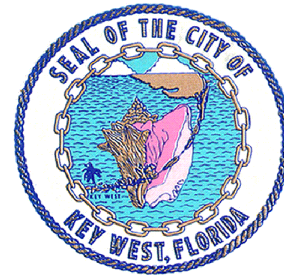


EXECUTIVE SUMMARY

TO: Key West Bight Management District Board
FROM: Mark Tait
CC: Doug Bradshaw
DATE: July 18th, 2018
SUBJECT: KWB Transient Rates



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.

BACKGROUND:

In January 2016 the Transient rates at Key West Bight Marina were increased by 10% from \$2.75 a foot daily to \$3.00, \$15.40 a foot weekly to \$17.00 a foot weekly and from \$44.00 a foot monthly to \$48.00. Before that it had been 10 years since a rate increase.

At the time of the 10% rate increase Staff was instructed to come back to the Board for an additional 10% rate increase.

CURRENT MARINA RATES:

A&B Marina is the closest to our rates at \$3.75 per foot daily and \$55 per foot monthly. However, A&B is not competitive as they only have 4 or 5 transient slips for rent and they are for larger vessels.

Galleon Marina is competitive and their rates are set according to the size of the transient vessel. \$4.00 per foot for less than 59 feet, \$4.35 for 60 to 89 feet and \$5.00 over 89 feet. Their respective monthly rates are \$75, \$85 and \$95. Water is included, electric is charged at \$.18 per KWH.

Conch Harbor Marina's rates are structured the same way \$4.25 per foot for 34 to 64 feet, \$4.85 for 65 to 99 feet and \$5.50 for 100 foot plus vessels. Both water and electric are included in the rate.

Putting A&B aside as a non-competitor Key West Bight Marinas rates are substantially lower than its competition. It would be practical now to raise the transient rates closer to the established market rate but 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 have like a pool or sauna there still is room for a reasonable rate increase now.

Staff believes an 10% rate increase now is feasible. Rates would increase to:

Daily \$3.30 per foot, Weekly 18.70 per foot and Monthly \$52.80 per foot.

Comparative Rates for Marinas Located in Key West Bight 1/14/2016							
		Daily	Weekly	Monthly	Amenities	Water	Electric
Key West Bight Marina	Regular Season	\$3.00	Regular Season \$17.00	Regular Season \$48.00	WiFi	Included	\$.18/kwh
			Summer Transient \$13.50	Summer Transient \$38.25	In slip pump out		
			Summer Local Trans \$10.00	Summer Local Transient \$29.00	Pay laundry		
Conch Harbor Marina	\$4.25 35'-64'			\$60 to 75 per ft	WiFi	Included	Included
	\$4.85 65'-99'				Bikes		
	\$5.50 100'+				Free laundry		
					In slip pump out		
Galleon Marina	Lesser 59ft	\$4.00	NO Weekly	Jan to April Lesser 59ft \$75	Resort amenities	Included	\$.18 kwh
	60-84ft	\$4.35		60-84 \$85	Pump out \$5		
	Over 85ft	\$5		over 85ft \$95	Pay Laundry		
				May to Dec Lesser 59ft \$60			
				60 to 84ft \$70		Included	\$.18 kwh
				Over 85ft \$80			
A&B Marina							
A&B Marina	\$3.75			\$55	WiFi	Included	\$.18 kwh
					TV		
					Free laundry		
					In slip pump out		

OPTIONS/ ADVANTAGES/ DISADVANTAGES:

1. The Bight Board can approve the 10% rate increase.
2. The Bight Board can deny the 10% rate increase.
 - Key West Bight Marina still will be the least expensive marina to stay in the "Bight"
 - Revenues will be increased substantially.
 - Major improvements are currently underway at the transient restroom / shower facility.

FINANCIAL IMPACT:

An across the board 10% transient rate increase would add approximately \$96,000 to the revenue budget.

RECOMMENDATION:

Staff recommends that the Bight Board approves the across the board 10% transient rate increase.