

PENSACOLA BEACH

SANTA ROSA ISLAND AUTHORITY

Board Members:

William Griffith
Chairman

Thom Blas
Vice-Chairman

McGuire Martin
Secretary/Treasurer

Jimmie Perkins
Thomas Campanella
Vernon Prather

Monte E. Blews
General Manager

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REGULAR BOARD MEETING MINUTES
MARCH 2, 2005

1-2. A regularly scheduled meeting of the Authority was held on Wednesday, March 2, 2005 beginning at 5.00 p.m. Members in attendance were: Mr. Bill Griffith, Mr. Thom Blas, Mr. McGuire Martin, Mr. Jimmie Perkins, Dr. Thomas Campanella, and Mr. Vernon Prather. Mr. Griffith, Chairman, called the meeting to order and led the Pledge of Allegiance.

3. **Upon motion of Mr. Blas, seconded by Mr. Martin, the board unanimously approved the minutes of the regular board meeting of February 9, 2005. (6-0)**

4-5. CHANGES OR ADDITIONS TO AGENDA

Upon motion of Mr. Blas, seconded by Mr. Perkins, the agenda was unanimously adopted with the following changes: Added Item #4 to Old Business regarding a discussion of the proposed post-Ivan clean-up policy to be discussed immediately following the resolution of recognition for Mr. Ayres; Added Item #2 to New Business regarding a discussion on the elevated water tank at Casino Beach. (6-0)

6. CHAIRMAN'S COMMENTS

Mr. Griffith reminded the board members to provide him with their nominations to the committee to evaluate Pensacola Beach in light of the changes as a result of Hurricane Ivan. A brief discussion followed. He then reviewed the letter he prepared, on behalf of the board, to Mr. Richard Colbert, chairman of the Authority's Commercial Lease Extension Advisory Committee.

7. RESOLUTION OF RECOGNITION – MR. DON AYRES

Mr. Griffith read a resolution recognizing Mr. Don Ayres for his service to the board during his tenure as a Santa Rosa Island Authority board member and officer.

Upon motion of Mr. Prather, seconded by Mr. Perkins, the board unanimously adopted the resolution for Mr. Don Ayres recognizing his service and contributions while serving as a member and officer of the Santa Rosa Island Authority. (6-0)

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7-A. Item #4 of Old Business – Hurricane Ivan Damage Restoration Policy

Mr. Matt Dannheisser, SRIA legal counsel, noted that the board had previously been presented with a paper summarizing points for a proposed policy and counsel had taken the points in the paper and prepared a formal policy presented for consideration by the board. A brief discussion followed.

Upon motion of Mr. Blas, seconded by Mr. Prather, the board unanimously adopted the Hurricane Ivan Damage Restoration Policy, as presented by legal counsel. (6-0)

8. FY 2004 AUDIT REPORT

Mr. Ron Jackson of Saltmarsh Cleaveland & Gund reported on the FY 2004 audit of the Santa Rosa Island Authority. A brief discussion followed during which Mr. Griffith commended the staff for the positive report, and the Manager recognized Ms. Nita Omley for her leadership with the financial records for the Authority.

For Information: Mr. Griffith asked that staff make available to the board a list of the assets that were destroyed by Hurricane Ivan.

Upon motion of Mr. Blas, seconded by Mr. Martin, the board unanimously accepted the FY 2004 audit report. (6-0)

9. PENSACOLA BEACH RESIDENTS & LEASEHOLDERS ASSOCIATION REPORT

There was no report from the Pensacola Beach Residents & Leaseholders Association.

10. PENSACOLA BEACH CHAMBER OF COMMERCE REPORT

Ms. Sandy Johnston, Manager of the Visitor's Information Center, reported that the commercial businesses were working diligently to re-open. She provided a general review of the status of accommodations and visitors to Pensacola Beach. Additional discussion followed regarding the current status of the beach to receive visitors.

CONSENT AGENDA

11. COMMITTEE REPORTS

A. ARCHITECTURAL AND ENVIRONMENTAL COMMITTEE (2-16-05) –
Mr. Thom Blas, Chairman

The committee unanimously recommends approval of the following items:

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Item #5 – Mr. Sava Varazo on behalf of P B. Surf, Ltd., d/b/a Hampton Inn – 2 Via de Luna – Lot 1, Block D, Plaza Primera – Gulfside – Request to replace existing Hurricane Ivan damaged A/C & Heating unit with geothermal system

Item #6 – Mr. Greg Uzdevenes on behalf of Pensacola Beach , LLC, d/b/a Springhill Suites – 24 Via de Luna – Request to construct an outdoor bar adjacent to existing swimming pool subject to meeting all applicable rules and regulations

B. ADMINISTRATIVE COMMITTEE (2-16-05) – Mr. Jimmie Perkins, Chairman

The committee unanimously recommends denial of the following items:

Item #2 – Mr. Chaim Hershkowits d/b/a The Palace - Pensacola Beach Boulevard – Request for waiver of the late charges, interest and attorney's fees for July-November 2004

Item #3 – Cdr. and Mrs. Stephan M. Smith – 1600 Bulevar Menor – Santa Rosa Villas Townhouses – Request for waiver of late fees and attorney's fees due to late payment of annual lease fee

The committee unanimously recommends acceptance of the following item:

Item #5 – Report on Financial Statements and Expenditures

C. DEVELOPMENT & LEASING COMMITTEE (2-16-05) – Mr. Jimmie Perkins, Chairman

The committee unanimously recommends approval of the following item:

Item #1 – Sunrise Hospitality LLC d/b/a Beachside Resorts – 14 Via de Luna – Request for special exception under the 1988 Pensacola Beach Land Utilization Plan to construct 50 hotel units per acre

Upon motion of Mr. Martin, seconded by Mr. Perkins, the board unanimously approved the consent agenda as published. (6-0)

REGULAR AGENDA

12. COMMITTEE REPORTS

A. ARCHITECTURAL AND ENVIRONMENTAL COMMITTEE (2-16-05) – Mr. Thom Blas, Chairman

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The committee unanimously recommends approval of the following items:

Item #3 – Mr. & Mrs. James Wooten – 317 Panferio Drive – Lot 5, Block 5, Villa Primera – Santa Rosa Sound – Fifteen foot (15') front setback variance and thirty foot (30') rear setback variance to construct a new single family residential structure, to replace the residence that was destroyed by Hurricane Ivan, subject to receipt of letters of comment from the adjacent neighbors, the variance criteria worksheet, approval by the Escambia County Board of Adjustments (Unanimously recommended for approval by committee.)

Ms. Smith noted that the variance criteria worksheet was provided to the board, along with copies of letters of comment from the adjacent neighbors, and said that staff recommended approval of the request subject to the variance criteria worksheet and approval by the Escambia County Board of Adjustments.

Upon motion of Mr. Blas, seconded by Mr. Perkins, the board unanimously approved the request by Mr. & Mrs. James Wooten, 317 Panferio Drive, for a fifteen foot (15') front setback variance and a thirty foot (30') rear setback variance to construct a new single family residential structure, subject to the variance criteria worksheet and approval by the Escambia County Board of Adjustments. (6-0)

Item #4 – Mr. & Mrs. H. Britt Landrum, Jr. – 1013 Panferio Drive – Lot 2, Block 27, Villa Segunda – Santa Rosa Sound – Ten foot (10') front setback variance and a twenty-five and one/tenth foot (25.1') maximum rear setback variance to construct a new single family residential structure, to replace the residence that was destroyed by Hurricane Ivan, subject to receipt of letters of comment from the adjacent neighbors, the variance criteria worksheet, and approval by the Escambia County Board of Adjustments (Unanimously recommended for approval by committee.)

Ms. Smith said that the variance criteria worksheet was provided, along with the letters of comment from the adjacent neighbors, and staff recommended approval of the request, subject to the variance criteria worksheet and approval by the Escambia County Board of Adjustments.

Upon motion of Mr. Blas, seconded by Mr. Perkins, the board unanimously approved the request by Mr. & Mrs. H. Britt Landrum, Jr., 1013 Panferio Drive, for a ten foot (10') front setback variance and a twenty-five and one/tenth foot (25.1') maximum rear setback variance to construct a new single family residential structure subject to the variance criteria worksheet and approval by the

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Escambia County Board of Adjustments. (6-0)

B. ADMINISTRATIVE COMMITTEE (2-16-05) – Mr. Jimmie Perkins, Chairman

Item #5 – Discussion on Consumer Price Index (CPI) Escalator Clause in Leases

Ms. Bolman reviewed the history of CPI clauses in the leases on Pensacola Beach, noting that 2005 is the year that the board must decide about assessment of an increase on the basis of the CPI escalator clause. She said that staff had previously reported to the board that the cost of living had increased by 12.6% over the past five years, and staff recommended implementation of the increase, effective January 1, 2006. She said that, in response to board member inquiries, 3,495 leases or subleases on Pensacola Beach contain the CPI clause and 633 leases or subleases do not contain the CPI clause. A discussion followed. Mr. Griffith recommended holding a public meeting to address the issue. The Manager said a public meeting could be scheduled in conjunction with the regularly scheduled committee meetings on Wednesday, March 9, 2005. Additional discussion followed.

Upon motion of Mr. Blas, seconded by Mr. Martin, the board unanimously approved scheduling a public meeting to consider implementing an increase for the leases on Pensacola Beach containing the CPI escalator clause. (6-0)

C. DEVELOPMENT & LEASING COMMITTEE (2-16-05) – Dr. Thomas Campanella, Chairman

Item #2 – Mr. John R. Ehrenreich d/b/a Bonifay Water Sports – 460 Pensacola Beach Boulevard – Request to renew concession agreement, subject to compliance with any commercial lease extension policy that may be adopted by the board (Unanimously recommended for approval by the committee, subject to discussion at the full board)

Ms. Bolman clarified that Mr. Ehrenreich was requesting a fifteen year extension to his existing concession agreement and had agreed to comply with the commercial lease extension policy when it is adopted by the board.

Upon motion of Mr. Martin, seconded by Mr. Prather, the board unanimously approved the request by Mr. John R. Ehrenreich d/b/a Bonifay Water Sports, 460 Pensacola Beach Boulevard, for a fifteen year extension to his existing concession agreement, subject to compliance with any commercial lease extension policy that may be adopted by the board. (6-0)

Item #3 – Mr. Jim Martin on behalf of Boudreaux's Beachside Bar & Grill, Inc. d/b/a Crab's Restaurant – 6 Casino Beach Boardwalk – Request to add packaged (canned)

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beer and wine sales from the gift shop at Crab's Restaurant, subject to payment of 5% percentage fees (Unanimously recommended for approval by committee.)

Ms. Bolman said this item was unanimously recommended for approval by the committee, but was placed on the regular agenda to permit Mr. Martin to abstain from the vote. Mr. Martin said he was abstaining from the vote due to his business interests in Crab's Restaurant.

Upon motion of Mr. Blas, seconded by Mr. Perkins, the board approved the request by Mr. Jim Martin on behalf of Boudreaux's Beachside Bar & Grill, Inc. d/b/a Crab's Restaurant, 6 Casino Beach Boardwalk, to add packaged (canned) beer and wine sales from the gift shop at Crab's Restaurant, subject to payment of 5% percentage fees. (5-0 with Mr. Martin abstaining from the vote)

Item #5 – Mr. Kramer Litvak – 1715 Ensenada Uno – Lot 7, Block 3, Santa Rosa Villas – Request to divide duplex leasehold into two single family leases (Unanimously recommended for approval by committee, subject to receipt of appropriate data.)

Mr. Prather asked that this item be referred to committee, as several issues had been raised in investigating the request further. A discussion followed during which the committee heard comments by Mr. Kramer Litvak and Dr. Campanella suggested consideration of a policy for dividing leases.

Upon amended motion of Mr. Blas, seconded by Mr. Perkins, the board unanimously approved referring to committee the request by Mr. Kramer Litvak, 1715 Ensenada Uno, to divide his duplex leasehold into two single family leases. (6-0)

Mr. Griffith told Mr. Litvak that a special board meeting could be scheduled following the March 9, 2005 committees to address his request and any action taken by the committee.

13. OLD BUSINESS

Item #1 – Hurricane Ivan Update

Mr. Dave Hemphill reviewed the progress report provided for the board, reflecting the status of the post-Ivan debris and sand removal projects through March 2, 2005.

Item #2 – Road Improvement Project

Mr. Hemphill said the road improvements on Ft. Pickens Road were under way, with roadway improvements contracted to APAC and the outfall structures contracted to Roads Inc. He said that roadway improvements on Via de Luna were schedule to begin

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soon. Mr. Hemphill noted that Quietwater Pier had been advertised for bid to repair the pier as it was and add some lighting. He said they had chosen the option to use plastic wood and may elevate the decking, if possible. He said that on the parking lot for Ft. Pickens Recreation Park, if he is able to obtain pricing from the county's contract, the job will not have to go out for bid, and he should have an answer soon on the pricing. A discussion followed.

Item #3 – General Manager Selection Process

The Manager explained the selection process, noting that it was on schedule and that Slavin Management was in the process of narrowing down the field of candidates to present to the board. A lengthy discussion followed.

14. NEW BUSINESS

Item #1 – Florida Department of Environmental Regulation Grant Agreement for Pensacola Beach Dune Restoration 2004 Hurricane Recovery Project

Ms. Norton reviewed the background for the grant agreement, stating that the purpose of the grant agreement was to provide \$620,000 in funding to supplement the dunes and build a better dune system on Pensacola Beach, and a discussion followed. She said that staff recommended approval of the agreement and authorizing the chairman to sign the agreement.

Upon motion of Mr. Prather, seconded by Mr. Blas, the board unanimously approved the Florida Department of Environmental Regulations Grant Agreement for Pensacola Beach Dune Restoration 2004 Hurricane Recovery Project and authorized the chairman to sign the agreement. (6-0)

Item #2 – Elevated Water Tanks on Pensacola Beach

The Manager said that the Escambia County Utilities Authority (ECUA) had indicated to him that they have no use or need for the elevated water tanks on Pensacola Beach, as they are not part of the active water system, and had asked if the Authority wished to assume ownership and maintenance of the tanks. He said staff had investigated the issue and the Authority has no operational need or use for the elevated water tanks. The Manager added that staff recommended assuming ownership of the elevated water tank at Casino Beach only due to its public relations value. A discussion followed during which the board heard comments from Ms. Julie Connerley.

For Information: Mr. Prather and Mr. Griffith asked for additional information regarding removing the water tanks from availability for active service.

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Upon motion of Mr. Blas, seconded by Mr. Perkins, the board approved assuming ownership from the ECUA of the elevated water tank at Casino Beach. (5-1 with Mr. Martin voting in the negative)

Mr. Blas noted that he had previously requested information from Gulf Power regarding the pros and cons of overhead power versus underground power. The Manager noted that the engineer had contacted Gulf Power who indicated they do not have a position on the matter, but that he would make another attempt to obtain the information.

Mr. Martin requested that the issue of the proper use of the electronic sign be placed on the agenda for discussion.

15. REPORTS

A. MANAGER'S REPORT

The Manager said that his report was published for the information of the board, and noted that the Pensacola Beach Gulf Pier had been repaired and was now operational.

Mr. Blas mentioned the previous request by board members for credentials indicating their status as board member.

B. ATTORNEY'S REPORT

Mr. Mike Stebbins noted that the attorney's report was also published for the information of the board, and a brief discussion followed.

C. ENGINEER'S REPORT

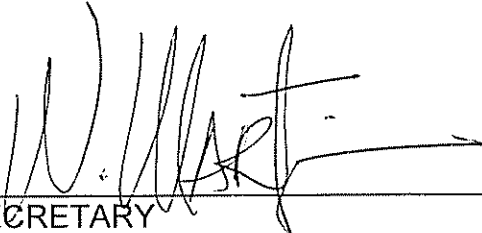
The engineer's report was covered previously on the agenda.

16. VISITORS FORUM


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

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There being no further business before the board, the meeting adjourned at 6:30 p.m.



SECRETARY



CHAIRMAN

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