

## M E M O R A N D U M

Date: December 9, 2015

**TO:** Town Commission

**FROM:** Dave Bullock, Town Manager

**SUBJECT:** Ordinance 2016-05, Providing for Bond Referendum for Utilities  
Undergrounding Project for Neighborhoods and Side Streets

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Following the Town electorate's November 3, 2015 approval of debt to finance the cost of undergrounding utilities relating to Gulf of Mexico Drive ("GMD Project"), the Town Commission decided to move forward with posing a second referendum question to the Town's voters relating to the issuance of additional debt to finance the costs of undergrounding the remaining utilities within the neighborhood areas of the Town ("Neighborhood Undergrounding Project").

Ordinance 2016-05 calls for a bond referendum for the debt authorization and sets forth the referendum question relating to the Neighborhood Undergrounding Project anticipated to be posed to the Town's electorate in March 2016.

Staff and consultants will have a presentation showing the Neighborhood project costs with the additional fiber costs later this week. The additional presentation will be sent to the Commission and posted to the Town's website as soon as it is finalized.

A representative of our bond counsel will be present at the December 14th Special Meeting to answer any questions you may have.

Ordinance 2016-05 was considered at the December 14, 2015 Regular Workshop Meeting and forwarded to the December 14, 2015 Special Meeting for first reading, public hearing, and discussion.

In the meantime, please contact me if you have any questions.

## ORDINANCE 2016-05

**AN ORDINANCE OF THE TOWN OF LONGBOAT KEY, FLORIDA, AUTHORIZING THE ISSUANCE, SUBJECT TO THE BOND REFERENDUM HEREIN PROVIDED FOR, OF NOT TO EXCEED \$23,850,000.00 REVENUE BONDS AND/OR NOTES MATURING NOT BEYOND 30 YEARS FROM ISSUANCE PAYABLE FROM SPECIAL NON-AD VALOREM ASSESSMENTS IMPOSED AGAINST REAL PROPERTY THROUGHOUT THE TOWN AND OTHER NON-AD VALOREM REVENUES OF THE TOWN, IF NECESSARY, FOR PROVIDING FUNDS, TOGETHER WITH ANY OTHER LEGALLY AVAILABLE FUNDS, TO FINANCE THE COST OF REMAINING UNDERGROUNDING ELECTRICAL, COMMUNICATIONS, FIBER OPTICS AND OTHER UTILITIES AND THE INSTALLATION OF STREET LIGHTING RELATING TO NEIGHBORHOODS; PROVIDING FOR AND CALLING A BOND REFERENDUM OF THE QUALIFIED ELECTORS OF THE TOWN TO BE HELD ON MARCH 15, 2016; PROVIDING FOR AN OFFICIAL BALLOT; PROVIDING FOR BOND REFERENDUM PROCEDURES; ESTABLISHING ITS INTENT TO REIMBURSE SUCH CAPITAL EXPENDITURES INCURRED WITH PROCEEDS OF SUCH REVENUE BONDS AND/OR NOTES; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, many of the neighborhoods in the Town of Longboat Key, Florida (the "Town") have enjoyed undergrounded electrical utilities for many years; and

**WHEREAS**, the Town has overhead electrical utilities relating to Gulf of Mexico Drive and in certain neighborhoods within the Town; and

**WHEREAS**, on November 3, 2015, a majority of the qualified electors of the Town cast votes in favor of a bond referendum which authorized the Town to issue revenue bonds/notes, in one or more series, not exceeding \$25,250,000 to finance undergrounding electrical, communications, fiber optics and other utilities and installation of street lighting relating to Gulf of Mexico Drive (the "GMD Project"); and

**WHEREAS**, the Town Commission of the Town (the "Town Commission") now desires to call a bond referendum to authorize the Town to issue revenue bonds/notes, in one or more series, not exceeding \$23,850,000 to finance remaining undergrounding of (i) electrical utilities in certain neighborhoods including street lighting installation, and (ii) communications/fiber optics utilities in certain neighborhoods (collectively, the "Project"); and

**WHEREAS**, the undergrounding of overhead electrical utilities, including removal of utility poles and overhead lines, provides safety benefits by reducing the potential for (1) downed power lines during storm and natural disaster events, (2) the hazardous conditions associated with downed power lines and exposure of live electric lines, and (3) restricted ingress and egress to and from all properties throughout the Town by residents and emergency responders; and

**WHEREAS**, the undergrounding of overhead electrical utilities also improves the reliability of utility services by substantially reducing the frequency of outages when compared with overhead networks, and the installation of new and upgraded utility lines, communications cables, and appurtenant facilities 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; and

**WHEREAS**, in addition to safety and reliability benefits provided by undergrounding utilities, removing the overhead electrical utilities and utility poles creates an inviting, visually pleasing and scenic gateway for ingress and egress to all parcels within the Town, eliminates the radical line trimming of trees which frequently results in an unsightly and unnatural appearance and improves the overall aesthetics for individual parcels within the Town and the community as a whole; and

**WHEREAS**, Florida Power & Light ("FP&L") plans to replace the existing overhead power poles with new, expensive, larger, and stronger power poles to fortify, or harden, them against tropical storm force winds, thereby significantly increasing the Town's cost to underground the subject utilities at a future date after such replacement has occurred; and

**WHEREAS**, by undertaking the Project at this time, the Town can (1) maximize the financial assistance available for the Project through a reduction of up to 25% of the otherwise required Contribution in Aid of Construction payable to FP&L, and (2) take advantage of substantial cost efficiencies associated with constructing the Project in conjunction with the GMD Project; 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 revenue bonds and/or notes to finance the costs to design, acquire, construct, relocate, and install the Project; and

**WHEREAS**, the Town Commission hereby determines that it serves a public purpose that the Project be designed, acquired, constructed, relocated, and installed and that it is in the best interest of the Town to issue revenue bonds and/or notes to finance the costs of the design, acquisition, construction, relocation, and installation of the Project; and

**WHEREAS**, to pay all or a part of the cost of the Project, it is necessary to issue the revenue bonds and/or notes of the Town as hereinafter provided; and

**WHEREAS**, Section 5(b) of the Charter of the Town provides that no revenue bonds and/or notes "shall be issued by the town or any public entity controlled by the town without approval at a referendum held in the manner prescribed by law;" and

**WHEREAS**, the Town now desires to issue revenue bonds and/or notes in one or more series in an amount not to exceed Twenty Three Million, Eight Hundred Fifty Thousand Dollars (\$23,850,000.00) (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 limited obligations of the Town payable solely from special non-ad valorem assessments imposed against real property throughout the Town and other non-ad valorem revenues, if necessary; and

**WHEREAS**, the Bonds shall not be or constitute general obligations or indebtedness of the Town as "bonds" within the meaning of Article VII, Section 12 of the Constitution of Florida, but shall be payable solely from special non-ad valorem assessments imposed against real property throughout the Town and other legally available non-ad valorem revenues of the Town, if necessary, in accordance with the terms hereof, and no holder of any Bonds issued hereunder shall ever have the right to compel the exercise of any ad valorem taxing power or taxation of any real or personal property thereon or the use or application of ad valorem tax revenues to pay such Bonds, or be entitled to payment of such Bonds from any funds of the Issuer except from such special non-ad valorem assessments and legally available non-ad valorem revenues, as described herein; 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 the design, acquisition, construction, relocation and installation of the Project.

**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 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 Twenty Three Million, Eight Hundred Fifty Thousand Dollars (\$23,850,000.00) to provide funds, together with any other legally available funds of the Town, if any, to finance the cost of the design, acquisition, construction, relocation, and installation of the Project. The monies received and interest earned from the issuance of the Bonds will be used for such purpose. The Bonds shall not be or constitute general obligations or indebtedness of the Town as "bonds" within the meaning of Article VII, Section 12 of the Constitution of Florida, but shall be payable solely from special non-ad valorem assessments imposed against real property throughout the Town and other legally available non-ad valorem revenues of the Town, if necessary, in accordance with the terms hereof, and no holder of any Bonds issued hereunder shall ever have the right to compel the exercise of any ad valorem taxing power or taxation of any real or personal property thereon or the use or application

of ad valorem tax revenues to pay such Bonds, or be entitled to payment of such Bonds from any funds of the Issuer except from such special non-ad valorem assessments and legally available non-ad valorem revenues, as described herein. 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, may 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 15, 2016, in conjunction with the presidential preference primary to be held on such date, to determine whether or not the issuance of the Bonds in an aggregate amount of not exceeding Twenty Three Million, Eight Hundred Fifty Thousand Dollars (\$23,850,000.00) shall be approved by such qualified electors to finance the cost of the design, acquisition, construction, relocation, and installation of the Project. 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 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 in conjunction with the schedules and locations established by the Supervisors of Elections offices.

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 15, 2016**

**APPROVING REVENUE BONDS/NOTES  
TO FINANCE REMAINING UNDERGROUNDING UTILITIES/STREET LIGHTING**

Shall Town of Longboat Key be authorized to issue revenue bonds/notes, in one or more series, not exceeding \$23,850,000, bearing interest not exceeding maximum legal rates, maturing not later than 30 years, to finance remaining undergrounding of (i) electrical utilities in certain neighborhoods including street lighting installation, and (ii) communications/fiber optics utilities in certain neighborhoods, payable solely from special assessments imposed against real property throughout the Town and other non-ad valorem revenues if necessary?

\_\_\_\_\_ Yes - For Bonds/Notes

\_\_\_\_\_ No - Against Bonds/Notes

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/Notes," 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/Notes," 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 the Project. 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 Project 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 14<sup>th</sup> day of December, 2015.

ADOPTED at a meeting and public hearing of the Town Commission held the 4<sup>th</sup> day of January, 2016.

\_\_\_\_\_  
Jack G. Duncan, Mayor

ATTEST:

\_\_\_\_\_  
Trish Granger, Town Clerk

Attachment: Exhibit A

## **EXHIBIT A**

### **NOTICE OF REVENUE BOND REFERENDUM FOR UNDERGROUNDING REMAINING UTILITIES AND RELATED STREET LIGHTING TO BE HELD ON TUESDAY, MARCH 15, 2016**

#### **TOWN OF LONGBOAT KEY, FLORIDA**

To be held on Tuesday, March 15, 2016, as provided by  
Ordinance 2016-05 of the Town Commission,  
as governing body of the Town of Longboat Key, Florida adopted on  
January 4, 2016

Notice is hereby given that a bond referendum will be held in the Town of Longboat Key, Florida on Tuesday, March 15, 2016. The bond referendum will be held to determine whether there shall be issued revenue bonds and/or notes (the "Bonds") of the Town, in one or more series, in an amount not exceeding Twenty Three Million, Eight Hundred Fifty Thousand Dollars (\$23,850,000.00). The Bonds shall not be or constitute general obligations or indebtedness of the Town as "bonds" within the meaning of Article VII, Section 12 of the Constitution of Florida, but shall be payable solely from special non-ad valorem assessments imposed against real property throughout the Town and other legally available non-ad valorem revenues of the Town, if necessary, and no holder of any of the Bonds shall ever have the right to compel the exercise of any ad valorem taxing power or taxation of any real or personal property thereon or the use or application of ad valorem tax revenues to pay such Bonds, or be entitled to payment of such Bonds from any funds of the Issuer except from such special non-ad valorem assessments and legally available non-ad valorem revenues. 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 the cost of remaining undergrounding of (i) electrical utilities in certain neighborhoods including street lightning installation, and (ii) communications/fiber optics utilities in certain neighborhoods. The financing of this undergrounding project is intended to complete the undergrounding initiative to replace overhead electrical and communications/fiber optics utilities in the Town. The undergrounding of utilities relating to Gulf of Mexico Drive is expected to be financed separately, in accordance with Town Ordinance 2015-21.

The issuance of such Bonds and the holding of such bond referendum have been authorized by Ordinance 2016-05 of the Town Commission of the Town adopted on January 4, 2016.

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 15, 2016, 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



# **NEIGHBORHOOD UNDERGROUND PROJECT REVIEW AND UPDATE**

**December 14, 2015**

**Town Commission Regular Meeting**



## BACKGROUND

- **GMD Referendum approved was by voters November 3, 2015.**
- **Town Commission discussed neighborhood options at their December 7, 2015 Regular Meeting.**
- **The Manager presented a plan that would spread costs over all Town parcels.**
- **The Town Commission target is March 15, 2016 for a Referendum date.**



## BACKGROUND

- On December 7, 2015, the Town Commission directed the Manager to move forward with the proposed plan that would spread costs over all Town parcels.
- On December 7<sup>th</sup>, the Town Commission directed the Town Manager to move forward with expanding the Project fiber optics component to make fiber optics available town-wide.



# **BENEFITS OF NEIGHBORHOOD UNDERGROUNDING PROJECT**

- **Underground Electric**
  - Increased reliability
  - Increased safety
  - Aesthetically pleasing
- **Fiber Optic Installation Cost Savings when combined with utility undergrounding**
- **Lighting Improvement Opportunities**



# NEIGHBORHOOD UNDERGROUND PROJECT COMPONENTS

- **Underground the remaining GMD Backbone Feeder overhead facilities.**
- **Underground all Neighborhood Overhead Utilities not part of the GMD feeder lines.**
- **Street Lighting Replacement or Enhancement**
- **Fiber Optic Line Installation**
- **Project Boundary – Entire Town**



# ESTIMATED NEIGHBORHOOD UNDERGROUNDING PROJECT COSTS

| Project Component                            |                         |
|----------------------------------------------|-------------------------|
| Undergrounding Neighborhoods Cost            | \$ 15,000,000.00        |
| Street Lighting Replacement Cost             | \$ 2,000,000.00         |
| Fiber Optic Line Installation Cost           | \$ 3,600,000.00         |
| Financing and Legal Cost                     | \$ 1,400,000.00         |
| Extra Contingency                            | \$ 340,000.00           |
| Multiyear Project Inflation Cost             | \$ 1,200,000.00         |
| <b>Sub Total</b>                             | <b>\$ 23,540,000.00</b> |
| Cost Incurred To Date                        | \$ 50,000.00            |
| Refrendum Preparation and Election           | \$ 257,797.00           |
| Line Item Totals                             | \$ 23,847,797.00        |
| <b>Total Referendum Not to Exceed Amount</b> | <b>\$ 23,850,000.00</b> |

**CHANGES:**

INCREASE OF \$2.7M FOR FIBER TO EXISTING UG AREAS.

INCREASE OF \$650K FOR FINANCING & LEGAL



# PROJECT OVERVIEW

- **The Town will issue debt to fund the planning, design, and construction.**
- **All debt must be approved via referendum of registered electors.**
- **Debt will be repaid via non-ad valorem assessments over not more than 30 years.**





# FUNDING MECHANISM

- **Non Ad Valorem Assessment**
  - **Consistent with Method used in GMD Project**
  - **Property specific amount based on benefits received, general and specific**
  - **Collected through tax bill or prepayment**
  - **Special assessments are not generally Federal income tax deductible**



# ASSESSMENT METHODOLOGY DEVELOPMENT PROCESS

- Develop an objective assessment of the benefits provided to each individual property relative to Reliability, Aesthetics & Safety with equal weight on each.
- Benefit Values will be assigned within this methodology for each benefit received by each property.
- Project costs will be allocated to each property in proportion to that property's share of the total benefits provided.
- Consideration will be provided for existing underground.



# NON AD VALOREM PROPERTY ASSESSMENT FACTORS

- **Overhead vs. Underground Service Connection Credits**
- **Overhead vs. Underground Property Classification Credits**
- **Underground Radial to Loop Conversion Requirement Costs**
- **Change in Property Classifications based on GMD being undergrounded**
- **Treatment of remaining GMD trunk line facilities to be consistent with GMD Project.**
- **Expansion of Fiber Optics into Underground Areas**



# NON AD VALOREM PROPERTY ASSESSMENT GOALS

- **EQUITABLE TREATMENT OF AREAS OF GULF OF MEXICO DRIVE WITH BACKBONE FACILITIES REMAINING OVERHEAD DUE TO CONNECTIONS TO LATERAL SIDE STREET LINES.**
- **EQUITABLE TREATMENT OF AREAS OF THE TOWN WITH OVERHEAD LINES OR RADIAL UNDERGROUND FACILITIES WHERE CONVERSION WORK IS REQUIRED.**
- **EQUITABLE TREATMENT OF AREAS OF THE TOWN WITH EXISTING UNDERGROUND FACILITIES WITH NO EXISTING OVERHEAD FACILITIES AND NO SPECIFIC REQUIREMENT FOR CONVERSION WORK, TO MAKE FIBER OPTICS AVAILABLE.**



# NON AD VALOREM PARCELS UNDER STUDY

| Property Classification          | Number of Properties |
|----------------------------------|----------------------|
| Single Family                    | 2,003                |
| Condominium                      | 7,251                |
| Multi-Family                     | 54                   |
| Marina Slip                      | 466                  |
| Non-Residential                  | 86                   |
| Exempt                           | 181                  |
| <b>Total Tax Roll Properties</b> | <b>10,041</b>        |

Note: 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. County databases added 3 new parcels.



# ASSESSMENT METHODOLOGY

## SPECIAL BENEFITS

- **Improved Safety** – reduced potential of hazardous conditions from fallen communications and electric lines due to tropical storms with high winds, hurricanes, and vehicle accidents
- **Improved Reliability** – new technologically upgraded communications lines, utility lines and facilities; reduces frequency of communications and power outages/failures; faster disaster recovery
- **Improved Aesthetics** – eliminate heavy concentration of overhead communications and electric lines; discontinue radical disfiguring tree trimming



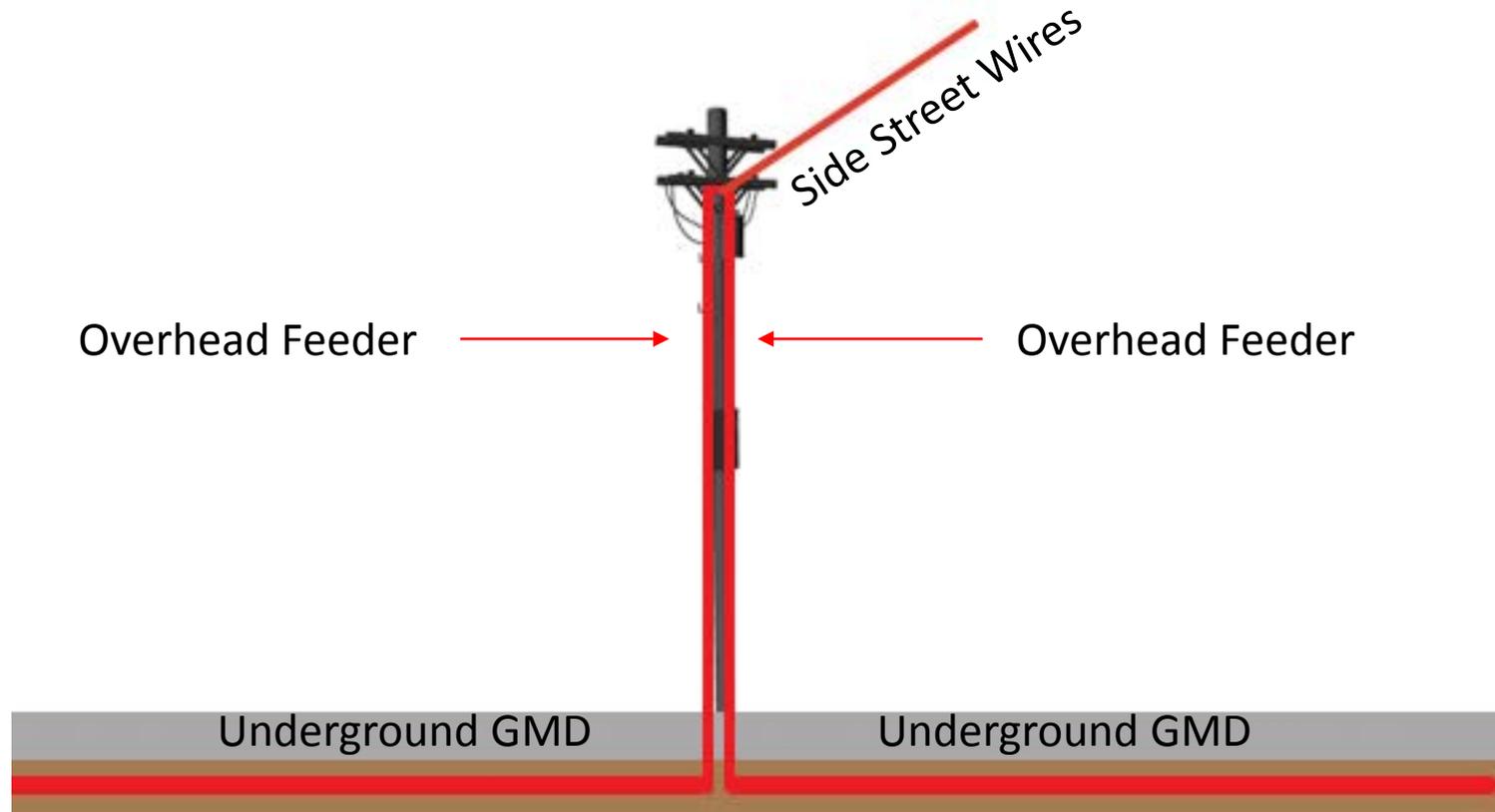
# NON AD VALOREM PROPERTY BENEFITS

- **Measured in Equivalent Benefit Units (EBU)**
- **Safety and Aesthetics**
  - Each Property Assessed 0.5 EBUs
  - Large Properties Assessed Additional EBUs Based on Property Size
  - Unit Adjustments made for Condo & Multi-Family Properties
- **Reliability**
  - Each Property Assessed 0.5 EBU
  - Overhead Properties Assessed Additional EBUs Based on Number of Utility Connections Requiring Undergrounding
  - Unit Adjustment made for Condo & Multi-Family Properties



# REMAINING GMD FEEDER FACILITIES

At each street intersecting GMD, the main FPL feeder line comes up the side street pole, connects to the side street wire and goes back down the pole underground and continues along GMD.





# TOWN WIDE BENEFITS

## FROM UNDERGROUNDING REMAINING FEEDER POLES

- At every side street there is an overhead section of the GMD feeder
- Therefore the main GMD feeders are subject to reliability of overhead at side street
- Undergrounding these connections increases the reliability, safety and aesthetics for all Town residents
- Therefore spreading those costs to all resident so the Town is reasonable



## FIBER OPTIC OPTIONS

- **Fiber optic build out anticipates a system that will:**
  - connect all Town wastewater lift stations
  - read Town water meters
  - connect all Town buildings with a Town intranet
  - enhance emergency communications
- **Fiber build out plan may include:**
  - allowing private providers to lease bandwidth for services to residents and pay the Town a fee.
  - town-wide availability will enable town-wide adoption of new technologies.



# NON AD VALOREM PROPERTY BENEFIT COST ALLOCATION

Project costs are divided equally between each of the three benefit classifications.

$$\frac{\text{Property Safety Benefits}}{\text{Total Safety Benefits}} \times \frac{\text{Project Cost}}{3} = \text{Property Safety Cost}$$

$$\frac{\text{Property Reliability Benefits}}{\text{Total Safety Benefits}} \times \frac{\text{Project Cost}}{3} = \text{Property Reliability Cost}$$

$$\frac{\text{Property Aesthetics Benefits}}{\text{Total Safety Benefits}} \times \frac{\text{Project Cost}}{3} = \text{Property Aesthetics Cost}$$



# PROJECTED PROPERTY ASSESSMENTS

- **Property General Benefits provided by the undergrounding of the remaining GMD Feeders will provide an assessment of approximately \$513.20 to all 9860 assessed parcels funding approximately 21.2% of the project cost.**
- **Property Specific Benefits provided by the expansion of the fiber Optics Component to Underground Areas will provide an assessment of approximately \$600.14 to 5,582 assessed parcels funding approximately 14.0% of the Project.**
- **Property Specific Benefits provided by the Undergrounding and Street Lighting Components will provide assessments funding approximately 64.7% of the project cost.**
- **Existing underground properties will be assessed approximately 26.1% of the project cost, and properties receiving Undergrounding & Street Light Specific Benefits will be assessed approximately 73.9%.**



## PARCEL COUNTS FOR ASSESSMENT WITHIN RANGES

| Assessment Amount    | Total<br>Parcels |
|----------------------|------------------|
| \$0                  | 181              |
| \$500 - \$600        | 1,557            |
| \$600 - \$1200       | 5,582            |
| \$1200 - \$4500      | 643              |
| \$4500 - \$5000      | 589              |
| \$5000 - \$7500      | 796              |
| \$7500 - \$10000     | 670              |
| Greater than \$10000 | 23               |
| <b>Total</b>         | <b>10,041</b>    |



**ASSESSMENTS  
AND  
PARCEL COUNTS  
FOR  
ASSESSMENTS  
ABOVE  
\$10,000**

| Assessment Amount | Total<br>Parcels |
|-------------------|------------------|
| \$ 10,141.97      | 1                |
| \$ 10,484.01      | 3                |
| \$ 10,803.11      | 1                |
| \$ 11,122.21      | 5                |
| \$ 11,618.06      | 2                |
| \$ 12,467.42      | 1                |
| \$ 15,408.13      | 1                |
| \$ 15,727.23      | 1                |
| \$ 16,057.80      | 1                |
| \$ 18,097.07      | 1                |
| \$ 18,571.28      | 1                |
| \$ 20,235.59      | 1                |
| \$ 20,865.61      | 2                |
| \$ 36,906.56      | 1                |
| \$ 84,318.03      | 1                |
| Grand Total       | 23               |



# SOME TYPICAL EXAMPLES OF ASSESSMENT FACTORS

| CUSTOMER CLASS | PROPERTY CLASS | CONNECTION NEEDED | RADIAL TO LOOP | TOTAL ASSESMENT | 30 YEAR - 4.5% MARKET RATE | 30 YEAR - 6.0% MARKET RATE | DESCRIPTION                              |
|----------------|----------------|-------------------|----------------|-----------------|----------------------------|----------------------------|------------------------------------------|
| SINGLE FAMILY  | UG             | N                 | N              | \$ 513.20       | \$ 31.84                   | \$ 37.79                   | OH PARCEL CONVERTED TO UG ON GDM PROJECT |
| SINGLE FAMILY  | UG             | N                 | N              | \$ 1,113.34     | \$ 69.07                   | \$ 81.99                   | UG AREA PARCEL GETTING FIBER OPTICS      |
| SINGLE FAMILY  | UG             | N                 | Y              | \$ 6,032.61     | \$ 374.25                  | \$ 444.24                  | UG PARCEL REQUIRING CONVERSION TO LOOP   |
| SINGLE FAMILY  | OH             | N                 | N              | \$ 6,517.18     | \$ 404.32                  | \$ 479.93                  | OH PARCEL CONVERTED WITH REUSABLE UG SVC |
| SINGLE FAMILY  | OH             | Y                 | N              | \$ 8,500.60     | \$ 527.36                  | \$ 625.99                  | OH PARCEL CONVERTED REQUIRING NEW UG SVC |
| CONDOMINIUM    | UG             | N                 | N              | \$ 1,113.34     | \$ 69.07                   | \$ 81.99                   | UG AREA PARCEL GETTING FIBER OPTICS      |



## SINGLE FAMILY ASSESSMENT EXAMPLES

| NEIGHBORHOOD PROJECT<br>-----<br>SITE ADDRESS | CUSTOMER CLASS | PROPERTY CLASS | CONNECTION NEEDED | RADIAL TO LOOP | TOTAL ASSESMENT | 30 YEAR - 4.5% MARKET RATE | 30 YEAR - 6.0% MARKET RATE |
|-----------------------------------------------|----------------|----------------|-------------------|----------------|-----------------|----------------------------|----------------------------|
| 561 RANGER LN                                 | Single Family  | OH             | Y                 | N              | \$ 8,500.60     | \$ 527.36                  | \$ 625.99                  |
| 601 BIRDIE LN                                 | Single Family  | OH             | N                 | N              | \$ 6,517.18     | \$ 404.32                  | \$ 479.93                  |
| 825 LONGBOAT CLUB RD                          | Single Family  | UG             | N                 | N              | \$ 1,113.34     | \$ 69.07                   | \$ 81.99                   |
| 3360 BAYOU GATE                               | Single Family  | UG             | N                 | N              | \$ 1,113.34     | \$ 69.07                   | \$ 81.99                   |
| 545 ROUNTREE DR                               | Single Family  | OH             | Y                 | N              | \$ 8,500.60     | \$ 527.36                  | \$ 625.99                  |
| 605 KINGFISHER LN                             | Single Family  | OH             | N                 | N              | \$ 6,517.18     | \$ 404.32                  | \$ 479.93                  |
| 5060 GULF OF MEXICO DR                        | Single Family  | UG             | N                 | N              | \$ 513.20       | \$ 31.84                   | \$ 37.79                   |
| 5362 SANDHAMN PL                              | Single Family  | UG             | N                 | Y              | \$ 6,032.61     | \$ 374.25                  | \$ 444.24                  |
| 755 ST JUDES DR N                             | Single Family  | OH             | Y                 | N              | \$ 8,500.60     | \$ 527.36                  | \$ 625.99                  |
| 530 COMPANION WAY                             | Single Family  | OH             | Y                 | N              | \$ 8,500.60     | \$ 527.36                  | \$ 625.99                  |
| 5821 GULF OF MEXICO DR                        | Single Family  | UG             | N                 | N              | \$ 513.20       | \$ 31.84                   | \$ 37.79                   |
| 5940 EMERALD HARBOR DR                        | Single Family  | OH             | N                 | N              | \$ 6,517.18     | \$ 404.32                  | \$ 479.93                  |
| 538 NORTON ST                                 | Single Family  | OH             | Y                 | N              | \$ 8,500.60     | \$ 527.36                  | \$ 625.99                  |
| 630 BROADWAY                                  | Single Family  | OH             | Y                 | N              | \$ 8,500.60     | \$ 527.36                  | \$ 625.99                  |
| 751 RUSSELL ST                                | Single Family  | OH             | N                 | N              | \$ 6,517.18     | \$ 404.32                  | \$ 479.93                  |
| 690 HIBISCUS WAY                              | Single Family  | UG             | N                 | Y              | \$ 6,032.61     | \$ 374.25                  | \$ 444.24                  |
| 6888 POINSETTIA AVE                           | Single Family  | OH             | N                 | N              | \$ 6,517.18     | \$ 404.32                  | \$ 479.93                  |
| 7050 FIREHOUSE RD                             | Single Family  | OH             | N                 | N              | \$ 6,517.18     | \$ 404.32                  | \$ 479.93                  |



# CONDOMINIUM ASSESSMENT EXAMPLES

| NEIGHBORHOOD PROJECT<br>-----<br>SITE ADDRESS | CUSTOMER CLASS | PROPERTY CLASS | CONNECTION NEEDED | RADIAL TO LOOP | TOTAL ASSESSMENT | 30 YEAR - 4.5% MARKET RATE | 30 YEAR - 6.0% MARKET RATE |
|-----------------------------------------------|----------------|----------------|-------------------|----------------|------------------|----------------------------|----------------------------|
| 435 L AMBIANCE DR L207                        | Condominium    | UG             | N                 | N              | \$ 1,113.34      | \$ 69.07                   | \$ 81.99                   |
| 1145 GULF OF MEXICO DR 204 BLD 1              | Condominium    | UG             | N                 | N              | \$ 1,113.34      | \$ 69.07                   | \$ 81.99                   |
| 1900 HARBOURSIDE DR 104 BLD 1                 | Condominium    | UG             | N                 | N              | \$ 1,113.34      | \$ 69.07                   | \$ 81.99                   |
| 3040 GRAND BAY BLVD 214 BLD 2                 | Condominium    | UG             | N                 | N              | \$ 1,113.34      | \$ 69.07                   | \$ 81.99                   |
| 2301 GULF OF MEXICO DR APT 73N                | Condominium    | UG             | N                 | N              | \$ 1,113.34      | \$ 69.07                   | \$ 81.99                   |
| 40 TWIN SHORES BLVD                           | Condominium    | OH             | Y                 | N              | \$ 4,815.74      | \$ 298.76                  | \$ 354.63                  |
| 6701 GULF OF MEXICO DR UNIT 327               | Condominium    | UG             | N                 | N              | \$ 1,113.34      | \$ 69.07                   | \$ 81.99                   |
| 805 SPANISH DR N                              | Condominium    | OH             | Y                 | N              | \$ 4,935.27      | \$ 306.18                  | \$ 363.43                  |
| 7065 GULF OF MEXICO DR UNIT 14                | Condominium    | UG             | N                 | Y              | \$ 4,235.57      | \$ 262.77                  | \$ 311.91                  |



# MULTI-FAMILY ASSESSMENT EXAMPLES

| NEIGHBORHOOD PROJECT<br>-----<br>SITE ADDRESS | CUSTOMER CLASS | PROPERTY CLASS | CONNECTION NEEDED | RADIAL TO LOOP | TOTAL ASSESMENT | 30 YEAR - 4.5% MARKET RATE | 30 YEAR - 6.0% MARKET RATE |
|-----------------------------------------------|----------------|----------------|-------------------|----------------|-----------------|----------------------------|----------------------------|
| 569 CHANNEL LN                                | Multi-Family   | OH             | Y                 | N              | \$ 7,508.89     | \$ 465.84                  | \$ 552.96                  |
| 6051 GULF OF MEXICO DR                        | Multi-Family   | OH             | Y                 | N              | \$ 10,803.11    | \$ 670.21                  | \$ 795.54                  |
| 651 FOX ST                                    | Multi-Family   | OH             | Y                 | N              | \$ 6,198.08     | \$ 384.52                  | \$ 456.43                  |
| 6501 BAYOU HAMMOCK RD                         | Multi-Family   | OH             | N                 | N              | \$ 4,214.67     | \$ 261.47                  | \$ 310.37                  |
| 5145 GULF OF MEXICO DR                        | Multi-Family   | OH             | N                 | N              | \$ 8,819.70     | \$ 547.16                  | \$ 649.48                  |
| 3037 GULF OF MEXICO DR                        | Multi-Family   | UG             | N                 | N              | \$ 1,113.34     | \$ 69.07                   | \$ 81.99                   |
| 4031 GULF OF MEXICO DR                        | Multi-Family   | UG             | N                 | N              | \$ 513.20       | \$ 31.84                   | \$ 37.79                   |



# NEXT STEPS SCHEDULE

- **Dec 14, 2015 - Commission Workshop & Special Meeting**  
Referendum Ordinance First Reading & Public Hearing
- **Jan 4, 2016 - Special Meeting** Referendum Ordinance Second Reading & Public Hearing, Adoption
- **Jan 8, 2016 - Ballot Question language delivered to both County Supervisors of Elections**
- **Mar 15, 2016 – Referendum**
- **Mar 21, 2016 - Commission Workshop & Special Meeting**  
Referendum results presented



**End of Agenda Item**