

# Caribe Nautical

**Ships' Agents**

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Dear Mayor Johnston and City Commissioners:

I hope you will please consider my comments regarding Agenda Item 11 pertaining to the annual raising of cruise ship passenger/dockage fees. I am not commenting on behalf of the cruise industry, but rather as a local businessman:

Everyone recognizes the desire to stay ahead of the inflation curve we are all enduring under the current economic environment. The implementation of an annual CPI increase is an understandable concept. The City of Key West, like all public and private entities (including cruise lines) are struggling with managing budgets in the face of an historically high inflation rate. However, the timing of the effective date of the proposed 8.3% increase is problematic for the very same reason.

Cruise lines are currently operating within budgets with estimated port expenses offset by tickets that have already been marketed and sold. The proposed resolution sets and effective date of 1 November 2022 for the new rates to take effect, two weeks from enactment.

Please remember that Key West has had a long, successful, and lucrative relationship with the cruise lines for decades. Many millions of dollars have flowed into the City budgets, providing funds for essential services and helping to offset the need for large city tax increases. The current attitude towards the cruise industry by some factions in Key West notwithstanding, the cruise lines want to continue its long relationship with our community. And in these tough times, all revenues into the City Treasury should be welcomed. At the current passenger fees, the City is on track to receive \$1,250,000 this calendar year, just from ships docking at Pier B.

I am asking each of you to consider deferring the effective date of the CPI increases until 1 October 2023, the start of the new fiscal year. Besides being a matter of good business order, that later date will allow the cruise lines to plan their budgets for the coming year and market their cruises accordingly.

I respectfully request you amend the proposed resolution by making the effective date 1 October 2023.

Sincerely,



JOHN E. WELLS

Ships' Agent