

Progressive Vacation Rental Fee Proposal

Feasibility & Impact Analysis

Legal Feasibility Framework

The City of Marathon has the legal authority to restructure vacation rental fees under Section 8-12(c)(4) of the Code of Ordinances, which explicitly allows the City Council to amend the fee schedule by resolution.

To ensure legal compliance and fairness, the following principles must be met:

1. Criteria are Objective & Uniform – The structure must apply to all vacation rentals in the same manner, with no arbitrary distinctions. Using property attributes such as square footage and water access ensures measurable, non-subjective factors.
2. Tie Fees to Administrative or Regulatory Costs – Florida case law supports fee structures that relate to the cost of regulating the activity. Larger or waterfront properties can be shown to have higher occupancy, greater infrastructure impact, and more complex inspections. They have greater costs to our infrastructure and therefore should pay more in fees to sustain our infrastructure.
3. Avoid 'Punitive' Framing – Fees should be proportional cost recovery, not penalties. The official rationale should be tied to scale of use and service demand.
4. Process for Adoption – Staff prepares a cost-impact analysis and Council amends the schedule by resolution with an attached Exhibit A showing the revised structure.

Revised Exhibit A – Neutral Revenue Model

Property Type	Square Footage	Proposed Annual Fee	% Change from Current Avg	Estimated Properties	Estimated Revenue
Dry Lot	≤ 1,000 sq ft	\$750	-25%	150	\$112,500
Dry Lot	1,001–2,500	\$1,000	+0%	300	\$300,000
Dry Lot	> 2,500	\$1,500	+50%	75	\$112,500
Wet Lot	≤ 1,000 sq ft	\$1,000	+0%	50	\$50,000
Wet Lot	1,001–2,500	\$1,500	+50%	200	\$300,000
Wet Lot	> 2,500	\$2,250	+125%	70	\$157,500
TOTAL				845	\$1,032,500

♦ This table keeps revenue the same as 2024

Revised Exhibit A – Progressive Revenue Model (+15% Revenue)

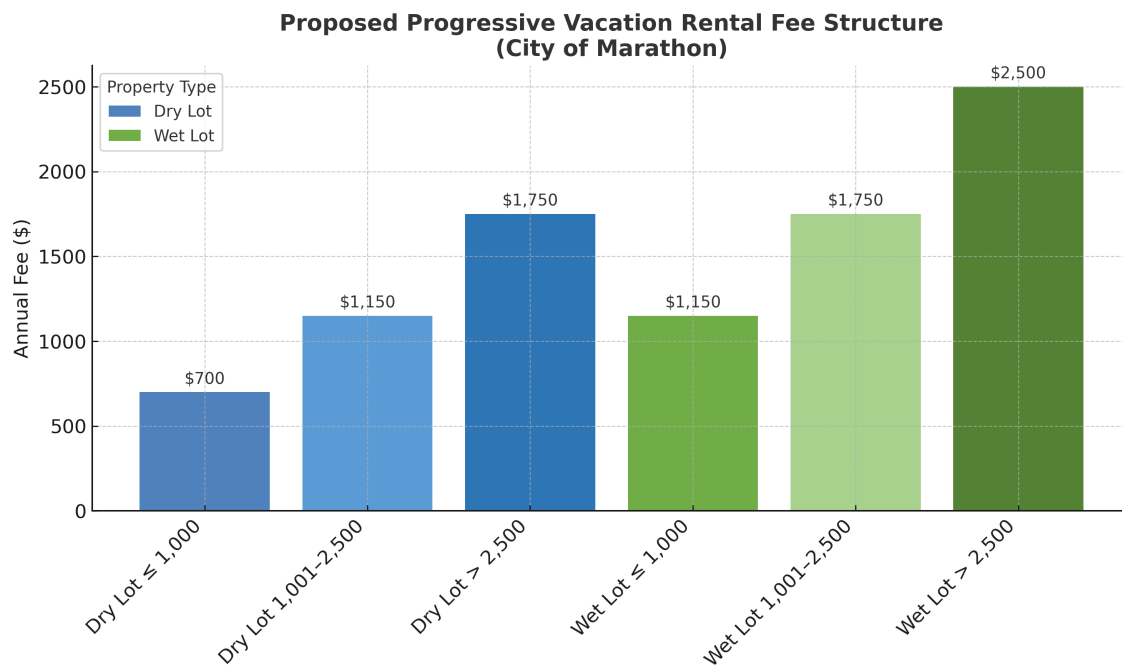
Property Type	Square Footage	Proposed Annual Fee	% Change from Current Avg	Estimated Properties	Estimated Revenue
Dry Lot	≤ 1,000 sq ft	\$700	-30%	150	\$105,000
Dry Lot	1,001–2,500	\$1,150	+15%	300	\$345,000
Dry Lot	> 2,500	\$1,750	+75%	75	\$131,250
Wet Lot	≤ 1,000 sq ft	\$1,150	+15%	50	\$57,500
Wet Lot	1,001–2,500	\$1,750	+75%	200	\$350,000
Wet Lot	> 2,500	\$2,500	+150%	70	\$175,000
TOTAL				845	\$1,163,750

◆ This table increases City revenue over 2024 collected by 15%

Revenue can be increased by increasing fees proportionally and within the required legal framework. This is best for the locals, with the revenue increase going towards seed fund for workforce housing down-payment assistance, or canal maintenance.

Visual Comparison

The chart below illustrates the proposed progressive fee structure, showing reduced costs for smaller dry-lot rentals and higher contributions from larger waterfront properties.



Read more at: <https://www.gregformarathon.com/>