



**THE CITY OF KEY WEST**  
**1300 WHITE ST.**  
**KEY WEST, FL 33040**

**BUSINESS IMPACT ESTIMATE**  
**PURSUANT TO F.S. 166.041(4)**

Meeting Date: June 4, 2026  
Ordinance Number: 26-5473  
Posted To Webpage: \_\_\_\_\_

This Business Impact Estimate is given as it relates to the proposed ordinance titled:  
**(Copy Header)**

AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA AMENDING SEC. 74-387. *EQUIVALENT STORMWATER UNIT (ESU) RATE.*, ARTICLE V. *STORMWATER UTILITY SYSTEM.*, CHAPTER 74. *UTILITES.*, SUBPART A.- GENERAL ORDINANCES. OF THE CODE OF ORDINANCES OF THE CITY OF KEY WEST, FLORIDA REVISING THE CONSUMER PRICE INDEX ESCALATOR USED TO CALCULATE THE ANNUAL RATE INCREASE FOR THE NON-AD VALOREM STORMWATER ASSESSMENT TO TRANSITION FROM CPI-U (FOR ALL URBAN CONSUMERS) TO CPI-WST (FOR WATER, SEWER AND TRASH) TO ALIGN WITH THE ACTUAL COST OF SERVICES RELATED TO STORMWATER UTILITY AND ADJUST THE MONTH THE CPI IS CALCULATED FROM JUNE TO MAY; PROVIDING FOR SEVERABILITY; PROVIDING FOR REPEAL OF INCONSISTENT PROVISIONS; AND PROVIDING FOR AN EFFECTIVE DATE.

**The sections below are not required to be completed if the ordinance involves any one of the following types of regulations. Please check if applicable:**

- 1. Ordinances required for compliance with federal or state law or regulation;
- 2. Ordinances relating to the issuance or refinancing of debt;
- 3. Ordinances relating to the adoption of budgets or budget amendments, including revenue sources necessary to fund the budget;
- 4. Ordinances required to implement a contract or an agreement, including, but not limited to, any federal, state, local, or private grant, or other financial assistance accepted by a municipal government;

- 5. Emergency ordinances;
- 6. Ordinances relating to procurement; or
- 7. Ordinances enacted to implement the following:
  - a. Part II of chapter 163, relating to growth policy, county and municipal planning, and land development regulation, including zoning, development orders, development agreements, and development permits;
  - b. Sections 190.005 and 190.046;
  - c. Section 553.73, relating to the Florida Building Code; or
  - d. Section 633.202, relating to the Florida Fire Prevention Code.

**Part I.**

Summary of the proposed ordinance and statement of public purpose:

(Address the public purpose to be served by the proposed ordinance, such as serving the public health, safety, morals, and welfare of the City of Key West.)

Operational costs associated with providing sewer, stormwater, and solid waste services continue to increase annually. The City currently uses the Consumer Price Index for all Urban Consumers (CPI-U) to calculate the annual rate increase for the non-ad valorem stormwater assessment. CPI-U measures broad consumer inflation across all sectors of the economy and does not accurately reflect the specialized operational costs associated with utility services, such as contracted maintenance, equipment, fuel, disposal, and infrastructure-related expenses. It is recommended to transition to Consumer Price Index Water, Sewer, Trash (CPI-WST) as it specifically tracks inflation related to utility and sanitation services and therefore more closely aligns with the City’s actual stormwater operational expenses. Long term City contracts for sewer, water and trash services use CPI-WST to calculate the annual rate increase paid to contractors. It is in the City’s best interest to use the CPI-WST to calculate stormwater rate changes.

**Part II.**

Estimate of the direct economic impact of the proposed ordinance on private, for-profit businesses in the City of Key West: *(fill out subsections a-c as applicable, if not applicable write “not applicable”)*

(a) Estimate of direct compliance costs that businesses may reasonably incur if the proposed ordinance is enacted:

Historically, CPI-WST has averaged approximately 1.5% higher than CPI-U, which would generate an estimated additional \$58,488 annually beginning in FY2027. Or \$2.57 per *Equivalent Stormwater Unit* or (ESU) per year.

(b) Identification of any new charges or fee on businesses subject to the proposed ordinance, or for which businesses will be financially responsible; and

No new charges

(c) An estimate of the City of Key West's regulatory costs, including an estimate of revenues from any new charges or fees that will be imposed on businesses to cover such costs.

No new charges

**Part III.**

Good faith estimate of the number of businesses likely to be impacted by the ordinance:

1451

**Part IV. Additional Information (if any):**

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