



COUNCIL AGENDA STATEMENT

Meeting Date: February 11, 2025
To: Honorable Mayor and City Council
From: Brian Shea, Planning Director
Through: George Garrett, City Manager

Agenda Item: **Resolution 2025-07**, Approving An Agreement With The Firm Of Raftelis Financial Consultants, Inc. To Complete An Impact Fee Study In An Amount Not To Exceed \$59,850; Authorizing the City Manager to Execute The Contract And Appropriate Budgeted Funds On Behalf Of The City; And Providing For An Effective Date.

BACKGROUND & JUSTIFICATION:

The City implements Impact Fee Assessments through the Land Development Regulations (LDRs) and its normal building permit process. Section 111.01 of the LDRs establishes the following concerning the purpose and implementation of its impact fee Ordinance:

Section 111.01. - Purposes and Intent.

The purposes and intent of the impact fee procedures are:

- A. To establish uniform procedures for the imposition, calculation, collection, expenditure and administration of impact fees imposed on new development and redevelopment.
- B. To facilitate implementation of goals, objectives and policies set forth in the City of Marathon Comprehensive Plan and Land Development Regulations relating to assuring that new impact-producing development and redevelopment contributes its fair share towards the costs of capital improvements reasonably necessitated by such growth.
- C. To ensure that new development and redevelopment is reasonably benefited by capital improvements made with proceeds of impact fees.
- D. To ensure that all applicable legal standards and criteria are properly incorporated in these procedures.

On a routine basis, the City is required to assess current impact fees to, in whole or in part, form the basis for recommendations to the Council and Council actions to repeal, amend or modify this article and/or fee schedules. Raftelis Financial Consultants, Inc. (Raftelis) have an existing Agreement with the City to provide financial services and analysis, particularly concerning wastewater and stormwater rates. City staff requested that Raftelis provide an engagement letter to evaluate current and possible new impact fees, to update the impact fee calculations, and assist in developing modified impact fee policies. City staff is recommending approval of the Project Specific Agreement to complete an Impact Fee Study pursuant to the requirements of the City's LDRs,

CONSISTENCY CHECKLIST:

	Yes	No
1. Comprehensive Plan	XXX	_____
2. Other	_____	_____
3. Not applicable	_____	_____

FISCAL NOTE:

Approval will; appropriate funds in the FY25 Planning Department budget for this study that is funded by a transfer in from the Impact Fee Fund.

RECOMMENDATION: Approval of Resolution

**CITY OF MARATHON, FLORIDA
RESOLUTION 2025-07**

A RESOLUTION OF THE CITY OF MARATHON, FLORIDA, APPROVING AN AGREEMENT WITH THE FIRM OF RAFTELIS FINANCIAL CONSULTANTS, INC. TO COMPLETE AN IMPACT FEE STUDY IN AN AMOUNT NOT TO EXCEED \$59,850; AUTHORIZING THE CITY MANAGER TO EXECUTE THE CONTRACT AND APPROPRIATE BUDGETED FUNDS ON BEHALF OF THE CITY; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City implements Impact Fee Assessments through the Land Development Regulations (LDRs) and its normal building permit process; and

WHEREAS, Section 111.01 of the LDRs establishes the following concerning the purpose and implementation of its impact fee Ordinance:

Section 111.01. - Purposes and Intent.

The purposes and intent of the impact fee procedures are:

- A. To establish uniform procedures for the imposition, calculation, collection, expenditure and administration of impact fees imposed on new development and redevelopment.
- B. To facilitate implementation of goals, objectives and policies set forth in the City of Marathon Comprehensive Plan and Land Development Regulations relating to assuring that new impact-producing development and redevelopment contributes its fair share towards the costs of capital improvements reasonably necessitated by such growth.
- C. To ensure that new development and redevelopment is reasonably benefited by capital improvements made with proceeds of impact fees.
- D. To ensure that all applicable legal standards and criteria are properly incorporated in these procedures.

WHEREAS, the City is required to assess current impact fees to, in whole or in part, form the basis for recommendations to the Council and Council actions to repeal, amend or modify this article and/or fee schedules; and

WHEREAS, Raftelis Financial Consultants, Inc. (Raftelis) have an existing Agreement with the City to provide financial services and analysis, particularly concerning wastewater and stormwater rates; and

WHEREAS, City staff requested that Raftelis provide an engagement letter to evaluate current and possible new impact fees, to update the impact fee calculations, and assist in developing modified impact fee policies; and

WHEREAS, City staff is recommending approval of the Agreement to complete an Impact Fee Study pursuant to the requirements of the City’s LDRs,

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MARATHON, FLORIDA, THAT:

Section 1. The above recitals are true and correct and incorporated herein.

Section 2. Pursuant to the approval of this Resolution, Raftelis is authorized to develop an Impact Fee Study defined in the Scope of Work provided in the Engagement Letter attached as, “Exhibit A.”

Section 3. Said Project Specific Agreement is authorized in the amount of \$59,850 as established in Attachment A of Exhibit A.

Section 4. Effective Date. This Resolution shall become effective immediately upon its adoption.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF MARATHON, FLORIDA, THIS 11TH DAY OF FEBRUARY, 2025.

THE CITY OF MARATHON, FLORIDA

Lynn Landry, Mayor

AYES:
NOES:
ABSENT:
ABSTAIN:

ATTEST:

Diane Clavier, City Clerk

(City Seal)

APPROVED AS TO FORM AND LEGALITY FOR THE USE AND RELIANCE OF THE CITY OF MARATHON, FLORIDA ONLY:

Steve Williams, City Attorney

December 4, 2024

Mr. George Garrett
City Manager
City of Marathon
9805 Overseas Highway
Marathon, Florida 33050

Subject: 2025 Municipal Impact Fee Study Proposal

Dear George:

As requested, Raftelis Financial Consultants, Inc. (Raftelis) is providing a proposal for a municipal impact fee study for the City of Marathon (City). This letter proposal summarizes our understanding of the project, our proposed scope of services, our project schedule, and fee. We appreciate the opportunity to assist the City of Marathon.

Project Understanding

In 2006 the City adopted Resolution 2008-198 which established the existing Roads, Parks, Public Safety, Conservation Lands, Library, and Solid Waste impact fees. The City desires to review each of these and potentially other impact fees, update the impact fee calculations, and assistance with the impact fee policies. A review of wastewater impact fees will be conducted within the existing agreement (Agreement) between the City and Raftelis dated September 10, 2024, which is separate from this engagement letter.

It should be noted that any increase in impact fees must meet certain criteria set forth in State of Florida Statutes (F.S. 163.318). Among other provisions, the City should be mindful of the following:

- Ensure that the calculation of the impact fee is based on a study using the most recent and localized data available within 4 years of the current impact fee update. The new study must be adopted by the local government within 12 months of the initiation of the new impact fee study if the local government increases the impact fee.
- Provide notice at least 90 days before the effective date of an ordinance or resolution imposing a new or increased impact fee.
- An increase to a current impact fee rate of not more than 25 percent of the current rate must be implemented in two equal annual increments beginning with the date on which the increased fee is adopted.
- An increase to a current impact fee rate which exceeds 25 percent but is not more than 50 percent of the current rate must be implemented in four equal installments beginning with the date the increased fee is adopted.
- An impact fee increase may not exceed 50 percent of the current impact fee rate (except in certain extraordinary circumstances)
- An impact fee may not be increased more than once every 4 years.

It is also noted that this statute defines “Public facilities” as major capital improvements, including transportation, sanitary sewer, solid waste, drainage, potable water, educational, parks and recreational facilities, emergency medical, fire, and law enforcement facilities..

Raftelis will work with the City's attorney or consulting attorney to ascertain the applicability of any assets into the impact fee analysis that are not clearly enumerated above, if any.

Based on this information Raftelis will develop new impact fee calculations based on the City's recent and localized costs, working with staff to develop a workable fee schedule that reflects the City's cost of providing infrastructure to new growth.

Scope of Services

The tasks outlined on the following pages describe the scope of services proposed during this engagement.

Task 1 - Data Request and Project Kick-off

Raftelis will prepare a written data request for the collection of financial records, fixed asset listings, property data, and other planning data necessary to conduct the impact fee study. Information requested will include but is not limited to, population and land use data, level of service standards for each service type, financial reports, capital improvement plans, fixed assets, development plans, budgets, debt service schedules, interlocal agreements, and similar documentation.

Raftelis will schedule a project kick-off to include all affected departments followed by individual department meetings to review existing conditions, growth plans, level of service criteria, and other impact fee related items.

Task 2 - Review of Demographics and Level of Service

This task includes an evaluation of the current service area demographics and a forecast of the service area needs using various population projections and other available data sources. The purpose of this task is to identify the future service area demands for each service and to estimate the capital investments required for the fair share cost apportionment to future growth. Other sources include the Institute of Transportation Engineers (ITE) trip generation manual to provide functional population projections to support a multi-land use approach.

This task also includes a review and update to level of service criteria for each impact fee. Typical level of service standards are identified in terms of service levels per population. Any existing deficiencies will be identified with appropriate adjustments to apportionment of capital improvement costs to growth and existing development.

Task 3: Historical and Future Capital Improvements

This task includes a review of historical embedded capital costs for each impact fee area, and evaluation of future capital costs to serve growth. Actual funding sources for historical capital projects/equipment and projected funding sources for future projects will be reviewed. A funding analysis of future projects to include a potential mix of impact fees and other sources will be developed in order to demonstrate the feasibility of key projects. Finally, an allocation of each project between existing and future growth will be developed to support the impact fee calculation.

Task 4: Impact Fee Calculations

Relying on the previous tasks, Raftelis will develop unit costs for each impact fee area. The unit costs will include residential and non-residential designations. Specific sub-tasks include:

- Review of and recommended changes to the City's existing impact fee application methodology (residential/commercial, etc.);
- Identification of a single or multi-tier residential impact fee methodology;
- Develop roads, parks and public safety impact fee schedule;
- Develop updated fees for conservation lands and solid waste services, if applicable;
- Impact fee comparisons with similar communities;
- Meeting with City staff to review preliminary results; and
- Finalization of results and development of impact fee report.

Task 5: Ordinance Review

Raftelis will review the City's impact fee ordinance(s) and recommend adjustments based on the impact fee report and other City policy directives. This task assumes the City attorney will draft the impact fee ordinance for Raftelis' review.

Additional Tasks Not Within Scope

Certain tasks have been excluded from the scope of services above, since it is uncertain to the extent to which any of the following will be required during this engagement. The following are not included within this scope:

- Wastewater impact fee update;
- Drafting of impact fee ordinance (other than numerical confirmation of impact fees); or
- Attendance at public meetings or workshops.

COMPENSATION AND BILLING

Compensation for services, material, supplies and any other items or requirements necessary to complete the work required herein shall not exceed fifty-nine thousand eight hundred fifty dollars (\$59,850.00) based on the project cost estimate in Attachment A. The project fees are based on our standard hourly billing rates for professional and administrative personnel assigned to the project based on hourly rates consistent with, plus any direct expenses such as travel costs, postage, supplies, etc.

Project Schedule

Raftelis will complete the first draft by April 30, 2025, unless the City requests a later date due to delays in data such as cost details for planned capital projects. Any extension beyond this point would require a modification in this scope of services.

Thank you for the opportunity to serve the City of Marathon. Should you have any questions, do not hesitate to contact Joe Williams at 407-960-1806 (jwilliams@raftelis.com) or me at 407-960-1811 (ahairston@raftelis.com).

Sincerely,
RAFTELIS FINANCIAL CONSULTANTS, INC.



Tony Hairston
Vice President

Accepted by:

Signature, Title

Date

EXHIBIT A

Raftelis Financial Consultants, Inc.

Hourly Billing Rates

<u>Position</u>	<u>Hourly Billing Rate*</u>
Vice President	\$295
Senior Manager	\$275
Manager	\$250
Senior Consultant	\$220
Consultant	\$195
Associate	\$175
Analyst	\$135
Administration	\$90

* Hourly rates effective through September 30, 2025.

City of Marathon
2025 Impact Fee Study
Attachment A: Cost Estimate

Scope of Service Item		Onsite Meeting	Vice President	Senior Manager	Associate	Admin.	Total Hours	Cost Estimate
1	Data Request and Kick-off Meeting	1		12.0	12.0	2.0	26.0	\$5,580
2	Review of Demographics and Level of Service		1.0	12.0	24.0		37.0	7,795
3	Historical and Future Capital Improvements		1.0	14.0	24.0		39.0	8,345
4	Impact Fee Calculations						0.0	
	a. Roads, Parks, and Public Safety		2.0	20.0	42.0		64.0	13,440
	b. Conservation Lands and Solid Waste		2.0	16.0	36.0		54.0	11,290
	c. Impact Fee Report	1	1.0	20.0	28.0	1.0	50.0	10,785
5	Ordinance Review			2.0	1.0	1.0	4.0	815
Total		2	7.0	96.0	167.0	4.0	274.0	\$58,050
Hourly Rates			\$295.00	\$275.00	\$175.00	\$90.00		
Individual Labor Costs			\$2,065.00	\$26,400.00	\$29,225.00	\$360.00		
Subtotal Labor Costs								\$58,050
Reimbursable Expenses (2 Onsite Meetings)								1,800
Total Project Costs								\$59,850

Study includes: roads, parks, public safety (fire), conservation lands, library, and solid waste.