CITY MANAGER

Meeting Date: November 18, 2025

To: Honorable Mayor & Council Members

From: George Garrett, City Manager

Subject: Establishment of Legislative Priorities for the 2025-2026 Legislative Session and the 1st Session of the 119th Congress

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The City of Marathon retains four lobbying firms, three that manage state issues and one that provides service on federal issues and requests.

At the state level, Ballard Partners, Ron L. Book, P.A, and Southern Group work principally on legislative issues for the City as noted amongst the issues listed below. These firms rank among the top six in Florida. They may also work on special legislative issues, special project appropriations through the Legislature, or with setting up specific meetings with state agencies and/or Legislators. They have and will continue to serve the City well. Florida Keys Day will be held the first part of 2025 with a welcome event the evening before. We need to determine whether Council wants to participate. The City typically also meets with agency and key Legislative members on relevant issues for the session.

At the federal level the City has retained the firm of Robertson, Monagle, & Eastaugh for the City's federal activities. The greatest extent of the firm's responsibility revolves around the appropriation of funds through the Florida Keys Water Quality Improvement Act (FKWQIP) of 1998. The original Authorization from Congress provided for the ultimate appropriation of up to $100 million dollars. To date approximately $90 million dollars have been appropriated. Within the next couple of years, we will have exhausted this source of revenue as originally authorized. However, three legislative years ago, the terms of FKWQIP were extended and expanded for up to $200 million. Allowed uses will now include canal restoration.

The funds are routinely split among the City, the Key Largo Wastewater Treatment District, and Islamorada. With the extension of FKWQIP, the County will likely want to become a partner in the appropriation process. In addition, Key West, Key Colony Beach, and Layton were originally a part of the FKWQIP partnership, but utilized their more limited portion of the original partnership agreement in the early 2000s.

There is an interesting history as to why Key Largo is a part of FKWQIP and not the County (story reserved for another day). That said, they will want to be included in any future modification of the Memorandum of Understanding that guides the split of FKWQIP funds. As we look to the future, the MOU will likely include eight (8) partners, Key Largo Wastewater, Florida Keys Aqueduct Authority, Monroe County, Islamorada, Layton, Key Colony Beach, Marathon, and Key West.

Our federal lobbyist also keeps an eye out for grant and funding opportunities that fit the needs of the City.

STATE INITIATIVES

State Legislative priorities are as follows:

- No “No Ad Valorem” tax bills
- No change in the tourism related use of TDC tax dollars
- BPAS & Hurricane Evacuation
  - SB180 -revision to allow multiple workforce housing units on one property at no greater density than currently allowed in the Land Development Regulations
  - Attempt to separate ourselves from the SB 180 legal action (900 BPAS/ROGO units)
- Workforce Housing
  - Consideration of Options or impediments for the City under the Live Local Act
- Insurance Protections (Windstorm & Flood)
  - Depopulation of accounts
- Vacation Rental legislation preempting local authority
  - Potential Carve-out for ACSC
- The Florida Keys Stewardship Act
  - Assurance of Appropriations this year (Past two years have yielded $20 M)
  - Land Acquisition Trust Fund (LATF)
  - Return to a process driven by an ILA (or MOU) between Keys’ jurisdictions
- Water Quality
  - Deep Well Development
  - Potable Water Reuse Options
  - Special appropriations for Deep Well project – Application +/- 18M
- Marine Protection
  - Liveaboards
    - Further restriction of long term liveaboards
  - Mooring options
- Track Open-Carry Legislative changes if any
- Sea Level Rise \ Sustainability Initiatives \ Resiliency
- Homelessness
- General preemption issues

- FDOC
  - DOC MOU revision
  - Takings Cases
  - Get FDOC to allow us to use units that exist between current evacuation time and 24 hours (or 24.5)
  - Attempt to separate ourselves from the SB 180 legal action (900 BPAS/ROGO units)

- FDEM
  - FEMA

FROC

No "No Ad Valorem" tax bills

There were efforts in the past Session to eliminate ad valorem (property taxes). They are shaping up again this year.

The City opposes any direct or indirect (constitutional referendum) efforts to eliminate or significantly modify the City's ability to generate ad valorem tax revenue.

No change in the use of TDC tax dollars

There were efforts in the past Session to eliminate or significantly modify the legal uses for TDC tax dollars potentially to offset the modification or elimination of ad valorem tax revenues They may be shaping up again this year.

The City opposes any efforts to significantly modify the current legal uses for TDC dollars as returned to the County for use in advertising and capital projects..

BPAS & Hurricane Evacuation

SB180 resolved the majority of the City of Marathon's concerns about the necessity of obtaining additional BPAS allocation. The Bill effectively provides 900 additional BPAS (ROGO) allocations whose allocation and development cannot exceed a 24.5 hurricane evacuation window. The Bill requires that the state run the evacuation model again to determine precisely (within the scope of the model) where we stand with theoretical and projected evacuation times at this juncture. Allocations may then be awarded through the Governor and Cabinet based on the proportionate number of vacant lots within each jurisdiction. The Bill also limits the allocation of units to one unit per lot.

This Session we need to work to extract ourselves from the constraints of the current lawsuits surrounding SB 180. We need to get the state to run the hurricane evacuation model and we need to modify the provisions of SB 180 to allow more than one unit per property for workforce affordable housing.

Workforce Housing

The City will continue to seek creative solutions to assist in the provision of additional workforce housing. We will support efforts to provide funding this year for Florida Housing Finance funding. In addition, the City will support any additional efforts by the County to modify TDC funding options to allow TDC capital infrastructure dollars to be dedicated to the development of workforce housing. The County was quite successful in their efforts last year.

Insurance Protections

The City will be working with its lobbyists and FIRM (Fair Insurance Rates in Monroe) to protect insured property owners in Monroe County from unwarranted insurance rate increases through Citizens and other insurers for wind and flood policies.

Vacation Rentals

As in the past, the City must maintain home rule on this issue. At a minimum, we must maintain a simple status quo on the exemption that we currently hold as an Area of Critical State Concern with adoption of our grandfathered Ordinance in 2011. In the 2024-2025 Legislative Session, efforts to further limit local jurisdiction were not strong and therefore not successful. We will work to permanently restore local jurisdiction.

Florida Keys Stewardship Act

The City will continue to support initiatives through the Stewardship Act to fund water quality improvements (wastewater and stormwater), land acquisition, and nearshore water improvements, such as canal restoration. We will support the County's efforts to make Stewardship a recurring revenue source through the Land Acquisition Trust Fund assuming that they make that request again this year. In the 2024-2025 Session, we were collectively able to secure $20M for the Keys. In the current year, the Keys were required to submit grant applications through a Stewardship specific grant portal provided by FDEP in a more competitive process. The appropriation language provided that the funding would be distributed through an existing Interlocal Agreement (ILA). There were differences of opinion as whether there is an existing ILA or whether it had already lapsed. We ultimately deferred to the "portal" side and submitted one grant applications for the deep well toward receiving a portion of the available 2025 funding.

The City will continue working with its lobbyists and the other Keys' jurisdictions to return the funding mechanism to one driven by an Interlocal Agreement between the jurisdictions for the fair split of appropriated funds. As in past years, we will be seeking $20M for wastewater/stormwater and $5M for land acquisition.

Water Quality Initiatives / Wastewater

The City is seeking partnerships to provide advanced wastewater treated effluent for potable water reuse. The City is committed by agreement in federal court to develop a Class 1 deep well for disposal of its treated effluent. Ultimately, the City would rather provide that effluent as a source, through reverse osmosis, of potable water.

The City continues in the more traditional effort to collect and deliver all of the City's advance wastewater treated effluent to the Area 6 wastewater treatment plant located at Avenue I on Coco Plum where it will be disposed of down a ~ 3,500 Class I well. Through Stewardship appropriation last Session, the City has requested a $17 M grant to assist in the completion of the deep well project. We will be working to support the Stewardship Act appropriations again this year. In addition, we will be seeking a specific capital appropriation for the deep well project.

Special appropriations for Deep Well project – Application +/- 18M

As noted immediately above, the City is under construction already with the deep well project. It is an estimated $43 M effort. We have already a funding stream to include Stewardship appropriations, State Revolving Loan Fund (SRF) loans, and bank loans. We have a roughly $18 M gap short fall in funding, some of which may ultimately be filled in with additional assessments.

That said, the city will be seeking a capital appropriation this year to assist in the grant funding of this project. The precise request and dollar amount should be complete this week (November 7, 2025).

Sea Level Rise \ Sustainability Initiatives

State and local initiatives were approved several years ago to provide funding for issues associated with sea level rise. The City will continue to support these initiatives with an eye towards developing planning and engineering level documents that may be utilized to initiate infrastructure improvement projects aimed at hardening, elevating, and extending our ability to utilize infrastructure subject to sea level rise.

Private Property Rights / Compensation

Should the initiative come up this year, the City should continue to support efforts to garner a partnership legislatively with the state toward funding takings responsibilities as they arise. This initiative failed in the past two years.

Homelessness

Recent decisions before the U.S. Supreme Court and legislative actions taken by the Florida Legislature make consideration of homelessness issues paramount in considerations for the City. We will be working with the City's lobbyists, the legislature (as needed), and local and state agencies to better understand the ramifications and implications of decisions and adjustments in law on the subject.

With limited flexibility on the City's position, we would oppose legislation which creates local preemptions in the City's authority to govern.

Florida Department of Commerce (FDOC)

The City will want to meet with the Department of Commerce on a number of subjects including:

-DOC MOU revision

-Work with FDOC to run the hurricane evacuation model again in support of SB180

-Work with FDOC to allow us to use units that exist between current evacuation time and 24 hours (or 24.5)

--Attempt to separate ourselves from the SB 180 legal action (900 BPAS/ROGO units)

-Takings Cases

Florida Department of Emergency Management (FDEM)

We will seek meeting with FDEM concerning the state and local relationship with FEMA as modifications occur in the federal provision of services through FEMA.

The City is fully qualified for the FROC program, but would like to speak with FDEM in more detail about how it will actually roll out in an emergency declaration.

General preemption issues

The City would in general oppose any legislation which would curtail, limit or eliminate the our authority to govern our City.

Additional Objectives

- Continue to fight for Home Rule opposing initiatives that would propose the contrary

- Continue to support funding efforts to develop work force housing and housing for essential personnel.
- Continue to support Everglades Restoration

FEDERAL INITITIATIVES

On the federal side, our primary focus will continue to be acquisition of funds through the Florida Keys Water Quality Improvement Program (FKWQIP). Our lobbyist, Rick Marks points out that we continue to have an excellent lobbying team in D.C. Additionally, funding for these programs has been lucrative in the past several years with this team in place. Last year, with a change in administrations, the Keys received no FKWQIP funding. We have asked again this year.

Staff will also be working with Rick to obtain maximal funding through the Infrastructure Bill that was recently made available by Congress. Focused on coastal sustainability efforts, those funds are becoming available for major infrastructure improvements. Through this and other sources, including FKWQIP, the City will be working to grant fund our construction of the required deep well.

We will continue to monitor federal initiatives/regulatory/policy reforms that may impact the City (e.g. NFIP, FEMA, FL Keys National Marine Sanctuary, etc.). These are entities that either support our Keys environment or that may provide essential assistance after storm events.

Finally, City staff will be working with Rick to support additional funding for the National Marine Sanctuary program and the Florida Keys National Marine Sanctuary (FKNMS) in light of current issues involving significant coral loss.