

PENSACOLA BEACH

SANTA ROSA ISLAND AUTHORITY

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PENSACOLA, BEACH, FLORIDA
REGULAR BOARD MEETING MINUTES
FEBRUARY 13, 2008

1-3. A regularly scheduled meeting of the Authority was held on Wednesday, February 13, 2008, beginning at 5:05 p.m. Members in attendance were: Dr. Thomas Campanella, Ms. Tammy Bohannon, Mr. Elwyn Guernsey, Mr. John L. Peacock, Jr., and Mr. Fred Gant. Board member absent was Mr. Vernon Prather. Dr. Campanella, Chairman, called the meeting to order and led the Pledge of Allegiance followed by a moment of meditation.

4. APPROVAL OF MINUTES-REGULAR BOARD MEETING (12-12-07)

Upon motion of Mr. Ed Guernsey, seconded by Ms. Bohannon, the Board unanimously approved the minutes of the December 12, 2007 regular Board meeting. (5-0)

5-6. CHANGES/ADDITIONS/ADOPTION OF AGENDA

Upon motion of Mr. Peacock, seconded by Mr. Guernsey, the agenda was unanimously adopted with the following change: Item A-1 under Development and Leasing has been properly located under the Consent Agenda.

7. CHAIRMAN'S COMMENTS

Dr. Campanella had no comments at this time.

8. PENSACOLA BEACH VISITOR'S INFORMATION CENTER

Ms. Sandy Johnston, Manager of the Pensacola Beach Visitor's Information Center (VIC) stated that during the month of January, 2008, 2070 rooms were booked. This is one room short of last year. She also acknowledged that she has the 2008 college spring break schedules. Mr. Peacock inquired how information is tracked regarding mail outs and whether those visitors actually come to the beach. Ms. Johnston said that those numbers are currently tracked by comment cards. Mr. Peacock indicated that he is interested in daily operations of the Chamber and justification for additional funding.

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CONSENT AGENDA

9. COMMITTEE REPORTS

A. ARCHITECTURAL AND ENVIRONMENTAL COMMITTEE (1-23-08) Mr. John Peacock, Chairman

The Committee unanimously recommends approval of the following item:

Item #1 – Sun Ray Village Owners Association Inc. f/k/a The Clarion – 20 Via De Luna – Requests a six month extension to obtain a building permit (March 10, 2008 to September 10, 2008)

B. ADMINISTRATIVE COMMITTEE (01-23-08) – Mr. Elwyn Guernsey, Chairman

The Committee unanimously recommends acceptance of the following items:

Item #1 – Report on Financial Statements and Expenditures.

Item #2 – Report on contingency fees and cash position.

The Committee unanimously recommends approval of the following item:

Item #3 – Mr. Bob Savage – Pensacola III, LLC – 649 Pensacola Beach Boulevard – Requests permission to (1) amend lease to include operation of a restaurant and (2) to sublease building to Mr. Pedro Moreas for operation of the restaurant subject to parking requirements being met, paying the appropriate percentage fees and execution of license agreement for the use of overflow parking lot contingent to being zoned to CON/REC-PB (Conservation/Recreation-Pensacola Beach)

C. OPERATIONS COMMITTEE (01-23-08) – Mr. Vernon Prather, Chairman

The Committee unanimously recommends approval of the following item:

Item #1 – Pensacola Beach Speed Zones – proposed traffic safety operation evaluation study.

D. SPECIAL PROJECTS COMMITTEE (01-23-08) – Mr. Fred Gant, Chairman

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The Committee unanimously recommends approval of the following item:

Item #1 – RFP (Request for Proposal) for Parking Garage – (Referred to 2-27-08 Committee Meeting)

Upon motion by Mr. Elwyn Guernsey, seconded by Mr. John Peacock, the Board unanimously adopted the Consent Agenda. (5-0)

REGULAR AGENDA

10. COMMITTEE REPORTS

A. DEVELOPMENT AND LEASING COMMITTEE (1-23-08) Ms. Tammy Bohannon, Chairman

Item #1 – The Palace – 701 Pensacola Beach Boulevard, Pensacola Beach – Settlement Agreement and the Fifth Amendment to Lease – (Referred from the December 12, 2007 regular Board meeting)

Mr. Stebbins was asked by the Chairman to comment. Mr. Stebbins referred to the previous minutes relative to this particular case, a proposed draft of the Fifth Amendment to the lease and the settlement agreement. The response from Mr. Flounlacker can be found in the Board meeting packet. These packets were the result of two meetings with Mr. Flounlacker, his client, and the architect. The issue that is of the most interest to Mr. Flounlacker and his client is the provision within the settlement agreement and the Fifth Amendment to the lease regarding liquidated damages.

Mr. Flounlacker indicated he has provided points that would support the waiver request for liquidated damages in the amount of \$18,000. Mr. Flounlacker pointed out that this would be an exciting upscale project. At the time of the settlement agreement, SRIA was struggling with the request because no real plans had been submitted. Mr. Flounlacker suggested that the time frame for the settlement agreement could not possibly be met. Rezoning to Commercial/Hotel would create a better density. Then all that would need to occur would be rezoning and special exception. Mr. Flounlacker stated the only reason the liquidated damages were imposed is because his client failed to request an extension. His client's architect developed a health problem causing memory loss. The client was relying on his architect to inform him of imposed deadlines. He has since hired a new architect. Client has already paid \$29,700 in liquidated damages from the original agreement and has paid \$9,900 in lease fees. He has

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paid \$100,000 for a lease with an option to purchase and is presently in the process of extensive rehabilitations. SRIA has incurred additional attorney expenses in this matter. Mr. Flounlacker is requesting that additional monies not be due until the project has broken ground. Dr. Campanella indicated a reluctance to grant this extension due to the fact that this particular lease has been late on numerous occasions.

Upon motion of Ms. Bohannon, seconded by Mr. Guernsey the Board approved the motion to forgive the \$18,000 liquidated damages, the client will pay the consideration fee within 30 days after submission of the conceptual plans to the SRIA and that the attorney's fees will be paid with a cap not to exceed \$3,500. Dr. Campanella opposed this motion. (4-1)

B. ADMINISTRATIVE COMMITTEE (1-23-08) Mr. Elwyn Guernsey,
Chairman

Item #1 – Report on January 15, 2008 meeting with the Commercial leaseholders, SRIA Board and Staff regarding possible solutions to increase business in the “off season” and ad valorem taxes. (Recommended for discussion at the 01-23-08 Board meeting by Mr. John Peacock)

Discussion was begun by Mr. Peacock indicating that more parking and businesses are needed. If more funds are available, they need to be secured. It is important to continue with the master plan as referenced in Vision 2010.

This item was for discussion only. No action was taken.

C. ARCHITECTURAL AND ENVIRONMENTAL COMMITTEE (01-23-08) Mr.
John Peacock, Chairman

Item #1 – Ms. Kathryn Keigley – 1771 Ensenada Dos – Lot 11, Block 4, Santa Rosa Villas – Request to construct a 120' retaining wall landward of the existing rip rap on leasehold property (Recommended for approval by committee with a vote of 3-0 moved to regular agenda for additional discussion)

Ms. Bohannon indicated that she visited this property and noted that neighbor's were concerned. She pointed out that when one property installs rip rap the neighboring properties will experience excessive erosion. Ms. Bohannon wanted the other members to be aware of this issue in the future but, indicated she would approve this motion because the proper permitting procedure was in place.

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Upon motion of John Peacock, seconded by Tammy Bohannon, the Board unanimously approved the staff recommendation granting permission for 120' retaining wall landward of the existing rip rap on the leasehold property. (5-0)

A discussion ensued on how to minimize future damage to the shoreline.

D. OPERATION COMMITTEE (01-23-08) Mr. Vernon Prather, Chairman

Item #1 – Discussion on noise issue – referred from January 23, 2008 Committee Meeting

Mr. Jeff Elbert asked Dr. Campanella to move this Item to the next Committee meeting (2-27-08) as he was unable to attend this meeting.

13. REPORTS

A. EXECUTIVE DIRECTOR'S REPORT

The Executive Director noted that he and Mr. Stebbins met with representatives from the law firm of Dennis Leary on a fact finding mission regarding the DelGallo lawsuit.

Upon motion by Mr. Peacock, seconded by Mr. Gant, the Board decided to discuss the matter of the DelGallo lawsuit at this meeting as opposed to a closed door attorney-client meeting. The motion was opposed by Ms. Bohannon. (4-1)

The DelGallos' have made an offer of \$10,000 to the SRIA. They were asked for approximately \$85,000 to cover legal fees, traffic study costs and consulting engineering fees. Mr. Stebbins' attorney fees are approximately \$30,000. Traffic study costs were \$25,000 not including engineering fees. Tammy Bohannon wishes to go on record stating that all of the parties involved are personal friends.

Upon motion by Mr. Peacock, seconded by Thomas Campanella the Board agreed to accept \$10,000 offer made by the DelGallos. The motion was opposed by Fred Gant. (4-1)

Some discussion followed regarding lease fee revenues and ad valorem taxes.

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Upon motion by Mr. Gant and seconded by John Peacock the Board unanimously agrees to allow research to take place in regards to commercial leases and use excess bond money from the Via de Luna Project to resurface and stripe Via de Luna Shopping Center and pave the Employee Parking Lot at 1 Via de Luna. (5-0)

B. ATTORNEY'S REPORT

Mr. Stebbins stated that this report was published for the information of the Board. Mr. Stebbins wishes to bring attention to the Estate of Steven Cox, a drowning case, which has been set for a case management conference in April. They wish to set this matter for trial. Mr. Stebbins opposes this because they have not provided him with the information he has requested. It will probably go to trial later this year.

C. ENGINEER'S REPORT

Mr. Hemphill stated that this report was published for the information of the Board. He noted that the reclaimed water project is still in progress. But, it appears to be an ECUA project for design and funding. The money that the Board previously budgeted may now be available for other transportation related projects. Requests for permits have been submitted to the FDEP for Little Sabine Lagoon restoration and dredging of the Little Sabine Channel. Mr. Lee added that ECUA wants to acquire a 40'X 60' piece of property next to the Maintenance building in exchange for the property next to Regency Cabanas where the former beach ball was located.

14. VISITOR'S FORUM

No one wishes to address the Board during the visitor's forum

15. BOARD MEMBER'S FORUM

John Peacock wishes to include e-mails in the Board packets.

Mr. Gant states that more business must be generated during the winter months. He makes several suggestions such as events, parks, theme parks, golf course, boardwalk and etc. A short discussion followed. Mr. Lee recommended a report by the Chamber at the March Board meeting.

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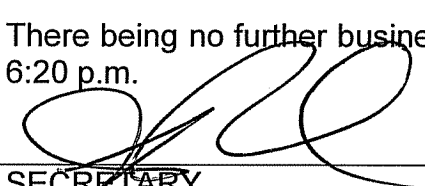
Mr. Lee received an e-mail stating that next year is the 450th anniversary of Don Tristan De Luna (1559). There is a proposal to mark all outgoing correspondence with 450.

Mr. Lee stated that at the next Committee meeting Ellis Bullock will be present to discuss the advertising budget. A short discussion ensued.

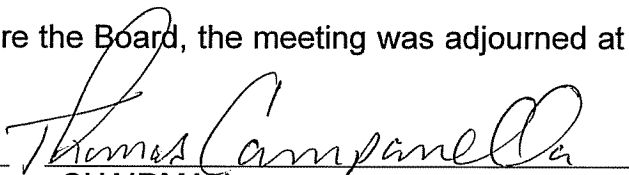
There was a lengthy discussion about bringing additional businesses to the Island with the assistance of the Pensacola Chamber of Commerce.

Mr. Patel of Island Wine & Liquor stated that because of the tax and lease fee issue it is hard to be competitive. Therefore, he was requesting that his percentage fees be reduced. Discussion followed. No action was taken.

There being no further business before the Board, the meeting was adjourned at 6:20 p.m.



SECRETARY



CHAIRMAN

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