

# PENSACOLA BEACH

SANTA ROSA ISLAND AUTHORITY

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PENSACOLA BEACH, FLORIDA  
REGULAR BOARD MEETING MINUTES  
DECEMBER 12, 2007

1-3. A regularly scheduled meeting of the Authority was held on Wednesday, December 12, 2007, beginning at 5:03 p.m. Members in attendance were: Mr. Vernon Prather, Dr. Thomas Campanella, Ms. Tammy Bohannon, Mr. Elwyn Guernsey, and Mr. John L. Peacock, Jr. (arrived at 5:05 p.m.). Board member absent was Mr. Fred Gant. Mr. Prather, 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 (11-14-07)

**Upon motion of Dr. Campanella, seconded by Mr. Guernsey, the board unanimously approved the minutes of the November 14, 2007 regular board meeting. (4-0)**

5-6. CHANGES/ADDITIONS/ADOPTION OF AGENDA

**Upon motion of Dr. Campanella, seconded by Mr. Peacock, the agenda was unanimously adopted with the following changes: Updated Item 10(A)(1) regarding Circle K #8223 by adding "subject to the Commercial Lease Extension Policy; added Item #2 to New Business regarding an extension of construction deadlines for The Grand Marlin Marina. (5-0)**

7. CHAIRMAN'S COMMENTS

Mr. Prather 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 the board already received her published report. Upon inquiry from Mr. Prather, Ms. Johnston noted that she will add convention information to her report in the future.

9. PRESENTATION – NATIONAL PARK SERVICE – PENSACOLA BEACH  
MARINE TURTLE NEST MONITORING REPORT 2007

SANTA ROSA ISLAND AUTHORITY  
PENSACOLA BEACH, FLORIDA  
REGULAR BOARD MEETING MINUTES  
DECEMBER 12, 2007

Ms. Monica Cain, Ms. Kirsten Dahlen (Gulf Island National Seashore and National Park Service), and Andrew Diller (the Florida Sea Grant Extension Agent, University of Florida) appeared before the board and gave a presentation on the 2007 sea turtle nesting season and turtle friendly lighting. They stated that there were only 197 hatchings for 2007 which is very low because normally about 700 hatchings go into water. A brief discussion took place regarding lighting at Sabine Yacht & Racquet Club and Hilton. Sans Souci Condominium was presented with the very first award for recognition of their turtle friendly lighting.

CONSENT AGENDA

10. COMMITTEE REPORTS

A. DEVELOPMENT & LEASING COMMITTEE (11-28-07) Mr. Fred Gant, Chairman

The committee unanimously recommends approval of the following items:

Item #1 – Circle K #8223 – 711 Quietwater Beach Rd. – Request two consecutive five year extensions.

Item #2 – Santa Rosa Villas – a/k/a Regency Cabanas – 400 ft west of Block 9 – Request for inclusion of an option to renew the master lease.

Item #3 – Pensacola Beach Marina, LLC. – Request for a three year license agreement for the adjacent parking lot.

B. ADMINISTRATIVE COMMITTEE (11-28-07) – Ms. Tammy Bohannon, Chairman

The committee unanimously recommends approval of the following item:

Item #1 – SRIA Plan Review Fee Schedule

The committee unanimously recommends acceptance of the following item:

Item #2 – Report on Financial Statements and Expenditures

C. SPECIAL PROJECTS COMMITTEE (11-28-07) – Mr. John Peacock, Chariman

The committee unanimously recommends approval of the following item:

Item #1 – The Pensacola Beach Chamber - Request for financial assistance with the 2008 New Year's Eve fireworks display.

SANTA ROSA ISLAND AUTHORITY  
PENSACOLA BEACH, FLORIDA  
REGULAR BOARD MEETING MINUTES  
DECEMBER 12, 2007

**Upon motion of Dr. Campanella, seconded by Ms. Bohannon, the board unanimously adopted the consent agenda as revised. (5-0)**

REGULAR AGENDA

11. COMMITTEE REPORTS

A. DEVELOPMENT & LEASING COMMITTEE (11-28-07) – Mr. Fred Gant, Chairman

Item # 1 - Commercial Rebuilding Time Limit and Minimum Annual Lease Fees (Unanimously recommended for approval by the committee; placed on regular agenda for additional report by Chairman Prather and Executive Director.)

Mr. Prather presented the item and provided the background. A lengthy discussion followed regarding ad valorem taxes and lease fees. Mr. Prather directed staff to send a letter to each leaseholder on the commercial default page asking them to advise SRIA of their rebuild status.

**Upon motion of Dr. Campanella, seconded by Mr. Peacock, the board unanimously approved the recommendation to send letters to leaseholders requesting status of rebuild time. (5-0)**

Mr. Peacock asked Mr. Prather for permission to work with Mr. Lee to hold a workshop to figure out some kind of plan with commercial leaseholders and report back to the board at the January 23, 2008 committee meetings.

Item #2 – Blue Angel Ice Company, LLC – Downing Gray – Request to relocate an existing self service ice machine from Sabine Marina, Inc. parking lot to the existing parking lot adjacent to Pensacola Beach Realty, Inc. on Pensacola Beach Blvd. (Unanimously recommended for approval by the committee; placed on regular agenda at the request of Chairman Prather to address zoning issue.)

Mr. Lee presented the item and gave background; he stated that in order to move forward the parking lot property need to be rezoned from Preservation to Recreation/Retail. A brief discussion followed regarding the counts for the overflow parking and clarification of what is considered preservation.

**Upon motion of Dr. Campanella, seconded by Mr. Peacock, the board unanimously approved moving forward with the request to rezone the parking lot property from Preservation to Recreation/Retail. (5-0)**

SANTA ROSA ISLAND AUTHORITY  
PENSACOLA BEACH, FLORIDA  
REGULAR BOARD MEETING MINUTES  
DECEMBER 12, 2007

B. ADMINISTRATIVE COMMITTEE (11-28-07) – Ms. Tammy Bohannon, Chairman

Item #1 – SRIA Personnel Regulations – Revisions to Section 9  
(Unanimously recommended for approval by the committee; placed on regular agenda for additional language.)

Mr. Lee presented the item.

**Upon motion of Mr. Peacock, seconded by Mr. Guernsey, the board unanimously approved the additional language to reflect the dismissed employee's right to appeal to the board. (5-0)**

C. OPERATIONS COMMITTEE (11-28-07) – Dr. Thomas Campanella, Chairman

Item #1 – Review of Portofino Lease – Discussion only.

Mr. Lee stated that he and Mr. Prather met with Robert Rinke and Andrew Rothfedler regarding the infrastructure and that Mr. Rinke and Mr. Rothfedler would like to meet with each board member individually to discuss their thoughts on the project.

12. OLD BUSINESS

Item #1 – Via de Luna Roadway Improvement Change Orders # 20, 21, 22

Mr. Lee presented the item, stating that the board approved the extension but did not make a motion to approve the change orders.

**Upon motion of Mr. Peacock, seconded by Mr. Guernsey, the board unanimously approved Change Orders # 20, 21, 22 for the Via de Luna Roadway Improvement Project contract with Roads, Inc. (5-0)**

13. NEW BUSINESS

Item # 1 – The Palace default

Mr. Mike Stebbins, SRIA Attorney, presented the item and gave background information. Mr. Stebbins noted that The Palace had not cured the default at this time. The board heard comments from Mr. Paul Flounlacker, attorney for The Palace, who requested the following: 120 day extension of time to submit plans, waiver of any liquidated damages and a zoning change. Mr. Flounlacker stated that he had a check in the amount of \$29,700 for the liquidated damages that he could present in consideration of his request. A lengthy discussion followed during which Mr. Stebbins gave extensive background

SANTA ROSA ISLAND AUTHORITY  
PENSACOLA BEACH, FLORIDA  
REGULAR BOARD MEETING MINUTES  
DECEMBER 12, 2007

information regarding delinquent lease fees and the eyesore issue after Hurricane Ivan. Mr. Stebbins proposed a recommendation that the board not grant the extension at this time; the cure period expires on Friday, December 14. Direct him after the cure period ends to not file a lawsuit but instead to work with The Palace attorneys to come up with an additional settlement agreement that will meet the timelines they are seeking. As well as, make sure we get paid at least the \$29,700 for the liquidated damages. Mr. Stebbins will come back to the board in January with a proposal that will include attorney fees. A discussion followed regarding the different liquidated damages.

**Upon motion of Mr. Guernsey, seconded by Dr. Campanella, the board unanimously recommended not granting the Palace the 120 day extension but to allow Mr. Stebbins time to work with The Palace attorney to come up with an additional settlement agreement; the board also accepted the check in the amount of \$29,700 for the liquidated damages. (5-0)**

Mr. Stebbins stated that acceptance of the check is no waiver of default at this time.

Item #2 – Mr. Philip Napier – The Grand Marlin Marina – Request for a three month extension of time for construction deadlines (March 2008 begin construction – March 2010 complete construction).

Mr. Prather noted that Mr. Lee gave a brief presentation earlier under Changes or Additions to Agenda.

**Upon motion of Mr. Guernsey, seconded by Dr. Campanella, the board unanimously approved The Grand Marlin Marina's request for a three month extension of time for construction deadlines (March 2008 begin construction – March 2010 complete construction). (5-0)**

#### 14. REPORTS

##### A. EXECUTIVE DIRECTOR'S REPORT

The Executive Director noted that his report was published for the information of the board. Mr. Lee explained to the board that there were only three items scheduled for the committee meetings next week and stated that his recommendation would be to move the committee meetings to January 9, 2008 which would require a vote from the board.

**Upon motion of Mr. Peacock, seconded by Dr. Campanella, the board unanimously approved moving the committee meetings scheduled for December 19, 2007 to January 9, 2008. (5-0)**

Mr. Lee told the board that he received several complaints regarding the noise ordinance

SANTA ROSA ISLAND AUTHORITY  
PENSACOLA BEACH, FLORIDA  
REGULAR BOARD MEETING MINUTES  
DECEMBER 12, 2007

on the beach. He will meet with the Chamber and bring something back to the board January 23. A discussion followed. Mr. Lee updated the board on the status of Navarre Beach Road and Ft. Pickens Road.

**B. ATTORNEY'S REPORT**

Mr. Stebbins stated that his report was published for the information of the board. Mr. Stebbins noted that items 3, 4, and 5 on his report under pending lease defaults will be going to litigations in January because they have not responded: Hunter and Curd are for monetary; Blanton and Demers for failure to rebuild. Mr. Stebbins stated that he and Mr. Lee will meet with the attorneys for DelGallo to see how they can resolve that issue.

**C. ENGINEER'S REPORT**

Mr. Hemphill stated that his report was also published for the information of the board. He noted that the Via de Luna Roadway is due to be completed December 15 and Ft. Pickens Gate shelters should be completed by next Wednesday. Mr. Hemphill presented a slide show of before and after pictures of completed Pensacola Beach projects. A brief discussion followed regarding painting of the roads and storm water improvements.

Mr. Lee stated that Roads, Inc. contract went over by \$500,000, APAC and Gulf Power came under. He will give a complete update in February after everything is paid. Mr. Lee also mentioned that he was working with FEMA to get turtle friendly lights for the tennis courts.

**15. VISITORS FORUM**

No one wished to address the board during visitor's forum.

**16. BOARD MEMBERS FORUM**

Mr. Guernsey stated that he met with Ms. Jayne Bell regarding the money situation with the state fund. He stated that Ms. Bell was able to move \$2 million out of the fund without penalty or fees, and the money is currently in a money market earning about 4.5% interest at the Bank of Pensacola. He spoke with Cary McCoy, one of the Senior Vice-Presidents of Bank of Pensacola, about fully insuring the money with CD's; this is possible because they are partners with Synovus Financial which has 37 member banks in their group and each one will provide insurance for their pro rata share of what ever amount we deposited. It is not necessary to do CD's to gain that. Robby Youd, who works in a different department at Bank of Pensacola, stated that there is a state law that requires the Bank of Pensacola or any other state chartered bank to fully guarantee all

SANTA ROSA ISLAND AUTHORITY  
PENSACOLA BEACH, FLORIDA  
REGULAR BOARD MEETING MINUTES  
DECEMBER 12, 2007

funds for any municipality that has money on deposit in any kind of checking account, money market account or other account. This means that if the bank goes out of business the state protects the funds; he will provide Ms. Bell with a copy of this state statute. Mr. Guernsey thinks that the \$900,000 left in the SBA fund should stay, since it will cost a redemption of 2% to redeem. Mr. Guernsey disclosed that he has a couple of clients who work at the Bank of Pensacola.

Mr. Peacock and Mr. Lee discussed the meeting tomorrow at BCC regarding the proposed parking garage. Ms. Bohannon discussed transponders. Mr. Peacock discussed the idea of beach bucks to be used during the off season to bring more business to the beach. Dr. Campanella talked about reducing the speed limit island wide to 25 mph, and he wanted it placed on the next committee meeting for more information.

17. ELECTION OF OFFICERS


Mr. Prather explained the two methods for nominating officers: nominate for each individual position or nominate a slate of officers. A brief discussion followed. Mr. Guernsey chose the slate method, nominating: Dr. Campanella as Chairman, Mr. Peacock as Vice-Chairman, Ms. Bohannon as Secretary Treasurer, and Mr. Gant as Acting Secretary Treasurer. No other slates were presented.

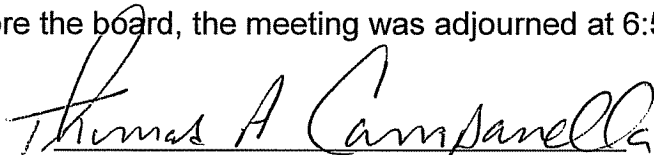
**Upon motion of Mr. Guernsey, the board unanimously elected the following as officers of the Santa Rosa Island Authority:**

**Thomas Campanella, Chariman**  
**John Peacock, Vice-Chairman**  
**Tammy Bohannon, Secretary Treasurer**  
**Fred Gant, Acting Secretary Treasurer**

(5-0)

There being no further business before the board, the meeting was adjourned at 6:56 p.m.

  
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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.)