

M E M O R A N D U M

Date: November 3, 2014

TO: Town Commission

FROM: Anne Ross, Assistant Town Manager

SUBJECT: Ordinance 2014-34, Providing for Referendum for Underground Utilities Within Neighborhoods

The Town of Longboat Key has conducted research related to undergrounding utility lines within neighborhoods. Ordinance 2014-34 has been prepared to seek voter approval for this proposed project. The Ordinance provides for the referendum to be placed on the ballot for the March 10, 2014 General Municipal Election.

Town staff will present a PowerPoint presentation that outlines a neighborhood utility undergrounding project process and discusses Ordinance 2014-34. A not-to-exceed project amount has been set. Ordinance 2014-34 was forwarded from the October 20, 2014 Special Meeting following first reading and will be presented for second reading and public hearing at the November 12, 2014 Special Meeting.

Please don't hesitate to contact me if you have any questions.



**UTILITY UNDERGROUNDING WITHIN
NEIGHBORHOODS
REFERENDUM**

**TOWN COMMISSION SPECIAL MEETING
NOVEMBER 12, 2014**



OVERHEAD LATERAL LINE TRANSITIONS

- **Side Streets**
- **Back Property Services**
- **Single Family Homes**
- **Multi Family**
- **Commercial**



LINE TRANSITIONS EXAMPLE – PROPOSED SIDE STREET GUNWALE LANE

Before

Single Pole



After

Double Pole





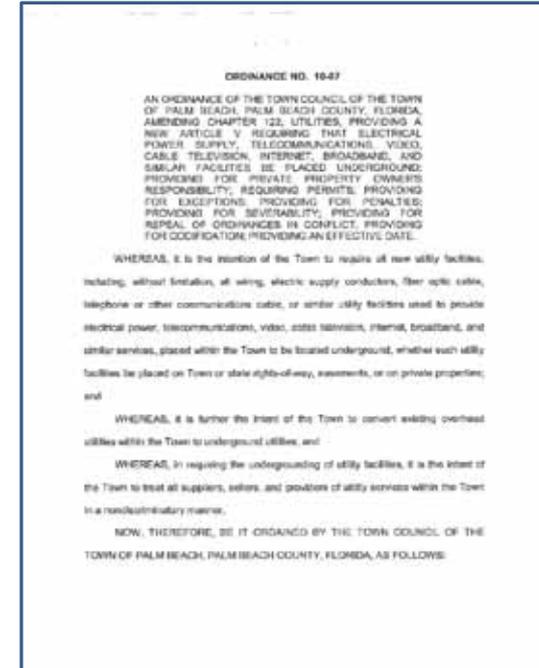
GULF OF MEXICO DRIVE (GMD) UNDERGROUNDING PROJECT

- **Flexibility Added for Slight Adjustments to Overhead Poles along GMD – Further Setback from Northbound/Southbound Line of Sight**
- **Limited by Existing Vegetation, Property Boundaries, Electrical Design Constraints**



UNDERGROUNDING PROVISIONS ORDINANCE

- **Require all New or Renovated Utility Facilities be Installed Underground**
- **Require all New or Renovated Private Property Utilities be Installed Underground**
- **Require Property Owner Connection to Underground Utilities by Date Certain following Notice of Underground Utility Availability (Other Municipalities have used 3 Month Timeline)**





NEIGHBORHOOD PROJECTS

- **Cost Benefits and Project Efficiencies for Pursuing with GMD Project**
- **Review of Similar Neighborhood Undergrounding Projects**
 - **Town Involvement**
 - **Project Process**
 - **Order of Magnitude Cost Idea for Residents⁶**



NEIGHBORHOOD PROJECT FRAMEWORK

- Feasibility Analysis to Establish Cost per Residence
- Petition by Residents to Establish Non Ad Valorem
Neighborhood Special Assessment District
- Establish Financing Plan
- Obtain Financing
- Contract Design
- Contract Construction and Restoration
- Transfer Completed Project to Utility Companies



TOWN INVOLVEMENT IN NEIGHBORHOOD PROJECTS

- **Neighborhood District Management**
- **Project Management**
- **Financing Option**



SPECIAL ASSESSMENT DISTRICT MANAGEMENT

- **Establish District(s) through Petition Process**
- **Levy Assessment(s)**



PROJECT MANAGEMENT

- **Procure Feasibility Study**
 - Neighborhood Pays for Study
 - Town Funded and Reimbursed through Neighborhood District Revenue (At Risk if District Not Formed)
- **Conduct Election/Petition for Neighborhood District Creation**
- **Assist with Financing Plan and Obtaining Financing**
- **Procure Design, Construction, Restoration**
- **Supervise Project Installation**
- **Oversee Utility System Transfer**



FINANCING

- **Conduct Debt Referendum**
 - **Town Wide Referendum to Allow for Not to Exceed \$5,000,000 Borrowing towards Neighborhood Undergrounding Efforts and Paid for by Neighborhood District Non Ad Valorem Special Assessment**
 - **Multiple Neighborhood District Formation (by Petition)**
- **Procure Financing**
- **Manage Payback of Financing with Neighborhood District Revenue**



TOWN WIDE NEIGHBORHOOD DEBT REFERENDUM

- **Referendum Passes**
 - Financing for Neighborhood Districts Made Available on a First Come First Served Basis
 - Depletion of Funding Does Not Preclude Neighborhoods from Organizing Undergrounding Project by Alternative Means
- **Referendum Fails**
 - Town Conducts a Neighborhood District Debt Non Ad Valorem Election
 - Neighborhood Procures Funding



PROJECT COSTS

Utilizing Project Costs from other Municipal Undergrounding Projects an Order of Magnitude Cost per Residence is Approximately \$10,000 to \$15,000 (or Approximate Assessment of \$1,000/year for 20 years).



NEIGHBORHOOD UNDERGROUNDING PROJECT REFERENDUM PROCESS

- **Adopt Neighborhood Debt Referendum Ordinance**
 - **First Reading Passed October 20, 2014**
 - **Second Reading and Adoption November 12, 2014**
- **Conduct Public Information Meetings**
- **Conduct Town Wide Neighborhood Debt Referendum
March 10, 2015**
- **Codify Neighborhood District Creation Process**
- **Pending Passing Referendum Make Available to
Neighborhoods**



NEIGHBORHOOD REFERENDUM ORDINANCE 2014-34

- **Calls Elector Vote of Neighborhood Undergrounding Project Funding on March 10, 2015**
- **Sets General Obligation Bonds as Financing Vehicle**
- **Pledges Full Faith & Credit of the Town and Non Ad Valorem Special Assessment**
- **Establishes Not to Exceed Funding Allowance**
- **Defines Ballot Language**



NEIGHBORHOOD REFERENDUM BALLOT

APPROVING GENERAL OBLIGATION BONDS TO FINANCE/REFINANCE UTILITY UNDERGROUNDING PROJECTS IN VARIOUS NEIGHBORHOOD DISTRICTS

Shall Town of Longboat Key be authorized to issue General Obligation Bonds, in one or more series, not exceeding \$5,000,000.00, bearing interest not exceeding maximum legal rates, maturing not more than 30 years from issuance, to finance/refinance undergrounding electrical, communications, and/or other utilities in neighborhood districts within the Town based on landowner petition, payable from special assessments imposed in such districts and the Town's full faith, credit, and unlimited ad valorem taxing power?

Yes - For Bonds

No - Against Bonds



RECOMMENDED NEXT STEPS

- **Adopt Neighborhood Debt Referendum Ordinance**
- **Conduct Public Information Meetings**

ORDINANCE 2014-34

AN ORDINANCE OF THE TOWN OF LONGBOAT KEY, FLORIDA, AUTHORIZING THE ISSUANCE, SUBJECT TO THE BOND REFERENDUM HEREIN PROVIDED FOR, OF NOT TO EXCEED \$5,000,000.00 GENERAL OBLIGATION BONDS MATURING ON OR WITHIN 30 YEARS OF ISSUANCE, PAYABLE FROM SPECIAL ASSESSMENTS IMPOSED IN NEIGHBORHOOD DISTRICTS WITHIN THE TOWN BASED ON LANDOWNER PETITION AND THE FULL FAITH, CREDIT, AND UNLIMITED AD VALOREM TAXING POWER OF THE TOWN, FOR PROVIDING FUNDS, TOGETHER WITH ANY OTHER LEGALLY AVAILABLE FUNDS, TO FINANCE OR REFINANCE THE COST OF UNDERGROUNDING UTILITIES IN SUCH NEIGHBORHOOD DISTRICTS; PROVIDING FOR AND CALLING A BOND REFERENDUM OF THE QUALIFIED ELECTORS OF THE TOWN TO BE HELD ON MARCH 10, 2015; PROVIDING FOR OFFICIAL BALLOTS; PROVIDING FOR BOND REFERENDUM PROCEDURES; ESTABLISHING ITS INTENT TO REIMBURSE SUCH CAPITAL EXPENDITURES INCURRED WITH PROCEEDS OF SUCH GENERAL OBLIGATION BONDS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, it is necessary and desirable that the Town of Longboat Key, Florida (the "Town") establish a program pursuant to which the owners of real property may petition for the creation of special assessment districts within the Town and the imposition therein of special assessments, sometimes referred to as non-ad valorem assessments, to finance or refinance the costs associated with undergrounding electrical, communications, and/or other utilities located within or otherwise necessary to serve the neighborhood or area comprising such special assessment district (each, a "Project"); and

WHEREAS, the most efficient and equitable method of financing the costs associated with individual Projects is through the issuance of tax-exempt bonds of the Town; and

WHEREAS, the Town Commission of the Town (the "Town Commission") has been advised by its financial advisor, Public Financial Management, Inc., that the current bond market is such that there likely will be substantially more demand for the bonds of the Town and lower interest costs to the Town if bonds are issued as general obligation bonds legally secured by and payable from the full faith, credit, and unlimited taxing power of the Town in addition to such special assessments; and

WHEREAS, despite being issued as general obligation bonds, the Town Commission currently intends to additionally secure the Bonds with special assessments imposed within special assessment districts created upon petition of the owners of real property located within designated Town neighborhoods (the "Neighborhood Assessments"); and

WHEREAS, the Town Commission hereby determines that the qualified electors of

the Town should make, through a bond referendum, the final decision determining whether to issue the Bonds to finance or refinance the costs to design, acquire, construct, relocate, and install one or more Projects; and

WHEREAS, the Town Commission hereby determines that it serves a paramount public purpose that the Projects be designed, acquired, constructed, relocated, and installed and that it is in the best interest of the Town to issue general obligation bonds to finance or refinance the costs of the design, acquisition, construction, relocation, and installation of the Projects; and

WHEREAS, to pay all or a part of the cost of the Projects, it is necessary to issue the general obligation bonds of the Town as hereinafter provided; and

WHEREAS, this Ordinance is intended to constitute a "declaration of official intent" within the meaning of Section 1.150-2 of the Income Tax Regulations which were promulgated pursuant to the Internal Revenue Code of 1986, as amended, with respect to the debt incurred to finance or refinance the design, acquisition, construction, relocation, and installation of the Project; and

WHEREAS, the Town now desires to issue general obligation bonds in one or more series in an amount not to exceed Five Million Dollars (\$5,000,000.00) (the "Bonds") pursuant to the terms of an authorizing bond resolution hereafter to be adopted by the Town Commission if the qualified electors of the Town approve the bond referendum authorized herein; and

WHEREAS, the Bonds shall be payable from Neighborhood Assessments and the full faith, credit, and unlimited ad valorem taxing power of the Town.

NOW THEREFORE, BE IT ORDAINED BY THE TOWN COMMISSION OF THE TOWN OF LONGBOAT KEY, FLORIDA, THAT:

SECTION 1. AUTHORITY FOR THIS ORDINANCE. This Ordinance is adopted pursuant to the Constitution and laws of the State of Florida, including Sections 100.201-100.351, Florida Statutes, Chapter 166, Florida Statutes, the Charter of the Town, and other applicable provisions of law (hereinafter collectively referred to as the "Act").

SECTION 2. FINDINGS. The Town Commission hereby finds and determines that the recitals set forth herein are true and correct and adopts the same as its findings and determinations.

SECTION 3. AUTHORIZATION OF BONDS. Subject and pursuant to the provisions hereof, the Bonds of the Town are authorized to be issued in one or more series in the aggregate principal amount not exceeding Five Million Dollars (\$5,000,000.00) to provide funds, together with any other legally available funds of the Town, to finance or refinance the cost of the design, acquisition, construction, relocation, and installation of Projects. The monies received and interest earned from the issuance of the Bonds will be used for such purpose. The Bonds shall be general obligations of the Town and shall be secured by Neighborhood Assessments and the full faith, credit, and unlimited ad valorem taxing power of the Town. The Bonds shall mature in not more than thirty (30) years from issuance, and the Bonds shall bear interest at a rate not exceeding the maximum rate permitted by law at the time of the sale of the Bonds. Both principal and interest on the

Bonds, and redemption premiums, if any, shall be payable at the office of the paying agent to be named by the Town at or prior to the sale of the Bonds.

The Bonds shall be issued pursuant to authority granted under this Ordinance and the Act, but only after approval of the bond referendum hereinafter called and subsequent adoption of an authorizing bond resolution by the Town Commission, as governing body of the Town.

SECTION 4. BOND REFERENDUM. A bond referendum of the qualified electors residing in the Town is hereby called to be held on Tuesday, March 10, 2015, in conjunction with the general election to be held on such date, to determine whether or not the issuance of the Bonds in an aggregate amount of not exceeding Five Million Dollars (\$5,000,000.00) shall be approved by such qualified electors to finance or refinance the cost of the design, acquisition, construction, relocation, and installation of Projects. All qualified electors in the Town shall be entitled and permitted to vote in the bond referendum.

The Sarasota County Supervisor of Elections and the Manatee County Supervisor of Elections (collectively, the "Supervisors of Elections") and the Town Clerk of the Town (the "Clerk") shall take all necessary measures to hold, administer and conduct the bond referendum in the manner prescribed by law. The results shall be certified to the Department of State in accordance with Section 100.351, Florida Statutes. All procedures and requirements of the laws of the State of Florida, the Charter of the Town and other applicable law, including, without limitation, Section 100.271, Florida Statutes, shall be complied with for the purpose of conducting the computation of ballots and completion of bond referendum procedures.

Trish Granger, Town Clerk of the Town of Longboat Key, Florida, as the elections official of the Town pursuant to Article IV, Section 2(b) of the Charter of the Town, is hereby designated and appointed as the official representative of the Town Commission in all transactions with the Supervisors of Elections in relation to matters pertaining to the use of the registration books and the holding of said bond referendum.

Ballots containing the question set forth in Section 6 hereof shall be prepared for the use of absent electors entitled to cast such ballots in said election. Early voting for the election shall be conducted in accordance with Town Ordinance 2014-32.

SECTION 5. NOTICE OF BOND REFERENDUM. Notice of the bond referendum shall be published in a daily newspaper of general circulation in the Town, at least twice, once in the fifth week and once in the third week prior to the week in which the bond referendum is held, the date of first publication in said newspaper to be at least thirty (30) days before said bond referendum, in substantially the form attached hereto as Exhibit A and in the manner provided in Section 100.342, Florida Statutes. The Town Clerk is hereby charged with the responsibility of this notice procedure.

SECTION 6. OFFICIAL BALLOT. The ballot for voting in the bond referendum shall be in substantially the following form:

**Official Ballot
Town Of Longboat Key, Florida
Bond Referendum Election
March 10, 2015**

**APPROVING GENERAL OBLIGATION BONDS TO FINANCE/REFINANCE
UTILITY UNDERGROUNDING PROJECTS IN VARIOUS
NEIGHBORHOOD DISTRICTS**

Shall Town of Longboat Key be authorized to issue General Obligation Bonds, in one or more series, not exceeding \$5,000,000.00, bearing interest not exceeding maximum legal rates, maturing not more than 30 years from issuance, to finance/refinance undergrounding electrical, communications, and/or other utilities in neighborhood districts within the Town based on landowner petition, payable from special assessments imposed in such districts and the Town's full faith, credit, and unlimited ad valorem taxing power?

_____ Yes - For Bonds

_____ No - Against Bonds

SECTION 7. BOND REFERENDUM RESULTS. Returns of the votes cast at the bond referendum shall be made as required by law.

If a majority of the votes cast at the bond referendum shall be "Yes - For Bonds," the Bonds shall be approved, and then the Bonds may be issued pursuant to this Ordinance as provided by authorizing bond resolution of the Town Commission, as governing body of the Town. If less than a majority of the votes cast at the bond referendum shall be "Yes - For Bonds," the Bonds shall be defeated, and no Bonds shall be issued pursuant to this Ordinance.

SECTION 8. LANGUAGES. To the extent required by law, the official ballot and notice of bond referendum shall be published in both the English and the Spanish languages.

SECTION 9. INTENT TO REIMBURSE. The Town Commission hereby expresses its intention that the Town be reimbursed from the proceeds of the Bonds for costs relating to Projects. Pending reimbursement, the Town expects to use funds on deposit in the Town's general fund or other appropriate fund or account to pay such costs. This Ordinance is intended to constitute with respect to the construction of the Projects a "declaration of official intent" within the meaning of Section 1.150-2 of the Income Tax Regulations.

SECTION 10. EFFECTIVE DATE. This Ordinance shall become effective immediately upon adoption by the Town Commission.

PASSED at a meeting of the Town Commission held the ___ day of _____, 2014.

ADOPTED at a meeting and public hearing of the Town Commission held the ___ day of _____, 2014.

ATTEST:

James L. Brown, Mayor

Trish Granger, Town Clerk
Attachment: Exhibit A

EXHIBIT A

**NOTICE OF GENERAL OBLIGATION BOND REFERENDUM
FOR UTILITY UNDERGROUNDING PROJECTS
IN VARIOUS NEIGHBORHOOD DISTRICTS
TO BE HELD ON TUESDAY, MARCH 10, 2015**

TOWN OF LONGBOAT KEY, FLORIDA

To be held on Tuesday, March 10, 2015, as provided by
Ordinance 2014-34 of the Town Commission,
as governing body of the Town of Longboat Key, Florida
adopted on November 12, 2014

Notice is hereby given that a bond referendum will be held in the Town of Longboat Key, Florida, on Tuesday, March 10, 2015. The bond referendum will be held to determine whether there shall be issued General Obligation Bonds (the "Bonds") of the Town, in one or more series, in an amount not exceeding Five Million Dollars (\$5,000,000.00). The Bonds shall be general obligations of the Town and shall be secured by special assessments imposed within special assessment districts created upon petition of the owners of real property located within designated Town neighborhoods and the full faith, credit, and unlimited ad valorem taxing power of the Town. The Bonds shall mature in not more than thirty (30) years from issuance, and the Bonds shall bear interest at a rate not exceeding the maximum rate permitted by law at the time of the sale of the Bonds. The monies received and interest earned from the issuance of the Bonds will be used to finance or refinance the cost of undergrounding electrical, communications, and/or other utilities in such districts.

The issuance of such Bonds and the holding of such bond referendum have been authorized by Ordinance 2014-34 of the Town Commission of the Town adopted on November 12, 2014.

In accordance with the Constitution and laws of the State of Florida and the Charter of the Town of Longboat Key, all qualified electors of the Town of Longboat Key, Florida, shall be entitled to vote in the bond referendum to which this notice pertains. The polls at said bond referendum will be open from 7 o'clock a.m. until 7 o'clock p.m. on Tuesday, March 10, 2015, and will be held at polling places in the several precincts of the Town.

The Town of Longboat Key shall be authorized to issue the bonds covered by the question hereinabove set forth only if such issuance shall have been approved by vote of a majority of the qualified electors of the Town of Longboat Key voting thereon.

By order of the Town Commission of the Town of Longboat Key, Florida.

Trish Granger
Town Clerk,
Town of Longboat Key, Florida



End of Agenda Item