

**THE CITY OF KEY WEST
PLANNING BOARD**



To: Chairman and Planning Board Members

Through: Katie P. Halloran, Planning Director

From: Nicholas Perez-Alvarez, Stantec

Meeting Date: July 17, 2025

Agenda Item: **Alcohol Sales Special Exception – 325 Duval Street (RE#00004320-000000) –**
A request for a special exception to add the sale of alcohol at an existing hotel in the Historic Residential Commercial Core – 1 Duval Street Gulfside District (HRCC-1) zoning district pursuant to Chapter 18 (Businesses), Article II (Alcoholic Beverages), Division I (Generally) of the Land Development Regulations of the Code of Ordinances of the City of Key West, Florida.

Request: The applicant is requesting a special exception to add the sale of alcoholic beverages at an existing hotel in the HRCC-1 zoning district.

Applicant: Spottswood, Spottswood, Spottswood, & Sterling, PLLC

Property Owner: The Key West Hotel, LLC

Location: 325 Duval Street (RE# 00004320-000000)

Zoning: Historic Residential Commercial Core – 1 (HRCC-1)



1. Aerial view of property



2. View of subject property from Duval

Background/Request:

Section 18-28 of the Code of Ordinances of the City of Key West prohibits the sale of alcoholic beverages where such place of business is within 300 feet of an established church, school, cemetery, or funeral home. However, the Planning Board may grant a special exception if the criteria in City Code Section 18-28(b) (2) are met. An Alcohol Exception is granted exclusively to the applicant and is not transferable.

In March of 2024, the applicant obtained Alcohol Sales Exception approval from the Planning Board through Resolution 2024-015 for the sale of alcohol to hotel guests on the subject property. In January of 2025, the applicant submitted a conditional use application for alcohol sales to both hotel guests and non-guests out of a beverage cart located 5-feet back from Duval Street. This Alcohol Sales Special Exception application has been amended with the added request to sell to non-hotel guests, which was excluded from the previous application.

The current applicant has requested a special exception to obtain an alcohol license, which would allow the sale of beer, wine and liquor, once a 6001 ABT is filed and approved through the Florida Department of Business and Professional Regulation. The current hotel sits on a 12,725 square foot parcel in the HRCC-1 zoning district where hotels are a permitted use and bars and lounges are a conditional use. The Hotel is commonly referred to as 'Casa 325' Key West Guest House & Suites on Duval St. The hotel plans to sell alcohol on the premises to guests of the hotel as well as to the general public.

Consumption of alcohol includes both indoor and outdoor areas. The companion conditional use application for this property proposes an outdoor beverage cart set back 5-feet from the Duval Street right-of-way for sales of alcohol to the general public.

There are no schools, funeral homes or cemeteries within 300 feet of the property. The property is within 300 feet of one church: St. Paul's Episcopal Church - 401 Duval Street



Left Star = 325 Duval

Right Star = St Paul's

Line = Represents approximately 215 feet

Process:

Planning Board Meeting: July 17, 2025

Local Appeal Period: 10 days

DOC Review Period: up to 45 days

Evaluation for Compliance with Section 18-28 of the Code of Ordinances:

City of Key West Code of Ordinances Section 18-28(b)(2) provides alcohol exception review criteria for the Planning Board to ensure the following: *“ . . .that the use will not detrimentally impact the public health, safety or welfare after consideration of all the following criteria:”*

A. Compatibility with surrounding existing uses;

The property is located within the Historic Residential Commercial Core – 1 Duval Street Gulfside District (HRCC-1) zoning district which incorporates the city's intensely vibrant tourist commercial entertainment center and is characterized by specialty shops, sidewalk-oriented restaurants, lounges and bars; and transient residential accommodations. The Hotel is surrounded by other businesses that sell alcohol like Fat Tuesdays, Carolines Café, Kojin Noodle Bar, The Flaming Bouy, and the Grand Café. Other surrounding stores include Wendy's, Wicked Lick Ice Cream, Kermit's Key Lime Pie Shop, and The Red Barn Theatre. In the rear of the property there are multiple hotel properties. There is one single family residence adjacent to the property touching the southeast corner of the property at 517 Eaton St, a transient vacation home.

B. The extent of conflict between the proposed use and the hours of operation of the facilities described in section (a) above;

The applicant has not provided any limitations to the hours of operation of the facilities. Per Sec 18-27 of the City Code alcohol may not be sold between the hours of 4am and 7am.

C. Mitigation measures agreed to be implemented by the applicant;

Applicant has confined service area to the guest house property. This includes both indoor and outdoor areas. No mitigative techniques have been proposed to discourage open container consumption for those of alcohol purchased at the beverage cart fronting Duval Street.

D. Public input;

As of the date of this report, the Planning Department received a letter of no objection with signature from The Very Reverend Donna S Mote of St. Paul's Episcopal Church. No additional letters of public support or letters objecting were received.

E. That the applicant has demonstrated a "good neighbor policy" by contacting or attempting to contact all noticed property owners who have objected to the application, and by addressing the objections expressed by these neighbors;

As of the date of this report, there have been zero objections to the applicant's request to sell alcohol at the hotel.

F. Any other factors the approving body determines relevant to the public's health, safety, and welfare;

The applicant is aware that the granting of this approval is for alcohol to individuals within the property and that open container consumption beyond the property boundaries is prohibited per City Code Section 18-87(a): "It shall be unlawful for any person to drink from an open container of an alcoholic beverage and be under the influence of said beverage while upon a public or semipublic area open for vehicular or pedestrian travel, or a commercial establishment parking lot or property owned by or under lease to the city, except in those areas in which such consumption is permitted pursuant to the beverage law, other state statutes, state administrative rule, or city ordinance or resolution."

City of Key West Code of Ordinances Section 18-28

18-28(c) states, "Any special exception granted hereunder may be approved with conditions, which conditions shall be monitored in accordance with. The exception shall be to the applicant only, shall not be transferable and shall only be effective in conjunction with the use(s) specified in the application." In effect, conditions will be monitored through a conditional use permit as provided in Section 18-610 of City Code.

The Planning Board shall make factual findings regarding the following:

That the standards established by City Code Section 18-28(b) for special exceptions have been met by the applicant.

Per Section 18-28(e) which states "upon receipt of an application, the planning board shall hold a public hearing upon the application in accordance with the procedures cited in section 90-393 and shall render an order granting or denying such application. In granting such application the planning board must make specific findings respecting each of the matters specified in subsection (b) (2), above."

As stated above, the Planning Board must make a specific finding on the criteria. Staff recommends to the Planning Board that the response to the criteria outlined in the staff report be taken into consideration in rendering an order to grant or deny the request.

RECOMMENDATION:

Based on the existing conditions, the Planning Department recommends to the Planning Board **Approval** of the proposed Alcohol Sales Special Exception.

If the Planning Board chooses to approve the special exception, the Planning Department recommends the following conditions:

1. The special exception is granted exclusively to 325 Duval and shall not be transferable.
2. All storage of alcohol shall be confined to the interior space of the hotel.
3. This approval does not establish on-site consumption area.
4. All solid waste for the premises, including the cardboard packaging created by the alcohol sales shall be contained in a closed dumpster or recycling/waste bins that are screened from the public right-of-way except for scheduled pick-up days.
5. If needed, the regularly scheduled pick-up for waste removal will be adjusted to ensure no trash accumulates beyond the storage capacity of the screened containers.
6. All prior conditions associated with Resolution No. 2024-015 shall be deemed null and void as a part of this resolution.