



## CITY MANAGER'S OFFICE MEMORANDUM

**TO:** Jim Scholl, City Manager

**FROM:** Mark Z. Finigan, Assistant City Manager

**DATE:** November 22, 2010

**SUBJECT:** Samuel's House – "Casa de Meredith"  
Request for Payment Plan  
Impact Fees and Connect Fees

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### **ACTION STATEMENT:**

Request City Commission approve a payment arrangement for City assessed impact fees and connect fees associated with the Samuel's House. Inc. "Casa de Meredith" project located at 1620 Spalding Court.

### **BACKGROUND:**

In a letter dated November 10, 2010 the CEO for Samuel's House Inc. made a formal request of the City of Key West to "finance" City assessed impact fees and connect fees associated with the Samuel's House. Inc. "Casa de Meredith" project located at 1620 Spalding Court. A copy of the request is attached. Additionally, attached your review is the Building Department's Worksheet used to develop both the calculated Impact as well as Connect Fees for the project.

One question asked from the CEO related to the assessment of "16" as opposed to "9" when comparing the Sewer assessment to all other charges. Sewer Impact is calculated on the number of bedrooms at \$300 per bedroom plus an additional \$43 per bedroom for the variable component of Solid Waste. There is a fixed cost of \$215 per unit also for Solid Waste. Additionally, traffic, library and sewer connect are all calculated on the number of units, in this case 9.

Samuel's House has verbally requested a discount of 25 percent for the assessed impact and connection fees in addition to the written request for financing. The City of Key West Code of Ordinances does address the waiving of impact fees and / or connection fees and City Management does not have the authority to waive or authorize financing. Though not expressly restricted in the Code, City Management does not recommend the waiving of any portion of impact fees or connect fees but can support a short term financing arrangement in an effort to assist a very worthwhile project.

FKAA has entered into a payment arrangement (copy attached) with Samuel's House Inc. for the project. It is unknown if a similar request of Keys Energy Services (KES) has been made, though previous discussions with KES on similar requests have indicated an inability to waive system development fees.

**FINANCIAL IMPACT:**

Total amount assessed for both impact fees and sewer connect fees is \$20,653. Samuel's House Inc. has proposed a \$300 per month payment for five years leaving a balance of \$2,653 at the end of the five years. Additionally, Samuel's House Inc. has proposed a "zero interest" rate for the term.

To follow are proposed terms recommended by City Management:

- No Interest
  - Provided there are no restrictive Bond Covenants or other legal restrictions.
- Payment of the Library Tax in full before issuance of Certificate of Occupancy
  - County imposed tax.
- \$500 per month until paid in full – slightly over 37 months.

**RECOMMENDATION:**

Approve the Payment Plan, outlined in the **Financial Impact** section above, for City assessed impact fees and connect fees associated with the Samuel's House. Inc. "Casa de Meredith" project located at 1620 Spalding Court.