

# CITY OF MARCO ISLAND

## Office of the City Manager

50 Bald Eagle Drive  
Marco Island, Florida 34145  
239-389-5000



To: City Council  
From: Steven T. Thompson, City Manager  
Date: February 4, 2010

## WEEKLY UPDATE

This Weekly Update is intended to provide timely and regular information for the City Council, and often includes substantive and critical information. City staff works to avoid surprises and to ensure that the City Council is informed on issues and able to respond to citizens. Copies are also provided through the City's website for the community. Items that are marked with an asterisk (\*) are updates from a previous City Council Meeting.

### CITY MANAGER

**Employee Commendation.** The Marriott Hotel is nearing completion of a major overhaul and renovation of its electrical system including conversion of its electrical panels, switch gears, transformers, etc. This has been a very extensive, expensive, and time consuming job that has taken nearly 3 years and several million dollars to complete. Throughout the entire process, Bruce Yakola, Electrical Inspector, has provided invaluable oversight, guidance, and ongoing inspections. The overall conversion has led to significant reductions in risk at the hotel and substantial improvement to the health and safety of its guests. We have received a nice note from the Marriott's project manager summarizing the work completed and recognizing Mr. Yakola for his contributions.

**Advisory Committee Training.** City Council will be hosting a one-day training seminar in June for all board and advisory committee members. The workshop conducted by the Florida League of Cities, "Everything You Ever Wanted to Know About Helping to Make Advisory Boards More Effective," will cover the dos and don'ts of advisory boards and committees, and how to resolve conflicts and build relationships with advisory board members. Participants will learn to channel conflict into constructive cooperation, solve problems, save city dollars, build support and utilize citizen volunteer time productively. Additional details regarding the location and date will follow.

### COMMUNITY DEVELOPMENT DEPARTMENT

**Pilot Parking Program.** City Council and the Planning Board have discussed changes to the present parking restrictions for restaurants and other Island businesses, and in a separate action Council will be considering permanent changes to requirements in February and March. There has been concern expressed by members of Council that the existing regulations are hurting the businesses on the Island, and while City Council has eased this through exemptions on at least one restaurant, the impact on restaurant business remains an open issue.

I believe that City Council supports quick action, and the staff has suggested that we establish a pilot program, applying only during the balance of the active season on Marco Island. I have approved this pilot program to help us gather data on the impact of restaurant parking on existing restaurants and the impact on adjacent properties. This does not preclude final action by City Council on the parking issue, and the results will be provided to Council after April 30<sup>th</sup>. Restaurants will also have to continue to comply with all State and County requirements. (Attachment)

- \* **Composting Toilets Proposed for Tigertail Beach.** City Council and the Planning Board supported the use of composting toilets for the new toilets proposed at Tigertail Beach, and in the attached letter the Collier County Coastal Zone Management Department outlines why this feature will not be included with the improvements at the park. (Attachment)

**Rental Housing Ordinance.** During the meeting of August 3<sup>rd</sup>, 2009, City Council tabled further discussion of the Rental Housing Ordinance until March, 2010. The staff is preparing this continued discussion for the agenda of March 15<sup>th</sup> unless there is direction from Council that the issue has been resolved and does not require further consideration.

## **PARKS AND RECREATION DEPARTMENT**

**Update on Mackle Park Construction.** Construction of Phases A & B at Mackle Park are underway. Canine Cove will remain open during construction. Temporary alternative entrances to the large and small dog play areas will be provided during construction. The construction is scheduled to be completed by April 30, 2010.

The existing asphalt pathway around the lake at Mackle Park will be closed on Friday, February 5, 2010 for construction improvements. It is anticipated that the pathway will be closed for 45 days. The new pathway will be widened from eight feet to twelve feet.

## **PUBLIC WORKS DEPARTMENT**

- \* **Sidewalk on Park Avenue.** During the City Council meeting of February 1<sup>st</sup> City Council received questions about incomplete sections of the City's sidewalk system and a request for a sidewalk along Park Avenue. A little background on this issue may be of assistance, and the staff is working to provide an interim solution on Park Avenue until the vacant lots are developed.

Generally most sidewalks in Marco Island are installed in front of new homes at the expense of the property owner, and the owner has responsibility for sidewalk repairs. Although most of the sidewalk system is continuous, there are areas in which the sidewalk is intermittent, with breaks in front of vacant lots and homes that were built before the sidewalk policy was established.

During the early years of the City, the City installed asphalt sidewalks along stretches with high levels of pedestrian activity, and these sidewalks were then replaced as the properties developed. The City does have a street maintenance program for street overlays and limited sidewalk installations outside of private properties, and the staff

believes that the pedestrian activity along Park Avenue justifies the need for a sidewalk. This stretch along Park Avenue has now been placed in the plans for this year to install either an asphalt or concrete sidewalk between Elckam Circle and Bald Eagle Drive along two vacant lots as an interim solution to this issue.

\* **Estates STRP Costs.** The Estates Septic Tank Replacement Program costs were discussed during Monday's City Council meeting, with a discussion about the maximum cost for the district. When the STRP plan was established the staff prepared an estimate on the cost for each STRP district, with the direction from Council that a true maximum cost per property within each district would be established before the district moved to construction. The initial maximum estimated for the Estates area was \$31,735. Over the next few years City Council approved several policy decisions to reduce the costs for individual property owners, and based on these decisions and the change in construction costs the maximum for this district will be different and hopefully lower than initially estimated. The maximum assessment for the Estates District is scheduled to be established by Ordinance in the fall of 2010. Construction in the Estates District is scheduled to begin in the spring of 2012, and we have attached the anticipated schedule for the remaining STRP districts. (Attachment)

**Summary of the STRP.** The City continues to bring issues related to the city-wide sewer system, usually referred to as the Septic Tank Replacement Program (STRP), forward for Council approval, and a brief review of the program may help to provide perspective on the expenses and decisions related to this project. In 2009 the staff prepared a summary of the issues involved, and this is attached for information and background.

This has been a difficult and complex project, but continues to move forward within the original estimates and guidelines conceived. Please let me know if you do have questions or need additional information on this and related projects. (Attachment)

**Grant Notification.** The City has requested and received conditional approval of a new CDBG-Recovery grant from Collier County in the amount of an additional \$19,618. This is in addition to the normal CDBG sidewalk funds approved previously for the streetlight application currently under consideration. Funds from this new grant will support landscaping along the right of way in the Marco Highlands Subdivision – Marco Lake Drive, 5th Avenue, and 2nd Avenue. A sub-recipient grant agreement is being prepared by Collier County staff for consideration by Council in the near future. Rony Joel and Leslie Sanford contributed significantly to the application effort.

Thank you for your continued leadership of this City, and of course please call me at 389-5001 if you have questions.



Steven T. Thompson, City Manager



# THE CITY OF MARCO ISLAND

50 BALD EAGLE DRIVE  
MARCO ISLAND, FL 34145  
PHONE: 239-389-5000  
FAX: 239-389-4359

## MEMORANDUM

Date: February 4, 2010  
To: Steven T. Thompson, City Manager  
From: Steve Olmsted, Community Development Director  
Re: Pilot Program on Restaurant Parking

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This Island is blessed with a number of great restaurants, and most of these restaurants have been successful because of their quality and their business acumen. I believe that there is some concern Island wide, however, that with the down economy travel may be restricted, and that this may impact our businesses. In keeping with our efforts to identify solutions to the issues that the community faces, I have met with a number of the directors and discussed the development of a pilot program to help us evaluate whether parking restrictions should be temporarily or permanently eased to support business on Marco Island.

We have a great deal of experience from other communities that we have applied to parking regulations, but Marco Island is different, with small lot sizes, seasonal business patterns, and a host of other issues. This City is relatively new and was created under the concept that parking should be limited to minimize the impact on adjacent properties. Now, we are hearing even more frequently that parking should instead be regulated by the market, and by consumer choice.

With all of these issues in front of us, we are proposing that the City immediately (and in anticipation of further study) develop a pilot program to assist restaurants and other businesses with this issue. Under this pilot program, we are proposing that restaurants be allowed to add tables and chairs to the extent that they would like to do so, without extensive regulation by the City during the trial period. The assumption is that increased seating will primarily include outside seating, and any increase in indoor seating will require compliance with occupancy and fire limits. We suggest the following guidelines:

- This is suggested as a pilot program for the remainder of this season, effective Friday, February 5, 2010 through April 30, 2010. The demand seems to exist only during the City's busy season. In order to allow for

effective evaluation of the program, and unless Council objects or adopts new permanent standards, we recommend that the program be repeated next year between December 15 and April 30.

- We will require a permit, but will not charge a fee. In addition, we will have same-day turn around on permit requests unless there are specific issues that create problems for this use.
- Fire lanes and emergency accesses cannot be blocked with this program.
- The primary evaluation on this issue will be whether this creates an undue hardship on adjacent properties.
- During this trial program, and for these uses during season only, we suggest that an impact fee for the utilities impact will not be necessary, but any business retaining seats after the close of the pilot program will need to pay impact fees based on this expanded use, as required under the City ordinances.

We are prepared to move forward with this immediately, and any restaurant seeking the ability to add seating beyond that currently permitted should contact the Community Development Department.

I believe that this does continue our emphasis to provide creative solutions to the issues facing this community, and we always look forward to supporting the businesses, residents, and visitors to our Island.

Sincerely,

A handwritten signature in black ink that reads "Steve Olmsted". The signature is written in a cursive, flowing style.

Steve Olmsted  
Community Development Director



**Collier County**  
Public Services Division  
Coastal Zone Management

January 28, 2010

City of Marco Island  
50 Bald Eagle Dr.  
Marco Island, Fl. 34145  
Community Development Department  
Attn: Steve Olmsted, Director

Re: Tigertail Beach (Compost Toilet)

Dear Steve,

On behalf of the Coastal Zone Management Department, please allow me this opportunity to express our sincere gratitude and appreciation to you and staff for the professional cooperation and assistance that you have provided us during the Tigertail Beach Restroom & Dune walkover variance process.

In consideration of installing "compost toilet units" as an alternative approach to the conventional method of construction for the restroom, we have thoroughly evaluated this consideration and we oppose this method on the basis of the following reasons:

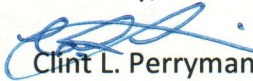
- Since the compost tank is typically buried it will be installed below the flood plain, and considering the water levels the buried tank will rise above grade due to static pressure and subsequently can potentially cause an unsightly condition, compared to the proposed conventional pump station system.
- The compost units are NOT fireproof or flood proof.
- Pre-existing high groundwater table will cause the structure to be buoyant creating unstable conditions for future liabilities.
- Potential pollution risk during flooding conditions.
- Maintenance cost – required system evacuation twice daily or more during high peak use periods (summer, weekend, and holidays).

CONTINUED....



In closing, unfortunately due to the existing site grade levels the consideration of installing "compost toilet units" is not a viable option. We are limited to providing the general public with a restroom structure that is much more reliable and suitable for the prevailing elements. If you have any questions regarding the above please feel free to contact me at your convenience. I remain,

Sincerely,



Clint L. Perryman, CGC, PMP  
Project Manager

cc: J. Gary McAlpin, P.E., Director, Coastal Zone Management Department



# Estimated Schedule of STRP Events

## Year 6: Copperfield and Goldenrod

**Spring 2011** – Open House meeting to discuss the construction plans, staging areas and the financial processes.

**April - December 2011** Construction, traffic, paving notices will be sent to residents as needed.

**January 2012** Notice of Sewer Availability sent to residents within the completed construction areas. The letter also will offer the use of the City contractor to connect to the new system.

**May 2012** Final Assessment Costs should be known for the district and letters with payment options will be mailed with specific deadline for a choice.

**June 2012** All connections with City Contractor should be completed.

**August 2012** Deadline for decision on assessment payment options.

**August 2012** Tax Collector adds assessment on annual tax assessment

## Year Seven: Estates

**Fall 2010** – Establish the districts by Ordinances with two public meetings.

**Spring 2012** – Open House meeting to discuss the construction plans, staging areas and the financial processes.

**April - December 2012**-Construction, traffic, paving notices will be sent to residents as needed.

**January 2013**-Notice of Sewer Availability sent to residents within the completed construction areas. The letter also will offer the use of the City contractor to connect to the new system.

**May 2013**-Final Assessment Costs should be known for the district and letters with payment options will be mailed with specific deadline for a choice.

**June 2013**-All connections with City Contractor should be completed.

**August 2013**-Deadline for decision on assessment payment options.

**August 2013**-Tax Collector adds assessment on annual tax assessment.



# Estimated Schedule of STRP Events

## Year Four: Kendall and Mackle Park

<b>April - December 2009</b> Construction, traffic, paving notices will be sent to residents as needed.
<b>January 2010-</b> Notice of Sewer Availability sent to residents within the completed construction areas. The letter also will offer the use of the City contractor to connect to the new system.
<b>May 2010-</b> Final Assessment Costs should be known for the district and letters with payment options will be mailed with specific deadline for a choice.
<b>June 2010-</b> All connections with City Contractor should be completed.
<b>August 2010-</b> Deadline for decision on assessment payment options.
<b>August 2010-</b> Tax Collector adds assessment on annual tax assessment

## Year Five: Gulfport, East Winterberry North and South

<b>Spring 2010</b> – Open House meeting to discuss the construction plans, staging areas and the financial processes.
<b>April - December 2010</b> Construction, traffic, paving notices will be sent to residents as needed.
<b>January 2011</b> Notice of Sewer Availability sent to residents within the completed construction areas. The letter also will offer the use of the City contractor to connect to the new system.
<b>May 2011</b> Final Assessment Costs should be known for the district and letters with payment options will be mailed with specific deadline for a choice.
<b>June 2011</b> All connections with City Contractor should be completed.
<b>August 2011</b> Deadline for decision on assessment payment options.
<b>August 2011</b> Tax Collector adds assessment on annual tax assessment

*Keep updated by visiting the City's website at [www.cityofmarcoisland.com](http://www.cityofmarcoisland.com)*



*City of Marco Island Florida*  
50 Bald Eagle Drive  
Marco Island, FL 34145  
Phone: 239.389.5000 ♦ Fax: 239.389.4359

## MEMORANDUM

DATE: August 14, 2009

TO: Steven T. Thompson, City Manager

FROM: A.R. Joel, P.E., DEE, Public Works Director

RE: Utility Project Status

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In 2005 City Council directed staff to undertake the construction of a central sewer system to serve 5,653 properties that are currently vacant or on septic tanks. Over the past few years the Septic Tank Replacement Program (STRP) has continued to move forward based on this direction and on a number of decisions to implement the program. Many of the members of the City Council and staff were not present in the early development of the program, and this memorandum is intended to bring these decisions together under a single program description and update.

The current Utility construction activity falls into the following categories:

1. STRP neighborhood construction
  2. WWTP/Reuse Plant capacity increase and upgrade
  3. Potable Water production
  4. Maintenance of the water, wastewater and reuse water collection and distribution infrastructure.
- 
1. STRP neighborhood construction.

Background: Neighborhood construction includes the actual lines and facilities within each district and the cost to rebuild the streets at the completion of the program. The STRP construction schedule calls for the Island's 5,653 properties to be divided into a total of 17 sewer districts, and construction of the districts over a 7 year period.

Funding: The majority of the cost of the neighborhood program is being paid for through assessments levied on properties receiving central sewer. To help reduce costs to new STRP customers Council chose to pay the cost of pavement reconstruction through an increase to the rate base, also referred to as the city-wide customer base. This increase was phased over 3 years and is currently at 6% with a sunset provision when the cost is recovered. At this time the street reconstruction fund, or overlay, is underfunded and will require continuation for an additional 2-3 years.

Status: We are currently constructing the districts scheduled for Year 4 of the program. Lift stations for all future districts are presently under construction, under a project initiated last year. Approximately 70% of the original properties without sewer availability will be on sewer at the end of 2009.

## 2. WWTP/Reuse Plant capacity increase and upgrade.

Background: In 2005 City Council adopted a Wastewater treatment plant capacity plan to increase capacity and upgrade technology for the 3.5 million gallon per day (MGD) wastewater treatment plant. The capacity increase was a result on the decision to eliminate septic tanks and install a central sewer system.

In addition, the existing wastewater treatment plant has required upgrades unrelated to the expenses of the STRP. The assessment for each property within the STRP districts covers the costs for the STRP-related expenses, and City Council determined that new customers should not bear costs for upgrading the existing plant. City Council added an 8% surcharge to city-wide rates for the costs of the upgrade unrelated to the STRP for a total of 15 years.

Funding: The cost estimate, in 2005, for the capacity increase and upgrade was approximately \$ 62.7 million, and the plan has remained consistently to fund the increase in capacity through the assessments on STRP properties, and to fund the renovations and technology upgrade to the existing plant through an increase to the rate base – the city-wide customer base. The changes required as a result of capacity vs. upgrade was divided accordingly:

Rate base:	Upgrade – \$ 26.9 million	43% of the total cost.
Assessment base:	Capacity – \$ 35.8 million	57% of the total cost.

To help reduce the capacity impact fee cost to each property, an aggressive effort was placed to acquire grants. A total of \$7.5 million in grants have been committed to by SFWMD. We have received \$7 million through FY10. These grants have been applied against the assessments to STRP properties, and reduced the costs needed from assessments:

Rate base:	Upgrade – \$ 26.9 million	43%
Assessment base:	Capacity – \$ 28.3 million	45%

At the time of the 2003 acquisition of the water and sewer utilities from Florida Water, City Council made a decision to maintain the rate structure from Florida Water for a minimum of five years, with only COLA adjustments to rates. The original rate study performed in 2003, and updated in 2006, clearly shows the need for rate base increases to fund essential capital projects. The City issued \$5.5 million in bonds for infrastructure upgrades in 2006 and financed debt service on those bonds through the existing rate base, without an increase. In 2008, the City issued an additional \$7.5 million in bonds for utility upgrades. Debt service costs on the 2008 bonds were deferred to Fiscal Year 2010 and are part of the need for the 2010 rate base increases.

To allow the construction to continue without a rate increase other than COLA for a 5 year period, funding on the wastewater treatment plant has primarily been taken from assessments collected within STRP districts, allowing the City to delay issuance of rate-based bonds.

Status: Prior to Council direction to initiate the STRP and plant upgrade and capacity increase, the wastewater plant was rated at 3.5 MGD. To achieve 5 MGD in the most cost effective manner, the 3.5 MGD plant was first modified to a new technology 3 MGD plant. The new technology allowed the plant expansion to occur at the current site, with demolition of the 6.7 MGD water plant and expansion of the new wastewater plant on the

water plant site. The consultants reviewing this issue concluded that with an upgrade in technology the City was able to avoid an additional \$40 million dollars in costs.

The plant construction schedule has been to complete construction of the plant capacity increase to achieve the desired 5 MGD in 2011. Phase 2 of the plant expansion is currently under construction. Phase 3, scheduled for late 2009 start, incorporates odor control, biosolid dewatering, electrical power supply/control, wastewater equalization, emergency generator fuel system, laboratory and reuse production control structure, a collection-distribution warehouse and operations building, injection pumps upgrade and other minor plant work. Phase 4 is to address the overall site storm water drainage to meet the City's regulatory permit requirement, grit removal, site pavement, and repair of the site seawall.

Based on the original approach to first create a 3 MGD MBR plant (phase 1), then a 2 MGD MBR capacity upgrade (phase 2) and then construct all the support facilities for Phase 1 and 2 systems under phase 3 and 4, the phase 3 and 4 components are required now irrespective if the STRP program is delayed, accelerated or stopped.

Phase 1 and 2 construction cost was approximately \$37 million and an additional \$25 million are required to complete phase 3 and 4.

Stopping the STRP at this time requires a plant with 4.5 MGD capacity. There is minor if any cost savings that can be achieved at this time with the reduction from 5 MGD to 4.5 MGD plant construction. Stopping the STRP program at this point in the process will eliminate the approximate 1800 properties computed into the system's revenue projections. If constructed to completion, those 1800 properties will generate rate base sewer fee revenues of approximately \$1 million annually, representing 4% of the entire water and sewer rate base. Without those revenues, rates for all customers would need to increase by an additional 4% on both water and sewer service.

Accelerating the STRP will require that certain process components are completed earlier than originally scheduled. This will be presented to the new Utility advisory committee. Certain life safety components of phase 3 are ready to be initiated now. Of the \$25 million phase 3 and 4 work, \$6 million must be initiated at this time and should not be delayed until January 2010 when the advisory committee reports to Council their recommendations.

### 3. Potable water production.

The City purchased the section of the Florida Water System serving Marco Island in 2003, and in 2005 City Council adopted a water system 5 year CIP that included funding only for maintenance of the current system, with very limited new additions to include the North plant water storage tank and an additional ASR well. Funding for these projects was anticipated to come from the low-interest Florida SRF loan program. The current 5 year CIP (FY10-14) continues this limited expansion policy, and includes limited new projects to be funded by a future bond issue (FY11). The current FY10-FY14 rate structure does not incorporate debt service funding for these improvements though the rate base, and minor funding for maintenance of the water system. The major current plant project is the addition of a new South water tank in 2011.

The current water plant capacity is 12.6 MGD and peak demand has exceeded 13 MGD. The current plan is to look at a 2-3 MGD addition in 2015. The planned South water tank will help the system to meet the demands exceeding production capacity. The lack of this additional tank, water supply pipe size and locations of fire hydrants creates a challenge to meet our residential and fire flow requirements.

Funding: Paying for the new water tank, pipe capacity increase and fire hydrants are not in the current bond issue. The tank project has been rescheduled for FY11 and 12 to avoid another bond issue in 2010.

Status: The current water plant capacity is 12.6 MGD and peak demand has exceeded 13 MGD. The current plan is to look at a 2-3 MGD addition in 2015. The planned South water tank will help the system to meet the demands exceeding production capacity, and together with changes in locations of fire hydrants will correct low pressure problems creating both an inconvenience and potential fire flow problems for customers.

4. Maintenance of the water, wastewater and reuse water collection and distribution infrastructure.

The current 5 year CIP has only funds to maintain the current system and some funds for equipment to improve efforts to maintain the old collection systems. One important project that will require funding is the repair of existing sewer pipes. This project was approved by Council, but a new funding source needs to be identified. Completing this \$800,000 project will have a significant positive impact on reducing groundwater infiltration to the wastewater treatment plant. This project will be reviewed by the Utility committee.