RESOLUTION NO. 2025-164

A RESOLUTION OF THE CITY KEY WEST, FLORIDA, RELATING TO THE PROVISION OF STORMWATER MANAGEMENT SERVICES; ESTIMATING THE COST OF STORMWATER MANAGEMENT SERVICES PROVIDED BY THE CITY'S STORMWATER UTILITY; DESCRIBING THE METHOD OF CHARGING THE STORMWATER SERVICE COST OF STORMWATER MANAGEMENT SERVICES AGAINST ASSESSED PROPERTY; DIRECTING THE CITY MANAGER TO PREPARE OR DIRECT THE PREPARATION OF A STORMWATER ASSESSMENT ROLL; AUTHORIZING A PUBLIC HEARING FOR THE PROPOSED STORMWATER SERVICE ASSESSMENTS AND DIRECTING THE PROVISION OF NOTICE THEREOF; PROVIDING FOR COLLECTION; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Commission of Key West, Florida, has enacted Ordinance No. 13-10 (the "Ordinance"), which authorizes the imposition of Stormwater Service Assessments against real property specially benefited by the City's Stormwater Management Services;

WHEREAS, the City Commission desires to reimpose a Stormwater Service Assessment program using the tax bill collection method for the Fiscal Year beginning on October 1, 2025;

WHEREAS, pursuant to Section 74.373 of the Ordinance, in order to reimpose Stormwater Service Assessments for the Fiscal Year beginning October 1, 2025, the City Commission must adopt an Annual Stormwater Assessment Resolution during its budget adoption process for each Fiscal Year, which establishes the rate of assessment and approves the updated Stormwater Assessment Roll for the upcoming Fiscal Year FY2026;

WHEREAS, in accordance with the Ordinance and Section 197.3632, Florida Statutes, if the proposed Stormwater Service Assessment for any Tax Parcel of Developed Property exceeds the maximum established amount or will be imposed against property not previously assessed,

then the City must provide notice to the owner of such property in accordance with Section 74.370 and 74.371 of the Ordinance; and

WHEREAS, due to the increased costs of Stormwater Management Services experienced by the City, the City Council is adopting this Preliminary Rate Resolution to establish new maximum Stormwater Service Assessment rates, establish a public hearing to consider the implementation of those new maximum rates, and provide for the provision of notice to the owner of such property in accordance with Section 74.370 and 74.371 of the Ordinance.

BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA, AS FOLLOWS:

SECTION 1. RECITALS. The above recitals are true and correct and are incorporated herein by reference.

SECTION 2. AUTHORITY. This resolution is adopted pursuant to the provisions of the Ordinance, the Initial Assessment Resolution, the Final Assessment Resolution, sections 166.021 and 166.041, Florida Statutes, and other applicable provisions of law.

SECTION 3. PURPOSE AND DEFINITIONS.

(A) This Resolution constitutes a preliminary rate resolution (the "Preliminary Rate Resolution") to initiate the annual process for updating the FY2026 Stormwater Assessment Roll, including the establishment of new maximum Stormwater Service Assessment rates for the Fiscal Year beginning October 1, 2025 and future Fiscal Years, establishment of a public hearing to consider the implementation of those new maximum rates, and provide for the provision of notice to the owner of such property in accordance with Section 74.370 and 74.371 of the Ordinance.

(B) All capitalized words and terms not otherwise defined herein shall have the meanings

set forth in the Ordinance.

(C) Unless the context indicates otherwise, words imparting the singular number, include the plural number, and vice versa; and the term "hereafter" means after, and the term "heretofore" means before, the effective date of this resolution. Words of any gender include the correlative words of the other genders, unless the sense indicates otherwise.

SECTION 4. LEGISLATIVE DETERMINATIONS.

(A) The legislative determinations embodied in the Ordinance, the Initial Assessment Resolution, and the Final Assessment Resolution are affirmed and incorporated herein by reference.

(B) It is hereby ascertained, determined, and declared that each parcel of Assessed Property within the Stormwater Service Area will be specially benefited by the City's Stormwater Management Services in an amount not less than the Stormwater Assessment for such Tax Parcel, computed in the manner set forth in the Ordinance, Initial Assessment Resolution, and set forth in the updated Stormwater Assessment Roll.

SECTION 5. PROVISION OF STORMWATER MANAGEMENT SERVICES; DETERMINATION OF STORMWATER SERVICE COST; ESTABLISHMENT OF STORMWATER ASSESSMENTS.

(A) The Stormwater Service Cost to be assessed and apportioned among benefited parcels for the Fiscal Year beginning October 1, 2025, is $3,769,891,50. The approval of this Preliminary Rate Resolution determines the amount of the Stormwater Service Cost.

(B) A Stormwater Service Assessment shall be imposed against all Assessed Property within the Stormwater Service Area that are not deemed "Undisturbed Property". For the Fiscal Year in which Stormwater Service Assessments for Stormwater Management Services are imposed, the estimated Stormwater Service Cost shall be allocated among all Tax Parcels of Assessed Property within the Stormwater Service Area based upon each parcel's number of ESUs as determined in the manner set forth in the Initial Assessment Resolution.

(C) An annual rate of assessment equal to $171.31 per ESU for Stormwater Management Services is hereby approved for each Tax Parcel of Developed Property for the Fiscal Year beginning October 1, 2025.

(D) The maximum rate of assessment equal to $271.31 per ESU for Stormwater Management Services is hereby approved for future Fiscal Years.

(E) The rate of the Stormwater Service Assessments established in this Preliminary Rate Resolution shall be the rates applied by the City Manager in the preparation of the updated Stormwater Assessment Roll for the Fiscal Year commencing October 1, 2025, as provided in Section 6 of this Preliminary Rate Resolution.

(F) Upon the imposition of Stormwater Service Assessments for Stormwater

Management Services against Tax Parcels located within the Stormwater Service Area, the Stormwater Utility created in Section 74.361 of the Ordinance shall provide Stormwater Management Services to such property. All or any portion of the Stormwater Service Cost to provide such Stormwater Management Services shall be funded from the proceeds of the Stormwater Service Assessments.

(G) The Stormwater Service Area, as established in Section 74.361 of the Ordinance, includes the entire incorporated area of the City. This Stormwater Service area is hereby confirmed and established as the service area for the Fiscal year beginning on October 1, 2025.

SECTION 6. STORMWATER ASSESSMENT ROLL.

(A) The City Manager is hereby directed to prepare, or direct the preparation of, the updated Stormwater Assessment Roll for the Fiscal Year beginning October 1, 2025, in the manner provided in Section 74.369 of the Ordinance.

(B) Such updated Stormwater Assessment Roll shall contain the following: (1) a summary description of all Assessed Property within the Stormwater Service Area conforming to the description contained on the Tax Roll; (2) the name and address of the Owner of each Tax Parcel as shown on the Tax Roll, if available; (3) the number of ESUs attributable to the Tax Parcel; and (4) the maximum amount of the Stormwater Service Assessment for Stormwater Management Services to become due in any Fiscal Year.

(C) The updated Stormwater Assessment Roll shall be open to public inspection. The foregoing shall not be construed to require that the Stormwater Assessment Roll be in printed form if the amount of the Stormwater Service Assessment for each Tax Parcel can be determined by use of

computer terminal available to the public.

SECTION 7. AUTHORIZATION OF PUBLIC HEARING. There is hereby established a public hearing to be held at 5:00 p.m. on September 3, 2025, in the City Commission Chambers in City Hall, 1300 White Street, Key West, Florida, for the purpose of (1) receiving and considering any comments on the Stormwater Service Assessments from affected property owners; and (2) authorizing the imposition of such Stormwater Service Assessments for Stormwater Management Services and collection on the same bill as ad valorem taxes.

SECTION 8. NOTICE BY PUBLICATION. The City shall publish a notice of the public hearing authorized by Section 7 of this resolution, as required by Section 74.370 of the Ordinance, in substantially the form attached hereto as Appendix A. Such notice shall be published not later than August 13, 2025, in a newspaper generally circulated in the City.

SECTION 9. NOTICE BY MAIL.

(A) The City shall provide notice of the public hearing authorized by Section 7 of this resolution by first class mail to the Owner of each Tax Parcel of Assessed Property, as required by Section 74.371 of the Ordinance, in substantially the form attached hereto as Appendix B. Such notices shall be mailed not later than August 13, 2025.

(B) For Tax Parcels with exempt "home addresses" pursuant to Section 119.071(4), Florida Statutes, the Stormwater Utility Director shall work with the Property Appraiser and/or Tax Collector for provision of notice.

SECTION 10. METHOD OF COLLECTION.

(A) The Stormwater Service Assessments shall be collected from all Assessed Property pursuant to the Uniform Assessment Collection Act as provided in Section 74.376 of the Ordinance.

SECTION 11. EFFECTIVE DATE. That this Resolution shall go into effect immediately upon its passage and adoption and authentication by the signature of the presiding officer and the Clerk of the Commission.

Passed and adopted by the City Commission at a meeting held this 23rd day of July, 2025.

Authenticated by the Presiding Officer and Clerk of the Commission on 24th day of July, 2025.

Filed with the Clerk on July 24, 2025.

Mayor Danise Henriquez	Yes
Vice Mayor Lissette Carey	Yes
Commissioner Aaron Castillo	Yes
Commissioner Monica Haskell	Yes
Commissioner Mary Lou Hoover	Absent
Commissioner Sam Kaufman	Yes
Commissioner Donald "Donie" Lee	Yes

DANISE HENRIQUEZ, MAYOR

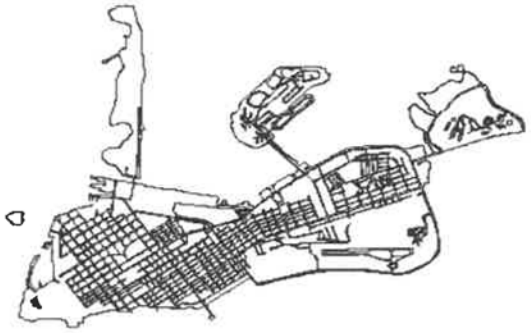
ATTEST:

KERI O'BRIEN, CITY CLERK

APPENDIX A

FORM OF NOTICE TO BE PUBLISHED

To Be Published by August 13, 2025



NOTICE OF HEARING TO IMPOSE AND PROVIDE FOR COLLECTION OF NON-AD VALOREM ASSESSMENTS

Notice is hereby given that the City Commission of the City of Key West, Florida, will conduct a public hearing to consider reimposing Stormwater Service Assessments in the area receiving Stormwater Management Service from the City, as shown above, for the fiscal year (FY2026) beginning October 1, 2025, and future fiscal years. The hearing will be held at 5:00 p.m. on Wednesday, September 3 2025, in the Commission Chambers in City Hall, 1300 White Street, Key West, Florida. The City of Key West adheres to the Americans with Disabilities Act and will make reasonable accommodations for access to City services, programs, and activities. Please call 305-809-3867 for further information. The request must be made at least 7 days in advance of the event in order to allow the City time to provide requested services. All affected property owners have a right to appear at the hearing and to file written objections with the City Council. All written objections to the non-ad valorem assessments must be filed with the City Commission within twenty (20) days of this notice. Please include your name, parcel number, and the reason you object to the assessment on all written objections. Any person wishing to appeal any decision of the City Commission with respect to any matter considered will need a record of the proceedings and may wish to ensure that a verbatim record of the proceedings is made.

The Stormwater Service Assessments have been imposed to fund the City's cost to provide Stormwater Management Service in the area shown above.

The Stormwater Service Assessments are based upon the estimated amount of stormwater runoff generated by impervious surface on the property. Impervious surfaces include the roof top, patios, driveways, parking lots and similar areas. The City has determined that the median single-family residence in the StormwaterService Area includes 1440 square feet of impervious surface, which is defined as the "equivalent stormwater unit value" or "ESU Value." The annual Stormwater Service Assessment rate for the upcoming Fiscal Year will be $171.31 for each ESU. The maximum Stormwater Service Assessment rate that can be imposed in future fiscal years is $271.31 per ESU.

Generally, the number of ESUs for other properties were calculated individually for each parcel of property by dividing the impervious surface area by 1440 square feet.

The Stormwater Service Assessment, except for those imposed on government property, will be collected on the annual ad valorem tax bill that is mailed in November by the Monroe County Tax Collector. Failure to pay the Stormwater Service Assessment will cause a tax certificate to be issued against the assessed property which may result in a loss of title.

If you have any questions, please contact City Hall at (305)-809-3721.

THE CITY OF KEY WEST, FLORIDA

APPENDIX B

FORM OF NOTICE TO BE MAILED

City of Key West
P.O. Box 1409
Key West, FL 33040

CITY OF KEY WEST, FLORIDA

NOTICE OF PUBLIC HEARING FOR ADOPTION OF STORMWATER SERVICE ASSESSMENT

NOTICE DATE: AUGUST 13, 2025

Owner Name
Address
Address
City, State Zip

Parcel ID#: _____
Legal Description: _____
Account Number: _____

*******NOTICE TO PROPERTY OWNER*******

Dear City of Key West Property Owner:

The past decades have brought increased awareness of the detrimental environmental impacts associated with stormwater runoff from developed property including degradation of surface waters, land erosion, flooding and collection of standing water on streets and property.

Stormwater service assessments are based upon the estimated amount of stormwater runoff generated by impervious surface on your property. Impervious surfaces include the rooftop, patios, driveways, parking lots and similar areas. The City has determined that the median single-family residence in the Stormwater Service Area includes 1400 square feet of impervious surface, which is the value of one "equivalent stormwater unit" or "ESU Value. For general parcels, such as commercial parcels, the number of ESUs has been calculated individually for each parcel of property by dividing the impervious surface area by 1400 square feet and multiplying by 0.75. Credit for privately maintained stormwater management facilities and other factors affecting the quantity or quality of stormwater runoff has also been calculated, if applicable, resulting in the assignment of ESUs. The annual Stormwater Service Assessment rate for Fiscal Year 2025-26 will be $171.51 for each ESU. The maximum Stormwater Service Assessment rate that can be imposed without further mailed notice for future fiscal years is $271.51 for each ESU. It is estimated that the City will collect $3,769,891,50 from the Stormwater Service Assessments for Fiscal Year 2025-26.

The above referenced parcel has been assigned the following ESUs and assessment amounts:

Number of Net Equivalent Stormwater Units (ESUs): _____

The FY 2025-26 annual stormwater service assessment for the above parcel is $_.

The maximum annual stormwater service assessment that can be imposed without further notice for future fiscal years is $271.51_.

The City Commission will hold a public hearing at 5:00 p.m. on September 3, 2025, in the Commission Chambers located at City Hall, 1300 White Street, Key West, Florida. Comments will be received on the proposed Stormwater Service Assessments, including their collection on the ad valorem tax bill. You are invited to attend and participate in the hearing. If you decide to appeal any decision made by the City Commission with respect to any matter considered at the hearing, you will need a record of the proceedings and may need to ensure that a verbatim record is made, including the testimony and evidence upon which the appeal is to be made. In accordance with the Americans with Disabilities Act, if you need a special accommodation or an interpreter to participate in this proceeding, please

contact the City Clerk at (305) 809 3832 at least 7 days prior to the date of the hearing. Unless proper steps are initiated in a court of competent jurisdiction to secure relief within 20 days from the date of City Commission action at the above hearing (including the method of apportionment, the rate of assessment and the imposition of assessments), such action shall be the final adjudication of the issues presented.

Because the Stormwater Service Assessment will be collected on the annual ad valorem tax bill by the Tax Collector of Monroe County, pursuant to Chapter 197, Florida Statutes, failure to pay the Stormwater Service Assessment will cause a tax certificate to be issued against the assessed property, which may result in a loss of title to your property.

If you have any questions regarding the number of ESUs assigned to your property or the amount of the Stormwater Service Assessment, please contact the Utilities Dept by telephone at (305) 809-3721.

*******THIS IS NOT A BILL*******

MEMORANDUM

Date: July 23, 2025

To: Honorable Mayor and Commissioners

Via: Brian L Barroso,
City Manager

From: Matt Willman,
Utilities Director

Subject: **Authorizing FY2026 Preliminary Stormwater Assessment Resolution in the amount of $171.31 per ESU, for the City's Annual Stormwater Rate User Fee. (file 25-4087)**

Introduction

The preliminary stormwater assessment resolution is necessary for the process of setting a maximum annual stormwater service charge of $171.31 per Equivalent Service Unit (ESU), as a non-ad valorem assessment on the property tax bill.

Background

The City Commission of Key West, Florida, enacted Ordinance No. 13-10, which authorizes the re-imposition of annual Stormwater Service Assessments for Stormwater Management Services, facilities or programs against real residential property specifically benefited by the City's Stormwater Management Services. The user fee is expressed in terms of Equivalent Stormwater Units (ESU). The unit of ESU is based on the average impervious area of developed property.

There are two main components for the process of adopting the rates: adopting a preliminary rate resolution and a final rate resolution or Ordinance. This resolution will adopt a preliminary rate. Due to the increase in costs associated with Stormwater Management the FY26 funding demands are greater than the max rate for future years, thus requiring the need for a preliminary rate resolution.

The preliminary rate resolution authorizes a public hearing to receive and consider comments from the public and consider adoption of the final rate resolution for the stormwater service assessment. The final rate Resolution/Ordinance public hearing will be held on September 3, 2025, at 5:00pm in the City Commission chambers.

The following are examples of the stormwater utility core functions that are supported by the fee:

- Support City of Key West staff administrative operation of the utility.
- Administer existing and seek future grants.
- Fund capital planning and implementation of improvement projects. Such as:
  - Add additional Stormwater Wells.
  - Purchase additional equipment to be utilized in extreme events and other system enhancements.
  - Provide a more aggressive approach to canal maintenance.
- Continued support of operations and maintenance crews through our contract operator, OMI, to ensure:
  - A safe and effective level of service to maintain our stormwater collection system. Crews ensure that storm drains and outfalls are regularly cleaned, and that the City's stormwater pump-assist wells and generators are fully operational.
  - Respond to emergency situations as required.
  - Initiate repairs and select replacement of system infrastructure.
- Repay existing debt service.

The City Commission establishes the Storm Water rates for all parcels each fiscal year through an annual rate resolution. Each year, staff and our financial rate consultant analyze the storm water utility financial data which includes all projected revenue and expenditures for the upcoming year and recommends the rate to be assessed.

Procurement

Per Section 74-387 of the Code of Ordinances, a user fee is charged per ESU. This rate may be adjusted each October 1, by up to 100 percent of the percentage increase in the CPI-(U), the U.S. City Averages (as of June). The CPI for May 2025 was 2.4% thus supporting an increase in the user fee. The city commission shall enact an ordinance amendment to this section in order to increase the ESU in excess of the CPI.

The proposed ESU rate for Fiscal Year 2025-26 is as follows:

	FY 2025 Budget (current)	Proposed FY 2026 Budget	Increase
ESU Rate	$121.31 (per year)	$171.31 (per year)	$50.00/ESU

Projected assessments to be apportioned among benefited parcels for the Fiscal Year commencing October 1, 2025, of $ 3,785,437.07 will held in fund 4020000-3435101. The anticipated increase over FY25 rate is designed to be earmarked for capital improvement projects.

Per the Uniform Assessment Collection Act, notices will be sent August 13, 2025, by mail to Key West property owners who acquired new units or adjustments. These notices inform the property owners of the public hearing to be held at the Sept 3, 2025, City Commission Meeting. The hearing notices the rate payers of the proposed rate and allows for the adoption of the final assessment resolution/Ordinance and approval of the stormwater assessment roll. They also included a maximum rate that could only be

exceeded if approved by the Commission, and if notices were re-sent by mail to all those paying the user fee.

Last year notices were sent out at a maximum rate ($124.97) that cannot be exceeded without new notices being mailed to all parcel owners and commission approval. The maximum rate is expected to be exceeded this year, with notices sent to all affected parcel owners. The rates on this year's notice are:

FY 2025 - $171.31
Maximum Rate for Future Years - $271.31

Recommendation

The City Manager's Office recommends the Mayor and City Commission approve an annual Stormwater rate of $171.31 per ESU.