

Environmental and Economic Issues for Channel Widening

Last Stand

Presentation to Key West City Commission

October 17, 2012



Vision

Last Stand recognizes tourism is the heart of Key West economy.

Our vision is a community where the environment is valued equally with economic gain and the tourist experience is positive and unencumbered by congestion and overcrowding.





WATERSPORTS RENTALS
ISLAND JET SKI TOURS

PLEASE HAVE A PHOTO ID AND SHIPS CARD
READY FOR INSPECTION BY SECURITY

SECURITY
CHECK POINT
READY FOR
INSPECTION

PIER B
RESTRICTED

FOOTBALL
USE QUICKLY THRU THE GEAR TO GET TO THE FIELD

JET SKI
RENTALS
HOURLY AND
DAILY RATES
ISLAND
WATERSPORTS



Carnival







STOP

TROLLEY
STOP
CITY VIEW
STREETCAR
STATION

PARKING
CLOSED
11:PM TO
7:AM

No
Panhandling
Or
Soliciting
Zone





Red traffic light

21
TAXI
305-6666

FURY
WATERSPORTS
RESERVATIONS

Quality of Life Impacts

- The infrastructure and scale of old town Key West is not compatible with the arrival of 6,000 cruise ship visitors



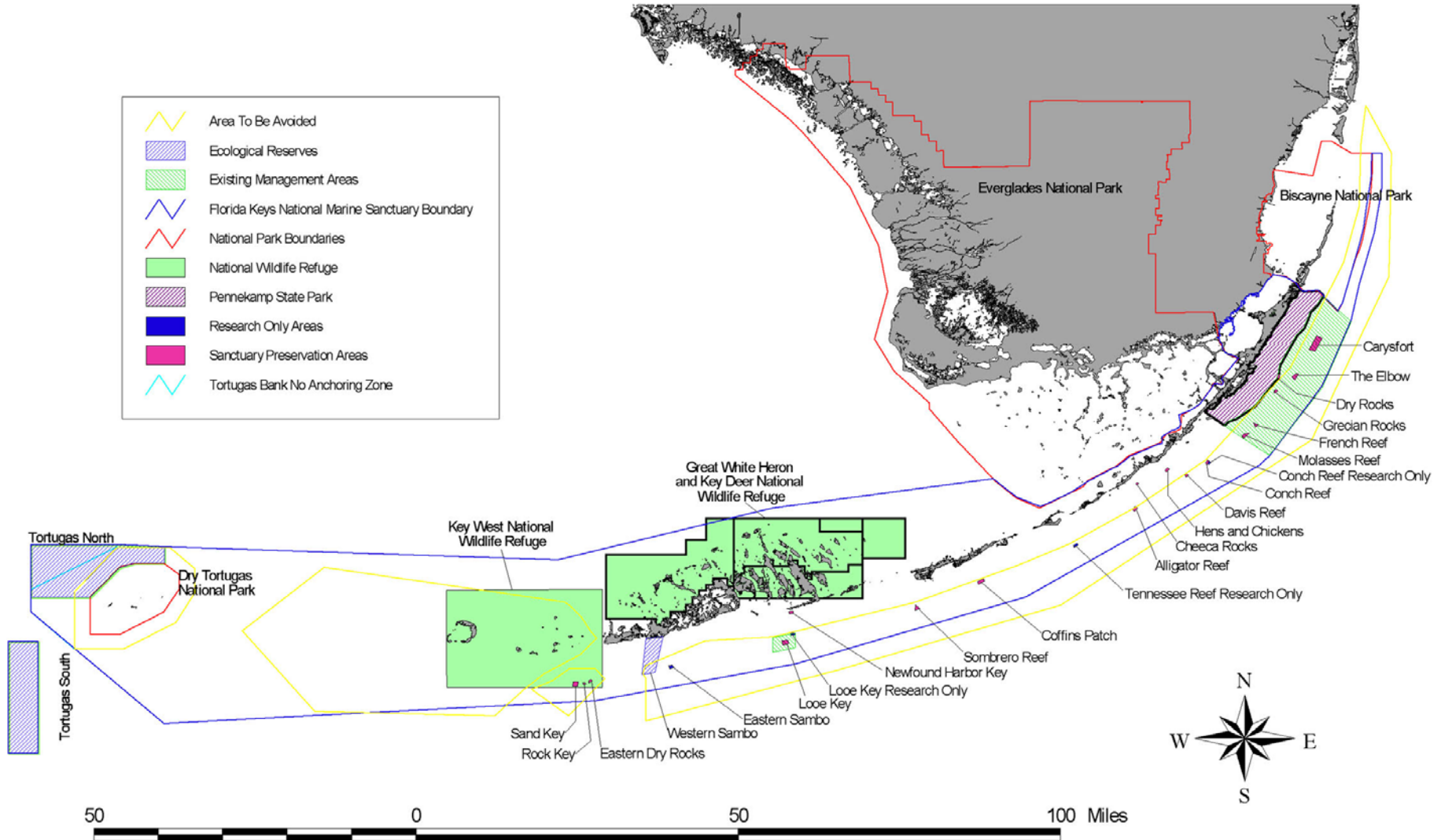
January 2013 Overcrowding

- 6,919 Visitors 1/17/2013
 - Royal Caribbean Majesty
 - Carnival Ecstasy
 - Crystal Serenity
- 6,079 Visitors 1/24/2013
 - Carnival Freedom
 - Disney Magic



98% Passenger Capacity, 25% of Crew

Florida Keys National Marine Sanctuary

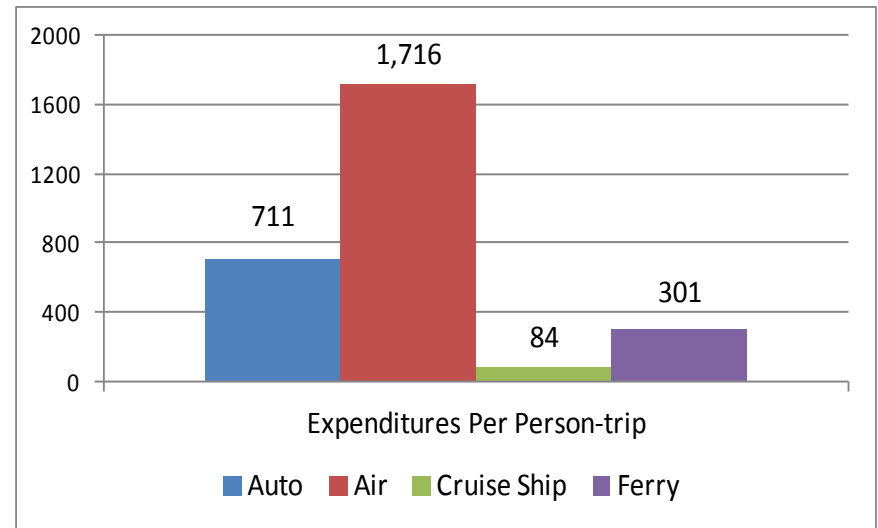
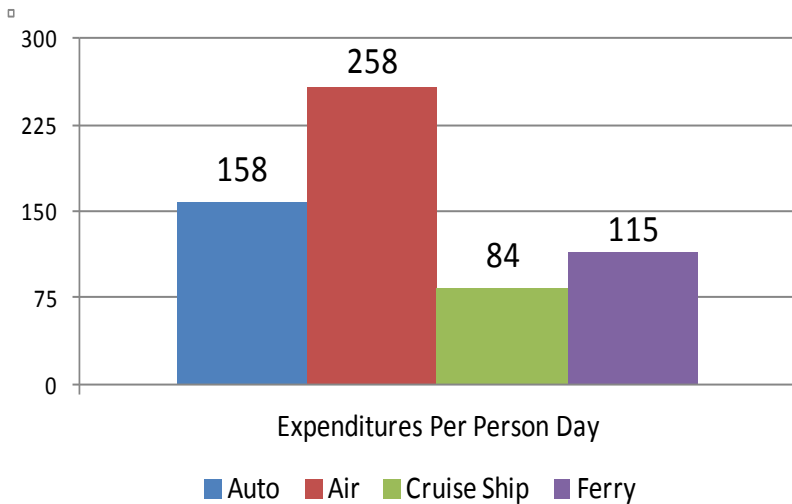


Florida Keys National Marine Sanctuary Attracts Tourists

- Each year
 - 400,000 visitors & residents participate in sports fishing
 - 700,000 enjoy diving and snorkeling
 - Over 30,000 Monroe County jobs are supported by ocean recreation and tourism
 - 70% of tourists arriving by auto and 76% arriving by air participate in some water based activity



NOAA Tourist Study



Source: Visitor Profiles: Florida Keys / Key West 2007-08,
Leeworthy, Loomis and Patterson, June 2010



Sanctuary Condition Report

November 2011



- Water Quality
 - Fair / Poor
- Habitat / Coral Reef
 - Fair / Poor
- Sustainable Fishing / Biodiversity
 - Fair / Poor



Key West Harbor Reconnaissance Report

- Environmental Impacts
 - Significant Negative Impact on Environmental Quality
 - Significant and Negative effect on unspecified quantity of coral
 - Negative impact on unspecified amount of critical environmental habitat
 - Likely increase in water pollution and turbidity



Federal Laws Establish Sanctuary Protection

- Public Law 101-605 lists prohibited activities in the sanctuary including
 - “. . . drilling into, dredging or otherwise altering the seabed of the Sanctuary (Florida Keys National Marine Sanctuary).”
- Any weakening of sanctuary rules could threaten not only the Florida Keys, but other sanctuaries spread through the USA



Reconnaissance Report Issue with the Feasibility Study

“Congressional action is needed prior to any construction activity within the boundaries of the Florida Keys National Marine Sanctuary. Until this issue is resolved there is little benefit in proceeding with the feasibility phase.”



Feasibility Study Costs

- Can a Feasibility Study be done without cost to Key West taxpayers?
 - 50% Federal share is paid from income taxes Key West residents & businesses pay
 - Cruise Lines visiting Key West are exempt from U.S. Federal income tax
 - Carnival Corporation reported \$0 U.S. Federal tax on 2011 pre-tax earnings of \$1.9 billion
 - Royal Caribbean Cruises reported \$0 U.S. Federal tax on 2011 pre-tax earnings of \$931 million



Feasibility Study Costs

- Can a Feasibility Study be done without cost to Key West taxpayers?
 - Significant staff time will be required to find funding and lobby for Federal laws
 - General Fund revenue pays Key West Federal lobbyists Alcalde & Fay



Cruise Line Trends

- Key West has fewer port calls scheduled for 2013 – is channel width the issue?
- What could the replacement ships look like if the channel is dredged?



Cruise Fleet Winter 2011

Cruise Line	Total Fleet	Ships in Caribbean	Could call on Key West	Do call on Key West
Carnival	22	15	15	7
Royal Caribbean	22	15	10	2
Norweigan	11	7	6	4



Cruise Fleet January 2013

Cruise Line	Total Fleet	Ships in Caribbean	Could call on Key West	Do call on Key West
Carnival	24 INCREASE 2	21 INCREASE 6	21 INCREASE 6	7 NO CHANGE
Royal Caribbean	22 NO CHANGE	16 INCREASE 1	11 INCREASE 1	2 NO CHANGE
Norweigan	11 NO CHANGE	8 INCREASE 1	7 INCREASE 1	0 DECREASE 4



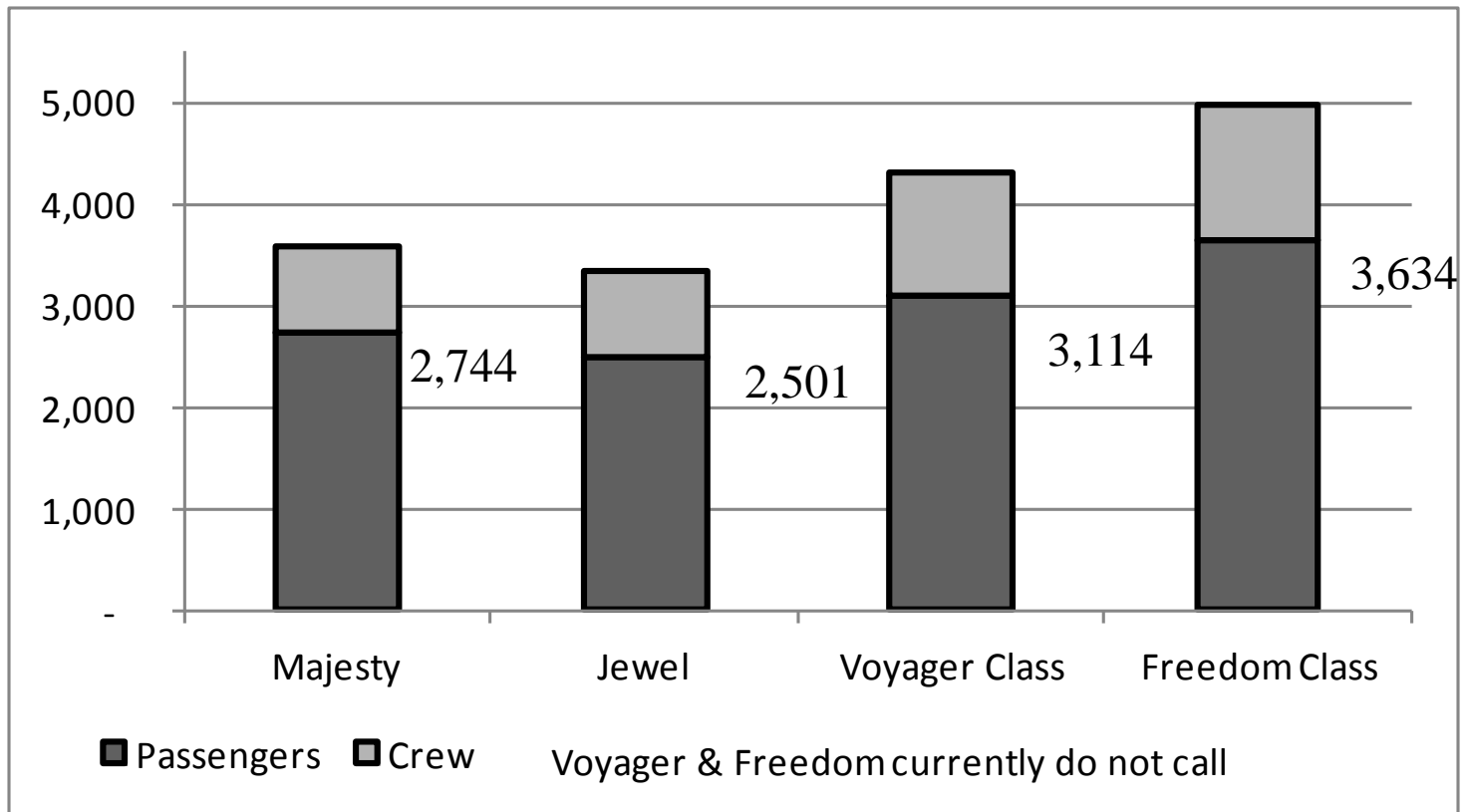
Passenger Projections

Cruise Line	Jan 2011	Jan 2013	Difference
Carnival and Affiliated	55,520	56,960	1,440
Royal Caribbean and Affiliated	16,545	20,151	3,606
Norweigan Cruise Line	12,014	0	(12,014)
Disney	8,100	10,200	2,100
All Other	8,024	4,704	(3,320)
TOTALS	100,203	92,015	(8,188)



Possible Replacement Ships

Royal Caribbean Fleet



Future Overcrowding?

- 7,858 Visitors
 - Royal Caribbean Freedom Class Vessel
 - 3,561 Passengers
 - 340 Crew
 - Carnival Magic
 - 3,616 Passengers
 - 341 Crew



98% Passenger Capacity, 25% of Crew

Conclusions - Environment

- Florida Keys National Marine Sanctuary condition is a concern
- Channel Dredging environmental impacts to critical marine habitat, coral and water quality are negative
- Public Law 101-605 protects the FKNMS from new dredging



Conclusions – Economics

- Tourists arriving by air spend over 3 times the daily spending of cruise ship passengers
- Conducting a feasibility study at no cost to the Key West taxpayers will be difficult
- Declining cruise ship calls, at least in 2013, do not appear to be related to channel width
- Replacement ships may bring 32% more passengers

