

**FROM THE DESK OF DON KRAHER  
COUNCIL EXECUTIVE**



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To: Council President and Members of City Council  
From: Don Kraher, Council Executive  
Date: July 19, 2018  
Re: Item 18-00270 – Lease Agreement for Port Warehouse #9 & #10

Council President and Members of City Council

At the Agenda Conference and subsequently afterwards, I was asked to respond to requests for information:

1. Where is material mined? – History of Mining – Operations, Environmental.

You will be provided a presentation at the City Council meeting this evening, due to a Non-Disclosure Agreement (NDA) currently in place, I believe the information of where the mining will take place is better coming from the company. It is my understanding, that this operation is currently their only mining operation. I have been unable to locate information regarding operations or environmental issues, although a search of relevant sites with the company name has provided no returns, pertaining to mining.

2. Was City Council Policy 2.9 followed?

City Council Policy 2.9 "Procedure for Council and Public Notice of Proposed Leases at the Port of Pensacola" pertains to the Mayor providing notification to the Council and Public regarding the entering into formal lease negotiations. This policy is silent to the issue of an item being brought by the City Council. That being the case, it would appear that this policy would not be implicated within the currently presented item, as due to its silence, there seems to be no prohibition from such an item being brought by City Council or a Council member. Further, this item is not a lease approval, but rather a request to authorize the Mayor to enter into lease negotiations – which then may engage 2.9 although the Council and Public would already be aware of the intent.

Having said that, City Council policies are up to the interpretation of the City Council; therefore the City Council has the authority to interpret the policy and take action in accordance with that interpretation.

3. Has a real estate broker or company who has the Port listed for availability, been engaged in this project?

No. The company who has the Port listing is shown to be NAI Halford. In an agreement granting exclusive rights to procure leases dated February 2, 2018 cites in Exhibit A "Exceptions List" the following in part:

The following active prospects and projects pre-date this Agreement and, therefore, are not subject to this Agreement, except to the extent that the City may seek Broker's assistance in the negotiations at a reduced commission rate and structure to be agreed upon by the City and the Broker on a case-by-case basis...

1. Land Lease for establishment of a wood pressure treating and export operation
2. Land lease to support wood pole debarking and export operations
3. Land lease to support a rotorcraft aviation operation
4. Land lease or operating

4. 2016-2017 Council actions to establish a committee regarding an Economic Feasibility Study:

This information is provided in an additional handout. To summarize, on June 8, 2017 the following action was taken by Council:

During discussion regarding the potential naming of four (4) individuals to the Economic Feasibility Study Committee, the City Council hear from the City Administrator that City Administration had outlined a (proposed) plan of action for working with a consultant to draft an RFP for an Economic Feasibility Study.

A motion was made that City Council accept the City Administrator's recommendation (plan of action) on how to utilize the \$100,000 allocation, rather than Council proceeding with a committee. The question that has been raised and is up to individual interpretation is whether the Moffat / Nichol study is an Economic Feasibility Study.

Respectfully Submitted,

Don Kraher  
Council Executive