



THE CITY OF KEY WEST

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MEMORANDUM

EXECUTIVE SUMMARY

TO: Bogdan Vitas, City Manager

FROM: Jay Gewin, Utilities Manager & Brendon Cunningham, Senior Planner

THROUGH: Donald Leland Craig, AICP,
Director of Community Development Services

DATE: May 6, 2014

SUBJECT: **Approval of Task Order 01-2014-Impact for FY 2015 Impact Fee Study by Arcadis/Red Oak Consulting in the Amount of \$80,000.00. Approving Appropriate Budget Transfers to Facilitate Execution of Task Order**

Action statement:

This resolution will approve Task Order 01-2014-Impact Fees for Arcadis/Red Oak Consulting in the amount of \$80,000 to provide a study of the City's Impact Fee Schedule. The agreement is executed pursuant City Code 2-841, and the City's contract with Red Oak Consulting (a division of Arcadis, who purchased Malcolm Pirnie, Inc. - City Commission Resolution # 09-137 and extended through Resolution 13-053). This resolution will also approve appropriate budget transfers to facilitate execution of the task order.

Background:

The City has an impact fee schedule that has not been updated since it was originally established prior to 1986. This study will provide an independent analysis of our fees. We have worked with staff from Arcadis/Red Oak Consulting over the last several years on other projects, so the firm has good working knowledge of our City. This consultant also has an extensive background in knowing the utilities financial standards for the industry. The fee for this service is a one-off as there likely will be no further need once the new rates are established.

The City's original contract for financial consulting services was with Red Oak Consulting, who originally was a subsidiary of Malcolm Pirnie, Inc. Malcolm Pirnie was subsequently purchased by Arcadis, with the Red Oak Consulting subsidiary still intact. The staff that has worked on the City's rate model in previous years therefore remains the same through the purchase of Malcolm Pirnie by Arcadis.

Key to the Caribbean – Average yearly temperature 77° F.

Purpose and Justification:

Arcadis/Red Oak Consulting will prepare an impact fee model as described in the attached scope of work:

- *Project Initiation and Management*– Arcadis/Red Oak will confirm the scope, schedule and approach for this project.
- *Data Collection and Review* –Arcadis/Red Oak will assess current facilities, existing concurrency levels, and growth projections for residential development, demographic statistics and relevant development agreements.
- *Calculation of Development Impact Fees*– Arcadis/Red Oak will calculate impact fees based on the Florida Impact Fee Act. These are including assessments for transportation, law enforcement, fire rescue, parks and recreation, library, solid waste, stormwater and sanitary sewer.
- *Documentation*– Arcadis/Red Oak will provide a report including methodologies for data gathering and analysis, respective conclusions and recommendations.

Options:

- 1) The City may opt to not award the task order with Arcadis/Red Oak Consulting. Therefore, no independent study would result to justify a Staff recommendation to update the City's impact fee schedule.
- 2) The City can hire Arcadis/Red Oak Consulting for a cost of \$80,000.00 to provide an impact fee study and analysis to update our current impact fee schedule.

Financial Impact:

The total price for the task order is \$80,000. The funding share between the appropriate accounts will be split as follows:

Planning Dept. (001-1501-515-31)	\$39,386
Internal Improvements (102-4102-541.31-00)	\$12,000
Solid Waste Utility (403-3401-534-31)	\$8,458
Stormwater Utility (402-3801-534-31)	\$10,078
<u>Sewer Utility (401-3501-535-31)</u>	<u>\$10,078</u>
TOTAL	\$80,000

This resolution will also authorize a budget transfer from sewer fund reserves to account for the sewer utility's share of this task order.

Recommendation:

Staff recommends option #2, the hiring of Arcadis/Red Oak Consulting to perform an impact fee study and analysis for a price of \$80,000.00.