



MEMORANDUM

Date: March 5, 2026

To: Honorable Mayor and Commissioners

Via: Brian L. Barroso
City Manager

From: Todd Stoughton

Subject: **FILE ID - 26-5111 Proposed Conveyance of Higgs Beach from Monroe County to the City of Key West**

Introduction

Monroe County has proposed conveying to the City of Key West the property commonly known as “Higgs Beach.” At the direction of the City Commission, staff met with Monroe County leadership and conducted a Cost-Benefit Analysis to evaluate the fiscal and operational implications of a potential property transfer.

Background

On September 3, 2025, the City Commission considered a discussion item regarding the potential transfer of Higgs Beach from Monroe County to the City. During that meeting, the City Manager was directed to return with a formal cost analysis for Commission consideration. Over the past six months, City staff have met with Monroe County leadership on multiple occasions to review the legal, financial, and operational components of a potential conveyance. As outlined in the attached County memorandum, considerations related to the transfer include, but are not limited to:

- The NDB site
- Existing and pending grant obligations
- Concession agreements
- Insurance and liability coverage and claims
- Current capital repair needs
- Hurricane-related repairs
- Staffing and operational responsibilities

- Tourist Development Council (TDC) funding

Staff has evaluated these factors to determine both short and long-term fiscal impacts to the City.

Procurement

The attached Cost-Benefit Analysis projects a five-year net fiscal operational benefit to the City of approximately \$223,970.99, based on current revenue assumptions and estimated operational expenses. Monroe County has identified capital needs that are presently supplemented with funding provided by the County. Additional capital expenditures may be identified as further assessments are completed.

It should be noted that these projections are subject to change based on several variables, including grant compliance requirements, capital repair schedules, insurance premiums, and future maintenance obligations.

Recommendation

The City Manager's Office recommends that the City Commission authorize the City Manager to continue and finalize negotiations with Monroe County regarding the potential conveyance of Higgs Beach, subject to final agreement terms, legal review, and future Commission approval of any transfer documents.