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Dear Mayor Henriquez and Key West City Commissioners:

The American Cruise Line (ACL) proposal to lease Mallory Pier constitutes a poor business decision for the City of Key West. The proposed lease entails giving ACL a monopoly to use City property to the exclusion of other possible maritime users for 4 to 5 prime-season months each year. Please consider the following points:

1. The lease proposal estimates \$500,000 per year to City but only guarantees \$200,000. Weather interruptions, mechanical issues, navigational mishaps and variable passenger counts can drastically impact those numbers. If the City is determined to approve this monopoly lease, self-limiting all other opportunities, it should insist on the projected \$500,000 annual minimum.

2. If the City is truly interested in reinvigorating cruise ship revenue at Mallory, it should repeal or amend Resolution 22-073 which was purposely tailored to exclude small to medium size cruise ships. When that Resolution was enacted, about 20 scheduled and confirmed cruise ship calls at Mallory were abruptly cancelled by the City. If the City were to remove the unreasonable restriction to 499 total persons, small cruise ships could be invited to return to Key West.

3. It is no secret that the City must increase taxes to Key Westers to compensate for the loss of cruise ship revenue from Resolution 22-073. If the commission is truly interested in bringing tax relief to Key Westers, it should seriously consider reactivating ship calls at the Navy Mole. Approximately 100 ships per year are denied dockage in Key West due to schedule conflicts at Pier B. Those ships would produce approximately \$3.5 million per year (gross), based on the new fee schedule.

I urge the commission to defer the decision on the proposed ACL Mallory lease until after the new commission is seated in November. At that time, a full discussion of the role of the Port of Key West can be addressed. Key West once had a thriving and lucrative cruise ship component to its tourist economy. City taxes were stable. Downtown merchants, museums, excursions and attractions were thriving. We hope that the commission will return to a diverse and balanced view of the island's economy and revive our cruise ship industry, relieving tax burden on Key Westers.

John E. Wells