



THE CITY OF KEY WEST
201 William Street Key West, FL 33040 (305) 809-3790

EXECUTIVE SUMMARY

TO: Key West Bight Management Board
FROM: Mark Tait, Marine Manager
CC: Doug Bradshaw, Director of Port and Marine Services
DATE: February 4, 2016
SUBJECT: Key West Bight Transient Rate Increase

ACTION STATEMENT

The purpose of this item is to increase transient slip rates at Key West Bight Marina so they are closer to market rates that have been established by surrounding marinas.

PROJECT ISSUE

Transient rates at Key West Bight (KWB) Marina have not been increased in the past 10 years. That increase more than 10 years ago was 10% across the board for daily, weekly and monthly slip rentals. Current rates are \$2.75 per foot daily, \$15.40 per foot weekly and \$44 per foot a month. Rates are for overall length per city ordinance.

For comparison, the following rates were identified in the surrounding marinas within the historic district

- A&B Marina which only has 4 or 5 transient slip for rent for larger vessels is at \$3.00 per foot daily and \$50 per foot monthly.
- Galleon Marina: \$3.50 per foot for less than 59 feet, \$3.85 for 60 to 89 feet and \$4.00 over 89 feet.
- Conch Harbor Marina: \$4.05 for 34 to 64 feet, \$4.60 for 65 to 99 feet and \$5.20 for 100+ vessels.

Since the KWB Marina's last transient rate increase many improvements have been made to the marina and property as a whole; IPEA decking, free Wi-Fi, Ice and retail sales at the Dockmaster Office, New Dockmaster Office, 24 hour security, etc.

Putting A&B aside as a non-competitor, KWB Marina's rates are substantially lower than

Key to the Caribbean – Average yearly temperature 77° F.

its competition. It would be practical at this time to raise the transient rates closer to the established market rate but still keep them reasonable for a city owned marina. Realizing that Key West Bight Marina does not have all the amenities that Conch Harbor and Galleon like a pool or sauna, there still is room for a reasonable rate increase at this time.

Staff believes an 18% rate increase now is feasible. Rates would increase to:

- Daily \$3.25/ft
- Weekly 18.20/ft
- Monthly \$52.00/ft

Comparative Rates for Marinas Located in Key West Bight 1/14/2016						
			Daily	Water	Electric	Amenities
Key West Bight Marina			\$2.75	Included	\$.18/kwh	WiFi
						In slip pump out
						Pay laundry
Conch Harbor Marina			\$4.05 35'-64'	Included	Included	WiFi
			\$4.60 65'-99'			Bikes
			\$5.20 100'+			Free laundry
						In slip pump out
Galleon Marina			\$3.50 < 59'	Included	\$.18 kwh	Resort amenities
			\$3.85 60'-84'			Pump out \$5
			\$4.00 > 85"			Pay Laundry
A&B Marina			\$3.00	Included	\$.18 kwh	WiFi
						TV
						Free laundry
						In slip pump out

OPTIONS

There are three options:

1. The Bight Board can approve the recommended rate increase.
2. The Bight Board can deny the recommended rate increase.
3. The Bight Board can approve a different rate increase.

ADVANTAGES/DISADVANTAGES

Staff only sees a rate increase as an advantage since current rates are below market. Even with a rate increase the KWB Marina still will be the least expensive marina to stay at in the "Bight". Additionally, a rate increase will provide additional revenues to the KWB Marina.

Staff does recommend delaying the full rate increase until the major improvements to the transient restroom/shower facility are completed which is expected in 6-9 months. At this time staff recommends a 9% increase.

FINANCIAL ISSUES

An across the board 18% transient rate increase would add approximately \$136,000 to the revenue budget.

RECOMMENDATION

City staff recommends that Key West Bight Management Board approve an across the board 18% transient rate increase. The rate increase will be 9% immediately and another 9% as soon as the transient bath house renovations are complete.