



**PFM Proposed Approach and Fees: Brevard County, FL
Municipal Incorporation Feasibility Study for Merritt Island**

Project Scope:

The objective of this engagement would be to develop a municipal incorporation feasibility study for the unincorporated area of Merritt Island located within Brevard County, Florida. The study would be conducted in accordance with and structured to satisfy the requirements of Chapter 165, Florida Statutes. Titled Formation of Local Governments, specifically:

A. Feasibility Study

1. Location of the proposed incorporation area and a map of the area that identifies the proposed change [F.S. § 165.041(1)(b)1.].
2. Consultation with the County and/or identified stakeholders to develop proposed boundaries to the proposed incorporation area and to identify the major reasons for proposing boundary change [F.S. § 165.041(1)(b)2.].
3. Identifying key characteristics of Merritt Island [F.S. § 165.041(1)(b)3.
 - a. List of current land use designations under the COUNTY'S Comprehensive Plan [F.S. § 165.041(1)(b)3.a.]
 - b. List of current zoning designations under the COUNTY'S land development regulations [F.S. § 165.041(1)(b)3.b.].
 - c. General statement of present land use characteristics of the proposed incorporation area [F.S. § 165.041(1)(b)3.c.].
 - d. Description of proposed development, if any, and a statement of when actual development is expected to begin if known [F.S. § 165.041(1)(b)3.d.].
 - e. List of all public agencies falling within the boundaries of the proposed incorporation area [F.S. § 165.041(1)(b)4.].
 - f. List of current services being provided within the proposed incorporation area [F.S. § 165.041(1)(b)5.].



- g. List of proposed services to be provided within the proposed incorporation area, and the estimated cost of such proposed services [F.S. § 165.041(1)b.6.].

For the above analysis, PFM will interview County staff and identified stakeholders, review relevant public documents, and use GIS technology where beneficial.

B. Fiscal and Operational Plan, including, but not limited to:

- 1. Existing revenue sources [F.S. § 165.041(1)(b)8.a.], including, but not limited to:
 - a. Ad Valorem Taxable Value
 - b. Non-Ad Valorem Taxes
 - c. Public Service Taxes
 - d. State Shared Revenues
 - e. Franchise Fees or Taxes
 - f. Intergovernmental Revenues
 - g. License and Permit Fees
 - h. User Fees (Charges for Services)
 - i. Fines and Forfeitures
 - j. Interest Income
 - k. Miscellaneous Income
 - l. Debt Issuance Proceeds
- 2. A five-year operational plan that, at a minimum, includes proposed staffing, building acquisition and construction, debt issuance, and budgets.
- 3. Expenditures, including, but not limited to:
 - a. Any Exclusions from Operational Budgets including but not limited to Solid Waste and Water/Wastewater Services
 - b. Contracted Services
 - c. Personnel Expenditures
 - d. Operating Expenditures
 - e. Capital Outlays
 - f. Debt Issuance Costs

PFM maintains a long-range financial planning budget model that can be customized to address the above factors over the period identified by statute. Inputs will be drawn



from interviews with County operational managers/analysts, stakeholders in the process, and targeted benchmarking of comparable Florida municipalities. All key assumptions will be reviewed with the County and/or identified stakeholders, and will be documented in the study's final report.

C. Data and Analysis to Support that Incorporation is Necessary and Financially Feasible [F.S. § 165.041(1)(b)9.].

D. Evaluation of Available Alternatives to Address Policy Concerns [F.S. 165.041(1)(b)10.].

PFM will consult with the County and/or identified stakeholders to determine potential alternatives to address policy concerns, and will document the associated findings.

E. Evidence that the Proposed Municipality Meets the Requirements for Incorporation under F.S. § 165.061.

F. Financial and Service Impacts to Brevard County Government if Merritt Island were to incorporate:

1. Levels of Service
2. Staffing
3. Revenues
4. Expenditures
5. County Operated Structures located in the proposed incorporation area (e.g. Fire Rescue)

Given the compressed timeline for completion of the study (see below), PFM anticipates a high level of coordination with and cooperation from County management and any other identified stakeholders to compile relevant data and to participate in interviews regarding operational requirements and other considerations.

Deliverable(s): The study will take the form of a narrative, written report, inclusive of data tables, maps, and other supporting analysis. PFM will also be available to present findings at up to two (2) on site meetings and/or hearings.

Timeline: If authorized to proceed in March 2023, the study would be completed for review by July 28, 2023.



Proposed Project Team

This project would be led by the Economics Consulting practice of PFM Group Consulting LLC, in collaboration with the affiliated PFM Financial Advisors LLC for certain analysis. Core members of the project team are identified below, and additional support would be anticipated from one or more senior analysts or analysts from the PFM team, most with masters' degrees in related disciplines such as public administration and city and regional planning, as well as from the group's GIS Specialist and various subject matter experts on land use and municipal finance and budgeting.

- Stan Geberer, Senior Managing Consultant, PFM Group Consulting LLC will lead the general feasibility review and revenue analysis. Stan has been a senior member of the PFM Economics Consulting team since 2019, and served with the practice's predecessor firm, Florida-based Fishkind and Associates, Inc. from 1988 through the firm's acquisition by and integration into the PFM platform four years ago. Over more than four decades at PFM and Fishkind & Associates, Stan has worked with local governments across to evaluate market conditions, demographic trends, and commercial and residential real-estate development, as well as on special projects such as comprehensive land use plan analysis, community redevelopment, strategic planning for businesses and economic development agencies, and environmental economics. Early in his career, Stan served as Research Director for the Broward Economic Development Board, and he earned his B.A. in Economics from Union College.
- Michael Nadol is President of PFM Group Consulting LLC, specializing in public sector financial sustainability. He joined the firm in 2000 and will oversee the project managers assigned to expenditure analysis, as well as the evaluation of financial and service impacts on Brevard County. Nationally, Mr. Nadol has played a lead role in long-range financial planning, for cities, counties, states, and federal agencies. Prior to joining PFM in 2000, Mike served the City and County of Philadelphia, PA as Director of Finance, and he has taught on the adjunct faculty of the University of Pennsylvania's Master of Public Administration program and served for two terms as an appointed adviser to the Government Finance Officers Association (GFOA) Committee on Governmental Budgeting and Fiscal Policy. Mike holds a B.A. in Political Science from Yale University and an M.P.A. from the University of Pennsylvania.
- Kevin Plenzler, Senior Managing Consultant, PFM Financial Advisors LLC, has Kevin has nearly 20 years of experience in economic and real estate consulting, including economic impact analysis, highest and best use land use analysis, and



detailed pro forma analysis associated with real estate transactions. Based in Florida, Kevin has been a senior member of the PFM Economics Consulting team since 2019, joining from the practice's predecessor firm, Fishkind and Associates, Inc. where he worked from 2004 until the firm's acquisition by and integration into the PFM platform. Kevin holds a B.S. in Environmental Engineering Technology from the University of Dayton and an MBA from the University of Florida Warrington College of Business. He is registered as a Municipal Advisor Representative (Series 50).

- Jay Glover, Managing Director, PFM Financial Advisors LLC, will evaluate any debt-related considerations. Jay has more than 20 years of experience providing financial advisory services to cities, counties, school districts and special authorities throughout the southeast. Based in Orlando, Jay has served as project manager on over 500 transactions with a total par amount of over \$15 billion. He is a registered Municipal Advisor Representative (Series 50).

Fee Estimate:

PFM Proposes to conduct the Municipal Incorporation Feasibility Study for Merritt Island on a fixed fee basis, inclusive of all expenses, for a total amount of \$112,500.