

18 May, 20223

Katie P. Halloran
Planning Director
City of Key West
1300 White Street
Key West, FL 33040

Re:

Sunset Celebration Mallory Square Master Plan, Revenue Generation Study - Task Order 1

Sasaki Project Number: 28009.01U

Dear Katie,

This Task Order is made by the City of Key West (Client) and Sasaki Associates, Inc. (Sasaki), parties to the Agreement dated 10 July, 2022 (Agreement) approved by the City of Key West through Resolution 22-070 on March 22, 2022. The Task Order is outlined below.

Scope of Task Order 1

Sasaki is pleased to provide you with this Scope of Services for a Revenue Generation Study to support the Sunset Celebration Mallory Square Master Plan Project. We are thrilled to continue work with the City of Key West to resolve important issues that arose during the master planning process. We understand that the city is conducting a parking study separately, that scope of work has not been included within this proposal.

Upon the request of the City, Sasaki will undertake a Revenue Generation Study broken out into two distinct tasks to address the current needs, concerns, and goals for revenue generation for the future Mallory Square. Coming out of the master plan process, it became clear that additional steps need to be taken to achieve to consensus on parking reduction, and therefore loss of revenue, within the Square and the impacts of this on the overall City budget.

The study area will be comprised of the project site, currently defined by Wall St to the east, the waterfront to the east, and the property boundaries to the north and south.



Figure 1: Scope Area for Revenue Generation Study

Task 5A: Stakeholder Interviews

This study will begin with a listening session, conducting interviews with constituents from the City of Key West, surrounding businesses, and Key West Cultural Preservation Society.

Stakeholder Interviews (assume 8 interviews)

- Elected Officials
- HTA
- City Parking Director + City Manager
- Surrounding Businesses
- Key West Cultural Preservation Society (Sunset Celebration)
- City Directors

Based on stakeholder interviews that took place on April 14th, and continued conversations with city leadership, the next phase of work will cover the following:

- A Revenue Generation Study: Offset loss of parking through variable rates, new F+B, or event spaces.

Task 5B: Revenue Generation Study

The Sasaki team has engaged a consultant, James Lima Planning + Development (JLP+D) to develop a plan for financial resiliency, ensuring that any lost revenue from the existing Mallory Square parking lot is offset by variable rates at the Square, additional revenue from new Food and Beverage and/or new event spaces.

Task 5B-1: Document existing revenue streams

Based on documentation provided by Sasaki and/or the client, JLP+D will review and document existing municipal revenues streams generated from Mallory Square, to confirm the baseline for future opportunities, as well as potential lost revenue (as from a reduction in paid parking) that might need to be replaced.

Task 5B-2: Kickoff visit

Two JLP+D staff members will conduct a 1-day visit to Key West in order to review Mallory Square in context of the proposed Master Plan, meet with the client and potentially other identified key stakeholders, and identify potential for revenue opportunities.

Task 5B-3: Peer review of Master Plan work to date, assessing the revenue potential of the various options and identifying opportunities to enhance earned revenue in final design

JLP+D will participate in a review workshop on the existing Master Plan with Sasaki to confirm understanding of the current plan and offer insights on potential design modifications that could enhance revenue potential in the future configuration.

Task 5B-4: Research opportunities to expand revenue streams based on case studies of relevant peers and site observations

Drawing upon our national experience, our familiarity with Mallory Square, past work in the field, and additional research, JLP+D will assemble relevant precedents highlighting opportunities for expanded revenue generation that are contextually-appropriate and additive to the experience of Mallory Square.

Task 5B-5: Test revenue potential of master plan elements

JLP+D will work with Sasaki team and local leadership to test the revenue potential of master plan elements. We will assess the market for various offerings, along with risks that may accompany them.

Possible components include:

- Cafe and restaurant/event space in proposed new building
- Hospitality House café

- Gallery space attached to Waterfront Playhouse
- Other opportunities as may be identified

Task 5B-6: Provide draft recommendations for opportunities to expand/replace revenue streams through the implementation of the Master Plan

Consolidating the findings of the previous tasks, JLP+D will produce a draft report on the potential revenue opportunities for Mallory Square, including opportunities to replace existing revenue sources that may be lost or reduced. This draft will be reviewed with Sasaki and the client for feedback and refinement.

Task 5B-7: Finalize recommendations for revenue opportunities

Following review with the Sasaki master planning team and client leadership, JLP+D will incorporate feedback into a finalized report on the revenue opportunities for Mallory Square.

EXCLUSIONS

This following is excluded from this scope of work:

Parking Study: A parking study will look at parking scenarios for the City of Key West holistically. This work will be completed by others and shared with the Sasaki team to inform future revisions for the Mallory Square proposed design.

Multimodal access to the Square: Upon request from the client, the Sasaki team can continue to coordinate with the City and the Duval Street Planning team to advise and support improvements to multimodal access to the Square, which includes a much larger study area than the current Master Plan scope.

Governance Models: Various models of governance have been discussed with the City throughout the Master Planning process, including the development of a BID or TIF. Once consensus has been reached on strategies for revenue generation and governance models, the team can provide a proposal for this scope of work.

Revision to the Master Plan and Final Master Plan Approval: Sasaki understands that changes to the Master Plan will likely be required once these studies are complete. A proposal will be provided for revisions to the Master Plan design, renderings, and final report as well as supporting the City through the Master Plan approval process once this scope of work is complete.

PROJECT SCHEDULE

Project Task	Duration
Task 5A: Stakeholder Interviews	One month (partially complete, remaining will be concurrent with 5B)
Task 5B: Revenue Generation Study	Two months

COMPENSATION

Labor Fee

Sasaki shall be compensated for the scope elements on a lump sum basis as described in the table below. Our labor fee is calculated based on an estimation of the expected time involvement and related production, and current hourly rates for the project team throughout the duration of this scope. These fees are inclusive of expenses.

Task	Scope Item	Labor Fee
TASK 5A	Stakeholder Meetings	\$8,950
TASK 5B	Revenue Generation Study	\$41,000
	TOTAL	\$49,950

Except as set forth in this Task Order, the Agreement is unaffected and shall continue in full force and effect in accordance with its terms. If there is conflict between this Task Order and the Agreement, the terms of the Agreement will prevail.

Agreed and Accepted

Intending to be legally bound hereby, the parties have executed this Task Order as of the Effective Date written above.

Authorized signature for:

Date

Client

Authorized signature for:

Date

Sasaki Associates, Inc.

Exhibits

a. Sasaki Proposal Dated 10 July, 2023

cc: contracts@sasaki.com