December 12, 2018  
RE: Escambia County Public Works Projects Report

Please see the below Public Works Report for Pensacola Beach Area Projects:

- **Congestion Management Plan** – Volkert, Inc. is design consultant; Board approved the plan on May 30, 2017 and approved a Change Order to the existing contract on July 27, 2017 to design - Phases II – Additional Parking (less the SRIA Office and old VIC center sites) and Phase III – Roundabouts, Ped Underpasses and the old VIC center parking site.

  SRIA and BCC gave direction to proceed with Phase III design from 60% to 100% plans. Anticipate design completion Spring 2019. Construction funding TBD.

  Casino Beach Parking Lot Expansion Project construction at 30%, with completion anticipated for March 2019.

  Old VIC Center Building Parking Lot Project construction at 10%, with completion March 2019.

- **Bob Sikes Bridge Routine Rehabilitation** – Design contract award to design firm (KCA) anticipated for December 6, 2018 BCC. Anticipate design phase completion Summer 2019 with construction solicitation to proceed following design.

- **Pensacola Beach Access Road & BSB Fishing Pier, Parking and Trail Restoration Project** – BDI is design consultant for both projects. BSB Fishing Pier design at 100%. Access Road design at 60%. Design plans being modified to accommodate the pedestrian pathway in front of Beach to Bay and Morgan Park properties, impacts to the race car track, and other identified safety concerns.

- **Quietwater Beach Pier • Ferry Landing Improvements** – Mott MacDonald is design consultant. Phase I waterside improvements complete; landside improvements complete. Phase II and III design solicitation underway.

- **Via De Luna Pipe Rehab** – 7 of the 13 pipes completed February 2017. Construction of remaining pipe rehabs to occur once funding is allocated. ECUA has been asked to address/repair the two lines that are theirs in the meantime.

- **BSB Toll Plaza** – SunPass and Pensacola Beach Annual Pass system. $20 General Public Annual Pass and $5 Pensacola Beach Resident Annual Pass (with valid homestead exemption).
**Toll Counts**

- November 2018 – 283,345
- November 2017 – 294,068
  -10,723

- October 2018 - 367,751
- October 2017 - 338,924
  +28,827

**Toll Revenues**

- November 2018 – 138,726
- November 2017 – 151,584
  -12,858

- October 2018 – 126,625 (no toll collection 10/8-10/19)
- October 2017 – 178,417
  -51,792

- Year to Date Total 2018 – 2,613,502
- Year to Date Total 2017 – 2,847,529

cc: Amy Lavoy, Acting County Administrator
Joy Jones, P.E., Director, Escambia County Public Works
Wes Moreno, Director, Escambia County Roads & Bridges
Colby Brown, P.E., Deputy Director, Escambia County Public Works
Scott Sanders, Division Manager, Escambia County Public Works
Cooper Saunders, Project Manager, Escambia County Public Works
Yana Shanholzer, On-Site Manager, Escambia County Bob Sikes Toll Facility
December 12, 2018
Regular Board Meeting
Development and Leasing Committee
Consent Item A-1

Discussion on the non-renewal of Master Leases that do not pass along the lease fee reduction to their sub-lessees. (Report by Tammy Bohannon)

Committee Action:

No action taken.
December 12, 2018
Regular Board Meeting
Development and Leasing Committee
Consent Item A-2

Request by Jim Reeves, PB RV Park – 17 Via de Luna – to sublease to Jamie Wells, Local Boyz Hawaiian Shave Ice, to operate a shaved ice business from leasehold property. (Staff report by Robbie Schrock)

Background:

Mr. Wells will be offering shaved ice, which is unlike any other business in our area. They have a machine that “shaves” the 5 pound cube of ice, it has a different texture than the traditional crushed ice. He spent many years living in Hawaii, which is where his love of the shaved ice was born. He will be located on the pool deck in the middle of the RV Park, and have another temporary trailer behind the Tiki Bar, all that can removed in inclement weather. This will be a temporary use permit, with operation March-October.

Recommendation:

Staff recommends approval of the request by Jim Reeves, PB RV Park – 17 Via de Luna – to sublease to Jamie Wells, Local Boyz Hawaiian Shave Ice, to operate a shaved ice business from leasehold property, paying all applicable percentages and fees.

Committee Action:

The Committee unanimously approved the request by Jim Reeves, PB RV Park – 17 Via de Luna – to sublease to Jamie Wells, Local Boyz Hawaiian Shave Ice, to operate a shaved ice business from leasehold property, paying all applicable percentages and fees.
Request by H & S Development, Hampton Inn – 2 Via de Luna – to sublease to Jamie Wells, Local Boyz Hawaiian Shaved Ice, to operate a shaved ice business from leasehold property.

Background:

Mr. Wells will be offering shaved ice, which is unlike any other business in our area. They have a machine that “shaves” the 5 pound cube of ice, it has a different texture than the traditional crushed ice. He spent many years living in Hawaii, which is where his love of the shaved ice was born. He will be located at the hotel pool deck. This would be a temporary use permit, allowing operation March-October.

Recommendation:

Staff recommends approval of the request by H & S Development, Hampton Inn – 2 Via de Luna – to sublease to Jamie Wells, Local Boyz Hawaiian Shaved Ice, to operate a shaved ice business from leasehold property, paying all applicable percentages and fees.

Committee Action:

The Committee unanimously approved the request by H & S Development, Hampton Inn – 2 Via de Luna – to sublease to Jamie Wells, Local Boyz Hawaiian Shaved Ice, to operate a shaved ice business from leasehold property, paying all applicable percentages and fees.
Discussion regarding lease fees and the existing lease fee reduction policy. (Staff Paolo Ghio)

Committee Action:

The Committee unanimously approved tabling this item.
Discussion regarding adoption of a Board Policy to address lease renewals. (Staff report by Paolo Ghio)

**Background:**

For leases having renewal clauses subject to negotiation, a policy with guidelines on time length, fee changes, additional restrictions, and acceptable reasons for renewal are a few points to consider for inclusion.

**Committee Action:**

No action taken.
Report on Financial Statements and Expenditures. (Staff report by Dottie Ford)

Background:

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

Recommendation:

Staff recommends acceptance of the reports on financial statements and expenditures as presented.

Committee Action:

The Committee unanimously accepted the report on Financial Statements and Expenditures as presented.
Discussion regarding adoption of a Board Policy to address a CPI increase in 2020 for all applicable leases. (Staff report by Paolo Ghio)

**Background:**

CPI has been an effective clause in all leases since 1975. Policy allows the Board to review the CPI every 5 years. The Board chose to take no action in 2010 due to the recession and again in 2015, due to the lease fee reduction policy. The reset available adjustment year is 2020, with implementation in 2021.

**Committee Action:**

No action taken.
Discussion regarding the activation of a second dedicated Sunpass Lane at the toll plaza. 
(Staff report by Paolo Ghio)

**Background:**

The Sunpass system is one of several projects designed to reduce traffic congestion. The technology is in place for available gates to accept Sunpass and the Bridge Pass. The time has arrived to dedicate a second lane to Sunpass only. The remaining 2 gates will continue to accept cash and Sunpass access.

**Recommendation:**

Staff recommends the Board compose a letter to the BOCC recommending County traffic activate a second lane to be Sunpass only.

**Committee Action:**

The Committee unanimously approved composing a letter to the BOCC recommending the addition of a second dedicated SunPass lane to the Bob Sikes toll plaza, with proper speed setting and geometrical designs studies completed prior to determining the best 2 lanes to utilize.
December __, 2018

Hon. Lumon May
Chairman
Board of County Commissioners
221 Palafox Place
Pensacola, Florida 32502

RE: Activation of a second dedicated SunPass Lane at the Bob Sikes Bridge toll plaza

Dear Lumon:

I am writing to you on behalf of the Santa Rosa Island Authority Board of Directors, who voted on December 12, 2018 to recommend to the Escambia County Board of County Commissioners to activate a second SunPass Lane at the Bob Sikes Bridge toll plaza as soon as is reasonably possible.

As you may recall, the system was designed and installed with the intent to make all lanes at the Bob Sikes toll plaza SunPass lanes and to phase in all gates over time. At the Santa Rosa Island Authority Board of Directors meetings on November 7, 2018 and December 2018, it was discussed that this may be a good time to phase in the second lane because traffic is relatively light in the off-season, which would make it easier to install the second lane and to acclimate residents to the use of two SunPass lanes.

It was recommended by the Santa Rosa Island Authority’s engineer that Escambia County conduct a study on speed settings and geometrical designs prior to determining which two lanes should be utilized for SunPass lanes. With that said, if the above study concludes it is feasible, the Santa Rosa Island Authority Board of Directors would recommend that the two far right lanes at the Bob Sikes Bridge toll plaza be converted to SunPass lanes because it would appear to be safer for the cashiers at the toll booths and it would appear to make merging easier for traffic.

On behalf of the Santa Rosa Island Authority Board of Directors, I would like to thank Escambia County, the other commissioners and you in advance for your consideration of this request.
Sincerely,

Jerry Watson
Chair
Santa Rosa Island Authority

pc: Hon. Karen Sindel, Vice-Chair, Santa Rosa Island Authority Board of Directors
Hon. Janice Gilley, Secretary/Treasurer, Santa Rosa Island Authority Board of Directors
Hon. Bridgette Brooks, Board Member, Santa Rosa Island Authority Board of Directors
Hon. Thomas Campanella, Board Member, Santa Rosa Island Authority Board of Directors
Hon. [New SRIA Board Member] Board Member, Santa Rosa Island Authority Board of Directors
Amy Lavoy, Interim County Administrator, Escambia County, Florida
Alison Rogers, Attorney, Escambia County, Florida
Paolo Ghio, Executive Director, Santa Rosa Island Authority
Michael J. Stebbins, Attorney, Santa Rosa Island Authority
Approval of the 2019 SRIA Holiday and Meeting Schedules. (Staff report by Robbie Schrock)

Background:

See the attached proposed Holiday & Meeting Schedule for 2019.

Recommendation:

Staff recommends approval of the proposed Holiday & Meeting Schedule for 2019.
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<thead>
<tr>
<th></th>
<th>January</th>
<th>February</th>
<th>March</th>
<th>April</th>
<th>May</th>
<th>June</th>
<th>July</th>
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<td>28</td>
<td>25</td>
<td>23</td>
<td>20</td>
<td></td>
</tr>
</tbody>
</table>

Board meetings are typically held on the second Wednesday of each month, and Committee meetings are held on the fourth Wednesday of each month.

All regularly scheduled meetings of the Santa Rosa Island Authority begin at 5:00 p.m. and are held in the Authority's meeting room, 1 Via de Luna.

1 – Date Changed due to the Thanksgiving Holiday.
2 - Date Changed due to the Christmas Holiday.
<table>
<thead>
<tr>
<th>Holiday</th>
<th>Date</th>
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</thead>
<tbody>
<tr>
<td>New Year's</td>
<td>Tuesday, January 1, 2019</td>
</tr>
<tr>
<td>Martin Luther King, Jr. Day</td>
<td>Monday, January 21, 2019</td>
</tr>
<tr>
<td>Presidents Day</td>
<td>Monday, February 18, 2019</td>
</tr>
<tr>
<td>Good Friday</td>
<td>Friday, April 19, 2019</td>
</tr>
<tr>
<td>Memorial Day</td>
<td>Monday, May 27, 2019</td>
</tr>
<tr>
<td>Independence Day</td>
<td>Thursday, July 4, 2019</td>
</tr>
<tr>
<td>Labor Day</td>
<td>Monday, September 2, 2019</td>
</tr>
<tr>
<td>Veteran's Day</td>
<td>Monday, November 11, 2019</td>
</tr>
<tr>
<td>Thanksgiving</td>
<td>Thursday, November 28, 2019; Friday, November 29, 2019</td>
</tr>
<tr>
<td>Christmas</td>
<td>Tuesday, December 24, 2019; Wednesday, December 25, 2019</td>
</tr>
<tr>
<td>Floating Holiday</td>
<td>*Discretionary leave to be used by the employee between 01/01/19-12/31/19 with their supervisor's approval</td>
</tr>
<tr>
<td>New Year's</td>
<td>Wednesday, January 1, 2020</td>
</tr>
<tr>
<td>Martin Luther King, Jr. Day</td>
<td>Monday, January 20, 2020</td>
</tr>
</tbody>
</table>
December 12, 2018  
Regular Agenda  
Old Business Item # 3

Discussion regarding early termination of “Old” VIC management of concession agreement with Beach Hut, and possibly refunding fees paid, due to early termination. (Staff report by Paolo Ghio)

Background:

The structure formerly known as “Old VIC”, was identified for removal to provide land for public parking, and the extension of the stacking lane going to Ft. Pickens Road. As this project needed to be done in the winter season, we agreed to accept the early termination of the management of concession with Mr. Rinke. This has allowed us to demolish the building and begin construction of the parking lot in December and expected completion by March, 2019.

As this agreement was paid up front each year, a request is being made to prorate the unused months in the final year. The agreement was terminated at the end of September, 2018, leaving 151 days unused. The prorated amount totals, $17,525.06.

Recommendation:

Early termination afforded us the opportunity to construct this public benefit in the core during the winter of 2018. Staff recommends approval to refund the unused portion of the paid fees, not to exceed $17,525.06.
STATE OF FLORIDA
COUNTY OF ESCAMBIA

AGREEMENT FOR OPERATION AND MANAGEMENT
OF
CONCESSION

THIS AGREEMENT FOR OPERATION AND MANAGEMENT OF CONCESSION, HEREINAFTER CALLED THE “CONTRACT”, IS EFFECTIVE AS OF March 1, 2015 (“Effective Date”), between the SANTA ROSA ISLAND AUTHORITY, whose address is One Via de Luna, Pensacola Beach, Florida 32563, (hereinafter the “Authority”) and Levin and Rinke Resort Realty, Inc., a Florida corporation and Premier Island Management Group, LLC, a Florida limited liability company, whose address is 10 Portofino Drive Pensacola Beach, FL 32561 (hereinafter individually, collectively, and interchangeably, the “Contractor”).

SECTION I – PREMISES

Authority hereby contracts with Contractor for management of 735 Pensacola Beach Blvd. and other amenities on the following property located on Santa Rosa Island, Escambia County, Florida, to-wit the “Premises.”

See attached Exhibit “A"

SECTION II – TERM OF CONTRACT

This Contract shall extend for a period of four (4) years beginning with the Effective Date. Each one (1) year period commencing from the Effective Date shall be referred to as a “year.” This Contract may be extended by mutual agreement of the parties for three (3) additional four (4) year terms. All terms, provisions and conditions of any renewed contract, other than the term of years shall be subject to negotiation and change.

SECTION III – USE OF PROPERTY

A. The above described property is made available to Contractor through this Contract solely for Contractor to provide management and operation of a family oriented concession and/or professional office space building. The Contractor agrees to continuously operate throughout the term of this Contract a real estate brokerage company, an outdoor sports and vacation rental company, and a We Proudly Serve-Starbucks concession and no other operations or amenities. In so providing, Contractor agrees, at a minimum, to meet the following objectives of the Authority:
1. Management of the Concession:
   • To provide onsite management and maintenance of the Concession and to insure that all services are provided in a professional, family friendly and courteous manner;
   • To insure that all possible measures are taken to safeguard the health and well being of patrons of the concession;
   • To insure adherence to all applicable regulatory requirements.

2. Maintenance and operation of a concession:
   • To provide a quality family friendly concession available to the public during all operating hours and/or professional office space;
   • To not sell alcohol;
   • To provide and maintain clean, quality public restrooms;

B. Sale of any and all merchandise or services on the Premises, including any and all facility imprinted souvenirs/gifts and any other additional merchandise, is subject to review and approval by the Authority, which approval shall not be unreasonably withheld.

C. The Contractor agrees to obtain all permits and licenses necessary for the operation of the concession facilities, public restrooms, professional office space and other improvements on the Premises. The Contractor agrees to obtain all permits and licenses necessary for the conduct of business and agrees to comply with all laws governing the responsibility of an employer with respect to persons it employs. All required permits and licenses must be obtained and presented to the Authority’s Administration and Leasing Department prior to commencement of any operation by the Contractor.

D. The Contractor agrees that it will store recreation items offsite and deliver them each morning with appropriate staging.

SECTION V – CONTRACT FEES

Contractor covenants and agrees to pay Contract fees to the Authority as follows:

A. Contractor hereby agrees to pay the Authority a consideration fee of $25,000.00 for the right to enter into a contract upon execution of this Contract.
B. Contractor shall pay the Authority an annual Contract Fee equal to the minimum fee set forth in paragraph D. of this Section, or ten (10) percent of “gross receipts” from all sales and other sources of income, whichever is greater. Contractor shall be jointly and severally liable to the Authority for the payment of the Contract Fee. The term “gross receipts” as used herein means the consideration received for all merchandise sold and the charges for all services performed or facilities furnished by the Contractor, any sub-contractor or any other person, firm, or corporation selling merchandise, performing services or furnishing facilities in, upon or from any part of the Premises, whether for cash or for credit, but shall exclude all returned merchandise accepted by the seller, and the amounts received for Florida Sales Tax. For the avoidance of doubt, the parties agree that rentals and services which are booked at the Premises shall be included in gross receipts and any commission from a client who first presented to the Contractor at the Premises shall be included in gross receipts regardless of where the closing which gives rise to the commission is held.

C. The percentage fee shall be computed for each calendar month and reported in writing to the Authority, on a form provided by the Authority, within twenty (20) days of the end of the month being reported. Contractor shall report percentage fees monthly, but shall not be liable for payment of said fees until the amounts owed for percentage fees exceed the yearly Minimum Annual Contract Fee paid in accordance with paragraph D. of this Section. Percentage fees over and above the Minimum Annual Contract Fee amount shall be due and paid within twenty (20) days of the end of the month in which the amount owed accrues. If Contractor passes onto its customers the percentage fees it pays to the Authority, amounts collected as a result of the charge to the customer shall be included in “gross receipts” reported to the Authority and shall be used to calculate the percentage amount.

D. Contractor will pay a Minimum Annual Contract Fee on the property in the amount of: 1) $37,600.00 in year one of the contract; 2) $39,480.00 in the years two through four of the contract. The Minimum Annual Contract Fee for the first year of the contract shall be due and payable upon execution of the contract and the Minimum Annual Contract Fee for each subsequent year shall be due and payable on the anniversary of the Effective Date of the contract.

SECTION VI – TITLE TO IMPROVEMENTS

Title to any building or improvements of a permanent character are vested in Escambia County, Florida, subject to the rights granted to Contractor by the terms of this Contract. Contractor acknowledges that it shall have no right to remove such fixed and permanent improvements from the Premises. Contractor acknowledges that this is a license to operate a concession a family oriented concession and/or professional office space and IS NOT A LEASE.
SECTION VII – DESTRUCTION OF PREMISES

In the event of damage or destruction of any buildings or improvements constructed by the Contractor on the Premises by fire, windstorm, water or any other cause whatsoever, Contractor shall at its own cost, within one (1) year time, repair or rebuild such building or improvement so as to place the same in as good and tenable condition as it was before the event causing such damage or destruction, provided that if the building or improvement cannot be repaired or replaced within the aforesaid one (1) year time period by Contractor, although Contractor has made a good faith effort to do so, the time period for repair or replacement of the building or improvement may be extended for such time as is reasonably necessary to complete the repair or replacement. Failure to rebuild or replace building or improvements on the Premises constructed by the Contractor in accordance with the terms of this Section shall constitute a breach of this Contract.

Unless otherwise agreed to by the Authority, the Contractor also agrees to maintain adequate flood, windstorm, fire and casualty insurance for all such damage to or destruction of improvements constructed by the Contractor on the Premises to the extent of their insurable value. Proof of insurance must be provided to the Authority at the beginning of each contract year. The insurance policy must name the Authority and Escambia County as additional insureds. The Authority shall have a lien on any proceeds from said insurance.

SECTION VIII – INSURANCE AND INDEMNITY

All personal property which may be on the Premises during the term of this Contract shall be there at the sole risk of Contractor, or those claiming under Contractor, and Authority shall not be liable to Contractor, or any other persons for property in or upon the Premises. Furthermore, Authority shall not be liable to Contractor or to Contractor’s employees, patrons, licensees, permittees, visitors, successors or assigns, for any damage to property or injury to person caused by the act of negligence of any other user of the facilities. Contractor accepts the Premises as wholly suitable for the purpose for which it is contracted and agrees to hold Authority harmless from any claims based on the condition or suitability of the Premises.

Additionally, Contractor hereby agrees to defend, indemnify and save harmless Authority from any and all claims, demands, suits, judgments, costs, liabilities or expenses on account of any loss or injury occurring on the Premises, or on any adjoining public property utilized by Contractor for any special event or activity approved by the Authority, unless the claim is for injuries or damages caused by the negligence of the Authority.

Contractor also agrees to maintain adequate liability insurance for all such claims and liability in an amount reasonably acceptable to the Authority. Proof of such insurance
must be provided to the Authority at the beginning of each contract year. The insurance policy must name the Authority and Escambia County as additional insureds.

SECTION IX – APPLICATION OF COVENANTS AND RESTRICTIONS AND COMPLIANCE WITH LAWS

This Contract and the Premises are expressly subject to and bound by the Covenants and Restrictions applicable to property on Santa Rosa Island, dated February 10, 1949, and record in Deed Book 294, at Page 303 of the public records of Escambia County, and the said Covenants and Restrictions are made a part hereof, as if fully set forth herein. Furthermore, this Contract and the Premises shall always be subject to applicable policies, covenants, restrictions, ordinances, and building codes adopted from time to time by the Authority and any other governmental agency having authority over the Premises.

Contractor agrees to comply with all laws, ordinances, rules and regulations now in effect or, subject to Contractor’s contractual rights set forth in this Contract, hereafter enacted by any governmental body having jurisdiction over the Premises, including but not limited to those necessary for the protection of the environment or the ecology of Santa Rosa Island, and Contractor shall not make or allow to be made any unlawful, improper or offensive use of the Premises and shall keep the Premises in a clean, attractive and safe condition. Contractor further agrees to exercise all reasonable safety measures in the operation of its businesses for the protection of the public.

SECTION X – UTILITIES

Contractor shall pay for and maintain all requirements for utilities for the concession operations, including but not limited the maintenance and replacement of all fixtures (piping, lighting, etc.), service and other charges for gas, steam, water, electricity and sewer charges. Contractor further agrees to use exclusively, if provided by Authority, such public utilities and public services relating to health and sanitation as may from time to time be made available by Authority, or by others pursuant to agreements, licenses or permits with Authority. Nothing in this paragraph shall obligate Authority to provide any service.

SECTION XI – MAINTENANCE OF REQUIRED LICENSES

Contractor shall obtain all licenses required by all governmental authorities having jurisdiction over the Premises for the type of business operated by Contractor, and shall maintain all required licenses during the term of this Contract.

SECTION XII – REPAIRS AND MAINTENANCE

Contractor shall, at its own cost and expense, repair, replace and maintain the Premises and improvements in a good, safe and substantial condition and shall use all reasonable precaution to prevent waste, damage or injury to the Premises and other improvements.
The Contractor agrees to provide and maintain all necessary signage as approved by the Authority. The Contractor further agrees to be responsible for maintenance and cleaning of the Premises, concession building, and public restrooms.

The Contractor shall properly maintain, repair and keep in good operating condition all fixtures, equipment and furnishing owned by the Authority and located in and about the subject Premises. All costs of repair, maintenance and replacement of such fixtures, equipment and furnishing shall be done at the sole expense of the Contractor and shall be accomplished within forty-eight (48) hours after the need for repairs and/or maintenance becomes apparent.

The Contractor shall, at all times, keep the Premises free and clear of objects, impediments and trash. The Contractor is solely responsible for the cleaning of the Premises concession building, public restrooms, and interior offices. In addition to such cleaning, the Contractor shall be responsible for the repair of all interior equipment, cash registers, tanks, pumps and any other equipment used in the operation of the concessions.

The Contractor shall develop and submit to the Authority as a part of its Business and Operations Plan, to be submitted under Section XVIII, a written plan for maintenance, which shall include cleaning schedules and frequencies for the concession and public restrooms.

If more than fifty (50%) percent of the Premises are damaged by Act of God or other cause, this Contract may be terminated by either party upon thirty (30) days written notice. Otherwise the Contract shall remain in full force. If the Authority chooses, in its sole discretion, to undertake any repairs or renovations, it may close the Premises during that time with no recourse to the Contractor for any lost revenues or damages of any kind.

SECTION XIII – TAXES AND ASSESSMENTS

Contractor shall pay and discharge all sales taxes assessed, charged or imposed. In addition, upon notice from Authority, Contractor agrees to assume Authority’s defense and indemnify Authority for any claim related to any sales taxes assessed, charged or imposed upon the Premises, whenever arising.

SECTION XIV – AUTHORITY’S ACCESS

The Authority and its designated agents, and officials of Escambia County and the County’s designated agents, shall at all reasonable times have access to the Premises for the purpose of inspecting and determining whether Contractor has complied with its obligations pursuant to this Contract.
SECTION XV - SPECIAL REQUIREMENTS

It is recognized that one of the major purposes of this Contract is to provide accommodations and services of high quality and attractiveness. To this end, the Authority may withhold its approval of any plans for construction of improvements on the Premises, or placement of temporary facilities, if the plans do not adequately provide for improvements or temporary facilities which would enhance the general appearance and attractiveness of the Premises, provided the Authority shall not unreasonably withhold its approval of Contractor’s plans.

SECTION XVI - PROHIBITED USES

Contractor covenants and agrees not to use or occupy the Premises for any purpose other than herein specified, or permit the same or any part thereof to be used or occupied for any purpose or business other than herein specified, without the prior written consent of the Authority which approval shall not be unreasonably withheld.

SECTION XVII - OPERATION AND CONDUCT OF BUSINESS

Contractor covenants and agrees as follows:

A. To submit to the Authority each month a copy of the Contractor’s signed sales tax form sent to the State of Florida, along with a signed copy of the approved sales report form as established by the Authority. In lieu of a monthly sales tax report, or in addition to the monthly sales tax report, the Authority may require other documents to substantiate income received from operations on the Premises. In the event the Contractor has subcontractors or tenants, the Contractor also agrees to submit to the Authority each month a copy of the subcontractors’ signed sales tax form sent to the State of Florida, along with a signed copy of the approved sales report form as established by the Authority. The Contractor agrees that the Contractor shall be solely responsible for the submission of all reports, payments and required documentation from all transactions of any kind taking place on the Premises. In lieu of a monthly sales tax report, or in addition to the monthly sales tax report, the Authority may require other documents to substantiate income received from operations on the Premises.

B. To maintain accurate and adequate records and books of account which shall be open to inspection and audit by the Authority, Escambia County, or the Authority’s or County’s designee, at reasonable times at the Contractor’s place of operation on Pensacola Beach or at such places as may be mutually agreed upon.

C. To furnish to the Authority, not later than the 20th day of each month, the reports discussed in Section XVII A. above in a manner sufficiently detailed to reveal accurately and completely total revenue derived by Contractor and/or its subcontractors from every source during the preceding calendar month from all of
the Contractor’s or any subcontractor’s business operations hereunder, and from
time to time to furnish any other information which may be requested by the
Authority in connection with this Contract.

D. To comply with all laws and regulations relating to the operation of any business,
and to any property used in connection therewith, on the Premises and to operate
said business in a first class manner consistent with the public purpose to be
served by the Authority and in the best interest of the public.

E. Not to knowingly permit or suffer any nuisance or illegal operations or course of
conduct of any kind on the Premises.

F. The Authority and Escambia County shall have the right and authority to audit all
records, documents, and books pertaining to the concession at any time. Such
audit will be conducted at locations and at a frequency determined by the
Authority and/or the County and communicated to the Contractor. The
Contractor agrees to provide any requested materials for the audit at the
designated place within five (5) days after the Authority notice is received. In
addition to the monthly sales report, the Contractor agrees to provide a profit and
loss statement of the concession operation for each calendar year, or portion
thereof, that this Contract is in effect. The report will be submitted to the
Authority within forty-five (45) days after the end of the calendar year. Books of
original entry and source documents shall be retained for a period of not less than
three (3) years. The retention period commences from the date of submission of
the annual profit and loss statement required above.

G. The Contractor must use a point-of-sale electronic cash machine and/or any other
authorized electronic accounting control equipment permitted by the Santa Rosa
Island Authority for the proper control of cash payments. Any and all costs
related to the purchase, programming, installation and maintenance of this
equipment shall be the sole responsibility of the Contractor. Cash register tapes
must be maintained and made available upon demand during the entire term of the
contract. Cash register receipt must be offered to each customer immediately
after each transaction and sale. No exceptions may be made by the Contractor for
these procedures without the written approval of the Authority.

H. The Contractor agrees to cooperate with the Authority in conducting surveys,
providing reports of visitor contacts and responding to Authority inquiries about
public usage of the concession or facility services.

I. The Contractor agrees the concession shall be open and adequately staffed seven
(7) days per week, excluding Thanksgiving and Christmas, with appropriate hours
to serve the general public. The concession facilities shall be open no later than
7:00 A.M. each day and shall close no earlier than 5:00 P.M. each day and the
realty office facilities will be open no later than 9:00 A.M. each day and shall
close no earlier than 5:00 P.M. each day. Specific hours of operation shall be
included in an annual Business and Operations Plan to be submitted within ten (10) days of execution of the Contract and on each subsequent annual anniversary of the Effective Date of the contract. Seasonal scheduling changes may be proposed in the Business and Operations Plan for consideration based on customer demands. The hours of operation shall be subject to approval by the Authority, which approval shall not be unreasonably withheld.

J. There shall be no discriminating as to race, sex, color, creed, age or national origin in the operations referred to by this Contract; and further, there shall be no discrimination regarding any use, service, maintenance, or operation of the Premises.

SECTION XVIII - SUBMITTALS

Contractor agrees to submit within ten (10) days of execution of the Contract and on each subsequent annual anniversary of the Effective Date of the Contract, the following plans, which shall be subject to approval by the Authority, which approval shall not be unreasonably withheld:

A. Business and Operations Plan

The Business and Operations Plan shall, at a minimum, establish and provide for:

- Concession services to be available 365 days per year;
- Maintenance by Contractor of a vendor contact point which will be staffed from 7:00 A.M. to 5:00 P.M. daily. If answering machine is used, calls must be returned promptly;
- Maintenance and cleaning of the Premises to be performed on a schedule and to standards acceptable to the Authority;
- Grounds maintenance and cleaning to be performed on a schedule and to standards acceptable to the Authority;
- Maintenance of a pest control contract for all facilities;
- Specific hours of operation;

B. Environmental Protection Plan

The Environmental Protection Plan shall provide, at a minimum:

- For use of recyclable or biodegradable materials where possible;
• Use of natural cleaning and maintenance supplies/compounds, insecticides, rodenticides and herbicides;
• A plan for waste management;
• A plan for solid waste reduction and recycling; and,

C. Safety Plan

The Safety Plan shall provide, at a minimum:

• Safety guidelines for all aspects of concession operations with special attention to first aid, security, and fire prevention.
• A plan for Emergency Action which will cover proper preparations and responses to all natural and man-made disasters.

All provisions of the plans submitted and approved in accordance with this Section shall become a part of the performance obligations of Contract under this Contract and shall be incorporated as a part of the Contract and subject to enforcement hereunder.

SECTION XIX - ENFORCEMENT OF CONTRACT; FORFEITURE; BREACH; REMEDIES; NONWAIVER; ATTORNEY'S FEE

A. Authority may enforce the performance of this Contract in any manner provided by law. The following actions or failures on the part of the Contractor shall constitute a breach under the terms of this Contract ("Event of Breach"):

1. If Contractor shall desert or vacate the Premises;
2. If breach shall be made by the Contractor in the payment of fees a specified in this Contract.
3. If breach shall be made by Contractor in the performance of any of the terms or conditions of this Contract that Contractor is to perform;
4. If Contractor shall fail to comply with any of the statutes, ordinances, rules or regulations of any governmental body governing or regulating the Contractor's business;
5. If Contractor shall file a petition in bankruptcy, or make an assignment for the benefit of creditors, or be adjudicated a bankrupt, or take advantage of any insolvency act.

B. Upon the occurrence of an Event of Breach and if Contractor shall not have completely removed or cured the breach within thirty (30) days from the date of
Authority’s written notice to Contractor of breach and of Authority’s intention to
declare the Contract rescinded, this Contract shall come to an end as if the date
established by notice of rescission were the date originally fixed herein for the
expiration of the term of this Contract without any further notice from Authority
to Contractor. Additional time to cure any breaches in the Contract may be
granted by the Authority for good cause, and such approval will not be
unreasonably withheld. Authority or Authority’s agent or attorney shall thereafter
have the right without further notice or demand to reenter and remove all persons
and Contractor’s property from the Premises without being deemed guilty of any
trespassing.

C. In the event any report or payment in full required under this Contract is not
submitted on or before the date specified, the Contractor will owe the Authority,
in addition to the amount due with the monthly report, a late charge equal to ten
percent (10%) of the amount due for that report. In the event full payment of all
fees due shall not be made to the Authority within fifteen (15) days after the date
on which such payment becomes due, the delinquent amount shall accrue interest
at the rate of twelve percent (12%) per annum.

D. The failure of Authority in any one or more instances to insist, on the strict
performance of any of the terms or conditions of this Contract, or to exercise any
option set forth in this Contract, shall not be construed as a future waiver, or a
relinquishment of the provision or option, but it shall continue and remain in full
force and effect. The receipt by Authority of fees, with knowledge of the breach
of any term or condition hereof, shall not be deemed a waiver of the breach and
no waiver by Authority of any provision hereof shall be deemed to have been
made unless expressed in writing and signed by Authority.

E. If the Authority retains attorneys, auditors or others to assist it in the collection of
any sums due hereunder, which are not paid on the due date, or to enforce any of
the provisions of this Contract or to seek its termination, Contractor shall pay
reasonable enforcement, collection, attorney’s fees, auditor costs, or other costs
incurred, whether or not suit is necessary. If a legal action is filed to collect any
sums falling due hereunder to enforce any provisions hereof or to terminate this
Contract, Contractor shall pay all costs, expenses and charges incurred in said
proceedings, including costs incurred for any appeals.

F. It is expressly agreed and understood that this Section is a material part of this
Contract and that the Authority entered into this Contract and agreed to the terms
and conditions set forth herein, in reliance on its rights set forth in this Section.

SECTION XX – INDEPENDENT CONTRACTOR

It is acknowledged that at all times the Contractor is performing as an independent
Contractor and not as an employee, representative or agent of the Authority and that
neither the Contractor nor its employees are entitled to accrue any benefits of authority
employment, including retirement benefits and any other rights or privileges connected with employment in the Escambia County Civil Service and/or the Florida Retirement System.

It is understood and agreed that no part, parcel, building, structure, equipment or space is leased to the Contractor, that it is a contractor and not a lessee; and that the Contractor's right to operate the concession shall continue only so long as the concession operations comply with and are in accordance with the terms and conditions of this Contract.

SECTION XXI – END OF TERM

Upon the expiration or sooner termination of this Contract, Contractor shall be allowed a period of fifteen (15) days in which to remove all personal property, and Contractor shall leave all improvements in as good a state and condition as reasonable use and wear will permit.

SECTION XXII – PARAGRAPH HEADINGS

The paragraph headings in this Contract are intended for convenience only and shall not be taken into consideration in construction or interpretation of the Contract or any of its provisions.

SECTION XXIII – ENTIRE CONTRACT

Except as provided below, this instrument constitutes the entire Contract between Authority and Contractor on the subject of this Contract, and, except as provided for herein, all prior or contemporaneous oral or written agreements or representations of any nature with reference to the subject matter of this Contract are canceled and superseded by the provisions of this Contract.

SECTION XXIV – WAIVER

Failure on the part of Authority to complain of any action or nonaction on the part of Contractor, no matter how long it may continue shall never be deemed to be a waiver by the Authority of any of its rights under this Contract. Further, the Authority and the Contractor covenant and agree that should the Authority at any time waive any provisions of this Contract as to any action by Contractor requiring Authority’s consent or approval. The Authority shall not be deemed to have waived or render unnecessary Authority’s consent or approval as to any subsequent similar act by Contractor.

SECTION XXV – NONASSIGNABILITY

No whole or partial assignment or subcontracting of this Contract, or of any duty or obligation of performance arising hereunder, shall be made by Contractor without the prior written consent of the Authority.
SECTION XXVI – MODIFICATIONS IN WRITING

No modifications or amendments to this Contract will be permitted without prior approval from the Authority and its legal counsel. Any and all modifications or amendments must be in writing and executed by both parties.

[SIGNATURES ON THE FOLLOWING PAGE]

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]
IN WITNESS WHEREOF, we have hereunto set our hands and seals.

SANTA ROSA ISLAND AUTHORITY

ITS CHAIRMAN

ATTEST:

Thomas Campanella
SECRETARY,

WITNESSESS AS TO SANTA ROSA ISLAND AUTHORITY:

PRINTED NAME: COURTNEY FELL

AJ Powell

PRINTED NAME: AJ Powell

STATE OF FLORIDA
COUNTY OF ESCAMBIA

Before me, the undersigned Notary Public, personally appeared

Tammy Bohannon and Thomas Campanella

Who are personally known to me and known to be the Chairman and Secretary, respectively, of the Santa Rosa Island Authority, for and acknowledged that they executed the foregoing instrument for and in the name of said Authority, as its Chairman and Secretary, and caused its seal to be thereto affixed, pursuant to due and legal action of said Authority authorizing them so to do. They did (did not) take an oath.

GIVEN under my hand and official seal this the 25 day of February, 2015.

JAMEE M THOMPSON
MY COMMISSION # EE169608
EXPIRES February 14, 2016
(407) 888-0158 FloridaNotaryService.com

Commission Expires 2/14/16

14
CONTRACTOR:

LEVIN AND RINKE RESORT REALTY,
INC., a Florida corporation

BY: Robert Rinke, President

WITNESSES AS TO LRRR:

Hannah Brown

PRINTED NAME: Hannah Brown

Rebeke Campbell

PRINTED NAME: Rebeke Campbell

STATE OF FLORIDA
COUNTY OF ESCAMBIA

Before me, the undersigned Notary Public, personally appeared Robert Rinke, who is personally known to me and known to be the President of Levin and Rinke Resort Realty, Inc., a Florida corporation, for and acknowledged that he has executed the foregoing instrument, as President of Levin and Rinke Resort Realty, Inc., a Florida corporation and acknowledged to and before me that he executed said Instrument for the purposes expressed herein. He is personally known to me or has produced as identification and did not take an oath.

GIVEN under my hand and official seal this the 9th day of March 2015.

Carrie E. Gerald
NOTARY PUBLIC
My commission expires: 10-02-2016
PREMIER ISLAND MANAGEMENT GROUP, LLC, a Florida limited liability company

BY: Robert M. Babcock, Managing Member/Manager

WITNESSES AS TO PREMIER:

PRINTED NAME: Craig Farrier

PRINTED NAME: Rebekah Carpenter

STATE OF FLORIDA
COUNTY OF ESCAMBIA

Before me, the undersigned Notary Public, personally appeared Robert M. Babcock, who is personally known to me and known to be the Managing Member/Manager of Premier Island Management Group, LLC, a Florida limited liability company, for and acknowledged that he has executed the foregoing instrument, as Manager/Managing Member of Premier Island Management Group, LLC, a Florida limited liability company and acknowledged to and before me that he executed said Instrument for the purposes expressed herein. He is personally known to me or has produced identification and did not take an oath.

GIVEN under my hand and official seal this the 84th day of Feb., 2015.

NOTARY PUBLIC
My commission expires: 10-2-2016
A portion of the right-of-way of Fort Pickens Road, Santa Rosa Island, Escambia County, Florida being more particularly described as follows:

Begin at the northermost intersection of the easterly right-of-way of Fort Pickens Road and the westerly right-of-way of Via Deluna; thence run South 56°10'12" West for 33.00 feet; thence run South 33°49'48" East for 120.00 feet; thence run North 56°10'12" East for 33.00 feet to a point on the easterly right-of-way of Fort Pickens Road; thence continue North 56°10'12" East for 44.12 feet to a point being on the westerly right-of-way of Via Deluna, said point being on the arc of a circular curve concave to the Northeast having a radius of 1,477.30 feet and central angle of 04°57'36" and a chord bearing of North 54°01'03" West and chord distance of 127.86 feet; thence northwesterly along the arc of said curve for 127.90 feet to the Point of Beginning. Containing 0.15 acres more or less.

The above described parcel is subject to right-of-way vacation of Fort Pickens Road.
# SUMMARY OF CHARGES
October 1, 2018 thru October 31, 2018

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</table>

**TOTALS FOR SRIA** $3,450.80

**RECEIVED**
NOV 02 2018
SANTA ROSA ISLAND AUTHORITY

ORG: Pam COPY: Robbie
December 4, 2018

Via Email
Paolo Ghio
Executive Director
Santa Rosa Island Authority
P. O. Box 1208
Pensacola Beach, FL 32561

Re: Attorney’s Report for the December 12, 2018 Board Meeting

Dear Paolo:

Enclosed is the Attorney’s Report for the December 12, 2018 Santa Rosa Island Authority Board Meeting.

The Attorney’s Report reflects items for which I have been asked to do work on behalf of the Santa Rosa Island Authority. If there are any matters on the agenda for the December 12, 2018 Santa Rosa Island Authority Board Meeting not reflected in my report for which you seek my input, please let me know. Thanks.

Sincerely,

MICHAEL J. STEBBINS, P.L.

Michael J. Stebbins
For the Firm

Enclosure

pc: Robbie Schrock (w/ encl. via email)
    Jamee Thompson (w/ encl. via email)
    Vickie Johnson (w/ encl. via email)
I. Lease Defaults Pending

A. Residential – ACTIVE

1. Wolfe, Jeffrey (2018 Default – 10520)
2. Rogan, Mr. & Mrs. Sean and William Will (2018 Default – 61702) – Reimbursable
4. Kimbrough, Mr. & Mrs. Rob (2018 Default – 13006) – Reimbursable
7. Reynolds, Mr. & Mrs. Reid (2018 Default - 52403) (August 2, 2018)

B. Residential & Commercial – ON STAFF HOLD

1. McCoy, Mr. & Mrs. Mathew W., Sr. (2018 Default – 52415)

C. Commercial – ACTIVE

NONE

II. Litigation/Claims

A. Pensacola Beach Holdings, Inc. vs. Santa Rosa Island Authority, et. al., Escambia County Circuit Court Case No. 2011 CA 002416 (Litigation): This is one of eight companion cases filed by Attorney Ed Fleming against the Escambia County Property Appraiser, the Escambia County Tax Collector and the SRIA. The complaints seek declaratory relief, injunctive relief and a re-evaluation of the property appraisals against the Escambia County Property Appraiser and the Escambia County Tax Collector. Declaratory relief is sought against the Escambia County Property Appraiser, the Escambia County Tax Collector and the SRIA for the issuance of a deed for fee simple ownership if the Court rules that the plaintiff is an
equitable owner.

**Status:** I checked the Court Docket and this file is still open, but it is not clear what is pending. I am advised by the attorneys for the plaintiff and the Property Appraiser/Tax Collector that this case is on hold until the appeals for Items II.B.-II.C. are exhausted.

B. **Beach Club Towers Homeowners Association, Inc. vs. Santa Rosa Island Authority, et. al., Escambia County Circuit Court Case No. 2011 CA 002415** (Litigation): This is one of eight companion cases filed by Attorney Ed Fleming against the Escambia County Property Appraiser, the Escambia County Tax Collector and the SRIA. The complaints seek declaratory relief, injunctive relief and a re-evaluation of the property appraisals against the Escambia County Property Appraiser and the Escambia County Tax Collector. Declaratory relief is sought against the Escambia County Property Appraiser, the Escambia County Tax Collector and the SRIA for the issuance of a deed for fee simple ownership if the Court rules that the plaintiff is an equitable owner.

**Status:** I checked the Court Docket and this file is still open, but it is not clear what is pending. On May 25, 2018, the trial court entered an amended final judgment for this case in favor of Beach Club Towers HOA, vacating the tax bills on the land for the years 2011 through 2017 and reserving the authority to rule on the issue of the valuation of the improvements if necessary.

C. **Portofino Tower Two Homeowners Association at Pensacola Beach, Inc. vs. Santa Rosa Island Authority, et. al., Escambia County Circuit Court Case No. 2011 CA 002418** (Litigation): This is one of eight companion cases filed by Attorney Ed Fleming against the Escambia County Property Appraiser, the Escambia County Tax Collector and the SRIA. The complaints seek declaratory relief, injunctive relief and a re-evaluation of the property appraisals against the Escambia County Property Appraiser and the Escambia County Tax Collector. Declaratory relief is sought against the Escambia County Property Appraiser, the Escambia County Tax Collector and the SRIA for the issuance of a deed for fee simple ownership if the Court rules that the plaintiff is an equitable owner.

**Status:** I checked the Court Docket and this file is now closed and will be deleted from the next Attorney's Report. On April 6, 2018, the Florida Supreme Court issued an order to the Property Appraiser and Tax Collector to show cause why the Florida Supreme Court should not decline review of the appeal in light of the Florida Supreme Court Order in the Beach Club Towers case. The Property Appraiser and Tax Collector filed the response to the show cause order on April 23, 2018. On May 2, 2018, Portofino Tower Two Homeowners Association filed a reply to the Property Appraiser and Tax Collector filed the response to the show cause. An order from the Florida Supreme Court is pending.

However, on May 21, 2018, the trial court entered an amended final judgment for this case in favor of Portofino Tower Two HOA, vacating the tax bills on the land for
the years 2011 through 2017 and reserving the authority to rule on the issue of the valuation of the improvements if necessary.

D. Pensacola Beach, Inc., et al. v. American Fidelity Life Insurance Company, et al, Case No. 2013-CA-002311 (Litigation): These plaintiffs have filed a claim for money damages against the SRIA and other defendants for slander of title, tortious interference with a contract and a business relationship, conspiracy, and violation of Florida’s Anti-Trust Act. A defendant, American Fidelity Life Insurance Company, has named the SRIA as a cross-claim defendant in the above case but is only seeking a declaratory judgement about the Pensacola Beach, Inc. master lease and the SRIA appears to have been named by American Fidelity in its claim because of the SRIA’s interests in that master lease. American Fidelity is not seeking any damages against the SRIA.

Status: The Appellants filed three separate reply briefs – one for each answer brief filed. In response to the filing of the multiple reply briefs, counsel for the other two Appellees filed motions to strike the reply brief for each of their answer briefs because the filing of more than one reply brief is not authorized under the Florida Rules of Civil Procedure unless the Appellants sought permission from the appeals court in advance.

The Appellants filed responses opposing the motions to strike, but alternately requesting permission from the appeals court to file the multiple reply briefs after the reply briefs were already filed.

On December 4, 2018, the appeals court issued an order, without explanation, denying the motions to strike and granting the Appellants’ request to file multiple reply briefs.

The next step in the appeals process will be for the appeals court to decide if it desires oral argument from the parties. If so, it will set a date and time for such argument. If not, the appeals court will issue a written opinion on the appeal. Based on my past experience, I would not expect to hear from the appeals court for about 6 months.

E. Santa Rosa Island Authority v. David Simpson, et al., Case No. 2018 CA 001372 (Litigation): This is a lease termination case based on the lessee’s failure to pay lease fees.

Status: The case has settled. This lessee paid all amounts due and the case should be dismissed shortly.

F. Dung Then Do, et al. v, Santa Rosa Island Authority, et al., Case No. 2018 CA 001548 (Litigation): This is a claim for personal injury. Mr. Do claims that on November 27, 2014 he was injured while walking across County Road 399 at Portofino because his vision was obstructed by extensive untrimmed sabal palm trees
(planted at the direction of the County) in the County right of way along the side of County Road 399. Mr. Do’s wife is a plaintiff in the case on a loss of consortium claim. The SRIA is one of 8 defendants named in the lawsuit. The SRIA denied the claim because a review of the circumstances indicates that the injury occurred on a road owned by Escambia County. Moreover, the right of way where the sabal palms are located is the right of way of Escambia County over which the Santa Rosa Island Authority has no control. Finally, the Santa Rosa Island Authority did not maintain or plant the sabal palms nor was the Santa Rosa Island Authority responsible for the planting or maintenance of the sabal palms.

**Status:** The first attempted service of the complaint on the SRIA was defective because the summons failed to indicate the proper number of days for the SRIA to respond to the complaint (the summons indicated 20 days rather than 30 days) and the summons was served on an SJUA employee rather than the SRIA Chair.

Counsel for the plaintiffs was advised of the above defects and withdrew the summons and requested the issuance of a new summons reflecting the correct number of days for an SRIA response to the complaint and once issued Counsel for the plaintiffs advised that the reissued summons would be properly served.

Upon the reissuance of the summons, the complaint was improperly served on the SRIA Executive Director. Counsel for the plaintiffs has been advised of this error, but has not yet agreed to properly serve the summons. If the Counsel for the plaintiffs fails to properly serve the complaint, the SRIA will file a motion to quash the service of the complaint.

G. Formal Administrative Claims

None

H. Informal Claims

None

**III. Other Matters Pending**

A. Review Proposed Interlocal Agreement for Animal Control Services on Pensacola Beach
B. Review & Revise Proposed SRIA Resolution Opposing Offshore Oil & Natural Gas Exploration
C. Prepare License Agreement for a Commercial Lessee’s Use of Public Parking Lot
D. Review County Ordinance on Beach Restoration & Preservation and Advise the SRIA Executive Director regarding same
E. Advise & Assist the SRIA Staff regarding an inquiry involving the Lago Bonito Master Leases
## Santa Rosa Island Authority

### Engineer's Report
December 12, 2018

<table>
<thead>
<tr>
<th>Projects</th>
<th>Budget</th>
<th>Source</th>
<th>Schedule</th>
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</thead>
<tbody>
<tr>
<td>Little Sabine Bay Channel Extension</td>
<td>$40,000 (e)</td>
<td>SRIA</td>
<td>Winter 2018</td>
</tr>
<tr>
<td>Pensacola Beach Playgrounds</td>
<td>$40,000 (e)</td>
<td>SRIA</td>
<td>Spring 2019</td>
</tr>
<tr>
<td>Pensacola Bch Multi-Use Paths</td>
<td>$571,200 (c)</td>
<td>SRIA</td>
<td>Summer 2018</td>
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<tr>
<td>Phase 2 Dune Walkover Project</td>
<td>$52,000 (e)</td>
<td>SRIA</td>
<td>Winter 2019</td>
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<tr>
<td>Little Sabine Channel Bulkhead</td>
<td>TBD</td>
<td>SRIA</td>
<td>On-Hold</td>
</tr>
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</table>

### Narratives

**Little Sabine Bay Channel Extension**
The Little Sabine Bay Dredging and Quietwater Beach Nourishment project has been advertised for interested bidders. A mandatory pre-solicitation meeting will be held on December 12th in the SRIA Board Room. The deadline for submittals will be 10:00 AM on January 7, 2019, at which time bids will be opened publicly. It is anticipated that construction will begin in Mid-January and be completed by April, 2019.

**Pensacola Beach Playgrounds**
SRIA staff approved a task order for the design of a pavilion at Harry Gowens Park. The pavilion will be similar in design to those located at Park West (north). Structural design is underway and construction of the pavilion is anticipated in spring of 2019.

**Pensacola Beach Multi-Use Path Restoration – Phase 1**
Construction is substantially complete. Punch-list items and project closeout documents are currently being completed.

**Phase 2 Dune Walkover Project**
BDI has responded to requests for additional information from FDEP and we are awaiting a response from the Department and the FWC. Upon State approval, the replacement of the dune walkovers is expected to begin prior to the 2019 turtle nesting season.

**Little Sabine Bay Channel Bulkhead**
This project is currently on-hold pending completion of other SRIA projects.

(c) = Construction Budget
(e) = Engineering Budget
SRIA = Santa Rosa Island Authority
TBD = To Be Determined
DIRECTORY OF DEVELOPMENT SERVICES MONTHLY REPORT

APPROVED PROJECTS:

Residential Construction (8):

- 1712 Ensenada Uno. – Elevation of slab on grade, single family residential structure – FEMA Grant recipient.
- 1205 Panferio Dr. – Elevation of slab on grade, single family residential structure – FEMA Grant recipient.
- 1753 Ensenada Dos. – Elevation of slab on grade, single family residential structure – FEMA Grant recipient.
- 7 East Galvez – Construction of new pile supported, conforming *SFR structure.
- 1209 Maldonado – Construction of pile supported addition to existing *SFR structure.
- 33 Calle Hermosa. – Construction of enclosed elevator shaft for existing, *SFR structure.
- 808 Rio Vista – Installation of cargo lift to exiting rear deck of *SFR structure.
- 131 Sabine Dr. – Construct a new in-ground swimming pool with in setbacks.

Commercial projects (2):

- 5 Via de Luna (Jelly’s, Pensacola Beach) – Construction of new restaurant/bar.
- 400 Quietwater Beach Rd # 10A & 8A (RonJons) – Interior and exterior renovations to existing structure.

Additional Information:

- SRIA/Pensacola Beach Community Rating System - Staff is required to provide an annual update to the Board and the public as part of our participation in the Community Rating System (CRS).
- SRIA/ Program for Public Information (PPI) Annual Report

*SFR – Single Family Residence*
DECEMBER 12, 2018

SANTA ROSA ISLAND AUTHORITY
MEMORANDUM

TO: SRIA Board Members

FROM: Paolo Ghio, CFM, Executive Director and
       Director of Development Services

RE: Community Rating System (CRS) required annual update

As part of the Santa Rosa Island Authority's participating in the CRS program, staff is
required to provide an annual update to the Board and general public of actions the
Authority is executing to minimize the risk of flood damages on Pensacola Beach. In
return for location participation in the CRS program citizens that purchase flood
insurance will receive a 25% discount off of the regular premium. The actions are
implemented as a true comprehensive effort between the Authority's Development
Services Department and Escambia County Building Inspections Department.

There are two attachments included for your review.

1) A CRS presentation that details the goals and objectives of the CRS program
   and;

2) The required annual update document that provides an analysis of the goals and
   objectives set by the Local Mitigation Strategy Board.
Community Rating System (CRS)

- Is a voluntary program that recognizes and encourages community floodplain management activities that exceed the minimum National Flood Insurance Program requirements.

- Santa Rosa Island Authority/Pensacola Beach joined the CRS program in 1991.

- CRS is a point system program that reduced flood insurance premiums for the citizens of participating communities.

CRS Goals are to:

- Reduce flood damage to insurable property;

- Strengthen and support the insurance aspects of the NFIP, and

- Encourage a comprehensive approach to floodplain management

If there is a flood, our CRS activities result in:

- Saving lives.

- Preventing property damage.

- Avoiding lost jobs and economic devastation caused by flooding of offices, stores, and other facilities.
<table>
<thead>
<tr>
<th>CLASS</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>% DISCOUNT FOR SFHA</td>
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</tr>
<tr>
<td>% DISCOUNT FOR NON-SFHA</td>
<td>5%</td>
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<tr>
<td>Total Flood Policies in Force</td>
<td>Approx. 3,615</td>
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</tbody>
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MEMORANDUM

TO: Authority Members
FROM: Paolo Ghio
DATE: November 15, 2018
RE: Notes of November 14, 2018 Program for Public Information Committee Meeting

The annual Program for Public Information Committee Meeting was properly noticed and held on Wednesday, November 14, 2018. SRIA Executive Director/Development Services Director, Mr. Paolo Ghio called the Meeting to order at 3:00 p.m.

Committee Members present were as follows:

• Ms. Linda Leithner, Pensacola Beach resident
• Mr. Kevin Hayes, GM, Paradise Rentals, Pensacola Beach.
• Mr. Paolo Ghio, Director, Development Services
• Ms. Melody Bolster Forte, Assistant Manager, Development Services

Mr. Ghio opened the meeting and thanked everyone for attending the meeting today. A handout was presented titled, Program for Public Information (PPI) Annual Evaluation Report. The Committee briefly reviewed the objectives of the PPI committee, and the topics for discussion within the document.

Mr. Ghio stated that communication is the key and most important element for any outreach. He explained his participation at the Emergency Operations Center (EOC) during the most recent Hurricane Michael event and how he utilized the E blast email system for communicating important information for our community.

A discussion of the evacuation notice and procedure followed.

Mr. Ghio said there is no such thing as mandatory evacuation in the State, but people must be given adequate opportunity to choose what is best for them, the most vulnerable need to leave and have time to do so.
Mr. Hayes explained that during the most recent event, the guests at his establishment were given the choice to stay or leave, and if they chose to leave, their money was refunded.

Ms. Leithner said that as long term residents, they watched the models and decided to stay. She stated that the technology for prediction models has much improved in the last couple of years.

Mr. Ghio explained that in the last 5 years we have had an influx of new residents that have not experienced a hurricane, and are not familiar with the term storm readiness.

More discussion continued regarding the decal process for re-entry in the event of a hurricane, as well as utility services, and law enforcements role in the process.

The Committee agreed that communicating the information and educating those that are new to the community is of the utmost importance for next hurricane season. Encouraging E-blast participation, utilizing the SRIA website for storm related information is important, and repetition is the best way to get the message across.

Mr. Hayes and Mr. Ghio talked about the new proposed FEMA Rate map and it effect on our area as a whole.

At the conclusion of the PPI Committee Meeting, Mr. Ghio thanked the members for their participation and stated that this will be an ongoing Committee, and the next meeting will be again this time next year.

There being no further business, the meeting was concluded at 4:00 p.m.

Paolo Ghio, CRM
Executive Director, and Director of Development Services

PG;mbf

(Please note that the Santa Rosa Island Authority does not make verbatim transcripts of its meetings.)

SRIA – 1 Via de Luna, Pensacola Beach, FL 32561 – 850-932-2257