



THE CITY OF KEY WEST

Post Office Box 1409 Key West, FL 33041-1409 (305) 809-3700

EXECUTIVE SUMMARY

To: Community Redevelopment Agency

CC: Jim Scholl, David Fernandez

From: Marilyn Wilbarger, RPA, CCIM

Date: June 19, 2012

Reference: **Key West Bight Parking Lot Rate Reduction**

ACTION:

Per the Bight Boards recommendation this action item is to consider amending parking rate charged in the main lot on Caroline Street at the Key West Bight. The action taken at the May 9, 2012 Bight Board meeting, excerpted here from the minutes of the meeting, is as follows:

Key West Bight Parking Rates

Ms. Wilbarger stated this was brought back before the Board as an Action Item after discussion at the previous meeting.

Mr. Wilson expressed his preference of a discounted parking rate for parking in the Key West Bight (Caroline Street) Parking Lot. Chairman Knowles preferred a validated receipt discount for paid parking.

Ms. Wilbarger described how a discounted rate could be programmed into the Cale machines available by the first half hour purchased. That would be the easiest way to accomplish this for the customer.

Mr. Bowman suggested making the parking rate at the lot the same as the rate on the street.

Chairman Knowles wanted to leave the rate in the lot as-is for now. He suggested doing a "Beta Test" with a few merchants using a redeemable receipt to see how the program would work.

Ms. Ovide said initiating this program is setting up a whole new job and procedure and she was against doing that. Ms. Wilbarger said this would be burdensome to both the tenants and to staff in keeping track of receipts, rent credits, etc.

The following person spoke on the matter:

Jack Anderson, Key West Bight Tenants Association

MEMORANDUM



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MEMORANDUM

Chairman Knowles asked if the City could test the rate of charging the same in the lot that is charged on the street against last year's numbers from June to June looking at each month for a comparison.

Ms. Ovide asked Mr. Tait when summer rates for the boats go in affect. Mr. Tait stated June through September.

It was moved by Mr. Wilson and seconded by Ms. Ovide to approve the item as amended to have a pilot program of 6 months to decrease the Caroline Street Parking Lot rates to equal the street rates.

Additional discussion ensued regarding the program beginning with approval of the CRA with a flexible schedule to restore the higher rate during special events.

BACKGROUND:

In October of 2011 The Key West Bight Board received a parking report from City Parking Manager John Wilkins as they had requested research on reducing the hourly rate to match the on-street parking. The Key West Bight lot has 120 spaces with purchase options of hourly and daily rates with a minimum of 30 minutes and a maximum of to ten days. The 800 block of Caroline has 16 parallel spaces with hourly rates up to a max of 10 hours, no daily rate available.

Some of the benefits of the Key West Bight lot that justify a higher rate are:

- Closer proximity to stores and activities
- More secure location with security patrols
- Further removed from heavy traffic
- Ease of parking by driving forward and backing out as opposed to parallel
- Guaranteed availability
- Long term parking opportunities
- Well lit night time parking lot
- No Storm water issues – high and dry
- More room to move around vehicle while boarding

The full report is attached for your reference as it goes into greater detail on parking choices, rates and also includes the results of an informal study conducted with lot users to try and understand their parking decisions.

The results of the informal study show:

Key to the Caribbean – average yearly temperature 77 ° Fahrenheit.



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MEMORANDUM

- The overwhelming majority of customers are not sensitive to the price difference between the street and the lot
- The factor for parking location decision was close proximity to their destination.

FINANCIAL IMPACT:

The potential annual impact of reducing rates to match the current Caroline Street rates is a 40% reduction in revenue. Based upon the most recent six months actual revenue of \$341,000 this would present a decrease of \$136,500 for six months and on an annualized basis this could exceed \$250,000 in lost revenue. The Key West Bight Fund has experienced further reductions in revenue due to:

- Loss of \$700K in TIFF Funding
- Reduction of scheduled rent increases for upland tenants by 2% or approximately \$40,000 annually
- Reduction of margin on fuel sales to Key West Bight tenants
- Elimination of tenant contribution to promotional activities approximately \$15,000 annually

Cumulatively these reductions will decrease annual revenues by over One Million Dollars and have a substantial impact on further re-development and restoration of the Key West Bight.

CONCLUSION:

The Board has elected to recommend amending the rates as stated above with the following vote:

Yeas: Board Members Ashby, Bowman, Ovide, Probert, Wilson and Chairman

Knowles

Nays: None

Absent: Board Member Jimmy Lane