

**GULF BREEZE CITY COUNCIL  
EXECUTIVE SESSION**

JANUARY 30, 2013  
WEDNESDAY 6:30 P.M.  
COUNCIL CHAMBERS

**ACTION AGENDA ITEMS:**

- A. Discussion and Action Regarding Ordinance Implementing Property Tax Exemption
- B. Discussion and Action Regarding Parking in Rights-of-Way Along Collector Streets
- C. Discussion and Action Regarding Proposed Project for Restore Act Funding
- D. Discussion and Action Regarding Hwy 98 Undergrounding for Mediacom Communication
- E. Discussion and Action Regarding Rental of Modular Office for Tiger Point Maintenance Staff and Storage
- F. Discussion and Action Regarding Agreement for Natural Gas Franchise Agreement
- G. Discussion and Action Regarding Resolution amending Stuart Lodge Financing Amount
- H. Discussion and Action Regarding Purchase of Natural Gas Fueling Appliance
- I. Information Items

**If any person decides to appeal any decisions made with respect to any matter considered at this meeting or public hearing, such person may need to insure that a verbatim record of the proceedings is made, which record includes the testimony and any evidence upon which the appeal is to be based.**

**The public is invited to comment on matters before the City Council upon seeking and receiving recognition from the Chair.**



# City of Gulf Breeze

OFFICE OF THE CITY MANAGER

January 25, 2013

TO: Mayor and City Council

FROM:  Edwin A. Eddy, City Manager

SUBJ: ORDINANCE IMPLEMENTING PROPERTY TAX EXEMPTION

State of Florida voters approved an amendment to the Florida Constitution this past November which makes possible a tax exemption for senior citizens that have owned their homes for at least 25 years, have title to the property and have an annual household income less than \$27,030. In order to implement this voter approved change, the City must pass an Ordinance authorizing the additional property tax exemption.

Attached is an email from Matt E. Dannheisser, City Attorney, which explains this matter in greater detail.

## RECOMMENDATION:

**That the City Council direct staff and the City Attorney to draft an Ordinance for consideration by the City Council approving the additional property tax exemption.**



Edwin Eddy &lt;eaeddy@gulfbreezefl.gov&gt;

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## Additional Homestead Exemptions for Persons 65 and Older

1 message

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**Matt Dannheisser** <mdannheisser@dannheisserlaw.com>

Thu, Jan 24, 2013 at 9:33 AM

To: Buz Eddy &lt;eaeddy@gulfbreezefl.gov&gt;

Cc: Stephanie Lucas &lt;slucas@dannheisserlaw.com&gt;, Matt Dannheisser &lt;mdannheisser@dannheisserlaw.com&gt;

Buz:

Roy Andrews called me Tuesday at the request of his client, Greg Brown, to discuss adoption by the cities of Gulf Breeze, Jay, and Milton of ordinances authorizing an additional homestead property tax exemption for senior citizens authorized by a recent amendment to the Florida Constitution. The Santa Rosa County Property Appraiser apparently expressed concern that although Santa Rosa County may have adopted such an ordinance, none of the cities of Jay, Milton, or Gulf Breeze have done so.

Please recall that in the November 2012 General Election, the voters approved Amendment No. 11 to the Florida Constitution which authorized counties and municipalities to grant an additional homestead tax exemption for certain senior citizens. Specifically, Amendment No. 11 required the Legislature to enact general law providing for cities and counties to confer additional homestead property tax exemptions who have and maintain a long-term residency on their property and meet the following requirements:

- (i) The person must have legal or equitable title to the property;
- (ii) The homestead property must have a just (market) value of less than \$250,000.00;
- (iii) The property must have been the permanent residency of the owner for at least 25 years;

- (iv) The owner must be at least 65 years of age; and
- (v) The owner's household income must not exceed \$27,030 (and that figure is to be adjusted annually by the percent change in the CPI).

The general law passed by the Legislature implementing those provisions is codified in Florida Statutes Section 196.075. It allows cities and counties to adopt an ordinance allowing for those persons owning homestead properties that meet the above requirements an additional homestead exemption **equal to the amount of the assessed value of the property** (i.e., a complete exemption for ad valorem taxes levied by the municipality).

If a city or county desires to grant the above additional homestead exemption, it must do so by adoption of a non-emergency ordinance that is approved by a super majority (i.e., a majority plus one) vote of the members of the governing body. Further, the ordinance must specify that the exemption applies only to taxes levied by the unit of government granting the exemption. The ordinance must also require that any taxpayer claiming the exemption to annually submit to the property appraiser, not later than March 1, a sworn statement of household income on a form prescribed by the Department of Revenue.

As mentioned above, Roy Andrews called me in his capacity as the attorney for the Santa Rosa County Property Appraiser. Of course, he is also the attorney for the City of Milton. He was not certain if the Milton City Council was inclined to adopt the additional homestead exemption. Rather, he was simply passing along the Property Appraiser's request that each of the cities do so.

Given the particular limitations and requirements for the additional homestead exemption (i.e., 25 years of continuous residency, at least 65 years old, property value less than \$250,000, and household income of less

than \$27,030), it would appear that even if the City Council is inclined to confer the additional homestead exemption, it would apply to only a few residents.

The general law amending Florida Statutes Section 196.075 did not establish the time by which a city or county must adopt (or have adopted) an ordinance in order for the additional homestead exemption to apply to current property taxes. The Property Appraiser advises that the Department of Revenue has taken the position that the ordinance must be adopted by December 31 in order to apply to the following year's taxes. However, since the General Election at which Amendment No. 11 was passed occurred on November 6, 2012, I am told that many cities and counties (if they were inclined to confer the additional homestead exemption) missed the December 31 deadline. Because of the very short time period within which to have adopted the requisite ordinance, I was informed by the Property Appraiser that the Department of Revenue will not strictly enforce the December 31 deadline provided that cities and counties who have not as yet done so proceed expeditiously with adoption of the requisite ordinance.

I understand that there is considerable debate among cities and counties whether to confer the additional homestead exemption approved by Amendment No. 11. I do not recall the City Council having addressed the matter or expressed a preference. Nevertheless, I am relaying the above information such that the Council can be made aware of the Property Appraiser's request.

Please give me a call if you have any questions.

Matt



# City of Gulf Breeze

## MEMORANDUM

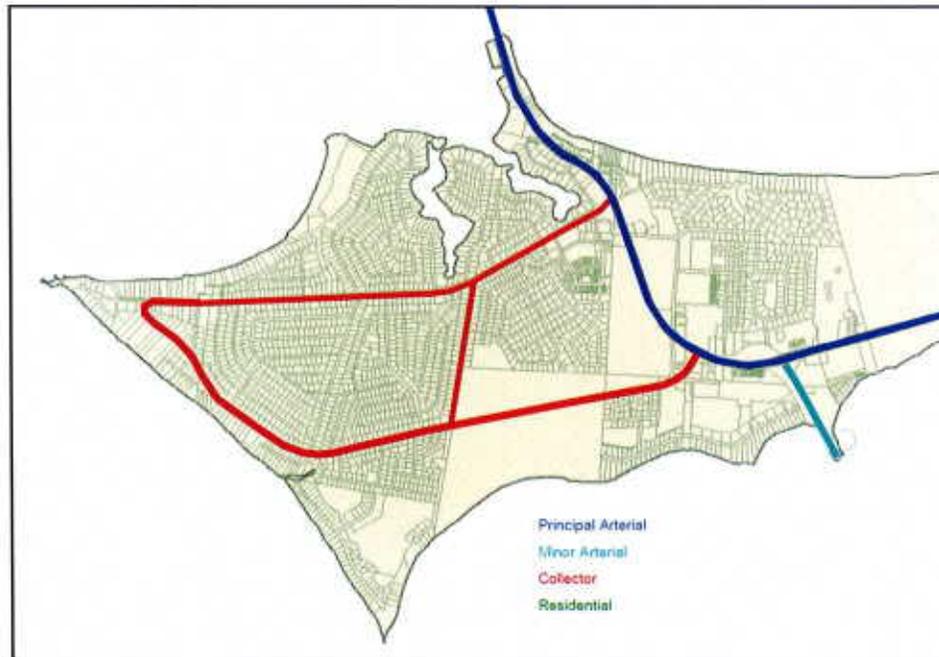
TO: Edwin A. Eddy, City Manager

FROM: *CSC* Craig S. Carmichael, Director of Community Services

DATE: January 25, 2013

**SUBJECT: PARKING IN R-O-W ALONG COLLECTOR STREETS**

As per your direction, I have a drafted a proposal to address the issue of vehicles being parked next to the road on the City's busier streets. The proposal is based on the way the City classifies its streets in the City's comprehensive plan.



The proposal would prohibit any vehicle from parking overnight on any street or street right-of-way of designated principal arterial street, minor arterial street, or collector street.

**Sec. 18-77. - Parking in certain uses prohibited.**

(1) No person shall park a vehicle, as defined in section 18-90, upon any street or right-of-way on Gulf Breeze Parkway, Pensacola Beach Road, Shoreline Drive and Fairpoint Drive, or any vacant lot, public park or parking lot for the principal purpose of:

- (a) Displaying such vehicle for sale;
- (b) Displaying advertising;
- (c) Repairing or maintaining such vehicle, except repairs necessitated by an emergency (this provision would not apply to businesses in a C-1 zoning district which have a primary purpose of vehicle repair); or
- (d) Selling merchandise from such vehicle except when so authorized or licensed under the ordinances of the city.

(2) No person shall park a vehicle, as defined in Section 18-90, overnight upon any street or right-of-way of designated principal arterial street, minor arterial street or collector street.

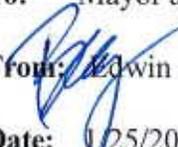
**RECOMMENDATION: THAT THE CITY COUNCIL DIRECT STAFF TO DRAFT AN ORDINANCE THAT WOULD PROHIBIT OVERNIGHT PARKING ON ANY STREET OR STREET RIGHT-OF-WAY OF ANY DESIGNATED PRINCIPAL ARTERIAL STREET, MINOR ARTERIAL STREET OR COLLECTOR STREET.**



# City of Gulf Breeze

## Memorandum

**To:** Mayor and City Council

**From:**  Edwin A. Eddy, City Manager

**Date:** 1/25/2013

**Subject: Proposed Project for Restore Act Funding**

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There is a great deal of uncertainty surrounding the potential funds to be distributed as a result of the BP/Deep Water Horizons oil spill. We have submitted projects previously for rebuilding the City's boat ramps and for restoration of Deadmans Island. An additional project has been suggested which is construction of a protective breakwater at the base of the Pensacola Bay Bridge.

At a recent Council meeting, staff was advised to seek assistance from our consultants to develop descriptions of potential projects for consideration by the City Council and submittal to the Restore Council. Heather Reed of Ecological Consulting Services prepared the attached description. We roughly sketched in a potential location for the 2,250 linear feet (estimated) of break water. The final location would depend on conditions and permitting.

**RECOMMENDATION:**

**THAT THE CITY COUNCIL APPROVE THE CONSTRUCTION OF A PROTECTIVE BREAK WATER IN THE VICINITY OF WAYSIDE PARK AT THE SOUTHERN END OF THE BAY BRIDGE AND AUTHORIZE SUBMITTAL OF THE PROJECT FOR RESTORE ACT FUNDING.**

Introduction:

The City of Gulf Breeze proposes to install a 2250 foot protective breakwater beginning around the perimeter of Wayside boat ramp and extending under the three-mile bridge and around to Wayside Park. This breakwater will not only prevent scouring and undermining of the riprap of the remaining seawall, but this area will provide an abundance of fish and reef snorkeling for recreational purposes. It is also proposed to place 10,000 yards cubic yards of sand in front of these breakwaters along with vegetation stabilization to provide an estuary habitat for juvenile fish.

These outcomes of this project will promote tourism and recreational water activities for fishermen, kayakers, paddle boarders and the overall general public. This project will also be an ideal site for school field trips and include creating education awareness of the Marine environment. This project is anticipated to increase the economy of Gulf Breeze as well as the nearby area and businesses all year as well as seasonal.

Proposed costs for all tasks: **\$2,242,200.00**

## City of Gulf Breeze RESTORE proposal for Wayside Shores

### Budget for *Construction* : EXPENSES

Task 1 Breakwater	Proposed
Heavy Equipment	\$25,000.00
Ecodiscs	\$1,273,200.00
Turbidity control labor	\$5,000.00
	\$25,000.00
<b>Total</b>	<b>\$1,328,200.00</b>

Task 2 Sand and stabilization	Proposed
Total cost of 10,000 yd. <sup>3</sup> of sand	\$130,000.00
500 truckloads Transport	\$475,000.00
plants	\$112,000.00
Turbidity control	\$15,000.00
<b>Total</b>	<b>\$732,000.00</b>

Permitting	Proposed
Total permitting	\$125,000.00
Permitting includes preparation, design, drawings, surveys, coastal and civil engineering, modifications and agency meetings (Estimated 2 yrs process)	
<b>Total</b>	<b>\$125,000.00</b>

Project management	Proposed
Project management (2yr)	\$52,000.00
Administration	\$5,000.00
<b>Total</b>	<b>\$57,000.00</b>

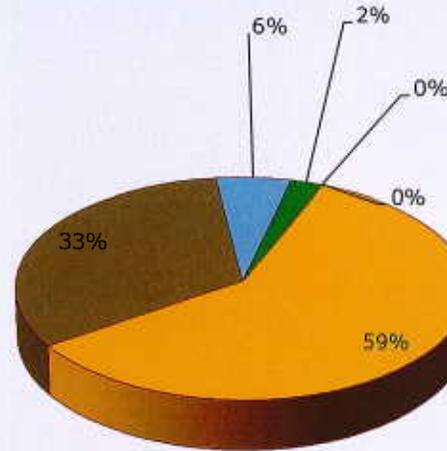
Other	Proposed
<b>Total</b>	<b>\$0.00</b>

Misc	Proposed
<b>Total</b>	<b>\$0.00</b>

Total prices are estimates.

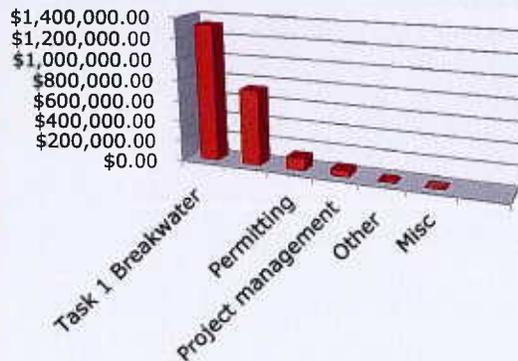
Total Expenses	Proposed
1/23/2013	<b>\$2,242,200.00</b>

Proposed Actual Cost Breakdown



- Task 1 Breakwater
- Task 2 Sand and stabilization
- Permitting
- Project management
- Other
- Misc

Proposed projects



The City of Gulf Breeze, Wayside Shores  
 Santa Rosa County, Gulf Breeze Florida



Fig. 1 - wayside shores 2004



Fig. 2 - wayside shores 2006

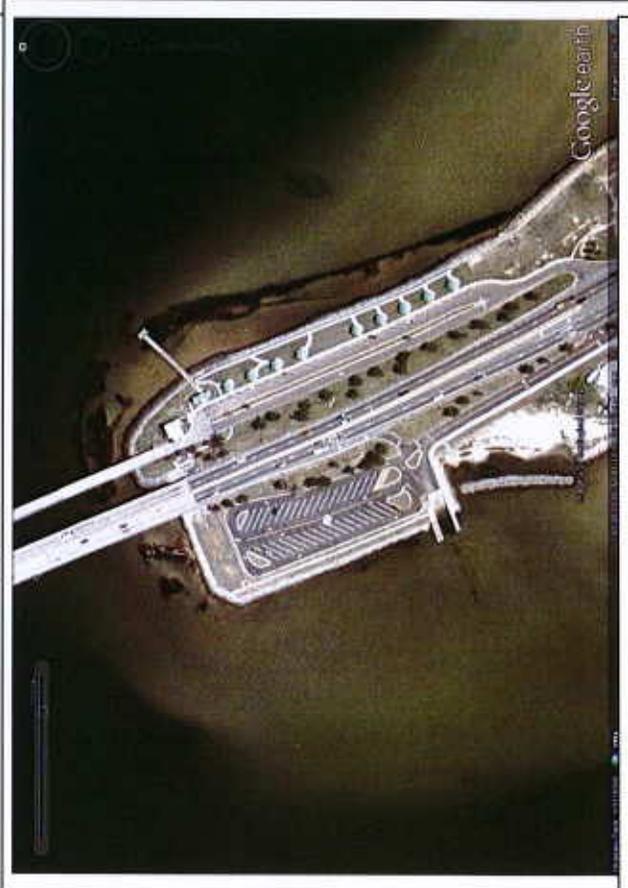


Fig. 3 - wayside shores 2008



Fig. 4 - wayside shores 2012

The City of Gulf Breeze, Wayside Shores  
 Santa Rosa County, Gulf Breeze Florida

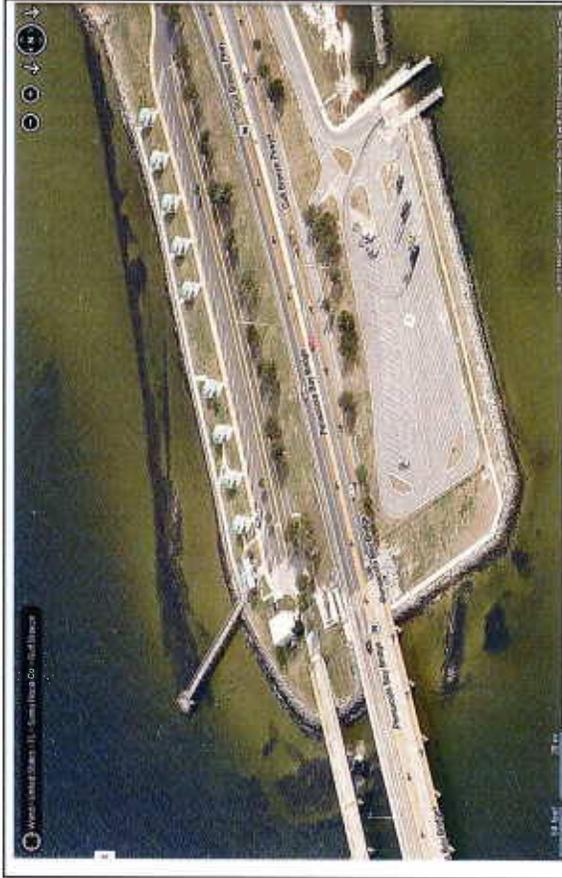


Fig. 5 - Wayside shores facing East 2012

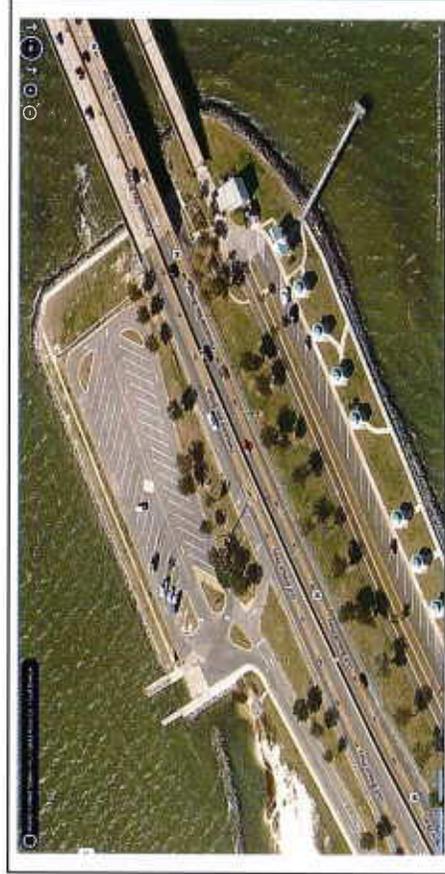


Fig. 6 - Wayside shores facing Northwest 2012



Fig. 7 - Wayside shores facing South 2012



M75 03-06 FACILITY PLAN (BEST SCREEN) 13



# City of Gulf Breeze

**DATE:** January 24, 2013  
**TO:** Edwin A. Eddy, City Manager  
**FROM:** Vernon L. Prather, Director of Public Services   
**RE:** Hwy 98 Undergrounding for Mediacom Communications

In order to complete the Hwy 98 Undergrounding Project, Staff has worked with Mediacom to relocate their infrastructure underground from the three (3) aerial crossings from Fairpoint Drive north to the Pensacola Bay Bridge.

Previous amount authorized by the City Council acting as the CRA Board are as follows:

4200' of Gulf Power Undergrounding	\$195,238.00
66 Gulf Power L.E.D. Lights	<u>32,228.00</u>
	\$227,466.00

The scope of the project is turn-key in that Mediacom is providing all required engineering, permitting and construction at a cost to the City of \$18,364.98.

The Mediacom Project will relocate 1288 feet of aerial communication cables including any cables crossing Hwy 98.

This project is being done separately from the Gulf Power undergrounding effort as each utility/communication provider is responsible for their individual lines or cables.

**RECOMMENDATION: City Council meet as CRA Board of Directors and approve the Mediacom Undergrounding Proposal of \$18,364.95.**



**Mediacom Southeast LLC**

1613 Nantahala Beach Rd  
 Gulf Breeze, Florida 32563  
 Ph: 850-934-2564  
 fax: 850-934-1433  
 Attn: Tommy Green

**Plant Relocate Cost**

**Bill To:** City OF Gulf Breeze  
**Location:** Hwy 98 Overhead to Undergrd. Conversion  
**Invoice #:** \_\_\_\_\_ **Invoice Date:** \_\_\_\_\_  
**Terms:** Work to be done after money received.  
**Labor Costs:**

<b>FOS</b>	1288	Wreck-Out @ \$.16 per Foot	= \$	206.08
	1288	Directional Bore @ \$ 10.50 Per Foot	= \$	13,524.00
	1288	Pull Cable In Conduit @ \$ 0.65 Per Foot	= \$	837.20
	1	Deadend Pole Transfer @ \$ 63.25	= \$	63.25
	861	Splice & Activate Cable @ \$ 0.033 Per Ft.	= \$	284.13
	1288	F.D.O.T. Permit @ \$0.84 Per Foot	= \$	1,081.92
			= \$	-
			= \$	-
			= \$	-
			= \$	-
			= \$	-
			= \$	-

Bill of Materials:	Quantity	Cost/Each	=	Cost
625 Undergrd. Cable	750	\$ 0.533	= \$	399.75
20 4- Port Tap	1	\$ 8.50	= \$	8.50
12-8 - Port Tap	1	\$ 16.00	= \$	16.00
TCS - Shrink Boot	2	\$ 5.40000	= \$	10.80
625 Straight Splice	1	\$ 8.25	= \$	8.25
625 Pin Connectors	7	\$ 4.950	= \$	34.65
Splice Block	1	\$ 10.960	= \$	10.96
Tap Pedestal	3	\$ 34.500	= \$	103.50
8' Ground Rod	2	\$ 10.50	= \$	21.00
Ground Rod Clamp	2	\$ 1.38	= \$	2.76
5/8X12" T.E. Bolt	1	\$ 4.140	= \$	4.14
Deadend 1/4" Guy Grip	3	\$ 1.00	= \$	3.00
8' Anchor	1	\$ 15.00	= \$	15.00
Down Guy Attachment	1	\$ 1.38	= \$	1.38
Down Guy Guard	1	\$ 5.29	= \$	5.29
Riser Guard	3	\$ 17.69	= \$	53.07
Lag Screws	18	\$ 0.05	= \$	0.81
			= \$	-
			= \$	-
			= \$	-

**Add Ticket #:** \_\_\_\_\_ **Total Materials:** \$ 698.86  
**Locate Date:** \_\_\_\_\_ **Total Labor:** \$ 15,996.58  
**Tech Turned In:** \_\_\_\_\_ **Engineering Fee:** \$ 1,669.54  
**Ticket Date:** \_\_\_\_\_ **Invoice Total:** **\$ 18,364.98**  
**Date Ticket Called In:** \_\_\_\_\_

**Comments:**

Payment due upon receipt



# *City of Gulf Breeze*

## Memorandum

**To:** Mayor and City Council

**From:** Edwin A. Eddy, City Manager

**Date:** 1/25/2013

**Subject: Rental of Modular Office for Tiger Point Maintenance Staff and Storage**

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One of the most deficient areas at Tiger Point is the condition of the facility which serves as a “ready room” for the course maintenance staff. The current facility which houses the time clock, a break room area and some minor storage is in need of major repair.

While the repairs are diagnosed and undertaken, we need to provide an alternative space for the functions served by the dilapidated structure. We propose to solve this problem by renting a modular office area. Attached are some photos of example buildings. We are in the process of obtaining price quotes for review. We plan to have a recommendation prepared for Council at the Executive Session on January 30<sup>th</sup>.





# City of Gulf Breeze

## Memorandum

To: Mayor and City Council

From:  Edwin A. Eddy, City Manager

Date: 1/25/2013

### **Subject: Agreement for Natural Gas Franchise Assignment**

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Attached is a copy of an agreement between The City of Gulf Breeze and The City of Pensacola concerning the purchase by Gulf Breeze of “franchise rights” relative to the sale and distribution of natural gas on Pensacola Beach. Per the agreement, Gulf Breeze agrees to pay \$470,000 for exclusive franchise rights to distribute and sell natural gas on Pensacola Beach.

There are certain conditions that must be met before the agreement is final.

Included in the Agreement is a “right of first refusal” provision in favor of The City of Pensacola which states that if Gulf Breeze seeks the sale of these franchise rights to other than a governmental entity, Pensacola may match any offer. In addition, the parties agree to a mutual release of all claims. Note that the agreement has been approved and executed by The City of Pensacola.

### **RECOMMENDATION:**

**THAT THE CITY COUNCIL APPROVE THE AGREEMENT FOR NATURAL GAS FRANCHISE ASSIGNMENT AND AUTHORIZE THE MAYOR TO SIGN THE APPROPRIATE DOCUMENTS.**

**AGREEMENT FOR  
NATURAL GAS FRANCHISE ASSIGNMENT**

THIS AGREEMENT is made and entered into as of the \_\_\_\_ day of \_\_\_\_\_, 2013, between THE CITY OF PENSACOLA, a Florida municipal corporation ("**Pensacola**"), and THE CITY OF GULF BREEZE, a Florida municipal corporation ("**Gulf Breeze**"), sometimes referred to herein collectively as the "Parties" or individually as a "Party."

**RECITALS**

**WHEREAS**, Pensacola, doing business under the name of Pensacola Energy (f/k/a Energy Services of Pensacola), owns and operates facilities for the distribution and sale of natural gas in Escambia County, Florida; and,

**WHEREAS**, pursuant to certain resolutions and ordinances enacted by the Board of County Commissioners of Escambia County, Florida, including but not limited to Escambia County Ordinance 95-7, (hereinafter all such ordinances and resolutions are collectively referred to as the "Franchise Ordinance") Pensacola (i) has conducted certain of its natural gas operations in portions of Escambia County, or (ii) has the right to conduct its natural gas operations in portions of Escambia County where it may not heretofore have engaged in and/or is not currently engaging in natural gas operations (e.g., Santa Rosa Island); and,

**WHEREAS**, Pensacola is willing to sell and Gulf Breeze is willing to purchase any and all natural gas franchise rights, interests, or authority that Pensacola has or may have with respect to the portion of Santa Rosa Island located in Escambia County ("**Santa Rosa Island**"), including those provided in the Franchise Ordinance;

NOW, THEREFORE, based upon the above recitals and for and in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledge, the Parties hereby agree as follows:

1. **Purchase Price:** Subject to the terms and conditions set forth in this Agreement, within fifteen (15) days after the date of satisfaction or written waiver of all conditions stated in Paragraph 3 of this Agreement ("**the Effective Date**"), Gulf Breeze agrees to pay to Pensacola the sum of Four Hundred Seventy Thousand and XX/100 Dollars (\$470,000.00) (hereinafter the "Purchase Price") for the conveyance, transfer, and assignment of all rights, benefits, authorizations, and privileges to provide natural gas utility service, including those contemplated in the Franchise Ordinance, as they pertain to Santa Rosa Island (hereinafter the "Pensacola Beach Franchise Rights").

2. **Conveyances, Etc:** Subject to the terms hereof, including the conditions precedent set forth in Paragraph 3, below, and Pensacola's right of first refusal set forth in Paragraph 4, below, Pensacola does hereby:

(a) Convey, transfer and assign to Gulf Breeze the Pensacola Beach Franchise Rights and any and all of Pensacola's rights to erect, install, extend, maintain, and operate on Santa Rosa Island a system of works, pipes, pipelines, apparatus, equipment, machinery, structures, infrastructure and other improvements reasonably necessary or appropriate for a natural gas utility; and

(b) Waive in favor of and release unto Gulf Breeze any and all rights, claims and causes of action Pensacola now has and in the future might have to own, operate and maintain a natural gas utility on Santa Rosa Island.

Pensacola covenants and warrants unto Gulf Breeze that: (i) Pensacola is the lawful owner of the Pensacola Beach Franchise Rights; (ii) Pensacola has not assigned, conveyed, sold or encumbered any right or interest in or to the Pensacola Beach Franchise Rights; and, (iii) Subject to any required approvals to assign the rights (e.g., from Escambia County), Pensacola has good right and lawful authority to assign, transfer, and convey the Pensacola Beach Franchise Rights to Gulf Breeze; and (iv) Pensacola has taken all actions necessary to authorize execution and performance of the terms of this Agreement.

3. **Conditions Precedent:** The Parties' obligations in and under this Agreement are subject to satisfaction or prior written waiver of each of the following conditions precedent:

(a) Unconditional approval of all terms of this Agreement, without modification, by the Board of County Commissioners of Escambia County, Florida ("**the County Commission**");

(b) The County Commission's adoption of an ordinance: (1) re-affirming Pensacola's exclusive gas franchise for all portions of Escambia County, Florida, except the previously excepted areas within the Town of Century and Santa Rosa Island; and (2) releasing and discharging Pensacola from all obligations to observe, comply with, or perform the requirements of the Franchise Ordinance with respect to Santa Rosa Island;

(c) The County Commission adopting an ordinance and Gulf Breeze's acceptance thereof granting unto Gulf Breeze a franchise to conduct natural gas utility operations to, at, and upon Santa Rosa Island which franchise ordinance must contain terms that are substantially similar to those set forth in the Franchise Ordinance (save and except that the ordinance need not contain any cap or limitation upon the amount or percentage of franchise fees that may be assessed by Escambia County provided that such franchise fees are uniformly imposed upon all utility franchisees);

(d) Performance or satisfaction of such conditions as Escambia County may reasonably require in connection with or as conditions for the actions contemplated in subparagraphs (a) through (c), above in this paragraph 3; and

(e) A mutual release of all claims, in a form acceptable to both Parties, relating in any manner to the subject matter or disputes which gave rise to this Agreement or the Gas Supply Contract which either Party may currently have or which arises as a result of actions that occurred prior to the Effective Date.

The Parties will cooperate with each other and will jointly pursue the County Commission's approvals, with the goal that such approvals are obtained as soon as practicable.

4. **Right of First Refusal:** In the event Gulf Breeze should during the term of this Agreement solicit or receive an offer from a third party that includes or seeks the sale or conveyance of the Pensacola Beach Franchise Rights, Gulf Breeze shall require such offer to separately itemize and apportion the terms, conditions, and considerations thereof applicable to the conveyance of the Pensacola Beach Franchise Rights. Before Gulf Breeze may accept any such offer, it must submit to Pensacola the separately itemized terms, conditions, and consideration applicable to the sale or conveyance of the Pensacola Beach Franchise Rights. Pensacola shall then have thirty (30) days within which to exercise a right of first refusal to purchase and acquire the Pensacola Beach Franchise Rights on and for the same terms, conditions, and considerations as set forth in the separate itemization. If Pensacola elects to exercise its right of first refusal, it must do so in writing and the written acceptance must be received by Gulf Breeze within thirty (30) days of the date that Gulf Breeze furnishes to Pensacola the separately itemized terms, conditions, and considerations proposed by or offered to a third party for purchase or acquisitions of the Pensacola Beach Franchise Rights. If for any reason Pensacola fails to provide such written acceptance to Gulf Breeze within this thirty (30) day time period, Pensacola's right of first refusal as contemplated in this paragraph shall immediately upon expiration of this thirty (30) day time period be deemed to have been waived, terminated, expired, and for no further force and effect.

Notwithstanding the provisions of the preceding paragraph, Pensacola's right of first refusal as set forth in the preceding paragraph shall not apply, and Gulf Breeze shall be free to sell or convey the Pensacola Beach Franchise Rights without regard to, being subject to, or complying with the provisions of the preceding paragraph, if the Pensacola Beach Franchise Rights are sold or conveyed (i) to a governmental or quasi-governmental entity, an interlocal agency as contemplated in Florida Statutes Chapter 163, a partnership or other business organization as to whom Gulf Breeze maintains an ownership interest, or a nonprofit organization recognized as tax-exempt under Section 501(c) of the Internal Revenue Code; or (ii) pursuant to a sealed bid basis; provided, however, in the event of a sale or conveyance of the Pensacola Beach Franchise Rights to an entity described in the preceding clause (i) without Pensacola being offered the right of first refusal as

contemplated in the preceding paragraph, the entity purchasing or receiving such conveyance shall remain subject to the terms, conditions, and limitations of Pensacola's right of first refusal as contemplated in this Paragraph 4.

5. **Fees and Costs:** The Parties will share equally the mediation fees due to Clark Partington Hart Larry Bond & Stackhouse.

6. **Joint Defense:** As of the Effective Date, Pensacola and Gulf Breeze will jointly and severally defend and equally share the costs and expenses relating to any and all legal or administrative challenges related to or arising out of the matters set forth in Paragraphs 1 and 2, above.

7. **Entire Agreement:** The Parties agree and acknowledge that the terms and conditions set forth herein contain the entire understandings and agreements of the Parties with respect to the subject matter hereof and supersede all prior proposals, agreements, and understandings between the Parties. Other than those set forth in this Agreement, there are no promises, covenants, or undertakings contained in any other written or oral agreement, communication, or document.

8. **Territorial Agreement:** The Parties hereby agree and declare as follows:

(a) The areas of south Santa Rosa County where Gulf Breeze either currently provides or is able to provide natural gas utility service or which are not served by Okaloosa Gas District together with Santa Rosa Island (hereinafter collectively the "Gulf Breeze Service Territory") shall be deemed to be part of Gulf Breeze's exclusive territory for purposes of natural gas utility service and shall not be part of Pensacola's natural gas utility service territory;

(b) All other areas of Escambia County as contemplated in the Franchise Ordinance excluding Santa Rosa Island (hereinafter the "Pensacola Service Territory") shall be deemed to be part of Pensacola's exclusive territory for purposes of natural gas utility service and shall not be part of Gulf Breeze's natural gas utility service territory;

(c) Pensacola will not in any manner, directly or indirectly, provide or attempt to provide any natural gas utility services or similar utility services to or within the Gulf Breeze Service Territory;

(d) Gulf Breeze will not in any manner, directly or indirectly, provide or attempt to provide any natural gas utility services or similar utility services to or within the Pensacola Service Territory;

(e) Pensacola relinquishes unto Gulf Breeze all rights, privileges, and authorizations to provide natural gas utility service or similar utility service to or within the Gulf Breeze Service Territory;

(f) Gulf Breeze relinquishes unto Pensacola all rights, privileges, and authorizations to provide natural gas utility service or similar utility service to or within the Pensacola Service Territory;

(g) Pensacola will not in any manner, directly or indirectly, compete against Gulf Breeze with respect to natural gas utility service to or within the Gulf Breeze Service Territory; and

(h) Gulf Breeze will not in any manner, directly or indirectly, compete against Pensacola with respect to natural gas utility service to or within the Pensacola Service Territory.

9. **Exclusion of Gas Sales:** Except as otherwise expressly stated herein, this Agreement concerns only the purchase and assignment of the Pensacola Beach Franchise Rights does not include, extend to or address any claims, issues or other matters concerning the purchase and sale of the natural gas between Gulf Breeze and Pensacola.

10. **Notices:** Any notice or other communication required or permitted to be given by this Agreement or by applicable law shall be in writing and shall be deemed received (a) on the date delivered, if sent by hand delivery (to the person or department if one is specified below) with receipt acknowledged by the recipient thereof, (b) five (5) business days after the date deposited in the U.S. mail, certified or registered, with return receipt requested, or (c) one (1) business day after the date deposited with Federal Express or other nationally recognized overnight carrier, and in each case addressed as follows:

To Pensacola:           Pensacola Energy  
                              ATTN: Director  
                              1625 Atwood Drive  
                              Pensacola, Florida 32514  
                              Facsimile: (850) 474-5331

To Gulf Breeze:        City of Gulf Breeze  
                              ATTN: City Manager  
                              P.O. Box 640  
                              1070 Shoreline Drive  
                              Gulf Breeze, Florida 32562-0640  
                              Facsimile: (850) 934-5114

11. **Successors and Assigns:** Whenever in this Agreement any party is referred to, such reference shall be deemed to include the successors and assigns of such party; and all covenants, promises and agreements of the Parties which are contained in this Agreement shall bind each Party's successors and assigns and shall inure to the benefit of the successors and assigns of each of the other Parties.

12. **Governing Law:** This Agreement shall be governed by and interpreted in accordance with the laws of the State of Florida (without regard to conflict of laws principles).

13. **Non-Waiver:** Neither any failure nor any delay on the part of any Party in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise or the exercise of any other right, power or privilege.

14. **Modification and Amendment:** No modification, amendment or waiver of any provision of this Agreement shall be effective unless the same shall be in writing and signed by each of the Parties, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given.

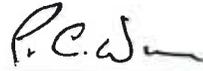
15. **Counterparts:** This Agreement may be executed in two or more counterparts, each of which shall constitute an original, but when taken together shall constitute but one agreement, and any Party may execute this Agreement by executing any one or more of such counterparts.

16. **Section Titles:** The section titles contained in this Agreement are and shall be without substantive meaning or content of any kind whatsoever and are not a part of the agreement between the Parties.

17. **Enforcement Costs:** If any Party to this Agreement employs attorneys to enforce any rights arising out of or related to this Agreement, the prevailing Party in any litigation, arbitration or mediation shall be entitled to recover, in addition to all other available relief, its reasonable attorneys' fees, costs, expert witness fees, investigatory costs and all other related expenses in all proceedings (including but not limited to pre-trial, mediation, arbitration, trial, and appellate proceedings).

**18. EACH PARTY HAS READ THIS AGREEMENT AND INTENDS TO BE LEGALLY BOUND BY ITS TERMS.**

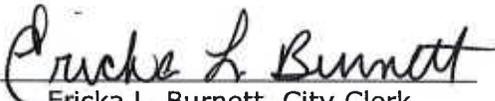
CITY OF PENSACOLA, FLORIDA

By:   
P.C. Wu, President of  
City Council

By:   
Ashton J. Hayward, III, Mayor

**William H. Reynolds**  
**City Administrator**  
**City of Pensacola**

ATTEST:

By:   
Ericka L. Burnett, City Clerk

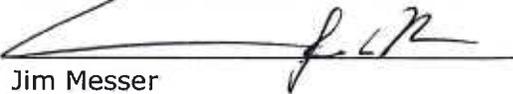
CITY OF GULF BREEZE, FLORIDA

By: \_\_\_\_\_  
Beverly Zimmern, Mayor

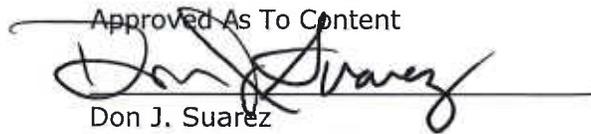
ATTEST:

By: \_\_\_\_\_  
Marita Rhodes, City Clerk

Legal in Form and Valid as Drawn

  
Jim Messer  
City Attorney

Approved As To Content

  
Don J. Suarez  
Pensacola Energy Director



# City of Gulf Breeze

OFFICE OF THE CITY MANAGER

January 25, 2013

TO: Mayor and City Council

FROM:  Edwin A. Eddy, City Manager

SUBJ: RESOLUTION AMENDING STUART LODGE FINANCING AMOUNT

The Resolution adopted by the City Council approving the financing for the Stuart Lodge Project listed a total amount of bonds to be sold for the project at not exceeding \$25,000,000. After the "original issue discount" was considered in the transaction, the total amount of bonds issued was \$25,305,000.

Attached is a memo from Ed Gray, Executive Director of Capital Trust Agency, which explains this matter.

We will prepare a Supplemental Resolution for consideration by the City Council at the February 4, 2013 meeting.

## RECOMMENDATION:

**That the City Council adopt a Supplemental Resolution for the Stuart Lodge Financing on Monday, February 4, 2013 amending the limit of financing from \$25,000,000 to \$25,500,000.**

# CAPITAL TRUST AGENCY

315 Fairpoint Drive • Gulf Breeze, Florida 32561 • Office 850-934-4046 • Fax 850-934-4048

January 24, 2013

Members of the City Council, City of Gulf Breeze  
Members of the City Commission, Town of Century

From: Ed Gray, III 

RE: CTA Stuart Lodge Financing

Ladies and Gentlemen,

The Resolutions and Amendment to the Interlocal Agreement adopted for the final authorization of Capital Trust Agency to proceed with the financing of the Stuart Lodge approved the issuance of bonds "in the aggregate principal amount not exceeding \$25,000,000." At the time of the sale of the bonds, the stated principal amount of bonds sold for both tax-exempt and taxable bonds resulted was in a par (face value) amount of \$25,305,000.

The amount of bond proceeds representing the actual principal to the project is \$24,936,002. The difference in the face amount of bonds and the principal provided to the project is the "original issue discount" (OID). This means that the bonds were purchased for less than face value, and the discounted amount will act as an economic return to the bondholder when the bonds mature. Due to reasons involving the tax treatment of original issue discount and the yield calculation for bonds sold at a discount, bond buyers often request an OID as an incentive to purchase them. This method of pricing and selling bonds is not unusual or anyway unique to this transaction. It has been represented to us by the Underwriter, and confirmed by Richard Lott, that in this instance the difference between the face amount of the bonds and the actual principal amount of the bonds that were sold (again, which amount is the OID) is deemed to be interest and not principal. However, because the par value exceeded the approved principal value, an explanation is warranted.

In the abundance of caution, the CTA Board approved a supplemental resolution increasing the authorized amount of the bonds from \$25,000,000 to \$25,500,000. We ask that the Century Town Council and the Gulf Breeze City Council do the same in efforts to avoid any confusion, and that their actions also approve a corresponding modification to Amendment No. 33 to the Interlocal Agreement.

THOMAS BOSWORTH  
ROBERT F. CLEVELAND

DIRECTORS  
J. LANCE REESE  
DEBORAH ROCHE

R.J. SNOOKS  
HARRISON WILDER

ED GRAY, III  
EXECUTIVE DIRECTOR

EDWIN A. EDDY  
SPECIAL CONSULTANT



# City of Gulf Breeze

## Memorandum

To: Mayor and City Council

From:  Edwin A. Eddy, City Manager

Date: 1/25/2013

### **Subject: Purchase of Natural Gas Fueling Appliance**

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The City currently has eight vehicles in our fleet that use natural gas as a primary fuel source. (Two of the eight also can utilize gasoline) Given the fuel consumption of these eight vehicles, it is impossible to keep them all fueled with compressed natural gas with our current fueling appliances.

Attached please find a memo from Harrold Hatcher explaining this matter in more detail. We can purchase a fueling appliance with a five gallon per hour capability for \$23,500. This appliance would allow us to fuel vehicles more quickly reducing waiting or remote filling at Energy Services Pensacola.

### **RECOMMENDATION:**

**THAT WE UTILIZE FUNDS IN THE NATURAL GAS RESERVE FUND TO PURCHASE A SIMPKINS ENERGY CORPORATION SE-200 COMPRESSOR SYSTEM FOR \$23,500.**



# City of Gulf Breeze

## MEMO

To: Vernon Prather, Dir. of Public Svcs.  
From: Harrold Hatcher, PSCO *HH*  
Date: 01-25-2013  
Re: CNG refueling appliances

The location of our fast fill CNG station is still uncertain and we continue to explore several alternative sites that will meet both our needs and other governing regulatory requirements.

The delivery of our last two CNG vehicles has created a need for additional refueling capability. The two FMQ-2-36 appliances can produce about 1.18 gasoline gallon equivalents (GGE)/hour each. The gasoline requirement of the vehicles that these CNG vehicles replaced was about 40 gallons a day. Therefore, it has been necessary to refuel at least two of our vehicles at the Pensacola Energy refueling site.

As you know, I participate in the Southeastern States NVG Corridor Committee monthly phone conferences. This committee was created by utilities, gas systems, clean cities organizations and engineers to disseminate information and promote the use of clean, abundant domestic natural gas as a transportation fuel. January's featured speaker was Kent Simpkins of Simpkins Energy Corporation introducing their Model SE200 refueling appliance.

This appliance produces about 5 GGE/hour which greatly reduces the time required to refuel. This CNG compressor system is made in **America** with American standards. (See attached brochure) Pricing for this unit is very reasonable at about \$23,500.00 for the base compressor, dryer, extra fill hose and shipping. They require 50% with the order and 50% when ready to ship. The unit has a 2 year warranty and a noise level of 68db @10'. This is an excellent fueling choice for the interim to fuel the CNG fleet vehicles as we continue working on the City's fast fill CNG station.

**RECOMMENDATION:** City Council approve the purchase of this Simpkins Energy Corp. model SE-200 compressor system for a cost not to exceed \$23,500.00. Funds for this purchase would come from gas reserves.

# Model SE 200

 **SIMPKINS ENERGY™**  
Innovative Provider of CNG Solutions

*5 GGEs per hour*  
*10 - 12 SCFM @ 5500 PSI*  
*4 Stage Reciprocating Compressor*  
*Continuous Duty*  
*2 Year Warranty*  
*Durable & Reliable*  
*Made in the USA*



## About Simpkins Energy

Simpkins Energy Corporation is dedicated to the best design engineering and to utilizing the highest quality standards in materials, parts and labor. The CNG Compressor system is made in America with American standards. Put the SE 200 in operation and start lowering your fuel costs today!



Top View Inside



Safety Relief Valve

Oil Level Dip Stick

CNG Discharge To Fill Hose

Electronic Solenoid For Automatic Unloading

Back Pressure

Crankcase Pressure

Oil Pressure

3rd Stage Relief Valve

70 PSI Oil Pump Direct Drive

Oil Pressure Safety Switch

Duel Separators



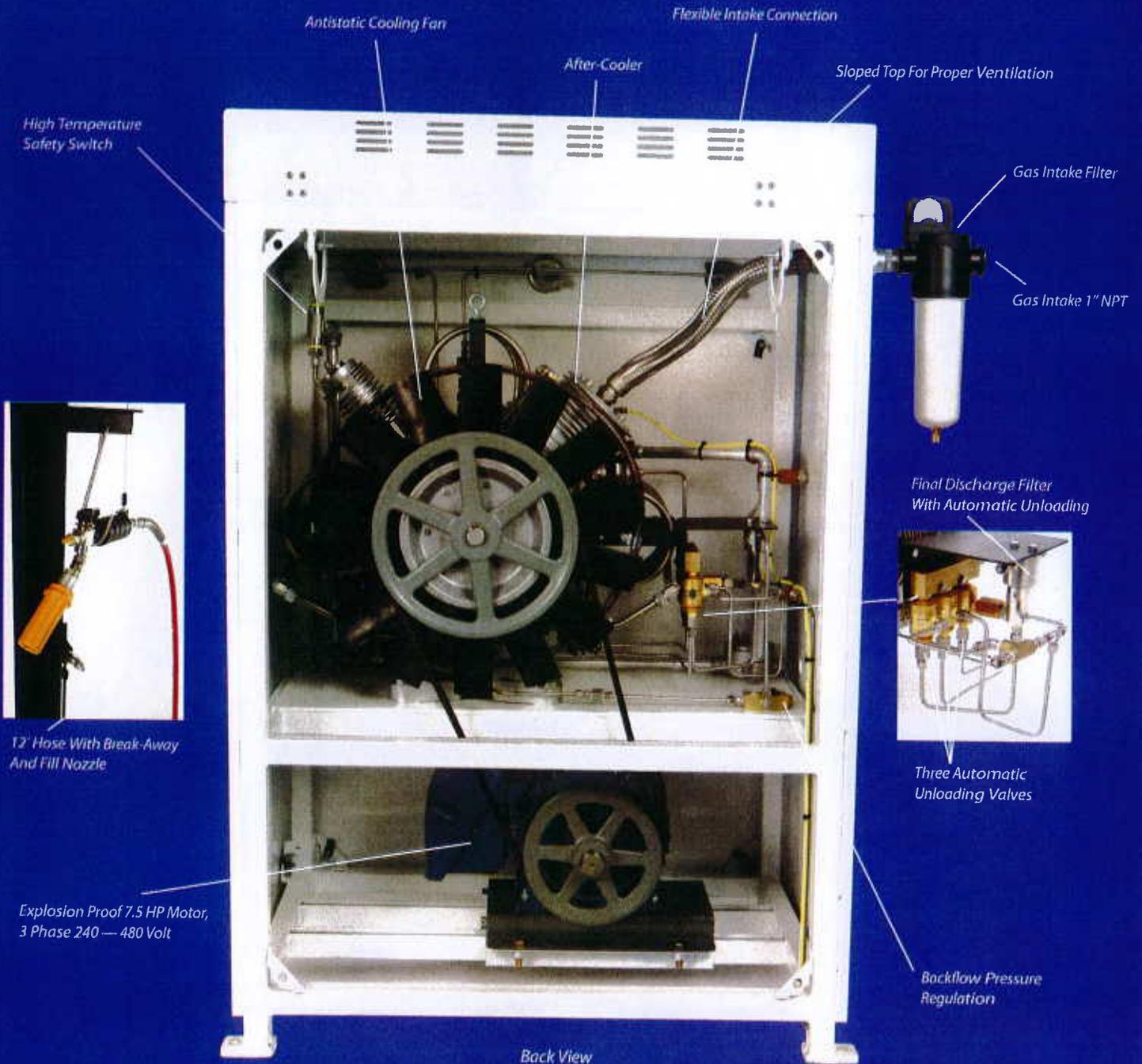
Removable Oil Filter

Front View

Three Stainless Steel Intercoolers

## Features and Benefits

- 5 GGEs (gasoline gallon equivalent) per hour
- 10 - 12 SCFM (standard cubic feet per minute) @ 5500 PSI
- 4 Stage Reciprocating Compressor
- Continuous Duty
- 2 Year Warranty
- Durable & Reliable
-  **MADE IN THE USA**



# Bringing the Fuel Station to You!

## A Better Fuel Alternative

Compressed Natural Gas (CNG) is safer, less expensive and environmentally cleaner. The first CNG compressor of its size that is completely manufactured and assembled in the United States, the Simpkins Energy Model SE 200:

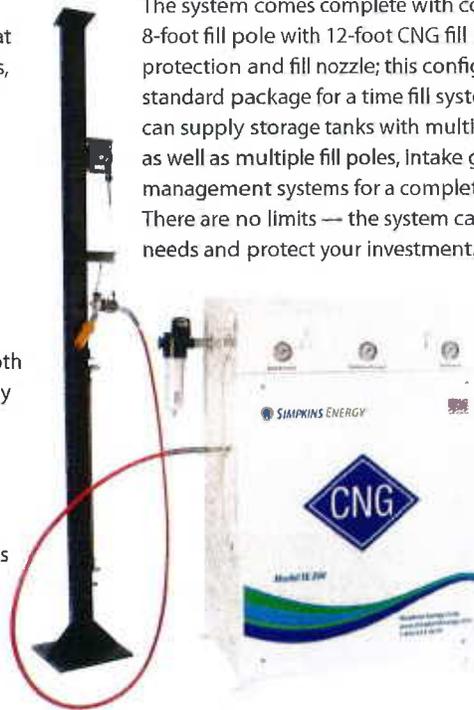
- Is a reciprocating, 4-stage, air-cooled natural gas compressor designed to deliver up to 5500 psi at 1300 rpm
- Provides 12 standard cubic feet per minute (SCFM) of natural gas for natural gas vehicles
- Produces 5 gasoline gallons equivalent (GGE) per hour

The advanced design features of the Model SE 200 ensure smooth and quiet operation, continuous duty, long life, energy efficiency and convenient maintenance.

- Cylinders are arranged in an "X" pattern for a well-balanced drive train
- The entire unit is balanced to improve operational smoothness
- Crankcase and crankcase covers have heavy wall sections for noise damping and durability
- The three intercoolers are stainless steel
- The block has finned aluminum cylinder heads, finned cylinders and an anti-static fan-bladed flywheel
- Oil injection is provided at critical high temperature locations with a direct-drive 70 psi oil pump
- Large diameter connecting rod bearings for lower bearing load and energy consumption
- The oil filter is easily changeable, and the oil reservoir holds 2.5 quarts compressor oil for longer life

## The Complete System

The system comes complete with compressor, enclosure, 8-foot fill pole with 12-foot CNG fill hose, break-away protection and fill nozzle; this configuration is the standard package for a time fill system. Simpkins Energy can supply storage tanks with multiple compressor units, as well as multiple fill poles, intake gas dryers and fuel management systems for a complete fast fill station. There are no limits — the system can grow with your needs and protect your investment.



### Measurements

- Length 38" X Width 25 1/2" X Height 58"
- Weight 850 Pounds
- Oil Sump Crankcase 2.5 QTS

### Designed to the standards of the National Fire Protection Association Code 52 for Vehicular Gaseous Fuel Systems.

These rigorous standards are developed through a consensus development process approved by the American National Standards Institute.



Innovative Provider of CNG Solutions

Simpkins Energy Corporation  
337 Hill Avenue  
Nashville, TN 37210  
Phone: 615-831-1234  
www.SimpkinsEnergy.com

Distributed by:

United States Marine Corps Reserve



★ ★ Certificate of Appreciation ★ ★

THE U.S. MARINE CORPS RESERVE

IS PROUD TO RECOGNIZE

*City of Gulf Breeze*

FOR OUTSTANDING ACHIEVEMENT IN THE SUPPORT  
OF THE PENSACOLA 2012 TOYS FOR TOTS PROGRAM.  
YOUR GENEROUS CONTRIBUTIONS HAVE ENABLED US  
TO HELP FULFILL THE CHRISTMAS DREAM OF OUR  
CITY'S NEEDIEST CHILDREN.



A handwritten signature in black ink, appearing to read "Bobby Tagle".

BOBBY TAGLE  
MASTER GUNNERY SERGEANT, USMC  
TOYS FOR TOTS COORDINATOR



Dear Friend of Toys for Tots,

This year's Toys for Tots Campaign is now officially over. We had another very successful year. Thanks to the many businesses, donors, and volunteers in Pensacola and Santa Rosa County that supported the Toys for Tots program we wish to make note of all of your efforts and for the difference you make each year at Christmas time for children in our Counties. It is through your contributions and generosity that we achieve our mission each year in ensuring "every child has a Christmas."

This letter is intended to convey our sincere thanks for having received the most valuable commodity of all, your time. The efforts, the toil and the selflessness which were on display throughout the 2012 Toys for Tots campaign have resulted in creating that which is most important, happy and grateful children and the parents who raise them.

Without your involvement, these families, most of whom had not the means of providing their children with a Christmas, were instead afforded the ability to wake and find gifts of toys given wholly by those who live and work in and around Pensacola. The pride that we have in providing this service year in and year out is made possible only through contributions from individuals, businesses and community organizations who feel as we do, that with team work and a common goal, children can receive love and genuine caring at a time in our Nation's history when it is urgently needed.

We will continue forward with this mission as we have since 1947. The costs associated with the Marine Corps Reserve Toys for Tots program; to plan, coordinate and execute the delivery of over 35,000 toys to 9,900 children this year is not only worthwhile, it is proof that Escambia and Santa Rosa County is a community that is both altruistic and nurturing. We seek to preserve the dignity of others who find themselves in need and the letters and thanks which pour in are irrefutable evidence of the effect your continued compassion has every Holiday Season.

Please accept the enclosed Certificate of Appreciation for your efforts and once again, thank you for coming aboard, for helping us to help others and in closing, we want you to feel as proud as we are in exceeding expectations and delivering happiness and joy to so many.

Semper Fi,

*Bobby Tagle*

Bobby Tagle, Master Gunnery Sergeant, USMC  
Toys for Tots Coordinator

P.S. Please add the Web site, [www.toysfortots.org](http://www.toysfortots.org), to your favorites list and visit often to learn more about [becoming a National Corporate Sponsor](#) or a [Christmas Club member](#), supporting the [Toys for Tots Literacy Program](#) and other [current news on local Toys for Tots community events](#).