

PENSACOLA BEACH
SANTA ROSA ISLAND AUTHORITY

Board Members:

Thom Blas
Chairman

William Griffith
Vice-Chairman

McGuire Martin
Secretary/Treasurer

Jimmie Perkins
Thomas Campanella
Vernon Prather

W A "Buck" Lee
General Manager

SANTA ROSA ISLAND AUTHORITY
PENSACOLA BEACH, FLORIDA
REGULAR BOARD MEETING MINUTES
FEBRUARY 1, 2006

1-3. A regularly scheduled meeting of the Authority was held on Wednesday, February 1, 2006, beginning at 5:00 p.m. Members in attendance were: Mr. Thom Blas, Mr. Bill Griffith, Mr. McGuire Martin, Mr. Jimmie Perkins, Dr. Thomas Campanella, and Mr. Vernon Prather. Mr. Blas, Chairman, called the meeting to order and led the Pledge of Allegiance followed by a moment of meditation.

4. **Upon motion of Mr. Griffith, seconded by Dr. Campanella, the board unanimously approved the minutes of the regular board meeting of January 4, 2006. (6-0)**

Upon motion of Mr. Prather, seconded by Mr. Griffith, the board unanimously approved the minutes of the special board meeting of January 11, 2006. (6-0)

Upon motion of Mr. Prather, seconded by Mr. Griffith, the board unanimously approved the minutes of the special board meeting of January 18, 2006, as revised. (6-0)

5-6. **ADOPTION OF THE AGENDA**

Upon motion of Mr. Griffith, seconded by Mr. Martin, the proposed regulation to amend the definition of hotels and motels, initially scheduled to be added to the board agenda, was moved to the February 8, 2006 committee meetings. (6-0)

Upon motion of Mr. Griffith, seconded by Mr. Perkins, the agenda was unanimously adopted, as published. (6-0)

7. **CHAIRMAN'S COMMENTS**

Mr. Blas reviewed the guidelines for speakers appearing before the board.

Mr. Griffith mentioned the passing of long-time beach resident, Mr. Harry Gowens and noted that efforts were underway to memorialize Mr. Gowens with a bronze bust in the library of the Pensacola Beach Elementary School. A brief discussion followed during which Mr. Blas asked that the Manager look into a memorial for deceased board members, such as a plaque in the board room.

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8. SPECIAL PRESENTATION – MR. GARY BUNDE, PENSACOLA RUNNER'S ASSOCIATION

Mr. Gary Bunde of the Pensacola Runners' Association appeared before the board and thanked the board and staff for their assistance and cooperation with the race that took place on Pensacola Beach in January. He then presented the board members with a memento from the race.

9. STATE OF THE ISLAND ADDRESS – MR. BUCK LEE, GENERAL MANAGER

The Manager reviewed his State of the Island Address, summarizing the current status of Pensacola Beach and the accomplishments of the Authority (copy attached hereto and by reference made a part hereof).

Upon motion of Mr. Perkins, seconded by Dr. Campanella, the board unanimously voted to accept the report on the State of the Island, as presented by the General Manager. (6-0)

10. PENSACOLA BEACH RESIDENTS & LEASEHOLDERS ASSOCIATION REPORT

Mr. Gary Smith, President of the Pensacola Beach Residents and Leaseholders Association, reported that the association contributed \$250 to the Krewe of Wrecks to assist with the 2006 Mardi Gras fund. He said the next meeting of the association was scheduled for 6:00 p.m. on Tuesday, February 14, 2006 at Sidelines Restaurant at which time they would nominate candidates for officers and directors. Mr. Smith said he also planned to discuss making a donation to the Pensacola Beach Elementary School in the name of Mr. Harry Gowens.

Upon inquiry by Mr. Smith, Mr. Blas, noted that demolition of The Palace would be discussed under the attorney's report.

11. PENSACOLA BEACH CHAMBER OF COMMERCE REPORT

Ms. Sandy Johnston, Manager of the Visitor's Information Center (VIC), reported that the funds for the 2006 Mardi Gras activities had been pledged and sponsors had come forward for the groups who could not afford the entry fee for the parade. She said the chamber had advised those calling regarding Mr. Gowens' passing about his wishes for memorials to go to the Pensacola Beach Elementary School. Ms. Johnston said she would place the information regarding the proposed memorial bust in the chamber's newsletter, which may generate some funds from businesses. She said repairs to the chamber's office should be complete by the weekend.

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Ms. Johnston said the chamber was still gathering sponsors for the 2006 air show, which had to be done in advance, as well as sponsors for the Blues on the Beach. She said the chamber was investigating holding a Springfest in April with bands and participation by the restaurants. Ms. Johnston said the snowbirds were beginning to arrive in our area. She noted that 1100 visitors registered at the VIC in the month of January, and telephone calls continued to come in from prospective visitors. Ms. Johnston said that she and Ms. Mary Bolman had spoken with representatives of the Discovery Channel regarding a segment they wished to film on Pensacola Beach, which would bring some positive publicity. She said the chamber may also be working on a Winterfest celebration.

For information: Mr. Griffith requested an update on the proposed hotel openings to be presented at a future meeting.

CONSENT AGENDA

12. COMMITTEE REPORTS

A. ADMINISTRATIVE COMMITTEE (1-11-06) – Mr. Jimmie Perkins, Chairman

The committee unanimously recommends approval of the following item:

Item #3 – Proposed Fraud Policy

The committee unanimously recommends acceptance of the following item:

Item #6 – Report on Financial Statements and Expenditures

The following items were held for the February 8, 2006 committee meeting:

Item #1 – Discussion on Minimum Lease Fee Policy

Item #2 – Discussion on Consideration Fee Policy

The following item was for information and discussion only:

Item #4 – Discussion on Board Policy

B. DEVELOPMENT & LEASING COMMITTEE (1-11-06) – Dr. Thomas Campanella

The following item was for discussion only:

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Item #4 – Committee to Redefine Pensacola Beach/Pensacola Beach Enhancement Committee

C. ARCHITECTURAL & ENVIRONMENTAL COMMITTEE (1-11-06) – Mr. Bill, Griffith, Chairman

The committee unanimously recommends approval of the following item:

Item #1 – Clyde Henry Pearson and Pauline J. Pearson – 130 Siguenza Drive – Lot 18, Block “B”, Villa Sabine – adjacent to Little Sabine Bay – Request for approval of two dolphins and three mooring piles, subject to obtaining a permit from the Department of Environmental Protection

Upon motion of Mr. Griffith, seconded by Mr. Perkins, the board unanimously approved the consent agenda, subject to Item 12(A)(5) regarding the General Manager Review Committee being moved to the regular agenda for discussion. (6-0)

REGULAR AGENDA

13. COMMITTEE REPORTS

A. DEVELOPMENT & LEASING COMMITTEE (1-11-06) – Dr. Thomas Campanella

Item #1 – Sun Ray Village Owner’s Association d/b/a Clarion Suites, 20 Via de Luna – Request for special exception under 1988 Pensacola Beach Land Use Plan to allow for development of 50 hotel units per acre (Moved forward to the full board by unanimous vote of the committee.)

Ms. Bolman said that staff recommended approval of the request for a special exception subject to a three-year limitation on the approval, approval by the Escambia County Board of Adjustments (BOA), and on the basis of the finding that the density restriction of 30 units will impede efficient hotel development.

She said that staff also recommended that, upon approval by the BOA, that the applicant be required to comply with any new policies or regulations that may be adopted regarding the special exception, including minimum lease fee or consideration fee policies that may be adopted by the board as well as the proposed regulation regarding an amended definition for hotels and motels, if adopted.

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A lengthy discussion followed during which the board heard comments by Mr. Jesse Rigby, Mr. Paul Grimes, and Ms. Tona DeMers.

Upon amended motion of Mr. Griffith, seconded by Mr. Martin, the board unanimously approved the request by Sun Ray Village Owner's Association d/b/a Clarion Suites, 20 Via de Luna, for a special exception under the 1988 Pensacola Beach Land Use Plan to allow for development of 50 hotel units per acre on the basis of the finding that the density restriction of 30 units per acre will impede efficient hotel development; subject to a three-year limitation on the approval; approval by the BOA; and on the condition that the applicant agrees to work with staff to provide an appropriate amount of convention space in the new facility, pay their fair share of the master plan for the core area gulf side boardwalk, if approved, and to pay an appropriate consideration fee for the purpose of additional parking on Pensacola Beach.

The board further unanimously approved that, upon approval by the BOA for the special exception, the applicant be required to comply with any regulations or policies the board may adopt regarding approval of the special exception, including minimum lease fees, consideration fees, and the amended definition of hotels and motels. (6-0)

Item #2 – Mr. C. Baker Clark – Five Flags, Inn, Inc., 299 Ft. Pickens Rd. – Request for special exception under 1988 Pensacola Beach Land Use Plan to allow for development of 50 hotel units per acre (Moved forward to the full board by unanimous vote of the committee.)

Ms. Bolman reviewed the request, stating that staff also recommended approval of the request by Mr. Clark for a special exception to allow for development of 50 hotel units per acre subject to approval by the BOA, a three-year limitation on the approval, and on the basis of the finding that the density restriction of 30 units per acre will impede efficient hotel development. She said that staff further recommended that the applicant be required to comply with any policies that may be adopted regarding special exceptions such as a minimum lease fee policy or a consideration fee policy as well as comply with the new regulation regarding the amended definition for hotels and motels should such a regulation be adopted. A brief discussion followed.

Upon motion of Mr. Griffith, seconded by Mr. Perkins, the board unanimously approved the request by Mr. C. Baker Clark, Five Flags, Inn, Inc., 299 Ft. Pickens Rd., for a special exception under the 1988 Pensacola Beach Land Use Plan to allow for development of 50 hotel units per acre on the basis of the finding that the density restriction of 30 units per acre will impede efficient hotel development; subject to a three-year limitation on the approval; approval by the BOA; and on the

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condition that the applicant agrees to work with staff to provide an appropriate amount of convention space in the new facility, pay their fair share of the master plan for the core area gulf side boardwalk project, if approved, and to pay an appropriate consideration fee for the purpose of additional parking on Pensacola Beach.

The board further unanimously approved that, upon approval by the BOA for the special exception, the applicant be required to comply with any regulations or policies the board may adopt regarding approval of the special exception, including minimum lease fees, consideration fees, and the amended definition of hotels and motels. (6-0)

Item #3 – Sabine Marina, 715 Pensacola Beach Blvd. – Request for approval to sublease to Emerald Coast Yachts to offer sailing charters (Unanimously recommended for approval subject to there being only one boat.)

Ms. Bolman reviewed the request, and stated that staff recommended approval of the request, subject to payment of 5% percentage fees on all revenues in, on, upon, or from the leasehold property and subject to the operation being limited to three boats, which is the number of boats the applicant is currently operating. A brief discussion followed during which the board heard comments by Mr. and Mrs. Van Sleen with Emerald Coast Yachts.

Upon motion of Mr. Perkins, seconded by Dr. Campanella, the board unanimously approved the request of Sabine Marina, 715 Pensacola Beach Blvd., for approval to sublease to Emerald Coast Yachts to offer sailing charters subject to payment of 5% percentage fees on all sources of revenues and subject to the operation being limited to three boats. (6-0)

B. ARCHITECTURAL & ENVIRONMENTAL COMMITTEE (1-11-06) – Mr. Bill, Griffith, Chairman

The committee unanimously recommends approval of the following item:

Item #1 – Clyde Henry Pearson and Pauline J. Pearson – 130 Siguenza Drive – Lot 18, Block “B”, Villa Sabine – adjacent to Little Sabine Bay – Request for approvals of after-the-fact pier construction with variances (sub items 1, 2 & 6 were approved by the board on January 4, 2006; Sub item 4 for dolphins and mooring piles is on the consent agenda)

3) After-the-fact approval for a variance to widen the pier at the outer end to a larger size than permitted in the pier regulations

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- 5) After-the-fact approval for a variance to construct a structure above the pier

Ms. Sue Smith addressed sub item #3 regarding the pier platform, stating that, based on the discussion at the committee level, the applicant proposed widening the pier to eight feet and reducing the platform to 16 x 24 and staff recommended approval of the request, subject to compliance with all applicable codes and regulations.

Upon motion of Mr. Martin, seconded by Mr. Prather, the board unanimously approved the request by Mr. and Mrs. Henry Pearson, 130 Siguenza Drive, to widen the existing pier to eight feet and reduce the platform to 16' x 24', subject to compliance with all applicable codes and regulations. (6-0)

Ms. Smith said that on sub item #5 regarding a structure above the pier, Mr. Pearson agreed to remove the decorative railing and staff recommends approval of the request to remove the decorative railing and install an uncovered boat lift in that location, subject to the uncovered boat lift not extending more than seven feet above mean high water and subject to receipt of permits and/or approvals from the Department of Environment Protection (DEP), the Corps of Engineers (Corps), and other agencies, as required.

Upon motion of Mr. Griffith, seconded by Mr. Prather, the board unanimously approved the request by Mr. and Mrs. Henry Pearson, 130 Siguenza Drive, to remove the decorative railing above the pier and install an uncovered boat lift in that location, subject to the uncovered boat lift not extending more than seven feet above mean high water and subject to receipt of permits and/or approvals from the DEP, the Corps, and other agencies, as required. (6-0)

C. ADMINISTRATIVE COMMITTEE (1-11-06) – Mr. Jimmie Perkins, Chairman

Item #5 – Report from General Manager Review Committee, Mr. Vernon Prather, Chairman

Mr. Blas reported on his meeting with the General Manager regarding his performance, and entertained a motion to retain Mr. Lee for the position of General Manager for an additional one-year period with the same salary and benefits, with the understanding that the board will evaluate Mr. Lee towards the end of the term for the purposes of determining a new employment contract. He said that, if the board deemed it appropriate, he would ask that the motion also instruct legal counsel to prepare the appropriate contract between Mr. Lee and the Santa Rosa Island Authority. A discussion followed during which Mr. Griffith recommended a percentage increase in salary to recognize the contributions of the General Manager.

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Upon amended motion of Mr. Prather, seconded by Mr. Perkins, the board unanimously voted to retain Mr. W. A. "Buck" Lee as General Manager of the Santa Rosa Island Authority, for an additional one year term with a 5% salary increase and the same benefits, with the understanding that the board will evaluate Mr. Lee's performance towards the end of the term for the purposes of determining a new employment contract; the board further instructed legal counsel to prepare the appropriate contract between Mr. Lee and the Santa Rosa Island Authority. (6-0)

Additional discussion followed.

Upon motion of Mr. Prather, seconded by Mr. Griffith, the board asked staff to review the financial impact of increasing the salary for Authority employees by 1% and report at the February 8, 2006 special board meeting. (6-0)

14. OLD BUSINESS

Item #1 – Pensacola Beach Enhancement Committee

Mr. Blas said the committee had not had an opportunity to meet; however, the Association of Architects, also associated with the University of West Florida, had indicated that they were going to adopt the Pensacola Beach Enhancement Committee's plan as one of their projects.

Upon motion of Griffith, seconded by Mr. Martin, the board unanimously voted to place the issue of the Pensacola Beach Enhancement into committee. (6-0)

15. NEW BUSINESS

Item #1 – Portofino Master Homeowners' Association, Inc. – Spa & Lifestyle Center – 10 Portofino Drive – Request to erect an aluminum frame canvas covering over the outdoor dining deck area

Ms. Smith reviewed the request, and stated that staff recommended approval of the request, as presented.

Upon motion of Mr. Martin, seconded by Mr. Prather, the board unanimously approved the request by Portofino Master Homeowners' Association, Inc., 10 Portofino Drive, to erect an aluminum frame canvas covering over the outdoor dining deck area at the spa and lifestyle center. (6-0)

Item #2 – General Manager's Contract

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The chairman noted that this item was previously covered on the agenda.

Mr. Blas then announced the committee assignments for 2006, stating that the appointments will be effective with the February 8, 2006 committee meeting.

16. REPORTS

A. MANAGER'S REPORT

The Manager said the Authority's updated Current Duties and Functions document was distributed to all board members. He also reported on the results of his continuing inquiry into business interruption insurance, noting that the Authority's agent was unable to find a market for such insurance at this time. He noted that his report on other activities was published for the information of the board.

B. ATTORNEY'S REPORT

Mr. Mike Stebbins, SRIA legal counsel, said that the attorney's report was also published for information. He reported that the lawsuit against the Palace had been filed and was in the process of being served. Mr. Stebbins noted that all the fees had been paid. He said that two residential lease defaults had been resolved; however, there were several residential lease defaults outstanding due to not being able to locate the leaseholder. A brief discussion followed.

Upon inquiry by Mr. Martin, Ms. Bolman noted that the issue of the lease termination for the Circle K lease on eastern Via de Luna was still under investigation due to environmental concerns.

C. ENGINEER'S REPORT

Mr. Dave Hemphill, SRIA engineering representative, said the underground work on Ft. Pickens Road was nearly complete with the road work to begin soon, dovetailed with the Gulf Power project. He said the Gulf Power Contract had been issued to Webb Electric in Milton and was a six-month contract. Mr. Hemphill said there will be some diversions on Ft. Pickens during the time the road is being lowered. He noted that Ft. Pickens Road was well under way, and the drainage facilities were in place. Mr. Hemphill said there were outfall lines at the ends of Le Port and Le Starboard Drives through the existing sea walls. He said both leaseholders asked for consideration, as the structures fell at the sea walls and were open structures. Mr. Hemphill said if the contractor could

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close in the structures, the leaseholders could cover the structures with sand. He asked the board to consider a change order in the amount of \$15,000 to close in both of the outfall structures.

Upon motion of Mr. Martin, seconded by Mr. Prather, the board unanimously approved a change order in the amount of \$15,000 to close in both outfalls at the ends of Le Port Drive and Le Starboard Drive, associated with the road improvement project. (6-0)

Mr. Hemphill said the contracts were unit price contracts and he will bring all changes to the board. He said there will be some deducts, but when the job is completed, he anticipates the cost to be at the budgeted amount of \$22 million. A discussion followed regarding drainage. Mr. Hemphill said he had been receiving calls about the road improvement project on Via de Luna, and the work was not scheduled for completion until March of 2007.

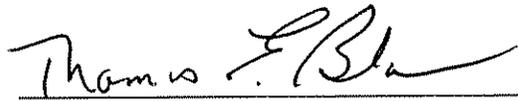
17. VISITORS FORUM

No one wished to address the board during Visitor's Forum.

There being no further business before the board, the meeting adjourned at 7:10 p.m.



SECRETARY



CHAIRMAN

(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.)

**PENSACOLA BEACH
STATE OF THE ISLAND
2006**

Since September 2004, the Santa Rosa Island Authority has worked to rebuild Pensacola Beach through projects that include roads, public facilities, landscaping, beaches, parks, parking, promotions, advertising, customer service, and other numerous areas of work. On the following pages are some major projects that have been implemented or taken place during the two years.

FISCAL CONDITION

- Hurricane Ivan, Dennis and Katrina have dominated the Authority's fiscal condition throughout FY 2005, and it is expected to do so the remainder of FY 2006. At this time, actual revenues are in-line with FY 2006 budget projections and we are hopeful that revenues may even exceed the amount projected for the remainder of the year.

Beach Nourishment

- In 2003 the Authority completed a \$17 million plus beach restoration project to replace more than 4 million cubic yards of sand that had eroded from Pensacola Beach's gulf beach front from 1995 - 2002 due to hurricanes and tropical storms. The project was paid in part by the State of Florida (50%), Escambia County (50%) by use of some bed tax fees, and a portion of fees from the sale of annual Bob Sikes Bridge toll permits, and lease fees from Pensacola Beach. Since Ivan struck in 2004, and continued erosion from Dennis and Katrina additional beach was lost. The Authority in conjunction with Escambia County and FEMA are in the process of completing renourishment to restore the beaches. Without the beach restoration program completed in 2003, damage to the infrastructure on Pensacola Beach could have been even more extreme.

Hurricane Repair

- From 2004 through the present, Pensacola Beach suffered some of the worst hurricane damage to its beaches and to leaseholder's improvements during the 50+ years the Authority has been in existence. The majority of the damage came from Hurricanes Ivan in 2004 and Dennis in 2005. The Authority is working to help rebuild Pensacola Beach with the assistance of Escambia County, the State of Florida, FEMA and other governmental agencies. The beach will be rebuilt adhering to stronger and more stringent building codes.
- State Road #399 was heavily damaged in portions due to both Ivan and Dennis and is being repaired. In addition secondary roads on the island suffered damage and are being repaired as quickly as funding becomes available.
- Due to the damage to commercial businesses, the fees received by the Authority

have been substantially reduced. One-third of the island's hotels have been damaged to the point that they have been demolished or are in the process of being demolished. Loss of these hotel rooms adversely impacts not only revenues the Authority received from the hotels, but impacts the ripple effect they had on restaurants, retail shops, amusement sites, etc. In addition other retail shops have been damaged or destroyed and their lease fees to the Authority have also been severely reduced. Commercial revenues comprised 52% of the Authority's annual operating budget prior to Hurricane Ivan.

- Hurricane Repairs Underway:

<u>Name of Project</u>	<u>Estimated Completion Date</u>
Casino Beach Restroom	Fall 2006
Toll Booth	Summer 2006
Quietwater Pier	May 2006
Ft. Pickens Gate Restroom	Summer 2006
Park East Restroom	Summer 2006
SRIA Maintenance Buildings	Spring 2006
Casino Beach Pavilion	Summer 2006
Cowley Park	Summer 2006
Ft. Pickens Gate Shelters	Spring 2007
VIC Repairs	February 2006
Sand at SRIA office beach	January 2006
Roadway Repairs at Seashore Village	December 2005

Road Improvements

- Bonds were issued for a new road improvement program to provide \$23 million in funding for major improvements to 5.6 miles on Via de Luna and Ft. Pickens Rd. This project began in 2003 and includes storm water improvements, underground utilities, reclaimed water, divided medians, turn lanes, and stabilized shoulders.
- This work is ongoing and completion of the Ft. Pickens portion of the road improvement is scheduled for 2006 with completion of the Via de Luna portion in 2007.
- Underground utilities, better drainage and enhanced landscaping are also included in the road improvement project which will improve the visual appeal of the island to residents and visitors who travel over our roads.

<u>Name of Project</u>	<u>Anticipated Completion:</u>
Via de Luna Roadway Improvements	April 22, 2007
Ft. Pickens Road	May 24, 2006
Stormwater Improvements	March 13, 2006

Redevelopment

- Due to the damage incurred to public and private structures on Pensacola Beach, structures on the island will be rebuilt that are both aesthetically pleasing as well as meet newer building codes for flood and wind.
 - Coconut's
 - The Palace
 - Holiday Inn
 - Five Flags Inn
 - Portside Villas
 - Spanish Landing Townhouses
 - Villa Sabine Townhouses
 - Baywatch Condominium (a portion)
 - Beachside Resort
 - Clarion Hotel
 - Villas on the Gulf (a portion)
 - Regency Cabanas (a portion)
 - Casino Beach bath houses
 - Circle K
- In addition, approximately 400 single-family residential houses were destroyed or severely damaged by Hurricanes Ivan and Dennis and will require reconstruction to the new wind, building, and flood codes.

New Private Development

- Construction will be completed in spring 2006 on buildings 4 and 5 for Portofino. Emerald Dolphin on the west end of the island, and the Beach Club towers are also under construction and should be completed by 2007.

Public Safety

- The Island Authority anticipated beginning construction of new rest room facilities and a Public Safety Office at Casino Beach in 2005. Unfortunately, with the advent of Hurricane Ivan these plans were put on hold. It is anticipated that within the next two to three years the Public Safety Building will once again be on the drawing board for construction and completion.
- The Island Authority supplements the Escambia County Sheriff's Department by providing off-duty deputies on weekends during the season. In addition, the Authority also provides coverage for those public events, such as the Pensacola Beach Air Show and the 4th of July fireworks, by hiring off-duty deputies.
- In addition, the Santa Rosa Island Authority provides ambulance service to the island through a contract with Rural Metro.

- Provided beach safety awareness presentations to over 10,000 persons, including schools, safety events and the safety stand-downs at NAS Pensacola, Cory Field and Whiting.
- Pete Moore Chevrolet continued to donate two new Chevrolet Colorados for use by the highly effective roving lifeguard patrols.
- A used FEMA travel trailer was purchased to function as the main lifeguard station at Casino Beach.
- Despite the damage to the beach and a reduction in visitors, our Pensacola Beach lifeguards remained very busy due to the greater number of days with surf. There were half as many calm days as compared to 2004. Between March 1 and October 16, the lifeguards documented almost 50,000 contacts with visitors, performed 12,767 preventative acts, assisted 434 swimmers in distress, and rescued 256 swimmers who could have drowned. In addition, the lifeguards assisted with returning 110 lost children to their parents. Despite averaging over 5 drownings per year between 2000 and 2003, the lifeguards made it through a second peak season without a drowning. However, tragically, on September 25, the streak was broken by a death attributed to drowning by the Medical Examiner, during extremely dangerous red flag surf conditions as Hurricane Rita churned in the Gulf.

Bob Sikes Toll Facility

- The toll facility was heavily damaged by both Hurricanes Ivan and Dennis. At present the building is being upgraded and repaired and the toll collection equipment is being replaced to make it more efficient.

Trolley System

- Due to the reduction in revenues received by the Authority, trolley service has been reduced but still provides free transportation to residents and visitors alike in the core area of the island during the season.

Parks

- The Island Authority maintains Ft. Pickens Gate Park, Little Quietwater Beach, Casino Beach, Cowley Park, Avenida 10 Park, and Park East.
- The Authority donated land for establishment of Morgan Park and also provides funds to assist in the maintenance of the park.
- All of these parks are open to the public at no charge and provide recreational amusement to both island residents and visitors to the island. Due to damage from the 2004 and 2005 hurricane season, some of the parks are not completely repaired. It is anticipated that these repairs will be completed by the end of 2006.

Island Beautification

- Enhanced landscaping, including new grass and shrubs, along Pensacola Beach Boulevard will be established when funding becomes available.
- The Island Authority enhanced the natural beauty of the island through the projects and activities listed in this report. In addition to new roads and traffic management, storm water management, landscaping, multi-use recreational paths, etc.
- Routine traffic and information signs have been customized by Authority staff to make them meet the stringent sign regulations adopted by the Authority.
- The Authority is considering establishing, through the Architectural Review Board, aesthetic standards for new structures on the island.

Multi-use Recreational Paths

- The Island Authority since the late 1970's instituted a program of creating multi-use recreational paths on the island. In 2003, the last portion of the path was completed along the University of West Florida's property on Santa Rosa Island. With the completion of this section, the Island Authority has constructed 10+ miles of paths running east from the Ft. Pickens Gate park to the Gulf Island National Seashore and running north to the Bob Sikes Bridge. Parts of the multi-use path were heavily damaged in 2004 and again in 2005. Repairs are underway with the ongoing road improvement projects on Via de Luna and Ft. Pickens Rd., as well as repairs to other parts of the path not included in the road improvement project.
- The Island Authority joined the Florida Trail Association and our multi-use path is part of the Florida National Scenic Trail.

Marketing

Advertising

- The Island Authority advertises Pensacola Beach, locally, nationally and internationally through print media, electronic media, and the Internet. The Authority provides press releases and public relations on events and activities that take place on the island. The Internet is a very valuable marketing tool that has become one of the premier methods of advertising to attract visitors to our island. The Island Authority now has two internet sites, one for tourism and one for its governmental work.

Promotions and Events

- Due to the reduction in financing the Authority has reduced the number of events produced each year and contributions to other area events. The Santa Rosa Island Authority will produce the annual air show featuring the U. S. Navy Blue Angels in July.

Visitors Information Center:

- In 1993, the Island Authority constructed a new Visitor's Information Center (VIC) on Pensacola Beach in the core commercial area. The VIC is operated by the Pensacola Beach Chamber of Commerce under contract with the Authority. Under the joint stewardship of the Authority and the Beach Chamber, the VIC provides an outlet for guests and visitors to gather information on Pensacola Beach through the Internet, by telephone and in person.

Economic Study

- The Santa Rosa Island Authority sponsored a study on the Economic Impact of Pensacola Beach. This report was prepared by the Haas Center at the University of West Florida. This report quantifies the importance of Pensacola Beach and its present operations under the Island Authority as an important financial and recreational asset to Escambia and Santa Rosa County. The report shows Pensacola Beach generates approximately \$277 million in tourism dollars that is approximately one third of the \$838 million in tourism dollars generated for the Pensacola MSA .

Environmental Protection

- Numerous environmental studies have been conducted by the Island Authority through its engineering firms to document erosion, water quality, storm water management, etc.
- The Authority has worked to improve the water quality in Little Sabine Bay. To do this, the Authority and Escambia County established additional "No Wake" zones in the bay and declared the grass beds in the center of the bay "out-of-bounds" for any motorized boat traffic. In addition, the Authority also worked with the existing commercial marinas and charter boats on the bay to begin an education and enforcement program to insure that bilges and "heads" on boats were not being dumped into the bay.
- The Authority is seeking grant funds from the State of Florida to assist with improving the water quality in Little Sabine Bay.
- The Beach Nourishment Fund established by the Authority in previous years receives the increased lease fees collected by the Authority from residential leases

containing a cost of living clause. This fund is used in the bond repayment for the beach nourishment program completed in 2003.

- The SRIA established a Turtle Monitoring Program to help protect sea turtles who reach Pensacola Beach to lay their eggs. Along with the monitoring program, the Authority also conducts a light monitoring study each year to determine if lights from surrounding structures will interfere with or hinder the turtles when they hatch.
- A bird nesting site for endangered species (Least Terns and Black Skimmers) has been established on Pensacola Beach Boulevard adjacent to the ground water storage tanks. The Authority erected fencing and signage around this site to help protect the birds during their nesting season.