Town of

LONGBOAT KEY | FLORIDA

Underground Utility Assessment Methodology

Gulf of Mexico Drive Project

December 2015

Final Report

WILLDAN Financial Services

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1.0 Executive Summary

Willdan Financial Services (WFS) has partnered with Brannon & Gillespie LLC (B&G) to develop a special assessment apportionment methodology for the Town of Longboat Key (the Town) that reflects the special benefit received by properties within the Town from the proposed undergrounding of electrical, communications, fiber optics and other utilities and installation of street lighting related to that section of Gulf of Mexico Drive located within Town limits (the "Project").

Geographically, the Town is a narrow barrier island approximately 11 miles in length that is located within portions of Manatee and Sarasota Counties. [1] Gulf of Mexico Drive (also known as Florida State Road 789) is the main road that connects the Town's barrier island to the cities of Sarasota to the south and Bradenton Beach to the north. Gulf of Mexico Drive provides vehicular access to all residential and commercial properties located within the Town's limits, and is therefore the primary route for ingress and egress to the Town. Along the entire Gulf of Mexico Drive right-of-way within the Town there exist utility power lines and associated equipment that provide electric power to all properties within the Town. The Town Commission has determined that the utility power poles along Gulf of Mexico Drive and the main feeder lines to those poles, should be eliminated.

The largest component of the Project addresses the undergrounding of currently overhead electric power facilities owned by Florida Power and Light Company ("FPL") which generally consist of wires, transformers, service lines, and utility poles. Recognizing that underground electric utility facilities offer reliability advantages, FPL and the Florida Public Service Commission established an incentive program providing municipalities an incentive to place overhead facilities underground after the hurricanes of 2004 and 2005. This incentive provided for a reduction in the cost to a municipality of up to 25% of the otherwise payable fee for such conversions. In addition, the overhead line strength standards were increased resulting in higher costs for overhead lines. This was also a cost reduction opportunity for undergrounding projects as the fee FPL charges for undergrounding is mainly the difference between the cost for a new underground system less the cost for an equivalent new overhead system. Recently, FPL has been pushed to complete the implementation of extreme wind load engineering designs standards and field implementations. These field implementations result in more expensive overhead line construction costs, as well as stronger and more aesthetically unsightly poles with shorter spans between the poles. These two FPL actions provide current opportunities to both receive a 25% reduction in the fee, but to also obtain a lower calculated fee due to the equivalent overhead line costs having increased. Municipalities such as Miami Beach, Pompano Beach, Ft. Lauderdale, Hollywood, Plantation, Sunny Isles, Gulf Stream, Palm Beach, Holly Hill, Daytona Beach, Collier County, Bonita Springs, Charlotte County, and Ft. Myers are currently pursuing undergrounding projects to obtain the associated benefits for their communities and take advantage of the current reduced costs.

[1] Town's jurisdictional boundaries also include two (2) islands, located within Sarasota Bay, known as Jewfish Key and Sister Key. There are several residential homes located on Jewfish Key.

The second type of facilities involved are overhead communications facilities which are currently attached to the FPL utility poles and owned by Comcast and Verizon. The communications facilities typically consist of fiber optic cables, coaxial cables, fiber nodes, terminal boxes and Amplifiers. Undergrounding these facilities in conjunction with the electric utilities provides a great reduction in costs as the incremental cost to install conduits for communications in addition to the electric conduits is much less than having a project only involving the installation of communications facilities. Additionally, adding conduits for the installation of Town-owned fiber optic facilities offers great opportunities for town communications cost reductions for links between offices, lift stations, pump stations, security cameras, monitoring stations and county emergency management facilities. These communication improvements will benefit the Town as it moves forward with the growing opportunities being provided by the rapid advances in communication technology we are currently experiencing.

The third type of facilities being improved in the Project are street light facilities along Gulf of Mexico Drive. The Town has previously provided street lighting using FPL to install their standard type lights on the existing utility poles. Issues involving sea turtle nesting resulted in the installation of makeshift light shields to prohibit the spillover of light onto the beach turtle nesting areas. These shields often drastically impacted the street lighting pattern, and the placement of electric utility poles was not optimum for producing a uniform illumination for the Town's primary roadway. The cost for FPL to install a new street lighting system after the utility poles are removed is extremely expensive and the monthly facility maintenance charges for the poles and wire typically double the previous monthly FPL cost per light. Available LED lighting now offers drastic reductions in energy costs and well as much longer lamp life, typically around 50,000 hours. This aspect of the Project benefits affected property owners by providing a lighting system on Gulf of Mexico Drive that is both lower in operating and maintenance costs, turtle friendly, enhancing safety thru improved illumination, and aesthetically pleasing.

As part of the creation of this benefit methodology, WFS and B&G conducted fieldwork, surveying the affected area of the Town to accurately incorporate the characteristics of the Town and the relationship between affected properties and the overhead utilities proposed to be undergrounded. Fieldwork is necessary to identify each property's special benefit. This information also allows the methodology to account for the fact that some properties in the Town may already have one of their utility services undergrounded and, therefore, do not benefit to the same degree as properties whose utilities are currently transmitted through overhead facilities. Gulf of Mexico Drive is the main thoroughfare through the Town and vehicular traffic must access and traverse it in order to enter and exit properties within the Town limits. As each parcel in the Town depends on Gulf of Mexico Drive for ingress and egress to and from the key, all parcels located within the Town limits will benefit from the Project with the undergrounding backbone system and main trunk lines along Gulf of Mexico Drive, Binnacle Drive, and Broadway Street. In as much as there is no alternate route to travel up and down the Key, Fire Rescue and Public Safety responders have a critical requirement to be able to utilize

this thoroughfare to protect the life and property of the community. In addition to the fieldwork conducted, WFS also created a parcel database identifying all benefitting properties within the Project Area and Town and categorized those properties based on their land use and other characteristics used in allocating costs of the utility undergrounding project.

2.0 Proposed Public Facilities

Utilities, as used in this report, include Florida Power and Light (FPL) overhead electric power facilities, Comcast Communications facilities, Verizon Communications facilities, Street Light facilities and other facilities attached to the utility poles to be removed as part of the undergrounding project. The undergrounding of overhead utility lines (the Project) includes, but is not limited to, the costs associated with all financing, legal, engineering, administrative, and construction activities required to obtain approvals and complete the required construction. Construction activities include trenching, horizontal directional drilling, installing new utility vaults, conduits and transformers, laying conduit lines into trenches, switching services to underground systems, replacement street light installation, Installation of backbone municipal fiber optic cable facility and removing all existing overhead utility poles and wires. The Project is designed to underground all backbone main overhead utility trunk lines, to the extent practical, as part of this Project. The Project will underground all overhead utility facilities within the right-of-way of Gulf of Mexico Drive and the main FPL overhead feeder lines running parallel to Binnacle Point Drive and Broadway Street (the Project Area). The lines on Binnacle Drive and Broadway Street are components of the backbone feeder system and part of the FPL Hardening Project as they connect major underwater feeder lines crossing the bay to the backbone feeders running along Gulf of Mexico Drive. Gulf of Mexico Drive ("GMD") is the main thoroughfare through the Town and vehicular traffic must access and traverse GMD in order to enter and exit the Town limits. As each parcel in the Town depends on Gulf of Mexico Drive for ingress and egress to and from the key, all parcels located within the Town limits will benefit from the Project. Therefore, the Assessment area that will fund the Project is comprised of all parcels within the Town limits.

The benefit methodology presented in this Report focuses on the entire project cost for the undergrounding of overhead facilities throughout the Project Area, including costs of connecting each property's utility services to the undergrounded facilities. Costs related to project design and engineering, project management, associated financing and legal costs, as well as those related to development and adoption of the assessment program have been included in the assessment calculations. The annual costs of administering and collecting the assessments have not, at this time, been included in the assessment calculations contained in this Report. Such costs include fees and expenses imposed by the county tax collectors and property appraisers, and an allowance for the statutory early payment discount which applies when special assessments are collected on the annual property tax bill.

3.0 Budget

Overhead Utility Undergrounding Project
Town of Longboat Key
Gulf of Mexico Drive Project Area

Project Component	Estimated Cost
Undergrounding GMD & Feeders	$ 16,900,000
Street Lighting Enhancement GMD	4,800,000
Fiber Optic Line Installation GMD	600,000
Financing and Legal Costs	860,000
Financing, Legal, Inflation Contingency (20%)	500,000
Multi Year Project Inflation Cost (3 years)	1,200,000
Other Miscellaneous Costs and Costs Incurred to Date	390,000
Total Non Ad Valorem Project Cost GMD	**$ 25,250,000**

Source: Brannon & Gillespie, LLC; Willdan Financial

4.0 Assessment Methodology

Under Florida law, special assessments, sometimes referred to as non-ad valorem assessments must satisfy a two-prong test: 1) the property burdened by the assessment must derive a special benefit from the services or improvements provided by the assessment; and 2) the assessment must be fairly and reasonably apportioned among the affected properties to be assessed. "Special Benefit" requires that there be a logical relationship between the services or improvements provided and the benefit to real property. Florida law does not specify the methodology or formula that must be used in calculating assessments; however, the assessment apportionment methodology must be reasonable and not arbitrary. The legislative determinations by the Town Commission regarding the existence of special benefits and reasonableness of the cost apportionment should not be disturbed by a court unless the determinations are arbitrary. This Report discusses the special benefits to properties within the Project Area from the proposed Project and presents the methodology used to apportion the project costs among the benefited properties.

It is necessary to identify the special benefits provided to affected properties within the Project Area as a result of undergrounding overhead utilities. The distribution of electricity and other utility services are currently generally available to all properties within the project area; however, placing overhead electrical lines and other utilities underground will provide special benefit to properties in the Project Area. Such special benefit permits funding the undergrounding project through a non-ad valorem assessment.

Several benefits are conveyed by capital projects of this nature, including heightened use, enjoyment and marketability of the specially-benefitted real property. It is also reasonable to assume that such property will experience an increase in market value as a direct result of the improvements, though the costs associated with quantifying such increase are prohibitive with respect to the amount to be assessed against each property, and Florida law does not require quantification of the special benefit in this fashion. The primary special benefits that will be provided to affected properties as a result of the Project include the following: improved safety, improved reliability and improved aesthetics. Each of these benefits is discussed further in the context of cost allocation in Section 5 and summarized below.

Improved Safety

The removal of utility poles and overhead lines provides an improved safety benefit by reducing the potential of hazardous conditions in the event of natural disasters. Severe tropical storms, hurricanes, and other natural disasters can cause poles and/or overhead lines to fall and impact property, and possibly cause live electric lines to be exposed. Downed electric lines pose a potential threat of fire and potential injury due to electric shock and can restrict ingress and egress to and from all residential and commercial properties located within the Town's corporate limits by impairing residents and emergency responders access within the Project Area.

Improved Reliability

The undergrounding of the overhead facilities will also improve the reliability of utility services received by assessed properties. Based on a report entitled *Out of Sight Out of Mind: An Updated Study on the Undergrounding of Overhead Power Lines*, Edison Electric Institute (2012), the undergrounding of overhead utilities substantially reduces the frequency of outages, when compared to the frequency of outages occurring with overhead networks. Parcels will also specially benefit from new upgraded utility lines, cables, and appurtenant facilities installed through the proposed utility undergrounding to their service connections. This provides a higher level of reliability of utility services and reduces exposure to the elements that could cause potential damage and speed deterioration to facilities resulting in service interruptions. Within the Town of Longboat Key, some properties already have undergrounded facilities for one or more of the three main utility services (electric, cable, phone) as provided by FPL, Comcast, and Verizon. Therefore, the project improvement costs related to the special benefit of reliability has been apportioned to affected properties based on the number of connections to be undergrounded for each property. The purpose of this Project is to underground the main trunk lines in the Town. Therefore, all properties within the Town receive a reliability benefit from this Project as this backbone system is put underground instead of being overhead there the electric/cable/communications lines in the Project Area could be downed in the event of storm, etc. In addition, the onsite costs of the service laterals for each utility was separated and individually assessed to the applicable properties. Certain properties will also have to have the existing FPL primary voltage underground radial lines looped on the property for reliability as required by FPL underground system standards. Looping is required to supply an alternate source which can be used to provide service to the property simply by switching the cable connections without having to replace the failed cable. The loop configuration provides the ability for FPL to restore service with a significantly reduced outage time if a cable should fail without having to replace the cable. To ensure such benefits are provided, FPL engineering standards require that all radial cable installations be converted to a loop configuration when part of a total underground distribution system. The properties requiring radial looping have also been identified along with the associated costs.

Improved Aesthetics

In addition to the safety and reliability benefits provided by undergrounding utilities, removing the overhead facilities and utility poles that run along the Project Area will eliminate a heavy concentration of electric lines and communication facilities, thereby creating an inviting, visually pleasing and scenic gateway for ingress and egress to all parcels within the Town. Undergrounding will eliminate the radical line trimming of trees which frequently results in an unsightly and unnatural appearance. This will improve the overall aesthetics for all properties within the Town. Enhancing visual appeal by removal of overhead lines will benefit the aesthetics of the Town and enhance the use, enjoyment, and marketability of the benefited properties throughout the Town.

5.0 Benefit Analysis

An assessment apportionment methodology is the analysis of capital improvements or services - in this case the proposed undergrounding of the existing overhead utilities - to determine the proportional special benefits received by a property. The method of assessment, or allocation of Project costs, is determined by an analysis of the special benefit a property receives from the proposed undergrounding of existing overhead utilities in comparison to the special benefit received by other properties benefited by the proposed improvements.

Special Benefit

The distribution of electricity and other utilities is available to all properties within the Assessment area. While properties within the Town already receive or have access to utility services through existing overhead facilities, changing the method by which these services are distributed through the undergrounding of utilities is a special benefit to affected properties within the Town. In reviewing the Project Area, cost estimates, and affected properties, it has been determined that all of the improvements for the undergrounding of utilities provide special benefit to the assessed parcels within the Town.

There are three (3) primary categories of special benefit from the undergrounding of overhead utilities used to allocate the Project costs to assessed properties within the Assessment area. These three categories of benefit are: 1) improved safety, 2) improved reliability, and 3) improved aesthetics, as discussed previously. To establish an equitable benefit nexus, it is necessary to relate each property's proportional special benefits to the special benefits of all other affected properties within the Project Area. This Report incorporates a weighted method of apportionment known as an Equivalent Benefit Unit (EBU) methodology that uses a single-family residence comprised of one acre or less with overhead utilities as the basic unit of benefit, or 1.0 EBU per category. Other property types are proportionately weighted (assigned EBUs) based on a benefit formula that equates each property's specific characteristics and special benefits to that of the baseline single-family residential property**.** This proportional weighting may be based on several considerations that may include, but are not limited to, the following: the type of development (land use), size of the property (acreage or units), or other property related factors.

Collectively, the three (3) categories of special benefit listed above reflect the overall proportional special benefits that affected properties within the Project Area will receive from the undergrounding of the overhead utilities. Affected properties are assigned Safety EBUs, Reliability EBUs, and Aesthetic EBUs to distinguish the degree of special benefits received by different properties for each of the three categories, respectively. The overall cost of the Project less costs associated with property specific onsite improvements, such as service laterals and looping of radials, has been evenly allocated to these three categories of special benefit.

Each parcel's Base Assessment is calculated as the total of the proportional special benefit, and

associated cost allocation, as determined for each of these three benefit categories. In addition to each parcel's Base Assessment, there may also be property specific improvements such as radial looping and service lateral replacements that may be needed. These additional property specific improvement needs and costs have been identified for each individual parcel based on preliminary site inspections by Brannon & Gillespie, LLC. As detailed surveying and engineering proceed on the Project, adjustments to the property specific improvement needs will be made as necessary to reflect any changes that may have occurred after the field survey was completed. The information below presents the initial allocation of Project Costs to the three benefit categories and the estimated total cost of property specific improvement costs.

Category of Special Benefit	Percentage of Budget	Benefit Allocation
Improved Safety	33.00%	$ 8,340,507.54
Improved Reliability	33.00%	8,340,507.54
Improved Aesthetics	33.00%	8,340,507.54
Sub Total	**100.00%**	$ 25,021,522.61
Property Specific Improvements		228,477.39
TOTAL		**$ 25,250,000.00**

For each Category of Benefit, the following discussion identifies parcels that benefit, the assignment of EBUs, and related equations to determine a parcel's EBUs.

Improved Safety

Properties specially benefit from the improved safety of undergrounding overhead utilities in two distinct ways: 1) the elimination of the potential for poles or overhead lines adjacent to a property to fall and damage property or expose "live" electrical lines, and 2) the elimination of the potential for poles or overhead lines to be downed on the Gulf of Mexico Drive and portions of Binnacle Drive and Broadway Street, potentially restricting or curtailing citizen evacuation and rescue personnel access during storm or emergency events, and generally restricting ingress and egress to and from all parcels within the Town. A single-family residential lot has been assigned a base unit of benefit for improved Safety equal to 1.0 Safety EBU. The base Safety EBU accounts for the two components of improved safety. Therefore, the analysis uses 0.50 equivalent benefit units for the improved safety to the property and 0.50 equivalent benefit units for the improved access to and from the property.

In reviewing the characteristics of affected properties within the Project Area, there are multiple properties that encompass an area greater than one acre. Condominium complexes, multi-family residences, non-residential properties, as well as certain single family residential properties span a greater area of potential use. Therefore, an equivalency has been developed to proportionately assign EBUs to these properties, when compared to a baseline, one-acre single family residential lot that has been assigned 1.0 Safety EBU. Based on this equivalency, some properties, including certain single-family residences, have been assigned additional Safety EBUs in recognition of the additional special benefit those larger parcels receive from the

proposed utility undergrounding.

In identifying the amount of assigned Safety EBUs for each parcel, overhead facilities (including utility lines and poles), along secondary streets and alleyways [other than Gulf of Mexico Drive] are considered to be adjacent to all properties on both sides of the secondary street and alleyway that are adjacent to the overhead facilities. In addition, utility poles are considered a part of the overhead facilities; therefore, properties adjacent to utility poles are assigned a minimum of 1.0 Safety EBU. For purposes of our analysis, properties with overhead lines within approximately 50 feet of the parcel boundary are assigned a minimum of 1.0 Safety EBU.

Conversely, some parcels are already adjacent to undergrounded utilities, and, therefore, do not benefit to the same extent when compared to parcels currently adjacent to overhead utilities. Properties that do not have overhead facilities adjacent to their property shall be assigned 0.5 Safety EBUs to account for the portion of special benefit attributable to improved safety access to and from their property, which is independent of a property's lot size.

Each condominium complex was assigned Safety EBUs on a complex by complex basis and the total Safety EBU assignment to the condominium complex was then apportioned evenly to each condo unit within the complex. For example, for a condominium parcel that is 3 acres of land and has 30 units, the EBUs for each parcel would be 0.55 EBUs, which is calculated as: **[0.5 EBUs + ((3 acres x 0.5 EBUs)/30 units)]** For single-family residences, multi-family properties, and non-residential properties, the EBUs calculated were assigned to the applicable parcel number. Boat slips were treated similarly to condominiums, whereas the Safety EBUs were apportioned evenly to all boat slips within the marina. **Table 1** outlines the safety EBU calculations.

Table 1: Safety EBU Calculation

Land Use	Overhead Utilities	EBU Assignment
Single Family	Yes	0.5 EBU + [0.5 EBU per acre rounded down to nearest whole number (minimum of 0.5 EBU)]
	No	0.5 EBU
Condominium	Yes	0.5 EBU + [0.5 EBU per acre of complex rounded down to nearest whole number (min of 0.5)] / condo parcels in Complex
	No	0.5 EBU
Multi-Family	Yes	0.5 EBU x units + [0.5 EBU per acre rounded down to nearest whole number (min of 0.5)]
	No	0.5 EBU x units
Non-Residential	Yes	0.5 EBU + [0.5 EBU per acre rounded down to nearest whole number (minimum of 0.5 EBU)]
	No	0.5 EBU
Boat Slip	Yes	0.5 EBU + [0.5 EBU per acre of marina rounded down to nearest whole number (min of 0.5)] / boat slips in marina
	No	0.5 EBU
Vacant	Yes	0.5 EBU + [0.5 EBU per acre rounded down to nearest whole number (minimum of 0.5 EBU)]
	No	0.5 EBU

Improved Reliability

The improved reliability benefits that properties receive from the proposed Project is directly related to the undergrounding of the primary utility network and the distribution of electricity through the undergrounding of service laterals that connect each property's utility services. In addition, the number of service laterals required from property to property varies since certain properties have already undergrounded one or more of its services. Therefore, the number of utility services requiring service laterals coupled with the undergrounding of the primary network provides a sound basis to determine the degree of special benefit each property receives from the proposed utility undergrounding when compared to other properties within the project area. Each property has been assigned 0.50 EBUs to reflect the improved reliability resulting from the undergrounding of the primary network plus an additional 0.50 EBU per utility service connection for which service lateral(s) are required. For condominiums, 0.50 EBU were assigned to each parcel to reflect the improved reliability resulting from the undergrounding of the primary network and then the number of utility service connections required was evenly apportioned to each condominium parcel within the complex. Boat slips were treated in a similar manner as condominiums. Multi-Family properties were assigned 0.50 EBUs per unit to reflect the improved reliability resulting from the undergrounding of the primary network as well as an additional 0.50 EBU per utility connection requiring undergrounding. **Table 2** outlines the reliability EBU calculations.

Table 2: Reliability EBU Calculation

Land Use	EBU Assignment
Single-Family	0.5 EBU plus 0.5 EBU per utility connection requiring undergrounding
Condominium	0.5 EBU plus (0.5 EBU per utility connection requiring undergrounding/condo parcels in Complex)
Multi-Family	(0.5 EBU X units) plus 0.5 EBU per utility connection requiring undergrounding
Non-Residential	0.5 EBU plus 0.5 EBU per utility connection requiring undergrounding
Boat Slip	0.5 EBU plus (0.5 EBU per utility connection requiring undergrounding/boat slips in marina)
Vacant	0.5 EBU

Improved Aesthetics

Removing the overhead utilities along Gulf of Mexico Drive will improve the overall aesthetics of individual parcels as well as community aesthetics for all properties within the defined Project Area and Town by eliminating a heavy concentration of electric lines and communication facilities, thereby creating an inviting, visually pleasing and scenic vehicular gateway for ingress and egress to all parcels. In addition, unsightly tree trimming by the utility companies will be eliminated. In the same way that a beautiful entrance to a development

enhances the properties within, the removal of the unsightly overhead lines and the elimination of the unsightly appearance of trees that have been severely damaged to clear a path for the wires will enhance all the properties within the Town. Enhancing visual appeal by removal of overhead lines will benefit the aesthetics of all parcels within the Town and enhance the use, enjoyment and marketability of the benefitted properties. Therefore, a single family residence adjacent to overhead utilities has been assigned 0.5 EBUs for the improved aesthetics of its property and 0.5 EBUs for the improved aesthetics of the property's community, for a total assignment of 1.0 Aesthetic EBUs. As GMD is the main thoroughfare through the Town and vehicular traffic must access and traverse GMD in order to enter and exit the Town's limits, parcels within the Town limits will receive 0.5 EBUs for the improved aesthetics of the property's community.

The assignment of Aesthetic EBUs for property types is similar to the assignment of Safety EBUs. Properties, whose utilities are already undergrounded, will only be assigned 0.5 EBUs for the improved aesthetics of the property's community. **Table 3** outlines the aesthetics EBU calculations.

Table 3: Aesthetic EBU Calculation

Land Use	Overhead Utilities	EBU Assignment
Single Family	Yes	0.5 EBU + [0.5 EBU per acre rounded down to nearest whole number (minimum of 0.5 EBU)]
	No	0.5 EBU
Condominium	Yes	0.5 EBU + [0.5 EBU per acre of complex rounded down to nearest whole number (min of 0.5)] / condo parcels in Complex
	No	0.5 EBU
Multi-Family	Yes	0.5 EBU x units + [0.5 EBU per acre rounded down to nearest whole number (min of 0.5)]
	No	0.5 EBU x units
Non-Residential	Yes	0.5 EBU + [0.5 EBU per acre rounded down to nearest whole number (minimum of 0.5 EBU)]
	No	0.5 EBU
Boat Slip	Yes	0.5 EBU + [0.5 EBU per acre of marina rounded down to nearest whole number (min of 0.5)] / boat slips in marina
	No	0.5 EBU
Vacant	Yes	0.5 EBU + [0.5 EBU per acre rounded down to nearest whole number (minimum of 0.5 EBU)]
	No	0.5 EBU

Property Specific Improvements

Specific detail was provided by B&G on the costs associated with the proposed undergrounded improvements, including costs associated with connecting each property to the utility services. For purposes of calculating each parcel's assessment, costs associated with meter conversions and service laterals were separated and assessed against those properties that required the specific improvement. Utilizing the FPL tariff, the cost for each underground service connection

conversion is estimated at $584.45. The assessment roll provides detail for each parcel's onsite service needs and related costs. Additionally, certain properties will require looping of onsite radial primary voltage lines as required by FPL underground system standards. The costs for looping are again taken from FPL's tariff and are allocated at $1,817.94 per parcel requiring looping. Parcels requiring property specific improvements have been identified by B&G based on review of system maps and visual inspection during field work.

Special Cases

Exempt Properties

Within the Town Boundaries, there are various properties which are classified as tax-exempt parcels. This land use identifies properties that are not assessed and are assigned 0.00 EBUs for safety, reliability, and aesthetics. This land use classification may include but is not limited to:

- Lots or parcels identified as public streets and other roadways (typically not assigned an APN by the County);
- Dedicated public easements including open space areas, utility rights-of-way, greenbelts, parkways, parks or other publicly owned properties;
- Private properties that cannot be developed independently from an adjacent property, such as common areas, sliver parcels or bifurcated lots or properties with very restrictive development use;
- Government properties;
- Parcels with veteran's exemptions; etc.

These types of parcels are considered to receive little or no benefit from the improvements, are exempt under state or federal law from the payment of ad valorem taxes and/or non-ad valorem assessments, or are inappropriate or infeasible to assess and are therefore not included on the assessment roll described in **Section 7** below.

Golf Courses

While parcels throughout the Project Area benefit from the undergrounding of nearby utilities, golf course properties were analyzed as special cases due to the utilization of the property in relation to its parcel size. A majority of the golf course acreage is used for the golf course itself. Therefore, these parcels receive a diminishing return of benefit as the parcel's total acreage increases. In order to account for the difference in total special benefit, the acreage for these larger parcels has been adjusted. To calculate these parcels' adjusted acreage, the parcel's frontage is multiplied by 100 feet to account for the typical depth of a property.

Subdivision of Parcel

When subdivision of an assessed parcel occurs, the new parcels resulting from the subdivision may be assigned EBUs in accordance with the apportionment methodology described herein if those new parcels likewise receive special benefit from the Project. In such cases, the total amount of the bonded indebtedness usually isn't reallocated among all properties throughout the Assessment area because the reallocation may be cost prohibitive or inefficient, or there may be financing considerations which limit the ability to re-amortize the principal balance outstanding each time a subdivision occurs. Instead, the newly assessed properties are added to the assessment roll under the same annual terms as apply to all other properties on the roll, resulting in additional annual revenue. The additional revenue collected from the new parcels is used to repay the bonds, but because there is now more revenue materializing each year, the term is shortened for all assessed property owners and/or the amount of the final payment is reduced. In this fashion, all of the originally assessed parcels enjoy the benefit of having new parcels share in the cost of the improvement project, with the benefit realized through a shortened repayment term.

A similar issue arises in the context of assessment prepayments, i.e. where the owner of an assessed parcel prepays the entire assessment amount in order to avoid interest and financing charges, but subsequently develops the parcel at a higher intensity, warranting additional assessment allocation. Some communities require that the additional assessment be paid in full as a condition of building permit issuance, with the proceeds applied to the payment of applicable bonded indebtedness.

Calculated Cost per EBU

Based on our benefit analysis and the assignment of EBUs to each parcel for both the community and specific benefits, the cost per EBU for safety, reliability, and aesthetics are shown below in **Table 4**. It should be noted that these values are based on the current anticipated project costs and may change if there are any changes in the assessment roll or project costs before the project is finalized.

Table 4: Cost per EBU by Benefit Type

Category of Special Benefit	Cost per EBU
Safety	$ 1,639.88
Reliability	$ 1,677.15
Aesthetics	$ 1,639.88

6.0 Diagram

A Diagram showing the affected properties within the Town (as they existed at the time of the creation of this Report), and parcels adjacent to overhead utilities will be provided under separate cover once improvement plans are finalized.

7.0 Assessment Roll

An assessment roll identifying each parcel's equivalent benefit unit assignment for each of the three categories of special benefit as well as property specific improvements related to laterals and meter upgrades is provided herein. The Assessment Roll was separated into two components: 1) Base Assessment and 2) Base Assessment plus onsite costs. It should be noted that these schedules contain information gathered from data currently available in government databases and from field surveys. These classifications and property totals are subject to change based on changes in property characteristics, use, etc.