

M E M O R A N D U M

Date: June 3, 2016

TO: Town Commission

FROM: Dave Bullock, Town Manager

SUBJECT: Resolution 2016-06, Providing for an Initial Assessment for Remaining Neighborhoods Utility Undergrounding Project

Resolution 2016-06 includes findings that conclude that undergrounding the overhead utility lines have safety, reliability, and aesthetic benefits to the assessed properties and that installation of street lighting improvements and installation of fiber optics also benefits the assessed properties.

It establishes that costs of the undergrounding will be apportioned based on Equivalent Benefit Units (EBUs). The Resolution approves the Assessment Report prepared by Willdan Financial Services and Brannon & Gillespie which describes the apportionment methodology based upon EBUs used to allocate the costs and benefits associated with the undergrounding project among benefitted property and determines that such method is reasonable and equitable. A copy of the report is included in this agenda item.

Resolution 2016-06 also describes how the assessment roll will be maintained. It establishes a public hearing for July 5, 2016 to consider adoption of the final assessment resolution and imposition of assessments and directs the mailing and publication of notice of such hearing.

Resolution 2016-06 further describes how each EBU is assigned to different types of parcels and addresses special parcel types (golf courses and Jewfish Key properties).

The Resolution includes an initial prepayment option for property owners who wish to prepay the assessments prior to issuance of bonds and thereby avoid bond issuance expenses and interest payments over time, and sets forth the method for calculating prepayment amounts after bond issuance. The term of the assessments is set at 30 years.

Resolution 2016-06 was placed on the June 3, 2016 Special Workshop Meeting for Commission consideration. The Resolution was forwarded to the June 6, 2016 Special Meeting for formal action. The materials for the June 6, 2016 Special Meeting were published prior to the June 3, 2016 Special Workshop Meeting, therefore any changes directed by the Commission will be provided at, or prior to, the June 6, 2016 Special Meeting.

The attached PowerPoint presentation overviews the project and methodology.



NEIGHBORHOOD UNDERGROUND PROJECT REVIEW AND UPDATE

Town Commission
Special Workshop
June 3, 2016



TOWN COMMISSION MEETINGS UNDERGROUNDING DISCUSSIONS

1. May 19, 2014 Town Commission Regular Workshop
FPL Hardening Project and Undergrounding Opportunity
2. July 7, 2014 Town Commission Regular Meeting
Undergrounding Project Research Presentation
3. September 8, 2014 Town Commission Regular Meeting
Resolution "Undergrounding Consultant"
4. October 20, 2014 Town Commission Regular Workshop
Feasibility Analysis Presented, GMD Ad and Neighborhood Sections \$5m Referendum
5. November 12, 2014 Town Commission Regular Workshop
Second Reading Referendums, Options Evaluation Requested
6. February 17, 2015 Town Commission Regular Workshop
Four Options Presented, Non Ad Valorem Benefit Analysis Requested
7. June 1, 2015 Town Commission Regular Meeting
Five Options Presented with Non Ad Valorem Estimated Assessments
8. June 15, 2015 Town Commission Special Meeting
Second Reading GMD Referendum
9. June 29, 2015 Town Commission Special Meeting
Second Reading GMD Referendum
10. September 9, 2015 Town Commission Regular Meeting
Neighborhood Framework Project Undecided Consensus
11. September 21, 2015 Town Commission Regular Workshop
Neighborhood Project Framework Undecided Workshop
12. September 28, 2015 Town Commission Special Meeting
Neighborhood Project Framework Undecided Motion and Vote



TOWN COMMISSION MEETINGS UNDERGROUNDING DISCUSSIONS (CONT.)

13. November 9, 2015 Regular Workshop
Undergrounding Update: Consensus To Forward Ordinance 2015-30 To Special Meeting
14. November 9, 2015 Special Meeting
Ordinance 2015-30: Funding of Capital Improvements and Essential Services
15. December 7, 2015 Regular Meeting
Adoption of Ordinance 2015-30, Resolution 2015-30 and 2015-31 Passed
16. December 14, 2015 Regular Workshop
Ordinance 2016-01 – Establishing GMD Undergrounding Fund and Budget
17. December 14, 2015 Special Meeting
Ordinance 2016-01, 2015-02, 2016-05 Passed
18. January 4, 2016 Regular Meeting
Final Assessment and GMD Utility Undergrounding Bond Resolution
19. January 19, 2016 Regular Workshop
Discussion on Utility Undergrounding in Neighborhoods and Side Streets and Presentation of Fiber Optic
20. January 19, 2016 Special Meeting
No Discussion Necessary
21. February 1, 2016 Regular Meeting
Update on Utility Undergrounding for Neighborhoods and Side Streets
22. February 16, 2016 Special Meeting
Discussion Regarding Utility Undergrounding for Neighborhood and Side Streets and Options for Dark Fiber Build Out



BACKGROUND

- **March 15, 2016 – Neighborhood Project Referendum Passes**
- **March 21, 2016 – Neighborhood Referendum results presented**
- **March 24, 2016 – GMD Project Validation Hearing**
- **May 13, 2016 – GMD Validation Final with No Appeal**
- **June 3, 2016 – Neighborhood Initial Assessment Resolution**
- **June 3, 2016 – Special Workshop**
 - **Initial Assessment Resolution**
 - **Apportionment Methodology**
 - **Master Bond Resolution**



BENEFITS OF NEIGHBORHOOD UNDERGROUNDING PROJECT

- **Underground Electric**
 - Increased safety
 - Increased reliability
 - Aesthetically pleasing
- **Cost Savings for Fiber Optic Installation when combined with Utility Undergrounding**
- **Street and Pedestrian 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**
- **Town Wide Fiber Optic Line Installation**
- **Project Boundary – Entire Town**



ESTIMATED NEIGHBORHOOD UNDERGROUNDING PROJECT COSTS

Project Component	Estimated Cost
Undergrounding Remaining GMD Feeder Lines	\$ 5,060,120
Undergrounding Neighborhood	9,939,880
Street Lighting Replacement Neighborhoods	2,000,000
Fiber Optic Line Installation Neighborhoods	1,200,000
Financing and Legal Costs	760,000
Financing, Legal, Inflation Contingency (20%)	300,000
Multi Year Project Inflation Cost (3 years)	1,000,000
Other Miscellaneous Costs and Costs Incurred to Date	<u>240,000</u>
Subtotal	\$ 20,500,000
Additional Fiber in Existing Underground Areas	<u>3,350,000</u>
Total Non Ad Valorem Project Cost Neighborhood Project	\$ 23,850,000



PROJECT OVERVIEW

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



GMD PROJECT WILL ADDRESS OVERHEAD FEEDER LINES (RED)



GENERAL LOCATIONS OF EXISTING OVERHEAD UTILITY LINES.





NEIGHBORHOOD PROJECT WILL ADDRESS UNDERGROUNDING AREAS IN BLUE



GENERAL LOCATIONS OF OH TO UG CONVERSIONS AND RADIAL UG PROPERTIES





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 as an annual assessment or prepayment of total amount
- Special assessments are not generally Federal income tax deductible



NON-AD VALOREM ASSESSMENT METHODOLOGY

Town of
LONGBOAT KEY | FLORIDA



**Underground Utility Assessment
Methodology
Neighborhood Project**

May 2016

Working Draft Report



WILLDAN
Financial Services



ASSESSMENT METHODOLOGY DEVELOPMENT PROCESS

- **Develop an objective assessment of the benefits provided to each individual property relative to Safety, Reliability, & Aesthetics, 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 facilities**



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 existing 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 PARCEL CLASSIFICATIONS

Property Classification	Number of Properties
Single Family	1,951
Condominium	7,314
Multi-Family	55
Marina Slip	464
Non-Residential	73
Exempt	208
Total Tax Roll Properties	10,065

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. As of 5/13/2016.



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, vehicle accidents, and other incidents
- 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 and poles; discontinue radical disfiguring tree trimming



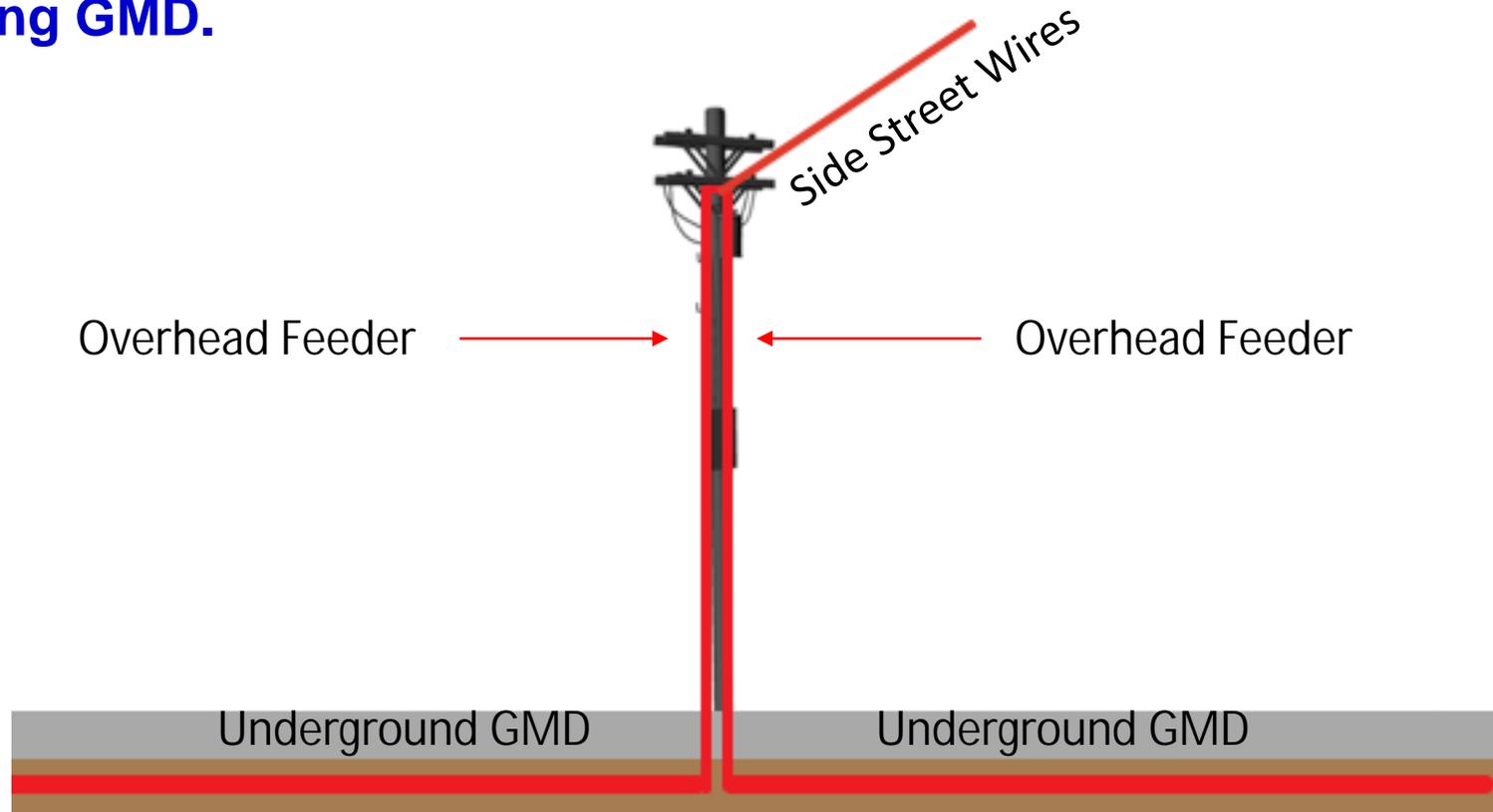
NON AD VALOREM PROPERTY BENEFITS

- **Measured in Equivalent Benefit Units (EBUs)**
- **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 EBUs
 - 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, then goes underground, and then continues along GMD.





TOWN WIDE BENEFITS PROVIDED FROM UNDERGROUNDING REMAINING FEEDER POLES

- **At every side street there is an overhead section of the GMD feeder [84 connections]**
 - Therefore, the main GMD feeders are subject to reliability of overhead lines at the side streets.
- **Undergrounding these connections increases the safety, reliability, and aesthetics for all Town residents.**
 - Therefore, apportioning those costs and benefits to all parcels in the Town is reasonable.



FIBER OPTIC OPTIONS

- **Fiber optic build-out anticipates a system that will be capable of:**
 - Connecting all Town wastewater lift stations
 - Reading Town water meters
 - Connecting all Town buildings with a Town intranet
 - Enhancing emergency communications and security
 - High speed broadband internet connectivity
- **Fiber optic 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 BENEFIT DRIVEN 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 \$518.30 to all 9,857 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 \$676.22 to 4,954 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 64.8% of the project cost.**
- **Existing underground properties will be assessed approximately 29.2% of the project cost related to GMD Feeder connection removal and fiber optic lines, and properties receiving Undergrounding & Street Light Specific Benefits will be assessed approximately 70.8% of the Project Costs.**



NEIGHBORHOOD PROJECT INITIAL ASSESSMENT RESOLUTION

RESOLUTION 2016-06

A RESOLUTION OF THE TOWN OF LONGBOAT KEY, FLORIDA, RELATING TO THE ACQUISITION, CONSTRUCTION AND FUNDING OF CAPITAL IMPROVEMENTS ASSOCIATED WITH THE UNDERGROUNDING OF ELECTRICAL, COMMUNICATIONS, FIBER OPTICS AND OTHER UTILITIES IN AREAS OR NEIGHBORHOODS OF THE TOWN WHERE SUCH UTILITIES ARE CURRENTLY OVERHEAD AND/OR WHICH WILL NOT BE UNDERGROUNDED AS PART OF THE GULF OF MEXICO DRIVE PROJECT, INCLUDING THE PROVISION OF STREET LIGHTING IMPROVEMENTS THEREIN, AND THE INSTALLATION OF UNDERGROUND FIBER OPTICS FACILITIES IN AREAS AND NEIGHBORHOODS OF THE TOWN WHERE SUCH FACILITIES ARE NOT OTHERWISE AVAILABLE; PROVIDING FOR THE IMPOSITION OF SPECIAL ASSESSMENTS TO FUND THE COSTS OF SUCH IMPROVEMENTS; ESTIMATING THE COST OF THE IMPROVEMENTS; ESTABLISHING THE METHOD OF ASSESSING THE COSTS OF THE IMPROVEMENTS AGAINST SPECIALLY BENEFITED REAL PROPERTY; DIRECTING THE TOWN MANAGER TO PREPARE A PRELIMINARY ASSESSMENT ROLL; ESTABLISHING A PUBLIC HEARING TO CONSIDER IMPOSITION OF THE PROPOSED ASSESSMENTS; DIRECTING THE PROVISION OF NOTICE IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE.



PARCEL COUNTS FOR ASSESSMENT WITHIN RANGES

Assessment Amount	Total Parcels
\$0 - \$100	402
\$100 - \$600	1,989
\$600 - \$1200	4,960
\$1200 - \$4500	539
\$4500 - \$5000	568
\$5000 - \$7500	951
\$7500 - \$10000	601
Greater than \$10000	55
Total	10,065



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

Assessment Amount	Total Parcels
\$ 10,389.37	3
\$ 10,649.60	5
\$ 11,042.14	4
\$ 11,629.88	24
\$ 12,349.92	1
\$ 12,610.15	4
\$ 15,289.63	1
\$ 15,484.46	1
\$ 15,616.01	1
\$ 16,137.97	1
\$ 16,597.41	1
\$ 17,902.94	1
\$ 19,502.40	2
\$ 21,789.34	1
\$ 27,701.70	1
\$ 36,529.31	1
\$ 56,710.42	1
\$ 81,937.13	1
\$ 97,348.28	1
Total	55



TYPICAL EXAMPLES OF ASSESSMENT FACTORS

CUSTOMER CLASS	PROPERTY CLASS	CONNECTION NEEDED	RADIAL TO LOOP	TOTAL ASSESSMENT	30 YEAR - 4.5% MARKET RATE	30 YEAR - 6.0% MARKET RATE	DESCRIPTION
SINGLE FAMILY	UG	N	N	\$ 518.30	\$ 32.15	\$ 38.17	OH PARCEL CONVERTED TO UG ON GMD PROJECT
SINGLE FAMILY	UG	N	N	\$ 1,194.52	\$ 74.11	\$ 87.96	UG AREA PARCEL GETTING FIBER OPTICS
SINGLE FAMILY	UG	N	Y	\$ 5,999.27	\$ 372.19	\$ 441.79	UG PARCEL REQUIRING CONVERSION TO LOOP
SINGLE FAMILY	OH	N	N	\$ 6,468.27	\$ 401.28	\$ 476.32	OH PARCEL CONVERTED WITH RESUABLE UG SVC
SINGLE FAMILY	OH	Y	N	\$ 8,428.82	\$ 522.91	\$ 620.70	OH PARCEL CONVERTED REQUIREING NEW UG SVC
CONDOMINIUM	UG	N	N	\$ 1,194.52	\$ 74.11	\$ 87.96	UG AREA PARCEL GETTING FIBER OPTICS



SINGLE FAMILY ASSESSMENT EXAMPLES

SITE ADDRESS	ASSESSMENT FOR REMAINING GMD FEEDER	ASSESSMENT FOR FIBER OPTICS IN UNDERGROUND AREAS	ASSESSMENT FOR NEIGHBORHOOD PROJECT GENERAL BENEFITS	ASSESSMENT FOR NEIGHBORHOOD CONVERSION OF OH LINES TO UG	ASSESSMENT FOR NEIGHBORHOOD CONVERSION OF OH SERVICE CONNECTION	ONSITE COST FOR NEIGHBORHOOD RADIAL TO LOOP CONVERSION	ONSITE COST FOR NEIGHBORHOOD SERVICE CONVERSION	TOTAL ASSESMENT	30 YEAR - 4.5% MARKET RATE	30 YEAR - 6.0% MARKET RATE
561 RANGER LN	\$ 518.30	\$ -	\$ 3,663.04	\$ 2,286.94	\$ 1,376.10	\$ 522.91	\$ 584.45	\$ 8,428.82	\$ 522.91	\$ 620.70
601 BIRDIE LN	\$ 518.30	\$ -	\$ 3,663.04	\$ 2,286.94	\$ -	\$ 401.28	\$ -	\$ 6,468.27	\$ 401.28	\$ 476.32
825 LONGBOAT CLUB RD	\$ 518.30	\$ 676.22	\$ -	\$ -	\$ -	\$ 74.11	\$ -	\$ 1,194.52	\$ 74.11	\$ 87.96
3360 BAYOU GATE	\$ 518.30	\$ 676.22	\$ -	\$ -	\$ -	\$ 74.11	\$ -	\$ 1,194.52	\$ 74.11	\$ 87.96
545 ROUNTREE DR	\$ 518.30	\$ -	\$ 3,663.04	\$ 2,286.94	\$ 1,376.10	\$ 522.91	\$ 584.45	\$ 8,428.82	\$ 522.91	\$ 620.70
605 KINGFISHER LN	\$ 518.30	\$ -	\$ 3,663.04	\$ 2,286.94	\$ -	\$ 401.28	\$ -	\$ 6,468.27	\$ 401.28	\$ 476.32
5060 GULF OF MEXICO DR	\$ 518.30	\$ -	\$ -	\$ -	\$ -	\$ 32.15	\$ -	\$ 518.30	\$ 32.15	\$ 38.17
5362 SANDHAMN PL	\$ 518.30	\$ -	\$ 3,663.04	\$ -	\$ -	\$ 372.19	\$ -	\$ 5,999.27	\$ 372.19	\$ 441.79
755 ST JUDES DR N	\$ 518.30	\$ -	\$ 3,663.04	\$ 2,286.94	\$ 1,376.10	\$ 522.91	\$ 584.45	\$ 8,428.82	\$ 522.91	\$ 620.70
530 COMPANION WAY	\$ 518.30	\$ -	\$ 3,663.04	\$ 2,286.94	\$ 1,376.10	\$ 522.91	\$ 584.45	\$ 8,428.82	\$ 522.91	\$ 620.70
5821 GULF OF MEXICO DR	\$ 518.30	\$ -	\$ -	\$ -	\$ -	\$ 32.15	\$ -	\$ 518.30	\$ 32.15	\$ 38.17
5940 EMERALD HARBOR DR	\$ 518.30	\$ -	\$ 3,663.04	\$ 2,286.94	\$ -	\$ 401.28	\$ -	\$ 6,468.27	\$ 401.28	\$ 476.32
538 NORTON ST	\$ 518.30	\$ -	\$ 3,663.04	\$ 2,286.94	\$ 1,376.10	\$ 522.91	\$ 584.45	\$ 8,428.82	\$ 522.91	\$ 620.70
630 BROADWAY	\$ 518.30	\$ -	\$ 3,663.04	\$ 2,286.94	\$ 1,376.10	\$ 522.91	\$ 584.45	\$ 8,428.82	\$ 522.91	\$ 620.70
751 RUSSELL ST	\$ 518.30	\$ -	\$ 3,663.04	\$ 2,286.94	\$ -	\$ 401.28	\$ -	\$ 6,468.27	\$ 401.28	\$ 476.32
690 HIBISCUS WAY	\$ 518.30	\$ -	\$ 3,663.04	\$ -	\$ -	\$ 372.19	\$ -	\$ 5,999.27	\$ 372.19	\$ 441.79
6888 POINSETTIA AVE	\$ 518.30	\$ -	\$ 3,663.04	\$ 2,286.94	\$ -	\$ 401.28	\$ -	\$ 6,468.27	\$ 401.28	\$ 476.32
7050 FIREHOUSE RD	\$ 518.30	\$ -	\$ 3,663.04	\$ 2,286.94	\$ -	\$ 401.28	\$ -	\$ 6,468.27	\$ 401.28	\$ 476.32



CONDOMINIUM ASSESSMENT EXAMPLES

SITE ADDRESS	ASSESMENT FOR REMAINING GMD FEEDER	ASSESMENT FOR FIBER OPTICS IN UNDERGROUND AREAS	ASSESMENT FOR NEIGHBORHOOD PROJECT GENERAL BENEFITS	ASSESMENT FOR NEIGHBORHOOD CONVERSION OF OH LINES TO UG	ASSESMENT FOR NEIGHBORHOOD CONVERSION OF OH SERVICE CONNECTION	ONSITE COST FOR NEIGHBORHOOD RADIAL TO LOOP CONVERSION	ONSITE COST FOR NEIGHBORHOOD SERVICE CONVERSION	TOTAL ASSESMENT	30 YEAR - 4.5% MARKET RATE	30 YEAR - 6.0% MARKET RATE
435 L AMBIANCE DR L207	\$ 518.30	\$ 676.22	\$ -	\$ -	\$ -	\$ 74.11	\$ -	\$ 1,194.52	\$ 74.11	\$ 87.96
1145 GULF OF MEXICO DR 204 BLD 1	\$ 518.30	\$ 676.22	\$ -	\$ -	\$ -	\$ 74.11	\$ -	\$ 1,194.52	\$ 74.11	\$ 87.96
1900 HARBOURSIDE DR 104 BLD 1	\$ 518.30	\$ 676.22	\$ -	\$ -	\$ -	\$ 74.11	\$ -	\$ 1,194.52	\$ 74.11	\$ 87.96
3040 GRAND BAY BLVD 214 BLD 2	\$ 518.30	\$ 676.22	\$ -	\$ -	\$ -	\$ 74.11	\$ -	\$ 1,194.52	\$ 74.11	\$ 87.96
2301 GULF OF MEXICO DR APT 73N	\$ 518.30	\$ 676.22	\$ -	\$ -	\$ -	\$ 74.11	\$ -	\$ 1,194.52	\$ 74.11	\$ 87.96
40 TWIN SHORES BLVD	\$ 518.30	\$ -	\$ 3,663.04	\$ 121.65	\$ 424.54	\$ 304.47	\$ 180.31	\$ 4,907.83	\$ 304.47	\$ 361.41
6701 GULF OF MEXICO DR UNIT 327	\$ 518.30	\$ 676.22	\$ -	\$ -	\$ -	\$ 74.11	\$ -	\$ 1,194.52	\$ 74.11	\$ 87.96
805 SPANISH DR N	\$ 518.30	\$ -	\$ 3,663.04	\$ 269.69	\$ 311.57	\$ 303.67	\$ 132.33	\$ 4,894.92	\$ 303.67	\$ 360.46
7065 GULF OF MEXICO DR UNIT 14	\$ 518.30	\$ -	\$ 3,663.04	\$ 341.73	\$ -	\$ 280.60	\$ -	\$ 4,523.06	\$ 280.60	\$ 333.08



MULTI-FAMILY ASSESSMENT EXAMPLES

SITE ADDRESS	ASSESMENT FOR REMAINING GMD FEEDER	ASSESMENT FOR FIBER OPTICS IN UNDERGROUND AREAS	ASSESMENT FOR NEIGHBORHOOD PROJECT GENERAL BENEFITS	ASSESMENT FOR NEIGHBORHOOD CONVERSION OF OH LINES TO UG	ASSESMENT FOR NEIGHBORHOOD CONVERSION OF OH SERVICE CONNECTION	ONSITE COST FOR NEIGHBORHOOD RADIAL TO LOOP CONVERSION	ONSITE COST FOR NEIGHBORHOOD SERVICE CONNECTION	TOTAL ASSESMENT	30 YEAR - 4.5% MARKET RATE	30 YEAR - 6.0% MARKET RATE
569 CHANNEL LN	\$ 1,036.59	\$ -	\$ 7,326.07	\$ 2,286.94	\$ 688.05	\$ 721.50	\$ 292.23	\$11,629.88	\$ 721.50	\$ 856.43
6051 GULF OF MEXICO DR	\$ 2,073.19	\$ -	\$ 14,652.15	\$ 4,573.87	\$ 344.03	\$ 1,351.78	\$ 146.11	\$21,789.34	\$ 1,351.78	\$ 1,604.57
651 FOX ST	\$ 1,036.59	\$ -	\$ 7,326.07	\$ 2,286.94	\$ 688.05	\$ 721.50	\$ 292.23	\$11,629.88	\$ 721.50	\$ 856.43
6501 BAYOU HAMMOCK RD	\$ 1,036.59	\$ -	\$ 7,326.07	\$ 2,286.94	\$ -	\$ 660.68	\$ -	\$10,649.60	\$ 660.68	\$ 784.24
5145 GULF OF MEXICO DR	\$ 1,036.59	\$ -	\$ 7,326.07	\$ 2,286.94	\$ -	\$ 660.68	\$ -	\$10,649.60	\$ 660.68	\$ 784.24
3037 GULF OF MEXICO DR	\$ 1,036.59	\$ -	\$ -	\$ -	\$ -	\$ 64.31	\$ -	\$ 1,036.59	\$ 64.31	\$ 76.33
4031 GULF OF MEXICO DR	\$ 1,036.59	\$ -	\$ -	\$ -	\$ -	\$ 64.31	\$ -	\$ 1,036.59	\$ 64.31	\$ 76.33



NEXT STEPS SCHEDULE

- **June 6, 2016 – Special Meeting**
 - Adoption of Initial Assessment Resolution
- **By June 15, 2016 – Notice of Public Hearing**
 - Published and Mailed
- **July 5, 2016 - Special Meeting**
 - Public Hearing on Assessments
 - Adoption of Final Assessment Resolution
 - Adoption of Master Bond Resolution

Town of
LONGBOAT KEY | FLORIDA



**Underground Utility Assessment
Methodology
Neighborhood Project**

May 2016

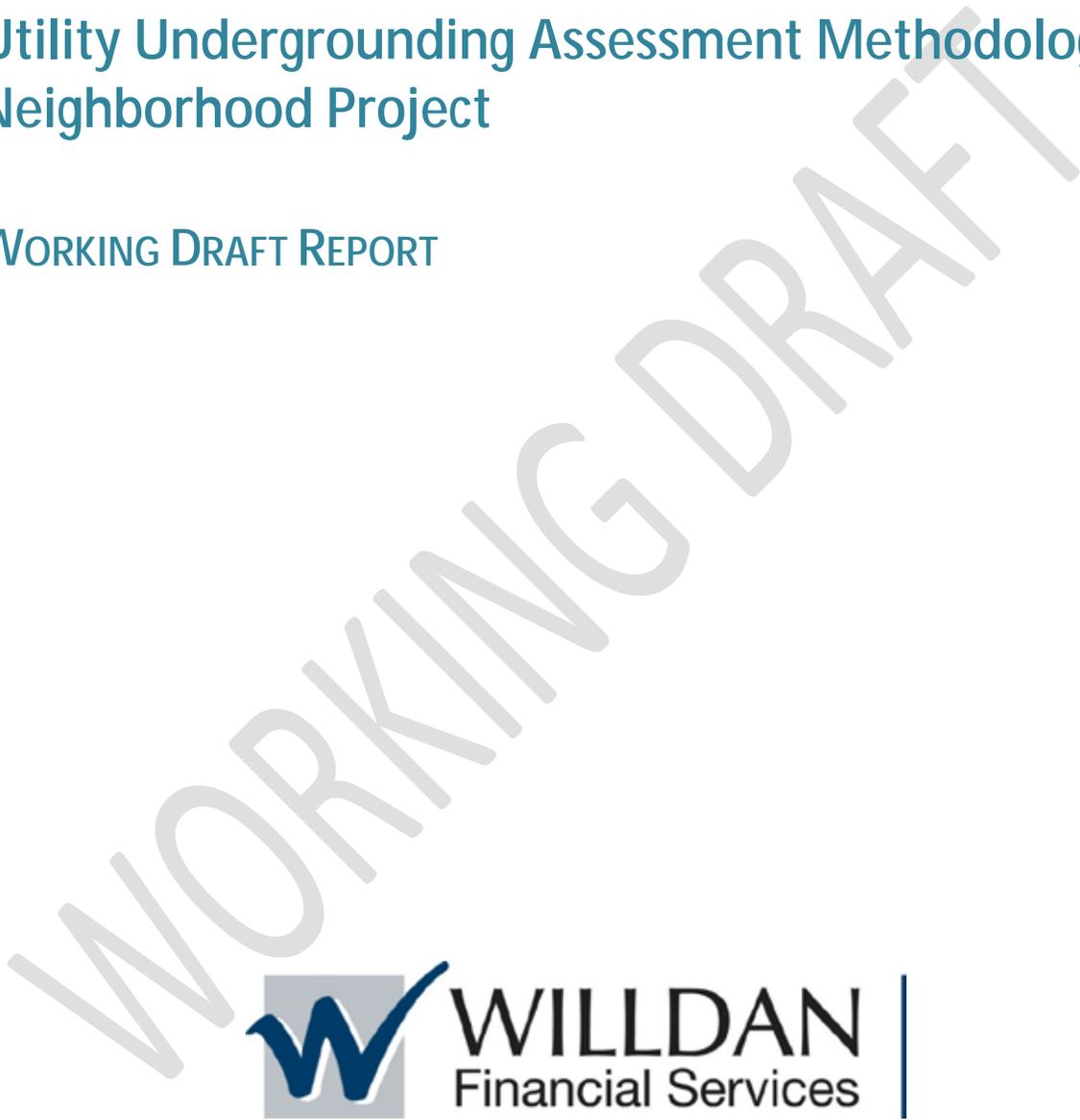
Working Draft Report



Town of Longboat Key, Florida

Utility Undergrounding Assessment Methodology Neighborhood Project

WORKING DRAFT REPORT



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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 undergrounding of electrical, communications, fiber optics and other utilities and installation of street lighting. The Town is undertaking the improvements in two phases, the first of which relates to Gulf of Mexico Drive (the "GMD Project"). The second phase involves all remaining streets or neighborhoods in the Town wherein such utilities have not been placed underground and/or where fiber optics are not currently available, and the removal of remnant feeder lines on Gulf of Mexico Drive which can only be removed in conjunction with or upon completion of certain aspects of the GMD Project (the "Neighborhood Project"). The Town has completed the actions necessary to impose special assessments to fund the GMD Project and to issue bonds secured by such assessments, including validation of the Town's authority to issue such bonds pursuant to Chapter 75, Florida Statutes. WFS and B&G previously submitted a report describing the apportionment methodology for the GMD Project, and now submit this report in support of the Neighborhood Project. The benefits conveyed to assessed property by utility undergrounding and the methodology for apportioning benefits and costs as described herein is substantially the same for both phases.

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 or "GMD") 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. Additionally, the main feeder overhead utility lines serving all sections of the Town are installed along GMD.

The largest component of the Neighborhood 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

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.



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.

The second type of facilities involved are overhead communications facilities which are currently attached to the FPL utility poles and owned by Comcast, Frontier (formerly Verizon), and BrightHouse Networks. 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 enhanced telecommunications and high speed broadband internet connectivity, 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 Neighborhood Project are street light facilities. 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 Neighborhood Project benefits affected property owners by providing a lighting system on Gulf of Mexico Drive and within the neighborhoods that is both lower in operating and maintenance costs, turtle friendly, enhancing safety thru improved illumination, and aesthetically pleasing.

During the course of preparing this Report, WFS and B&G conducted fieldwork, surveying the affected area of the Town to accurately incorporate the characteristics of the Town, the particular characteristics of affected properties and the overhead utilities proposed to be undergrounded. This fieldwork is necessary to identify each property's special benefit. This



information also allows the methodology to account for unique circumstances particular to certain properties. For example, 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. In addition to the fieldwork conducted, WFS also created a parcel database identifying all benefitting properties within the project area described herein and categorized those properties based on their land use and other characteristics used in allocating the costs and benefits of the Neighborhood Project.

All properties within the Town were classified into the following use or customer classes based on their current usage designations as summarized from the Property Appraiser databases obtained from Manatee and Sarasota County.

- Single Family – Includes residential parcels with one dwelling unit per parcel.
- Condominium – Includes residential parcels with individual parcel ids within the same building or group of buildings. In the Property Appraiser Records, multiple individually owned residential tax parcels are located within one GIS Property ID, which represents the property on which the condominium parcels are physically located.
- Multi-Family – Includes residential parcels with multiple dwelling units on the same parcel with one parcel id for all the units on the parcel (i.e. a duplex).
- Non-Residential – includes commercial, industrial, financial institutions, and any other parcels that have not been identified separately that have a non-residential use.
- Boat Slip – includes parcels used for docking and/or storing boats.
- Exempt – include government owned properties, rights-of-way, public easements, etc.



2.0 Proposed Public Facilities

Utilities, as used in this report, include Florida Power and Light (FPL) overhead electric power facilities, BrightHouse Networks communications facilities, Comcast communications facilities, Frontier Communications facilities, street light facilities and other facilities attached to the utility poles to be removed as part of the undergrounding project. The total cost of the Neighborhood Project includes, but is not limited to, the expenses 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 Town is undertaking the town-wide undergrounding of utilities in two phases described as the GMD Project and the Neighborhood Project, respectively. The GMD Project phase is designed to underground all backbone main overhead utility trunk lines, to the extent practical. The GMD 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 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 Sarasota Bay to the backbone feeders running along Gulf of Mexico Drive. The Neighborhood Project phase is designed to underground the remaining portions of the Town system (the "Project Area") with overhead facilities including the side streets in neighborhoods that are currently overhead as well as the remaining feeder lines along Gulf of Mexico Drive that would not otherwise be undergrounded as part of the GMD Project. Unless the Neighborhood Project is undertaken, 84 feeder lines will remain overhead even after completion of the GMD Project phase. 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 Neighborhood Project and removal of the 84 remaining feeder lines.

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

Budgeted costs for the neighborhood project have been developed and include design, construction costs, anticipated financing costs, legal costs, inflation, and contingencies. The estimated project budget for the Neighborhood Project is shown below, as rounded:

Neighborhood Project Budgeted Costs (Rounded)

Project Component	Estimated Cost
Undergrounding Remaining GMD Feeder Lines	\$ 5,060,120
Undergrounding In Neighborhoods	9,939,880
Street Lighting Replacement Neighborhoods	2,000,000
Fiber Optic Line Installation Neighborhoods	1,200,000
Financing and Legal Costs	760,000
Financing, Legal, Inflation Contingency (20%)	300,000
Multi Year Project Inflation Cost (3 years)	1,000,000
Other Miscellaneous Costs and Costs Incurred to Date	<u>240,000</u>
Subtotal	\$ 20,500,000
Additional Fiber	<u>3,350,000</u>
Total Non Ad Valorem Project Cost Neighborhood Project	\$ 23,850,000

Source: Brannon & Gillespie, LLC; Willdan Financial Services, Town of Longboat Key.



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. The assessment methodology evaluates benefits provided to each property, and does not consider current property value differences or any benefits that may or may not be provided to the residents and/or occupants. 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 Neighborhood Project and presents the methodology used to apportion the project costs among the benefited properties.

The methodology is based in part upon the characteristics of each individual parcel of real property benefitted by the Neighborhood Project. Such characteristics include, among other things, proximity to currently overhead utility lines as further described in **Section 5** below. It is important to note that parcel characteristics can change with the passage of time, which changes may occur because of voluntary improvements undertaken by property owners. Generally, a given apportionment methodology for capital improvement assessments is premised upon parcel characteristics which exist as of a time and date certain, typically during the process of assessment implementation and creation of the assessment roll. The methodology is applied to all assessed parcels during that process based on their existing characteristics, resulting in the dollar amount to be imposed against each as specified on the assessment roll. This snapshot of the parcel configuration or point-in-time survey is necessary in light of practical and equitable considerations associated with subsequent reallocation of the assessment burden among the remaining parcels. Reallocation may be practically, legally or logistically impossible due to legal prerequisites associated with increasing an assessment above the previously noticed amounts, re-assessing those parcels for which the assessment has been voluntarily prepaid, equity and fairness considerations with respect to the remaining parcels, and other factors. Without the ability to identify parcel characteristics as of a time certain and create the assessment roll accordingly, a project could be placed on hold indefinitely waiting for completion of landowner improvements (which may never occur). Some limited degree of assessment reallocation or consideration for changed parcel characteristics after initial application of the methodology may be tolerable, but wide-scale changes resulting in substantial cost reallocation arguably present an inequity for the balance of the assessment-paying community and the potential for protracted delays, cost increases and inefficiencies for the Town.



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 utility undergrounding include the following: improved safety, improved reliability and improved aesthetics. Each of these benefits is discussed further in the context of benefit and 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. Some properties will receive a higher benefit where such overhead lines are on or in close proximity to a specific property. Other properties with overhead facilities not on or in close proximity will receive a lesser benefit from improvements through providing safer access. All properties have been evaluated relative to the benefits provided to each property.

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, BrightHouse, and Frontier. Therefore, the costs related to the special benefit of reliability have been apportioned to affected properties based on the number of connections to be undergrounded for each property. The main purpose of the Neighborhood Project is to place the remaining overhead lines within the Town underground. Therefore, all properties within a certain proximity to the overhead lines will receive a reliability benefit from the Neighborhood Project. In addition, the onsite cost of the service laterals 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. All properties have been evaluated relative to the benefits provided to each property.

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. Removal of the 84 feeder lines remaining after completion of the GMD Project will complete the transformation of GMD into 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 and allow trees down neighborhood side streets to naturally grow and in some instances canopy. This will improve the overall aesthetics for all properties within the Town. Enhancing visual appeal by removal of the feeder poles and overhead lines will benefit the aesthetics of the Town including the remaining neighborhoods to be undergrounded and will enhance the use, enjoyment, and marketability of the benefited properties throughout the Town. Some properties will receive a higher and distinct special benefit related to aesthetics where such overhead lines are on or in close proximity to a specific property. Other properties with overhead facilities not on or in close proximity will receive a lesser benefit from improvements through providing aesthetic improvements to the Town's main thoroughfare used to access all properties. All properties have been evaluated relative to the specific and general benefits provided to each property.



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, installation of fiber optic lines and street lighting improvements - to determine the proportional special benefits received by a property. The method of assessment, or allocation of project costs and benefits, 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. The overall methodology discussed herein has been utilized by other communities in the State including the Town of Palm Beach, Florida, the Town of Gulf Stream, Florida and the Town of Jupiter Inlet Colony, Florida, for utility undergrounding projects undertaken by those municipalities. The authority of the Towns of Gulf Stream and Jupiter Inlet Colony to issue revenue bonds secured by special assessments apportioned according to such methodology was validated by the Circuit Court of the Fifteenth Judicial Circuit in and for Palm Beach County, in Case Nos. 2011-CA-010894 and 2011-CA-001259, respectively. Additionally, this is the same benefit analysis methodology that was used and validated for the GMD Project in Case No. 2016-CA-222 by the Circuit Court of the Twelfth Judicial Circuit in and for Sarasota County.

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.

The Neighborhood Project has been broken down into the following components, which will be discussed in more detail in the following subsections:

- Remaining GMD Feeder Lines (84 poles)
- Fiber Optic in Underground Areas
- Undergrounding in Neighborhoods/Side streets (includes street light improvements)
 - Neighborhood Side Special Benefits
 - Conversion of Overhead Lines to Underground
 - Conversion of Overhead Service Connections
 - Onsite Costs – If Required



Neighborhood Project

Remaining GMD Feeders

- All Taxable Parcels within Town Limits

Fiber Optic Lines in UG Areas

- All Taxable Parcels within Town Limits that are in Existing Underground Areas that will receive Fiber Optic Lines

Utility UG in OH Neighborhoods and Side Streets

- All Taxable Parcels within Town Limits that have OH Lines on or within 55 Feet of Property Boundary that will be Converted to UG

Similar to the methodology used in the GMD Project, 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 Project 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 within 55 feet of the property line as the basic unit of benefit per category. As used in this Report, properties or parcels within 55 feet of currently overhead utilities are referred to as "Overhead to Underground." Other property types are proportionately weighted and 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 Neighborhood 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 Neighborhood Project, adjustments to the property specific improvement will be made during the assessment implementation process 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 primary project components and three benefit categories based on the estimated total cost of property specific improvement costs.

Category of Special Benefit	Percentage of Budget	Benefit Allocation
GMD Feeder Lines		\$ 5,060,126.58
Fiber Optic in UG Areas		<u>3,350,000.00</u>
Subtotal Feeder Lines and Fiber Optic in UG Areas		<u>\$ 8,410,126.58</u>
Undergrounding in Neighborhoods/Side Streets		
Improved Safety	33.33333%	\$ 4,959,578.58
Improved Reliability	33.33333%	4,959,578.58
Improved Aesthetics	<u>33.33333%</u>	<u>4,959,578.58</u>
Subtotal Undergrounding in Neighborhoods	100.00000%	<u>\$ 14,878,735.74</u>
Subtotal		\$ 23,288,862.32
Property Specific Improvements (Onsite Costs)		<u>561,137.68</u>
TOTAL		\$ 23,850,000.00

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

The infrastructure associated with the street lighting improvements is integrally related to the utility undergrounding component of the Neighborhood Project and the street lighting costs and benefits will be allocated in conjunction with the utility undergrounding. Commonly recognized benefits conveyed by street lighting improvements include beautification, better property identification and recognition, increased safety and accessibility, and preserved and/or enhanced value and marketability.



Assessment for Remaining GMD Feeder

As part of this Project, the remaining overhead feeder facilities (84 poles) along Gulf of Mexico Drive that served to connect the side street lines with the main feeder lines along Gulf of Mexico Drive will be placed underground. The removal of the remaining GMD feeder utility poles and overhead lines provides an improved safety benefit by reducing the potential of hazardous conditions along GMD in the event of natural disasters. The main GMD feeders are also subject to the reliability of the overhead line at the side street. Additionally, the removal of these feeder poles will complete the elimination of the heavy concentration of electric lines and communication facilities along Gulf of Mexico Drive, thereby completing the inviting, visually pleasing and scenic gateway for ingress and egress to all parcels within the Town which will enhance the use, enjoyment, and marketability of the benefited properties throughout the Town.

These facilities provide a special community-wide benefit to all affected properties within the Assessment Area. As each parcel in the Town depends on Gulf of Mexico Drive for ingress and egress to and from the Island, all parcels located within the Town limits will benefit from placing the remaining GMD feeders underground as part of this Project. Therefore, parcels within the Assessment Area are assigned EBUs for the Remaining GMD Feeder as shown in **Table 1** by class of land use which is made up of 0.5 EBUs each for Safety, Reliability, and Aesthetics.

Table 1: Remaining GMD Feeder Line EBU Calculation

Land Use	EBU Assignment
Single Family	1.5 EBU
Condominium	1.5 EBU
Multi-Family	1.5 EBU x units
Non-Residential	1.5 EBU
Boat Slip	1.5 EBU
Vacant	1.5 EBU

Assessment for Installing Fiber Optic Lines in Underground Areas

As part of the Neighborhood Project, fiber optic lines are being installed in conjunction with placing the electric utility lines underground. Additionally, this project will include installation of fiber optic lines in existing underground areas where Town fiber optics do not exist and where they **will not** receive Town fiber optic access from any other effort within the undergrounding projects. The installation of fiber optics facilities enhances the value, marketability and enjoyment of real property through the availability of and potential for enhanced telecommunication systems, cost-efficient service delivery, increased reliability and



minimized potential for service disruption afforded by state of the art communication links between offices, lift stations, pump stations, security cameras, monitoring stations and county emergency management facilities. Therefore, all properties that do not receive any other fiber optic benefit from either the GMD Project or the Neighborhood Project (Undergrounding in Neighborhoods Component) will be assigned EBUs for the portion of the costs allocated to the parcel for the property specific benefits. These parcels within the Assessment Area are assigned EBUs for the Installation of Fiber Optic Lines in Underground Areas as shown in **Table 2** by Customer Class which is made up of 0.5 EBUs each for Safety, Reliability, and Aesthetics.

Table 2: Fiber Optic Lines in Underground Areas EBU Calculation

Land Use	EBU Assignment
Single Family	1.5 EBU
Condominium	1.5 EBU
Multi-Family	1.5 EBU x units
Non-Residential	1.5 EBU
Boat Slip	1.5 EBU
Vacant	1.5 EBU

Assessment for Undergrounding in Neighborhoods

All properties with an overhead line on or within 55 feet of the property, or properties requiring radial looping or other onsite utility work will be categorized as receiving special benefits in the Assessments for Undergrounding in Neighborhoods Project Component. The 55-foot standard was chosen as the typical height of utility poles and span of wire between the poles within the community is approximately 55-feet or less. In addition to the undergrounding of utility lines, street lights will also be upgraded on the side streets as part of the utility line conversion process. In order to further explain how the special benefits for Safety, Reliability, and Aesthetics are assigned to each affected property, the analysis has been further broken down into the following project components:

- Neighborhood Wide Special Benefits for Side Street Undergrounding
- Conversion of Overhead Lines to Underground
- Conversion of Overhead Service Connections
- Onsite Costs – If Required

The Condominium land use classification is assigned to properties that are zoned medium/high density residential developments (similar to multi-family residential properties), but the residential units are individually owned rather than a single owner with multiple units (similar



to single-family residential properties). Typically, each condominium unit is assigned its own parcel number by the respective County Property Appraiser's Office, however, the underlying land is assigned a GIS Parcel/Property ID on which multiple condominium units reside. This underlying land is a common area for all parcels located within that GIS Parcel/Property ID which in the aggregate form the condominium complex. Shared common areas can include club houses, tennis courts, parking lots, pools, other shared community amenities, etc. While the underlying land parcel may include multiple acres and buildings, all parcels located within the land parcel share in the benefits of the common areas. Additionally, we examined how condominium units share the joint expenses for improvements to the condominium complex. In almost all cases, the cost of improvements to common area properties are shared by all parcels in the condominium. Furthermore, per section 718.120, Florida Statutes (regarding condominiums) and section 193.0235, Florida Statutes (regarding residential subdivisions), common areas or common elements cannot be assessed separately when they are used exclusively for the benefit of owners within the subdivision or condominium. Rather, the assessment otherwise attributable to the common area or common element is prorated and included in the assessment of units within a condominium complex or all lots (parcels) within a residential subdivision. Therefore, all condominium parcels located on a GIS parcel that have lines on or within 55 feet of the GIS parcel boundary receive special benefits associated with the undergrounding of those lines as part of this Project.

Based on field inspections and review of data from both Sarasota and Manatee County Property Appraisers, approximately [2,796] parcels within the neighborhoods have been identified as receiving special benefits.

Neighborhood Wide Special Benefits

This subsection addresses the portion of the costs allocated to the parcel for neighborhood wide special benefits received by those overhead or radial underground parcels requiring the undergrounding of the remaining side street overhead lines or the looping of remaining radial underground FPL cables supplying power to existing underground transformers.

Improved Safety

Properties within the neighborhood specially benefited from the improved safety of undergrounding overhead utilities in the neighborhood related to the elimination of the potential for poles or overhead lines to be downed on the streets within the neighborhood, which could potentially restrict or curtail citizen evacuation and rescue personnel access during storm or emergency events. A single-family residential lot has been assigned a base unit of benefit for improved Safety related to the Neighborhood Wide Special Benefits equal to 0.5 Safety EBU for the improved access to and from the property. The access to and from the property is independent of the properties lot size. **Table 3** shows the assignment of the Improved Safety EBUs related to the Neighborhood Wide Special Benefits by Customer Class.



Table 3: Safety EBU Calculation for Neighborhood Wide Specific Benefits for Side Street Undergrounding

Land Use	EBU Assignment
Single Family	0.5 EBU
Condominium	0.5 EBU
Multi-Family	0.5 EBU x units
Non-Residential	0.5 EBU
Boat Slip	0.5 EBU
Vacant	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. Each property has been assigned 0.50 EBUs to reflect the improved reliability resulting from the undergrounding of the primary network within the neighborhood. For condominiums, 0.50 EBU were assigned to each parcel to reflect the improved reliability resulting from the undergrounding of the primary network within the neighborhood. Multi-Family properties were assigned 0.50 EBUs per unit to reflect the improved reliability resulting from the undergrounding of the primary network within the neighborhood. **Table 4** outlines the reliability EBU calculations related to the Neighborhood Wide Special Benefits by Customer Class.



Table 4: Reliability EBU Calculation for Neighborhood Wide Specific Benefits for Side Street Undergrounding

Land Use	EBU Assignment
Single Family	0.5 EBU
Condominium	0.5 EBU
Multi-Family	0.5 EBU x units
Non-Residential	0.5 EBU
Boat Slip	0.5 EBU
Vacant	0.5 EBU

Improved Aesthetics

Removing the overhead utilities within the neighborhoods will improve the overall community aesthetics for all properties within the neighborhoods defined in the Project Area by eliminating a heavy concentration of electric lines and communication facilities, thereby creating an inviting, visually pleasing and scenic vehicular viewshed for ingress and egress to all parcels within the neighborhood. In addition, unsightly tree trimming by the utility companies will be eliminated allowing some trees (currently trimmed) to canopy. 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 pruned to clear a path for the wires will enhance all the properties within the neighborhoods. Enhancing visual appeal by removal of overhead lines will benefit the aesthetics of all parcels within the neighborhoods and enhance the use, enjoyment and marketability of the benefitted properties. Therefore, a single family residence located within 55 feet of or adjacent to overhead utilities has been assigned 0.50 EBUs for improved aesthetics of the property’s community.

The assignment of Aesthetic EBUs for property types is similar to the assignment of Safety EBUs. **Table 5** outlines the aesthetics EBU calculations for the Neighborhood Wide Specific Benefits.



Table 5: Aesthetic EBU Calculation for Neighborhood Wide Specific Benefits for Side Street Undergrounding

Land Use	EBU Assignment
Single Family	0.5 EBU
Condominium	0.5 EBU
Multi-Family	0.5 EBU x units
Non-Residential	0.5 EBU
Boat Slip	0.5 EBU
Vacant	0.5 EBU

Conversion of Overhead Lines to Underground

This subsection addresses the portion of costs allocated to the parcel for property specific benefits received by those parcels requiring the undergrounding of the remaining side street overhead lines or the looping of remaining radial underground FPL cables supplying power to existing underground transformers.

Improved Safety

Properties within the Neighborhoods to be placed underground specially benefit from the improved safety of undergrounding overhead utilities through the elimination of the potential for poles or overhead lines adjacent to a property that could fall and damage property or expose “live” electrical lines. Such potential downings also pose a risk to first responders accessing neighborhood areas. A single-family residential lot has been assigned a base unit of benefit for improved Safety for conversion of OH to UG lines equal to 0.50 Safety EBU for the improved safety to 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 0.5 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.

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 0.05 EBUs, which is calculated as: $((3 \text{ acres} \times 0.5 \text{ EBUs}) / 30 \text{ units})$ 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 6** outlines the safety EBU calculations for the Conversion of Overhead Lines to Underground.

Table 6: Safety EBU Calculation for Conversion of Overhead Lines to Underground

Land Use	EBU Assignment
Single Family	[0.5 EBU per acre rounded down to nearest whole number (minimum of 0.5 EBU)]
Condominium	[0.5 EBU per acre of complex rounded down to nearest whole number (min of 0.5)] / condo parcels in Complex
Multi-Family	[0.5 EBU per acre rounded down to nearest whole number (min of 0.5)]
Non-Residential	[0.5 EBU per acre rounded down to nearest whole number (minimum of 0.5 EBU)]
Boat Slip	[0.5 EBU per acre of marina rounded down to nearest whole number (min of 0.5)] / boat slips in marina
Vacant	[0.5 EBU per acre rounded down to nearest whole number (minimum of 0.5 EBU)]

Improved Aesthetics

Removing the overhead utilities within the neighborhoods will improve the overall aesthetics of individual parcels within the neighborhood. Enhancing visual appeal and viewsheds by removal of overhead lines will enhance the use, enjoyment and marketability of the benefitted properties. Therefore, a single family residence located within 55 feet of adjacent to overhead utilities has been assigned 0.50 EBUs for improved aesthetics of the property.

The assignment of Aesthetic EBUs for property types is similar to the assignment of Safety EBUs. **Table 7** outlines the aesthetics EBU calculations for the Conversion of Overhead Lines to Underground.



Table 7: Aesthetics EBU Calculation for Conversion of Overhead Lines to Underground

Land Use	EBU Assignment
Single Family	[0.5 EBU per acre rounded down to nearest whole number (minimum of 0.5 EBU)]
Condominium	[0.5 EBU per acre of complex rounded down to nearest whole number (min of 0.5)] / condo parcels in Complex
Multi-Family	[0.5 EBU per acre rounded down to nearest whole number (min of 0.5)]
Non-Residential	[0.5 EBU per acre rounded down to nearest whole number (minimum of 0.5 EBU)]
Boat Slip	[0.5 EBU per acre of marina rounded down to nearest whole number (min of 0.5)] / boat slips in marina
Vacant	[0.5 EBU per acre rounded down to nearest whole number (minimum of 0.5 EBU)]

Conversion of Overhead Service Connection

This subsection addresses the portion of the costs allocated to the parcel for the property specific benefits received from the installation of a new underground service line from the front of the property which replaces an existing overhead service line or an existing underground service line which does not originate from the front of the property.

Improved Reliability

The improved reliability benefits that properties receive from the proposed Project is directly related to 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 all or part of this infrastructure. Therefore, the number of utility services requiring service provides a sound basis to determine the degree of special benefit each property receives from the conversion of overhead service connections. Each property has been assigned 0.50 EBU per utility service connection for which service lateral(s) are required. For condominiums, 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 EBU per utility connection requiring undergrounding. **Table 8** outlines the reliability EBU calculations for the Conversion of Overhead Service Connections.



Table 8: Reliability EBU Calculation for Conversion of Overhead Service Connection

Land Use	EBU Assignment
Single-Family	0.5 EBU per utility connection requiring undergrounding
Condominium	(0.5 EBU per utility connection requiring undergrounding/condo parcels in Complex)
Multi-Family	0.5 EBU per utility connection requiring undergrounding
Non-Residential	0.5 EBU per utility connection requiring undergrounding
Boat Slip	(0.5 EBU per utility connection requiring undergrounding/boat slips in marina)
Vacant	0.0 EBU

Onsite Costs - 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 100 percent (100%) ad valorem property tax exemptions; etc.

These types of parcels are considered to receive little or no benefit from the improvements, are exempt or immune under state or federal law from the payment of ad valorem taxes and/or non-ad valorem assessments, provide services and facilities of a public nature which the Town may otherwise be required to provide, the exemption thereof serves a public purpose and provides a public benefit, 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.

Condominium Boat Storage Facility, 408 Gulf of Mexico Drive

There is a Boat House with dry dock storage within the Town. The individual boat storage spaces in this facility have been sold to individual owners in a condominium form of ownership. The boat storage spaces are carried on the tax roll as individual parcels and the facility is classified as condominium. In reviewing the characteristics of this property, it was analyzed for specialized treatment under the existing assessment methodology. The building that houses the boat slips does receive power; however, each individual boat slip does not. Therefore, the building as a whole experiences a reliability benefit for the electric service provided to the building. Additionally, the building also receives the safety and aesthetics benefits similar to other parcels within the Town. Such benefits as improved property values and access for fire-rescue vehicles will benefit the property. In light of the unique circumstances associated with the condominium form of ownership for boat storage units, we have concluded that it is fair and reasonable to treat the entire boat storage facility as a single Non-Residential property and then dividing the assessment for such property equally among the parcels comprising boat storage units.

Subdivision of Parcels

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 Neighborhood 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.

Clarifications

Within the Town of Longboat Key, there are approximately 440 GIS Parcel/Property IDs that are classified as condominiums. Throughout this process, specific property owners associated with the following six condominiums have requested clarification of the assessment as it relates to their specific property. Those properties have included:

- Spanish Main
- Club Longboat
- Longbeach Condominium
- Lands' End
- Bayport
- Conrad Beach

This subsection will summarize the action taken by the Town to provide detailed information to these associations and an analysis of each of these Condominium properties to provide clarification on the calculation of the related assessments to those parcels located within those given properties.

- **Spanish Main**

Spanish Main contains 212 units within the complex. A meeting was held with the representatives of the Spanish Main Homeowners' Association in Town Hall prior to the referendum for the GMD Project. Another meeting was scheduled for February 17, 2016 to discuss the Neighborhood Project and assessments which was cancelled as they elected to attend several of the general public meetings that were held at Town Hall. After completion of the GMD Project phase, overhead lines will still exist for distance of



approximately 2,440 feet along the south property boundary of the complex and the conversion of 48 Overhead to Underground service connections will be required. Therefore, Spanish Main is categorized as an Overhead to Underground property for the Neighborhood Project. That category carries a general neighborhood wide benefit assessment of \$3,663.04 to all taxable parcels within the condominium. The Overhead to Underground specific benefits total \$581.26 for each unit. This results in a total assessment per unit of: remaining GMD feeder (\$518.30) + general neighborhood wide benefit (\$3,663.04) + specific benefit (\$581.26) + onsite costs (\$132.32) = total Neighborhood Project assessment (\$4,894.92), or an annual payment over 30 years of \$360.46, at an annual interest rate of 6%.

- **Club Longboat**

Club Longboat is a condominium with 85 units. It has one overhead line extending approximately 450 feet along the southern boundary of its property and an overhead service from the end of the overhead line to its club house. The condo units are served by underground, looped service. When a property has existing looped underground facilities, these facilities do not enter into the categorization of the property or the allocation of benefits as the project is focused on converting overhead facilities and placing assessments based on benefits received as a result of the undergrounding. Club Longboat is categorized as an Overhead to Underground property due to the presence of the overhead line and the overhead service on the property. That category carries a general neighborhood wide benefit assessment of \$3,663.04 to all taxable parcels within the condominium. The Overhead to Underground specific benefits total \$581.26 for each unit. This results in a total assessment per unit of: remaining GMD feeder (\$518.30) + general neighborhood wide benefit (\$3,663.04) + specific benefit (\$231.42) + onsite costs (\$6.88) = total Neighborhood Project assessment (\$4,419.64), or an annual payment over 30 years of \$325.46, at an annual interest rate of 6%.

- **Longbeach Condominium**

Longbeach Condominium is a condominium development with 87 units in 12 multi-unit buildings located on approximately 13 acres of land. The northern portion of this association property is in close proximity to overhead power lines due to the existence of an overhead line running within Joy Street which runs along the northeasterly property boundary for a distance of approximately 250 feet. Ten of the condominium buildings are served by underground, looped service. Two are served with radial underground lines that will require looping. When a property has existing looped or radial underground facilities and the property is categorized as an overhead property due to overhead lines in proximity, these existing underground facilities do not enter into the categorization of the property or the allocation of benefits as the project is focused on converting overhead facilities and placing assessments based on benefits received as a result of the undergrounding. The Town met with the homeowners on February 26, 2016 to provide detailed information on the project and the assessments. The total assessment for each of the 87 units on this property is: remaining GMD feeder



$(\$518.30) + \text{general neighborhood wide benefit } (\$3,663.04) + \text{specific benefit } (\$341.72)$
= total Neighborhood Project assessment $(\$4,523.06)$, or an annual payment over 30 years of $\$333.08$, at an annual interest rate of 6%.

- **Lands' End**

Lands' End is a land condominium of detached single family homes. The land is held in common and has an overhead wire along Longboat Drive North within 55 feet of the property. The presence of the overhead line causes the condominium to fall into the Overhead to Underground category. A meeting was held in the community Center for The Arts on October 15, 2015 to provide assessment methodology information to the area residents. The development also requires some looping of radial lines inside the development, for which there is no additional assessment as the assessment associated with the benefits from the conversion of the overhead facilities is all inclusive. Each of the 12 parcels have been assessed as follows: remaining GMD feeder $(\$518.30) + \text{general neighborhood wide benefit } (\$3,663.04) + \text{specific benefit } (\$762.31) = \text{total Neighborhood Project assessment } (\$4,943.65)$, or an annual payment over 30 years of $\$364.05$, at an annual interest rate of 6%.

- **Bayport**

Bayport is a condominium development with several condominium associations and an overhead line within 55 feet of two of their associations. The overhead line runs parallel to the northerly property boundary extending from GMD to the east end of Kingfisher Lane, a distance of approximately 1200 feet. The condominium property belonging to two associations called "A" and "B" are in close proximity to the overhead lines. The condominiums are served by underground lines and looped internally, but the presence of the overhead line in close proximity to their property places them into the Overhead to Underground category. When a property has existing looped underground facilities, these facilities do not enter into the categorization of the property or the allocation of benefits as the project is focused on converting overhead facilities and placing assessments based on benefits received as a result of the undergrounding. Each of the parcels in Building "A" have been assessed as follows: remaining GMD feeder $(\$518.30) + \text{general neighborhood wide benefit } (\$3,663.04) + \text{specific benefit } (\$914.77) = \text{total Neighborhood Project assessment } (\$5,096.11)$, or an annual payment over 30 years of $\$375.28$, at an annual interest rate of 6%. Each of the parcels in Building "B" have been assessed as follows: remaining GMD feeder $(\$518.30) + \text{general neighborhood wide benefit } (\$3,663.04) + \text{specific benefit } (\$508.20) = \text{total Neighborhood Project assessment } (\$4,689.54)$, or an annual payment over 30 years of $\$345.34$, at an annual interest rate of 6%.

- **Conrad Beach**

Conrad Beach is a single family development on Firehouse Road with an overhead line in the front yards or within 55 feet of several of the properties thus qualifying them for the Overhead to Underground category. Several other properties in this group were served



from underground radial lines requiring looping. Based on the County tax roll, we understand these properties to be fee simple single family properties and have treated them as such. Comments from the owners were requesting that they be treated as fee simple single family properties. Upon providing detailed assessment information, the owners were satisfied with the category in which they were placed.

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 9**. 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 Neighborhood Project is finalized. **Table 10** details the breakdown of project costs for the Undergrounding in Neighborhoods by category of special benefit.

Table 9: Cost per EBU by Component and Benefit Type

Category of Special Benefit	Total EBUs	Cost per EBU
Remaining GMD Feeder Lines	14,644.500	\$ 345.53
Fiber Optic Lines in Underground Neighborhoods	7,431.000	\$ 450.81
Undergrounding in Neighborhoods		
Safety	2,168.657	\$ 2,286.94
Reliability	1,802.039	\$ 2,752.20
Aesthetics	2,168.657	\$ 2,286.94

Table 10: General vs. Specific Benefit Summary – Undergrounding in Neighborhood

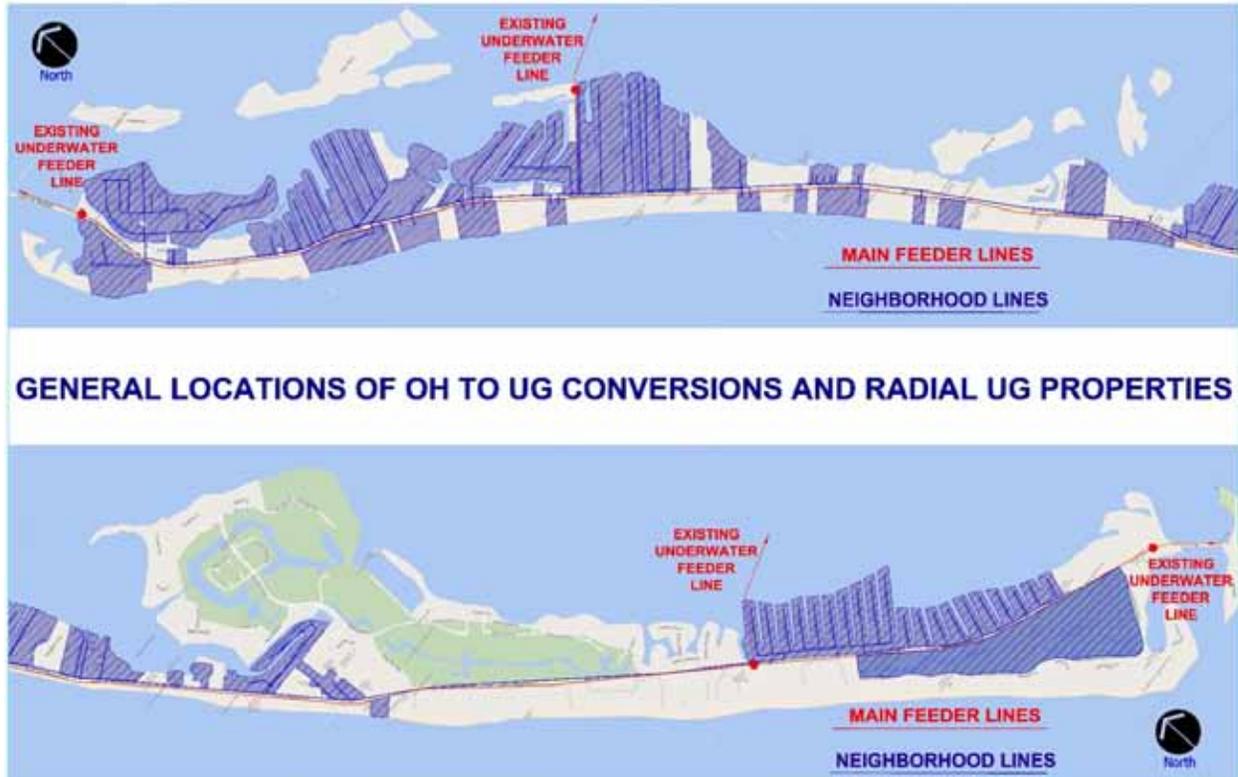
Category of Special Benefit	Project Costs			Percent	
	General	Specific	Total	General	Specific
Safety	\$ 3,193,711.71	\$ 1,765,876.73	\$ 4,959,588.44	64.39%	35.61%
Reliability	\$ 3,843,447.30	\$ 1,116,124.44	\$ 4,959,571.74	77.50%	22.50%
Aesthetics	\$ 3,193,711.71	\$ 1,765,876.73	\$ 4,959,588.44	64.39%	35.61%

Note: Minor differences in totals due to rounding.



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 are shown below.





7.0 Assessment Roll

An assessment roll identifying each parcel's assessment and the 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.

Town Ordinance 2015-30 established the procedure by which the Town adopts the assessment roll and then administers and maintains the roll over time. Section 2.08 of the ordinance requires that the Town Commission adopt an "Annual Assessment Resolution" each year which confirms or amends the assessment roll to reflect the then-applicable amount of the assessment imposed against each parcel (i.e. the principal balance of the assessment for each parcel is reduced after each annual payment). The Town is therefore required to undertake periodic review, administration and updating of the assessment roll as necessary for adoption of the Annual Assessment Resolution and certification of the roll to the Sarasota and Manatee County Tax Collectors for inclusion of the annual installment of the assessment on the ad valorem property tax bill mailed each November. Roll maintenance can occur at any time, though it is typically completed for each annual installment cycle by September 15, the statutory deadline for certification of the roll to the tax collectors.

The assessment roll may also be amended over time to reflect the removal of certain tax parcels, for example those parcels which the owner has elected to prepay the outstanding balance in full. Additional parcels may be added to the roll, and additional EBUs may be attributed to parcels previously included in the roll, under various circumstances which may include, but are not limited to, the following:

- Tax parcels develop to a greater intensity, justifying the assignment of additional EBUs (see the subheading "Subdivision of Parcels" on page 21 hereof).
- Tax parcels which were previously determined to be exempt or immune from payment of the assessments undergo changes in use and/or ownership which would allow or require the imposition of assessments thereafter (see the subheading "Exempt Properties" on pages 20-21 hereof).
- Changes in state or federal law or determination by a court of competent jurisdiction that would allow or require the imposition of assessments against parcels previously determined to be exempt or immune.
- Subsequent policy determinations of the Town Commission.
- Inadvertent exclusion or omission of parcels from the assessment roll.

In any such case, if an assessment is imposed against a tax parcel not previously subject thereto or the assessment for a given tax parcel is increased over the previously-noticed amount, the Town must give mailed notice and a public hearing opportunity for the owners of such parcels



prior to adoption of the Annual Assessment Resolution. Proceeds resulting from the additional assessment revenues must be applied toward project costs which may include payment of any bonds or other debt obligations issued to finance the project.

WORKING DRAFT



End of Agenda Item