

MEMORANDUM

October 18, 2018

TO: Mark Berman, City Attorney

FROM: Horacio Danovich, CIP and Innovation District Director

RE: Water Taxi Subsidy – Reallocation of Funds from Years 4 and 5 to Year 2

Please prepare a Resolution approving and authorizing Staff to reallocate subsidy funds approved via Ordinance 2017-63 and described in page 25 of 28 of the Pompano Beach Water Taxi, Inc. proposal (see attached) as earmarked for years 4 and 5 to year 2.

The proposed reallocation would entail reallocating \$30,000.00 previously scheduled to be disbursed in year 4 (reducing the year 4 subsidy from \$60,503.00 to \$30,503.00). In addition, \$33,203.00 in funding earmarked for year 5 would be reallocated to year 2, thereby eliminating any subsidy earmarked for year 5.

This request is consistent with Item 4 – Compensation as described on page 3 of 14 in the WATER TAXI OPERATING LICENSE AGREEMENT whereas the provider and the City may from time to time mutually agree to changes in compensation. The circumstances leading to the provider's request stem from issues outside of the provider's control including, but not limited to, unanticipated major storms (Hurricanes Irma and Maria); Department of Transportation's travel restrictions to transport one vessel; provider's inability to execute an agreement with Lauderdale-by-the-Sea as previously anticipated; and, inability to secure proper authorization to transport users to the Hillsboro Inlet Lighthouse.

Collectively, the aforementioned issues resulted in decreased ridership. Initially, ridership was projected to average 30 passengers per day. The projected ridership exceeded expectations from December 22, 2017 to April 8, 2018 peaking at 41 passengers per day. However, since April 9, 2018 the ridership decreased to 11 passengers per day. Combined, the average ridership since inception has been 26 passengers per day including 17 days of no sales or suspended operation due to weather, maintenance, etc.

Staff believes this request is justifiable and is seeking to have this Resolution for approval by the City Commission on December 11th, 2018.