



Neighborhood Undergrounding Project Update

**Town Commission
Special Workshop
September 12, 2016**



**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 electrical utilities in certain neighborhoods including street lighting installation, and 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



**March 2016
Neighborhood Undergrounding Referendum
Results**

	<u>Total Votes</u>	<u>%</u>
YES	2,061	54.95
NO	1,690	45.05



July 5, 2016 - Town Commission Direction

- *Advise on use of potential project savings or other non-ad valorem sources to offset effects of self-funding.*
- *Provide recommendations relating to self-funding of undergrounding, estimated timeframe for contract submission of a homeowner/FPL agreement, and cost impacts.*
- *Provide definitive costs (budget analysis) if projects are combined versus the individual project costs.*
- *Analysis of the 55-foot rule with review of the impact on individual taxable units in addition to parcel review.*
- *Review of the properties (within the 55-foot rule) and the issues raised by various representatives this date pertaining to the assessments for the parcel/development if power lines are not feeding/servicing the properties.*



Referendum Principles

- Information was provided to citizens prior to referendum.
- Information showed assessment amounts by assessment category for each parcel.
- If assessments on any parcels are increased substantially a new referendum may be necessary
- If there are major changes to the apportionment methodology resulting in disparate treatment of property owners within the same benefit category, a new referendum may be necessary.



Referendum Principles

What constitutes “disparate treatment within the same benefit category”?

- **Substantial changes to the methodology resulting in assessments relief for certain parcels in a benefit category but not for others**



Examples of Disparate Treatment

- Granting assessment relief to parcels where owners have complained but not to others in the same benefit category
- Granting assessment relief to parcels whose owners are LBK registered voters but not to those who are not
- Granting assessment relief to multi family (condos) but not single family parcel in the same assessment category



Three paths we can follow:

- Consider changes that could be made within the existing referendum approach.
- Commission could decide to start over and conduct a new referendum with new guidelines and methodology.
- Make no changes and proceed with assessments.
- Staff has focused on first path



No Changes
Continue As Is

New Approach
New Referendum

Changes Within
Existing Referendum





What Options does the Commission have to adjust Assessment Amounts

- Make adjustments to entire benefit categories of assessments without changing the underlying methodology: For example use non ad valorem revenue to buy down the assessments in a category
- Develop a new assessment methodology and conduct a new referendum



Assessment Breakdown by Category

PROPERTY CLASSIFICATION	ASSESSMENT FOR REMAINING GMD FEEDER	ASSESSMENT FOR FIBER OPTICS IN UG AREAS	ASSESSMENT FOR NH PROJECT GENERAL BENEFITS	ASSESSMENT FOR NH PROJECT CONVERSION OF OH LINES TO UG	ASSESSMENT FOR NH PROJECT CONVERSION OF OH SERVICE CONNECTION	ONSITE COST FOR NH PROJECT SERVICE CONVERSION	ONSITE COST FOR NH PROJECT RADIAL TO LOOP CONVERSION	TOTAL ASSESSMENT
AMOUNT	\$ 5,049,694.98	\$ 3,347,301.11	\$ 10,194,450.00	\$ 3,485,522.46	\$ 1,137,305.57	\$ 485,225.12	\$ 89,765.83	\$ 23,789,265.07
PERCENT OF TOTAL	21.23%	14.07%	42.85%	14.65%	4.78%	2.04%	0.38%	100.00%

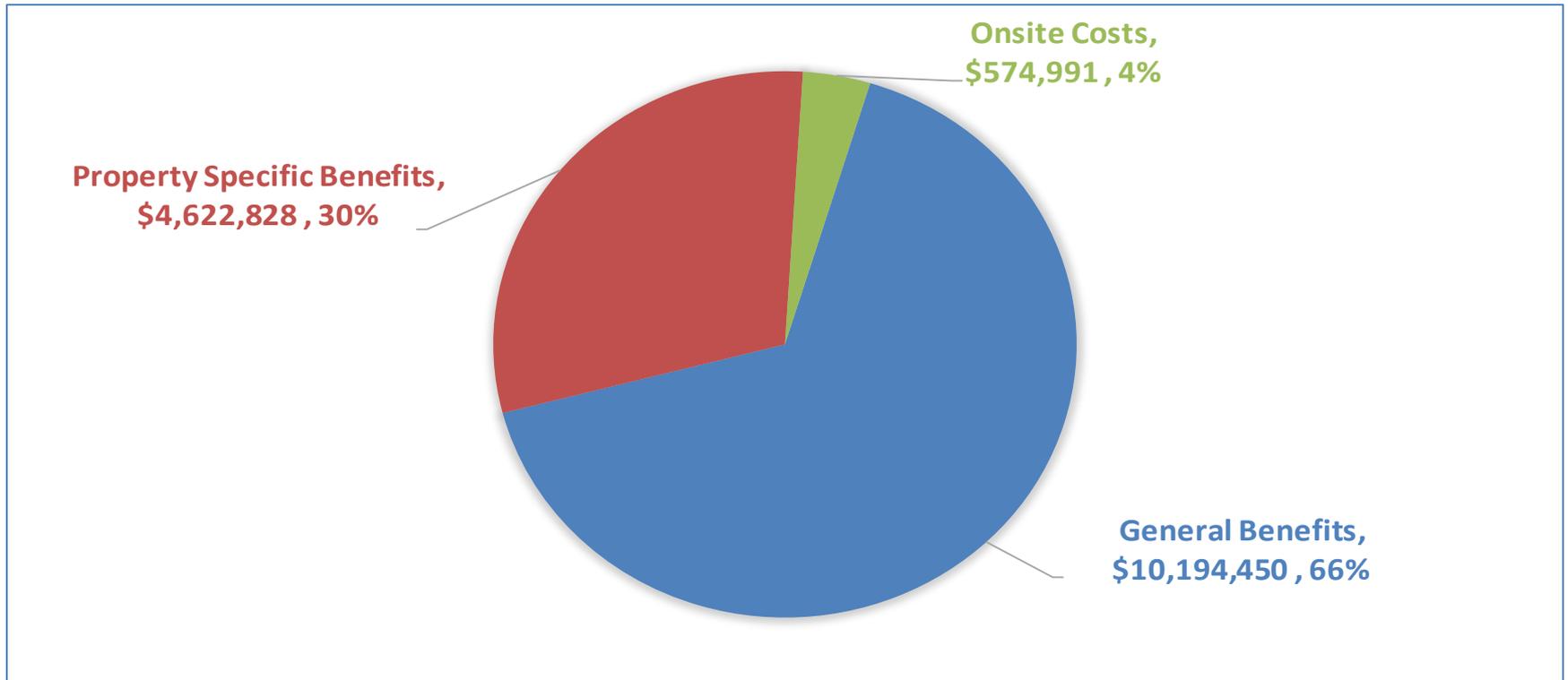


Benefit Assignment of Neighborhood Undergrounding

Project Component	Estimated Cost
Total Neighborhood Project	\$ 23,789.265
Less: GMD Feeder	(5,049.694)
Less: Fiber in Underground Areas	<u>(3,347.301)</u>
Neighborhood Above Ground Areas	<u>\$ 15,392,270</u>



Neighborhood Above Ground Project Assessment Amount (2,685 Parcels) By Category





How might the Commission apply non ad valorem revenues?

- Apply non ad valorem revenue evenly to all assessment categories thereby lowering the assessment across the board
- Apply non ad valorem revenue to a single benefit category, (i.e. the Neighborhood General Benefit) to reduce the assessment amount for everyone in that category.
- Apply non ad valorem revenues to more than one benefit category (i.e. 50% to neighborhood general benefit and 50% to GMD feeder).
- Apply non ad valorem to any lost revenue due to self funding



Example of an adjustment to an assessment category

- Apply non ad valorem revenue to the Neighborhood General Benefit category to reduce the assessment amount of \$3,675.00
- Cover a percent of Neighborhood General Benefit Category with non ad valorem revenue
 - 100% \$10,194,450.00
 - 75% \$ 7,645,837.50
 - 50% \$ 5,097,225.00
 - 25% \$ 2,548,612.50
- Since use of non ad valorem would require the revenue to be used to pay debt the funds would not be available for general operating.
- Accommodate any adjustment in the upcoming budget, and future budgets



Advantages/Disadvantages of Using Non Ad Valorem

Annual Pledge of Non Ad-valorem Revenue Toward Debt Service

Advantages

- Reduction of annual assessment for benefitting property owners
- More diverse direct-lien revenue pledge

Disadvantage

- Reduction in Town's bonding capacity for future projects
- Could create future budgetary pressure on Town to fund allocated debt service, absent new or additional revenue
- More complicated credit structure
- Limits ability to lower millage as property values increase over time



Minimum Fund Balance Policy

- Unassigned fund balance = 60 days or 16% of general operating expenditures
- Total fund balance = 90 days or 25% of general operating expenditures
- The three month minimum is based on the caveat that there is sufficient cash available for borrowing in other funds in case of a natural disaster.



Non Ad Valorem Bonding Capacity

Town of Longboat Key, Florida

Estimated Bonding Capacity of Certain Non-Ad Valorem Revenues⁽¹⁾⁽²⁾

Non-Ad Valorem Revenue	Annual Revenue ⁽³⁾	Annual Debt Svc @ Coverage ⁽⁴⁾	30-Year Bonding Capacity		
			At 4.0% Interest	At 5.0% Interest	At 6.0% Interest
Electric Franchise Fee Revenue ⁽⁵⁾	\$880,000	\$651,852	\$10,640,000	\$9,545,000	\$8,610,000
1/2 Cent Sales Tax	\$560,000	\$414,815	\$7,170,000	\$6,375,000	\$5,705,000
Communications Svcs Tax	\$562,000	\$416,296	\$7,195,000	\$6,395,000	\$5,730,000

Notes

- (1) Analysis is preliminary and subject to change
- (2) Bonding capacity does not represent project funding capacity, which would be subject to issuance expenses and any required fund deposits including reserves, if any.
- (3) Annual Revenue amount represents FY 2016 budgeted revenues, except for revenue not currently collected.
- (4) Based upon assumed debt service coverage of 1.35x.
- (5) 30-Year Bonding Capacity for Electric Franchise Fee Revenue is based upon 27-year term only.

TOWN OF LONGBOAT KEY



25% TOWN CONTRIBUTION OF NEIGHBORHOOD GENERAL BENEFIT

SITE ADDRESS	TYPE	EXISTING ASSESSMENT	TOTAL NEW ASSESSMENT	30 YEAR - 4.5% MARKET RATE	30 YEAR - 6.0% MARKET RATE	TOWN CONTRIBUTION OF GENERAL BENEFIT	% OF EXIST ASSESS
561 RANGER LN	Single Family	\$ 8,452.58	\$ 7,533.83	\$ 468.50	\$ 556.12	\$ (918.75)	-11%
601 BIRDIE LN	Single Family	\$ 6,498.25	\$ 5,579.50	\$ 346.97	\$ 411.86	\$ (918.75)	-14%
825 LONGBOAT CLUB RD	Single Family	\$ 1,192.85	\$ 1,192.85	\$ 74.18	\$ 88.05	\$ -	0%
3360 BAYOU GATE	Single Family	\$ 1,192.85	\$ 1,192.85	\$ 74.18	\$ 88.05	\$ -	0%
545 ROUNTREE DR	Single Family	\$ 8,452.58	\$ 7,533.83	\$ 468.50	\$ 556.12	\$ (918.75)	-11%
605 KINGFISHER LN	Single Family	\$ 6,498.25	\$ 5,579.50	\$ 346.97	\$ 411.86	\$ (918.75)	-14%
5060 GULF OF MEXICO DR	Single Family	\$ 518.13	\$ 518.13	\$ 32.22	\$ 38.25	\$ -	0%

SITE ADDRESS	TYPE	EXISTING ASSESSMENT	TOTAL NEW ASSESSMENT	30 YEAR - 4.5% MARKET RATE	30 YEAR - 6.0% MARKET RATE	TOWN CONTRIBUTION OF GENERAL BENEFIT	% OF EXIST ASSESS
435 L AMBIANCE DR L207	Condominium	\$ 1,192.85	\$ 1,192.85	\$ 74.18	\$ 88.05	\$ -	0%
1145 GULF OF MEXICO DR 204 BLD 1	Condominium	\$ 1,192.85	\$ 1,192.85	\$ 74.18	\$ 88.05	\$ -	0%
1900 HARBOURSIDE DR 104 BLD 1	Condominium	\$ 1,192.85	\$ 1,192.85	\$ 74.18	\$ 88.05	\$ -	0%
3040 GRAND BAY BLVD 214 BLD 2	Condominium	\$ 1,192.85	\$ 1,192.85	\$ 74.18	\$ 88.05	\$ -	0%
2301 GULF OF MEXICO DR APT 73N	Condominium	\$ 1,192.85	\$ 1,192.85	\$ 74.18	\$ 88.05	\$ -	0%
40 TWIN SHORES BLVD	Condominium	\$ 4,918.68	\$ 3,999.93	\$ 248.74	\$ 295.26	\$ (918.75)	-19%
6701 GULF OF MEXICO DR UNIT 327	Condominium	\$ 1,192.85	\$ 1,192.85	\$ 74.18	\$ 88.05	\$ -	0%
805 SPANISH DR N	Condominium	\$ 4,907.45	\$ 3,988.70	\$ 248.04	\$ 294.43	\$ (918.75)	-19%
7065 GULF OF MEXICO DR UNIT 14	Condominium	\$ 4,537.57	\$ 3,618.82	\$ 225.04	\$ 267.13	\$ (918.75)	-20%

SITE ADDRESS	TYPE	EXISTING ASSESSMENT	TOTAL NEW ASSESSMENT	30 YEAR - 4.5% MARKET RATE	30 YEAR - 6.0% MARKET RATE	TOWN CONTRIBUTION OF GENERAL BENEFIT	% OF EXIST ASSESS
569 CHANNEL LN	Multi-Family	\$ 12,645.71	\$ 10,808.21	\$ 672.13	\$ 797.82	\$ (1,837.50)	-15%
6051 GULF OF MEXICO DR	Multi-Family	\$ 25,291.42	\$ 21,616.42	\$ 1,344.25	\$ 1,595.64	\$ (3,675.00)	-15%
651 FOX ST	Multi-Family	\$ 12,645.71	\$ 10,808.21	\$ 672.13	\$ 797.82	\$ (1,837.50)	-15%
6501 BAYOU HAMMOCK RD	Multi-Family	\$ 10,691.38	\$ 8,853.88	\$ 550.59	\$ 653.56	\$ (1,837.50)	-17%

TOWN OF LONGBOAT KEY



50% TOWN CONTRIBUTION OF NEIGHBORHOOD GENERAL BENEFIT

SITE ADDRESS	TYPE	EXISTING ASSESSMENT	TOTAL NEW ASSESMENT	30 YEAR - 4.5% MARKET RATE	30 YEAR - 6.0% MARKET RATE	TOWN CONTRIBUTION OF GENERAL BENEFIT	% OF EXIST ASSESS
561 RANGER LN	Single Family	\$ 8,452.58	\$ 6,615.08	\$ 411.37	\$ 488.30	\$ (1,837.50)	-22%
601 BIRDIE LN	Single Family	\$ 6,498.25	\$ 4,660.75	\$ 289.84	\$ 344.04	\$ (1,837.50)	-28%
825 LONGBOAT CLUB RD	Single Family	\$ 1,192.85	\$ 1,192.85	\$ 74.18	\$ 88.05	\$ -	0%
3360 BAYOU GATE	Single Family	\$ 1,192.85	\$ 1,192.85	\$ 74.18	\$ 88.05	\$ -	0%
545 ROUNDTREE DR	Single Family	\$ 8,452.58	\$ 6,615.08	\$ 411.37	\$ 488.30	\$ (1,837.50)	-22%
605 KINGFISHER LN	Single Family	\$ 6,498.25	\$ 4,660.75	\$ 289.84	\$ 344.04	\$ (1,837.50)	-28%
5060 GULF OF MEXICO DR	Single Family	\$ 518.13	\$ 518.13	\$ 32.22	\$ 38.25	\$ -	0%

SITE ADDRESS	TYPE	EXISTING ASSESSMENT	TOTAL NEW ASSESMENT	30 YEAR - 4.5% MARKET RATE	30 YEAR - 6.0% MARKET RATE	TOWN CONTRIBUTION OF GENERAL BENEFIT	% OF EXIST ASSESS
435 L AMBIANCE DR L207	Condominium	\$ 1,192.85	\$ 1,192.85	\$ 74.18	\$ 88.05	\$ -	0%
1145 GULF OF MEXICO DR 204 BLD 1	Condominium	\$ 1,192.85	\$ 1,192.85	\$ 74.18	\$ 88.05	\$ -	0%
1900 HARBOURSIDE DR 104 BLD 1	Condominium	\$ 1,192.85	\$ 1,192.85	\$ 74.18	\$ 88.05	\$ -	0%
3040 GRAND BAY BLVD 214 BLD 2	Condominium	\$ 1,192.85	\$ 1,192.85	\$ 74.18	\$ 88.05	\$ -	0%
2301 GULF OF MEXICO DR APT 73N	Condominium	\$ 1,192.85	\$ 1,192.85	\$ 74.18	\$ 88.05	\$ -	0%
40 TWIN SHORES BLVD	Condominium	\$ 4,918.68	\$ 3,081.18	\$ 191.61	\$ 227.44	\$ (1,837.50)	-37%
6701 GULF OF MEXICO DR UNIT 327	Condominium	\$ 1,192.85	\$ 1,192.85	\$ 74.18	\$ 88.05	\$ -	0%
805 SPANISH DR N	Condominium	\$ 4,907.45	\$ 3,069.95	\$ 190.91	\$ 226.61	\$ (1,837.50)	-37%
7065 GULF OF MEXICO DR UNIT 14	Condominium	\$ 4,537.57	\$ 2,700.07	\$ 167.91	\$ 199.31	\$ (1,837.50)	-40%

SITE ADDRESS	TYPE	EXISTING ASSESSMENT	TOTAL NEW ASSESMENT	30 YEAR - 4.5% MARKET RATE	30 YEAR - 6.0% MARKET RATE	TOWN CONTRIBUTION OF GENERAL BENEFIT	% OF EXIST ASSESS
569 CHANNEL LN	Multi-Family	\$ 12,645.71	\$ 8,970.71	\$ 557.86	\$ 662.18	\$ (3,675.00)	-29%
6051 GULF OF MEXICO DR	Multi-Family	\$ 25,291.42	\$ 17,941.42	\$ 1,115.72	\$ 1,324.37	\$ (7,350.00)	-29%
651 FOX ST	Multi-Family	\$ 12,645.71	\$ 8,970.71	\$ 557.86	\$ 662.18	\$ (3,675.00)	-29%
6501 BAYOU HAMMOCK RD	Multi-Family	\$ 10,691.38	\$ 7,016.38	\$ 436.32	\$ 517.92	\$ (3,675.00)	-34%



TOWN OF LONGBOAT KEY

75% TOWN CONTRIBUTION OF NEIGHBORHOOD GENERAL BENEFIT

SITE ADDRESS	TYPE	EXISTING ASSESSMENT	TOTAL NEW ASSESMENT	30 YEAR - 4.5% MARKET RATE	30 YEAR - 6.0% MARKET RATE	TOWN CONTRIBUTION OF GENERAL BENEFIT	% OF EXIST ASSESS
561 RANGER LN	Single Family	\$ 8,452.58	\$ 5,696.33	\$ 354.24	\$ 420.48	\$ (2,756.25)	-33%
601 BIRDIE LN	Single Family	\$ 6,498.25	\$ 3,742.00	\$ 232.70	\$ 276.22	\$ (2,756.25)	-42%
825 LONGBOAT CLUB RD	Single Family	\$ 1,192.85	\$ 1,192.85	\$ 74.18	\$ 88.05	\$ -	0%
3360 BAYOU GATE	Single Family	\$ 1,192.85	\$ 1,192.85	\$ 74.18	\$ 88.05	\$ -	0%
545 ROUNDTREE DR	Single Family	\$ 8,452.58	\$ 5,696.33	\$ 354.24	\$ 420.48	\$ (2,756.25)	-33%
605 KINGFISHER LN	Single Family	\$ 6,498.25	\$ 3,742.00	\$ 232.70	\$ 276.22	\$ (2,756.25)	-42%
5060 GULF OF MEXICO DR	Single Family	\$ 518.13	\$ 518.13	\$ 32.22	\$ 38.25	\$ -	0%

SITE ADDRESS	TYPE	EXISTING ASSESSMENT	TOTAL NEW ASSESMENT	30 YEAR - 4.5% MARKET RATE	30 YEAR - 6.0% MARKET RATE	TOWN CONTRIBUTION OF GENERAL BENEFIT	% OF EXIST ASSESS
435 L AMBIANCE DR L207	Condominium	\$ 1,192.85	\$ 1,192.85	\$ 74.18	\$ 88.05	\$ -	0%
1145 GULF OF MEXICO DR 204 BLD 1	Condominium	\$ 1,192.85	\$ 1,192.85	\$ 74.18	\$ 88.05	\$ -	0%
1900 HARBOURSIDE DR 104 BLD 1	Condominium	\$ 1,192.85	\$ 1,192.85	\$ 74.18	\$ 88.05	\$ -	0%
3040 GRAND BAY BLVD 214 BLD 2	Condominium	\$ 1,192.85	\$ 1,192.85	\$ 74.18	\$ 88.05	\$ -	0%
2301 GULF OF MEXICO DR APT 73N	Condominium	\$ 1,192.85	\$ 1,192.85	\$ 74.18	\$ 88.05	\$ -	0%
40 TWIN SHORES BLVD	Condominium	\$ 4,918.68	\$ 2,162.43	\$ 134.47	\$ 159.62	\$ (2,756.25)	-56%
6701 GULF OF MEXICO DR UNIT 327	Condominium	\$ 1,192.85	\$ 1,192.85	\$ 74.18	\$ 88.05	\$ -	0%
805 SPANISH DR N	Condominium	\$ 4,907.45	\$ 2,151.20	\$ 133.78	\$ 158.79	\$ (2,756.25)	-56%
7065 GULF OF MEXICO DR UNIT 14	Condominium	\$ 4,537.57	\$ 1,781.32	\$ 110.77	\$ 131.49	\$ (2,756.25)	-61%

SITE ADDRESS	TYPE	EXISTING ASSESSMENT	TOTAL NEW ASSESMENT	30 YEAR - 4.5% MARKET RATE	30 YEAR - 6.0% MARKET RATE	TOWN CONTRIBUTION OF GENERAL BENEFIT	% OF EXIST ASSESS
569 CHANNEL LN	Multi-Family	\$ 12,645.71	\$ 7,133.21	\$ 443.59	\$ 526.55	\$ (5,512.50)	-44%
6051 GULF OF MEXICO DR	Multi-Family	\$ 25,291.42	\$ 14,266.42	\$ 887.18	\$ 1,053.09	\$ (11,025.00)	-44%
651 FOX ST	Multi-Family	\$ 12,645.71	\$ 7,133.21	\$ 443.59	\$ 526.55	\$ (5,512.50)	-44%
6501 BAYOU HAMMOCK RD	Multi-Family	\$ 10,691.38	\$ 5,178.88	\$ 322.06	\$ 382.28	\$ (5,512.50)	-52%



TOWN OF LONGBOAT KEY

100% TOWN CONTRIBUTION OF NEIGHBORHOOD GENERAL BENEFIT

SITE ADDRESS	TYPE	EXISTING ASSESSMENT	TOTAL NEW ASSESMENT	30 YEAR - 4.5% MARKET RATE	30 YEAR - 6.0% MARKET RATE	TOWN CONTRIBUTION OF GENERAL BENEFIT	% OF EXIST ASSESS
561 RANGER LN	Single Family	\$ 8,452.58	\$ 4,777.58	\$ 297.10	\$ 352.66	\$ (3,675.00)	-43%
601 BIRDIE LN	Single Family	\$ 6,498.25	\$ 2,823.25	\$ 175.57	\$ 208.40	\$ (3,675.00)	-57%
825 LONGBOAT CLUB RD	Single Family	\$ 1,192.85	\$ 1,192.85	\$ 74.18	\$ 88.05	\$ -	0%
3360 BAYOU GATE	Single Family	\$ 1,192.85	\$ 1,192.85	\$ 74.18	\$ 88.05	\$ -	0%
545 ROUNDTREE DR	Single Family	\$ 8,452.58	\$ 4,777.58	\$ 297.10	\$ 352.66	\$ (3,675.00)	-43%
605 KINGFISHER LN	Single Family	\$ 6,498.25	\$ 2,823.25	\$ 175.57	\$ 208.40	\$ (3,675.00)	-57%
5060 GULF OF MEXICO DR	Single Family	\$ 518.13	\$ 518.13	\$ 32.22	\$ 38.25	\$ -	0%

SITE ADDRESS	TYPE	EXISTING ASSESSMENT	TOTAL NEW ASSESMENT	30 YEAR - 4.5% MARKET RATE	30 YEAR - 6.0% MARKET RATE	TOWN CONTRIBUTION OF GENERAL BENEFIT	% OF EXIST ASSESS
435 L AMBIANCE DR L207	Condominium	\$ 1,192.85	\$ 1,192.85	\$ 74.18	\$ 88.05	\$ -	0%
1145 GULF OF MEXICO DR 204 BLD 1	Condominium	\$ 1,192.85	\$ 1,192.85	\$ 74.18	\$ 88.05	\$ -	0%
1900 HARBOURSIDE DR 104 BLD 1	Condominium	\$ 1,192.85	\$ 1,192.85	\$ 74.18	\$ 88.05	\$ -	0%
3040 GRAND BAY BLVD 214 BLD 2	Condominium	\$ 1,192.85	\$ 1,192.85	\$ 74.18	\$ 88.05	\$ -	0%
2301 GULF OF MEXICO DR APT 73N	Condominium	\$ 1,192.85	\$ 1,192.85	\$ 74.18	\$ 88.05	\$ -	0%
40 TWIN SHORES BLVD	Condominium	\$ 4,918.68	\$ 1,243.68	\$ 77.34	\$ 91.80	\$ (3,675.00)	-75%
6701 GULF OF MEXICO DR UNIT 327	Condominium	\$ 1,192.85	\$ 1,192.85	\$ 74.18	\$ 88.05	\$ -	0%
805 SPANISH DR N	Condominium	\$ 4,907.45	\$ 1,232.45	\$ 76.64	\$ 90.97	\$ (3,675.00)	-75%
7065 GULF OF MEXICO DR UNIT 14	Condominium	\$ 4,537.57	\$ 862.57	\$ 53.64	\$ 63.67	\$ (3,675.00)	-81%

SITE ADDRESS	TYPE	EXISTING ASSESSMENT	TOTAL NEW ASSESMENT	30 YEAR - 4.5% MARKET RATE	30 YEAR - 6.0% MARKET RATE	TOWN CONTRIBUTION OF GENERAL BENEFIT	% OF EXIST ASSESS
569 CHANNEL LN	Multi-Family	\$ 12,645.71	\$ 5,295.71	\$ 329.32	\$ 390.91	\$ (7,350.00)	-58%
6051 GULF OF MEXICO DR	Multi-Family	\$ 25,291.42	\$ 10,591.42	\$ 658.64	\$ 781.82	\$ (14,700.00)	-58%
651 FOX ST	Multi-Family	\$ 12,645.71	\$ 5,295.71	\$ 329.32	\$ 390.91	\$ (7,350.00)	-58%
6501 BAYOU HAMMOCK RD	Multi-Family	\$ 10,691.38	\$ 3,341.38	\$ 207.79	\$ 246.65	\$ (7,350.00)	-69%



Should the Commission wish to explore use of non ad valorem to reduce assessment amounts, staff has prepared a model to show budget impacts.

A screen shot of the model is shown on the following slide.

TOWN OF LONGBOAT KEY



FY 2016 Operating Mill Rate	2.1300
Maximum Millage (Majority Vote)	2.1144

VALUE OF 1 MILL \$5,268,208

Percent of **Total Project** to be Offset by use of Non Ad Valorem Revenues Annual Debt Service @ 6%

\$0

AND/OR

Percent of **General Benefit** to be offset by non ad valorem Pledged Revenues Annual Debt Service @ 6%

\$0

AND/OR

Amount of Non Ad Valorem Revenues for Annual Debt Service **\$0**

MAXIMUM MILLAGE (MAJORITY VOTE)

2.1144

FY 17 Projected Beginning Fund Balance
 Ad Valorem Revenue
Non Ad Valorem Revenue
 Operating Expenses
 Capital
 FY17 Projected Ending Fund Balance

\$5,320,832
 11,139,093
4,849,168
 -15,348,573
 -414,000
 \$5,546,520

Operating Days
 127
 Target
 90

132

Assigned to Pension

-\$1,310,075

Other Assignments

\$0

Unassigned Fund Balance

\$4,236,445

101

60

Operating Cost per Day = \$42,051

90 Operating Days = \$3,784,590



The following slides represent staff and consultant work based on the Town Commission direction provided at the July 5, 2016 Special Meeting.



July 5, 2016 - Town Commission Direction

- *Advise on use of potential project savings or other non-ad valorem sources to offset effects of self-funding.*
- *Provide recommendations relating to self-funding of undergrounding, estimated timeframe for contract submission of a homeowner/FPL agreement, and cost impacts.*
- *Provide definitive costs (budget analysis) if projects are combined versus the individual project costs.*
- *Analysis of the 55-foot rule with review of the impact on individual taxable units in addition to parcel review.*
- *Review of the properties (within the 55-foot rule) and the issues raised by various representatives this date pertaining to the assessments for the parcel/development if power lines are not feeding/servicing the properties.*



“Provide definitive costs (budget analysis) if projects are combined versus the individual project costs.”



Cost

- The Neighborhood Project Cost (NPC) was established by taking the Town-wide Total Project Cost and subtracting the GMD Project Cost
- Neighborhood Project Costs = Total Project Cost less GMD Costs
- NPC was not calculated as stand alone project.



NPC=TPC-GMDC

23=48-25

No cost savings since projects are already combined.
However, if separated \$23M for Neighborhoods could increase.



GMD Feeder Connection

To determine the benefit derived to the entire community as a result of undergrounding the neighborhood lines, it was determined to use the costs associated with connecting the 84 side streets to the GMD feeder. The estimate was \$5.060M.



“Provide recommendations relating to self-funding of undergrounding, estimated timeframe for contract submission of a homeowner/FPL agreement, and cost impacts.”



Influences on Self-Funding Timeframe

- Estimated Deadlines for County TRIM Notice:
 - Sarasota July 7, 2017
 - Manatee August 3, 2017
- Deadline for County Tax Rolls:
 - September 15, 2017
- Performance Bond
- Agreement
- Contractor agreement



Self-Funding Implications

- Overhead, planning, design costs spread throughout assessed area
- Self-funding by property owners
 - Changes classification from “overhead” to “underground”
 - Avoids sharing in overhead costs
 - Offset any lost revenue with non ad valorem



Self-Funding Assumptions

- Must underground all utilities (electric, telephone, cable)
- Must install and connect fiber to Town system
- Must include all properties affected by the lines
- Contracting entity must have authority to enter into binding contracts
- Performance bond in an amount equal to 100% costs
- Must be completed by a date certain
- All work must be accepted by the utility provider or Town (fiber)



Potential Timeline for Self-Funding

- Initial Assessment Resolution
 - Provides process and conditions for self-undergrounding
 - Establishes a deadline by which either:
 - Completion of self-undergrounding project, or
 - Property owner(s) enter into **binding agreement** with Town for completion of self-undergrounding
 - Deadline for binding agreement no later than June 15, 2017 (prior to submitting TRIM notices)



Self-Funding Agreement

- Property owner(s) agreement to complete self-funding within time certain (ex. 365 days)
- Property owner(s) pay pro-rata share of soft costs upfront (to be refunded if no performance)
- Town agrees to reclassify affected tax parcel as “underground” if/when all criteria have been satisfied
 - No lines within 55 feet
 - Any radial, looping, service connections, communications, fiber, street lights etc. completed

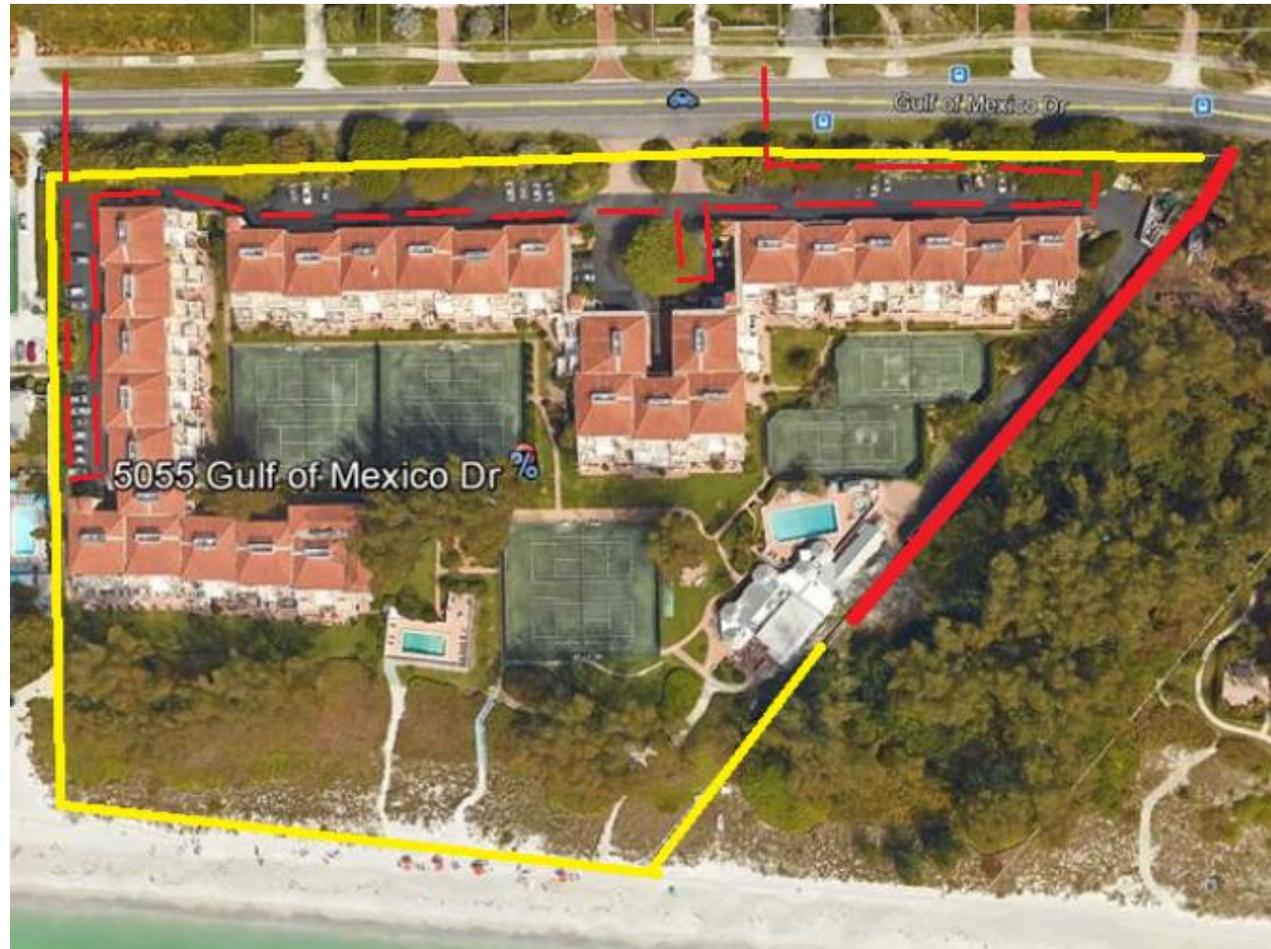


CLUB LONGBOAT

**Interior Utilities
are Looped
Underground.**

**A new
underground
service is
required at the
clubhouse.**

**440 feet of
Overhead Line on
or in close
proximity to the
parcel.**





SPANISH MAIN



Interior Utilities are Underground. GMD will install new front yard lines along Spanish Drive N.

The Neighborhood Project will extend underground along Spanish Drive South and install new front yard lines and 48 new service lines from the front.

2400 feet of Overhead Line on or in close proximity to the parcel.



Examples of Net Impact from Self-Funding

- Net Revenue Loss Due to Self-Funding
 - Spanish Main = \$1,025,000 - \$982,000 = \$43,000
 - Club Longboat = \$372,000 - \$157,000 = \$215,000
- Deadline for Contract with Town: June 2017

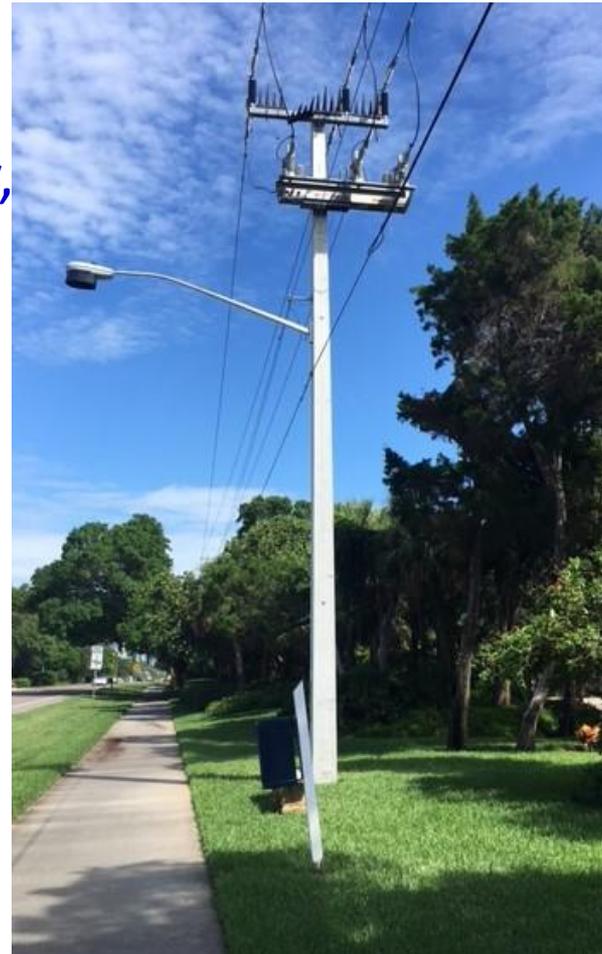


“Analysis of the 55-foot rule with review of the impact on individual taxable units in addition to parcel review.”



What is 55' Rule?

- Any property with overhead lines currently on, or in proximity, receives a benefit from undergrounding
- 55' has been determined to be “in proximity” based on height of poles, impact area of downed poles, and ability to see the overhead lines.





EXAMPLES WITH OVERHEAD LINES ON OR WITHIN 55'



Bayport



Longbeach

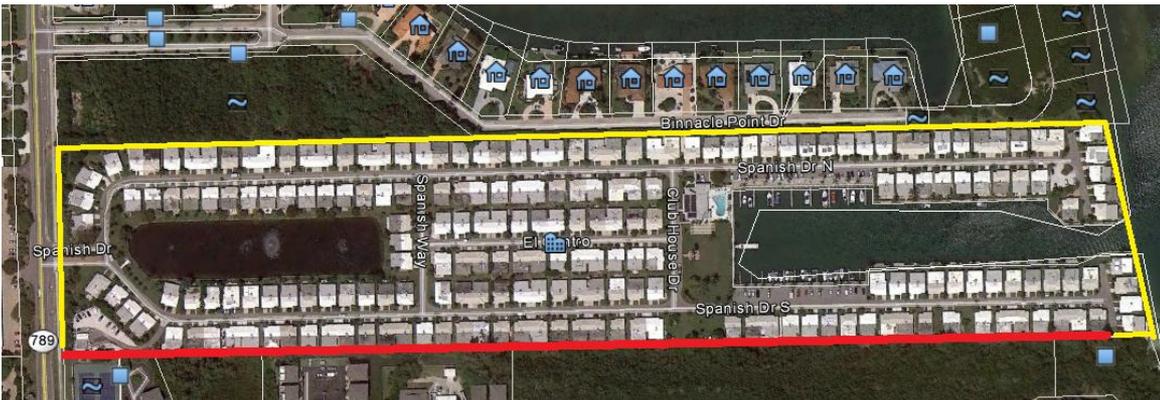


Lands End



Beach Club

Spanish Main



Conrad Beach





Parcels - Buildings - Taxable Units

- Utilized GIS to evaluate multi-family parcels included in the 55' Rule
- Examined financial impact of the following:
 - Removing the Overhead (OH) assessment from parcels without buildings with taxable units within 55 feet of an overhead line
 - Charging the OH assessment only for taxable units within 55 feet of an overhead line



Condominiums and Single Family

- Analysis was done separately for each of these categories



Condominium Parcels Without Buildings Within 55'

- Removing the Overhead (OH) assessment from parcels without buildings within 55 feet of an overhead line
- Approximately 15 affected parcels
- Approximately 247 taxable units
- Neighborhood Assessment revenue would decrease by about \$995,000



Condominium Parcels with Some Taxable Units Within 55'

- Utilized GIS to gain a perspective on including only those taxable units within 55 feet of an overhead line
- Aerial map examples on the following slides illustrate the complexity of determining the affected taxable units



Map of 55' impact on buildings with taxable units: Spanish Main



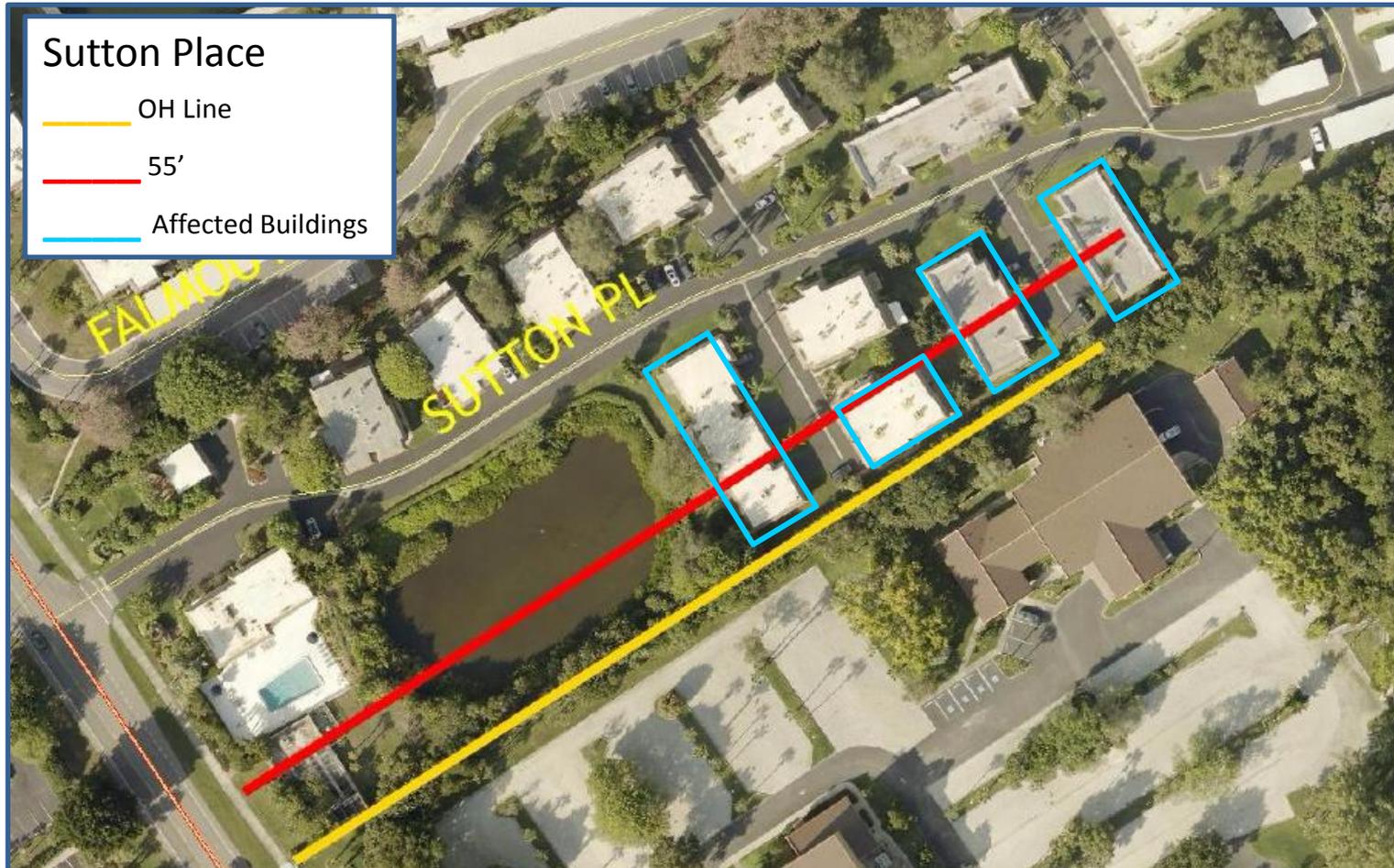


Map of 55' impact on buildings with taxable units: Club Longboat





Map of 55' impact on buildings with taxable units: Sutton Place





Condominium Parcels with some taxable units within 55' – Estimated Revenue Impact

PROPERTY CLASSIFICATION	PARCEL COUNT	ASSESSMENT FOR REMAINING GMD FEEDER	ASSESSMENT FOR FIBER OPTICS IN UG AREAS	ASSESSMENT FOR NH PROJECT GENERAL BENEFITS	ASSESSMENT FOR NH PROJECT CONVERSION OF OH LINES TO UG	ASSESSMENT FOR NH PROJECT CONVERSION OF OH SERVICE CONNECTION	ONSITE COST FOR NH PROJECT SERVICE CONVERSION	ONSITE COST FOR NH PROJECT RADIAL TO LOOP CONVERSION	TOTAL ASSESSMENT	ANNUAL ASSESSMENT - MARKET RATE 6%
Spanish Main										
Noticed										
7902200000	209	\$ 108,289.17	\$ -	\$ 768,075.00	\$ 56,812.51	\$ 64,823.76	\$ 27,656.97	\$ -	\$ 1,025,657.40	\$ 75,722.50
Revised - 55' Rule Per Unit (157 Units Removed from 55' Rule)										
7902200000	209	\$ 108,289.17	\$ -	\$ 191,100.00	\$ 14,135.17	\$ 16,128.40	\$ 6,881.16	\$ -	\$ 336,533.90	\$ 24,845.71
Difference - 55' Rule		\$ -	\$ -	\$ (576,975.00)	\$ (42,677.34)	\$ (48,695.36)	\$ (20,775.81)	\$ -	\$ (689,123.51)	\$ (50,876.79)
Club Longboat										
Noticed										
7998100056	85	\$ 44,041.05	\$ -	\$ 312,375.00	\$ 18,440.96	\$ 1,369.88	\$ 584.80	\$ -	\$ 376,811.69	\$ 27,819.35
Revised - 55' Rule Per Unit (82 Units Removed from 55' Rule)										
7998100056	85	\$ 44,041.05	\$ -	\$ 11,025.00	\$ 650.86	\$ 48.35	\$ 20.64	\$ -	\$ 55,785.90	\$ 4,118.58
Difference - 55' Rule		\$ -	\$ -	\$ (301,350.00)	\$ (17,790.10)	\$ (1,321.53)	\$ (564.16)	\$ -	\$ (321,025.79)	\$ (23,700.77)
Sutton Place										
Noticed										
8027410052	80	\$ 41,450.40	\$ -	\$ 294,000.00	\$ 13,830.72	\$ -	\$ -	\$ -	\$ 349,281.12	\$ 25,786.82
Revised - 55' Rule Per Unit (74 Units Removed from 55' Rule)										
8027410052	80	\$ 41,450.40	\$ -	\$ 22,050.00	\$ 1,037.30	\$ -	\$ -	\$ -	\$ 64,537.70	\$ 4,764.71
Difference - 55' Rule		\$ -	\$ -	\$ (271,950.00)	\$ (12,793.42)	\$ -	\$ -	\$ -	\$ (284,743.42)	\$ (21,022.11)
Total Difference - 55' Rule	374	\$ -	\$ -	\$ (1,150,275.00)	\$ (73,260.86)	\$ (50,016.89)	\$ (21,339.97)	\$ -	\$ (1,294,892.72)	\$ (95,599.67)



Impact of 55' rule in Single Family areas

- Utilized GIS to evaluate affects of including only those single-family buildings (not parcels) within 55 feet of an overhead line
- Aerial map examples on the following slides illustrate the issue of homes on the same street being classified differently

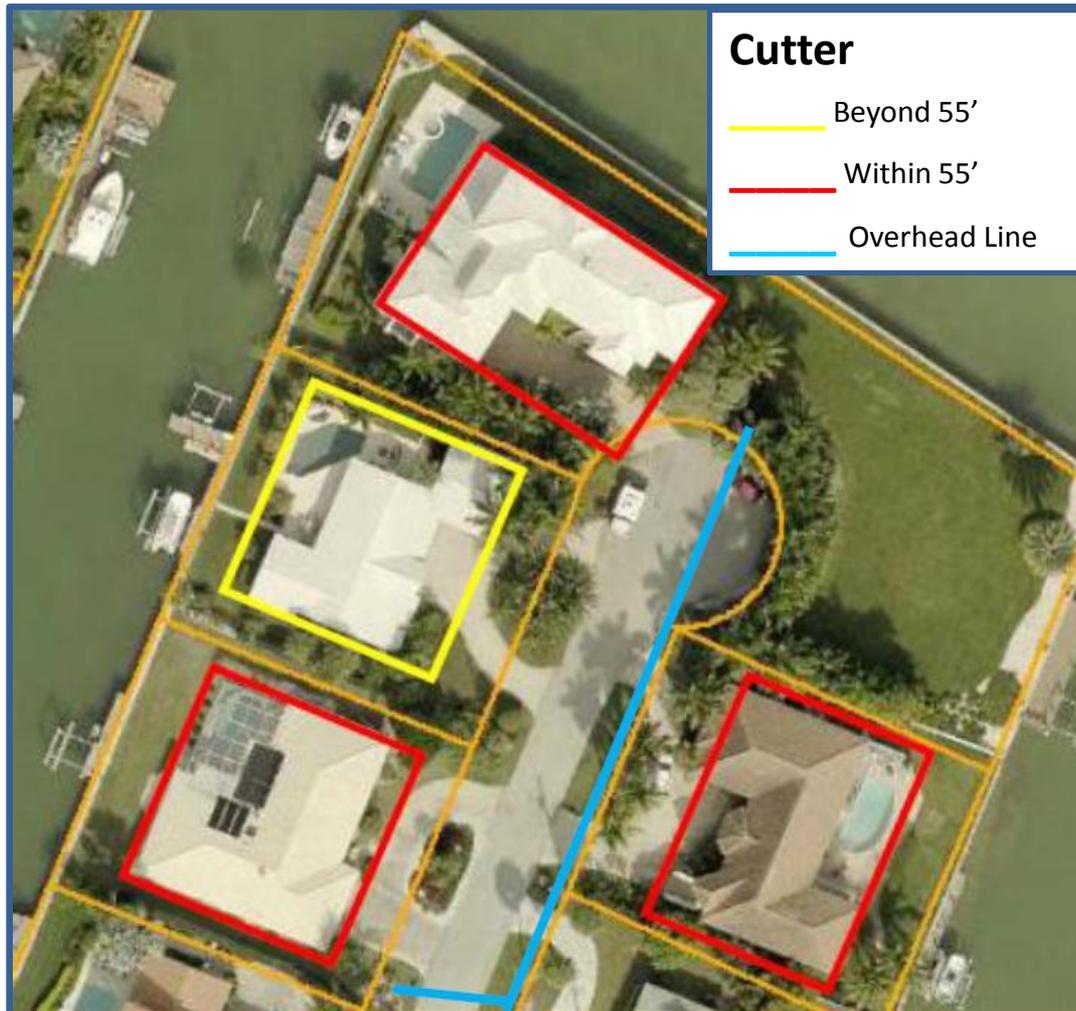


Map of 55' impact on buildings: Single Family



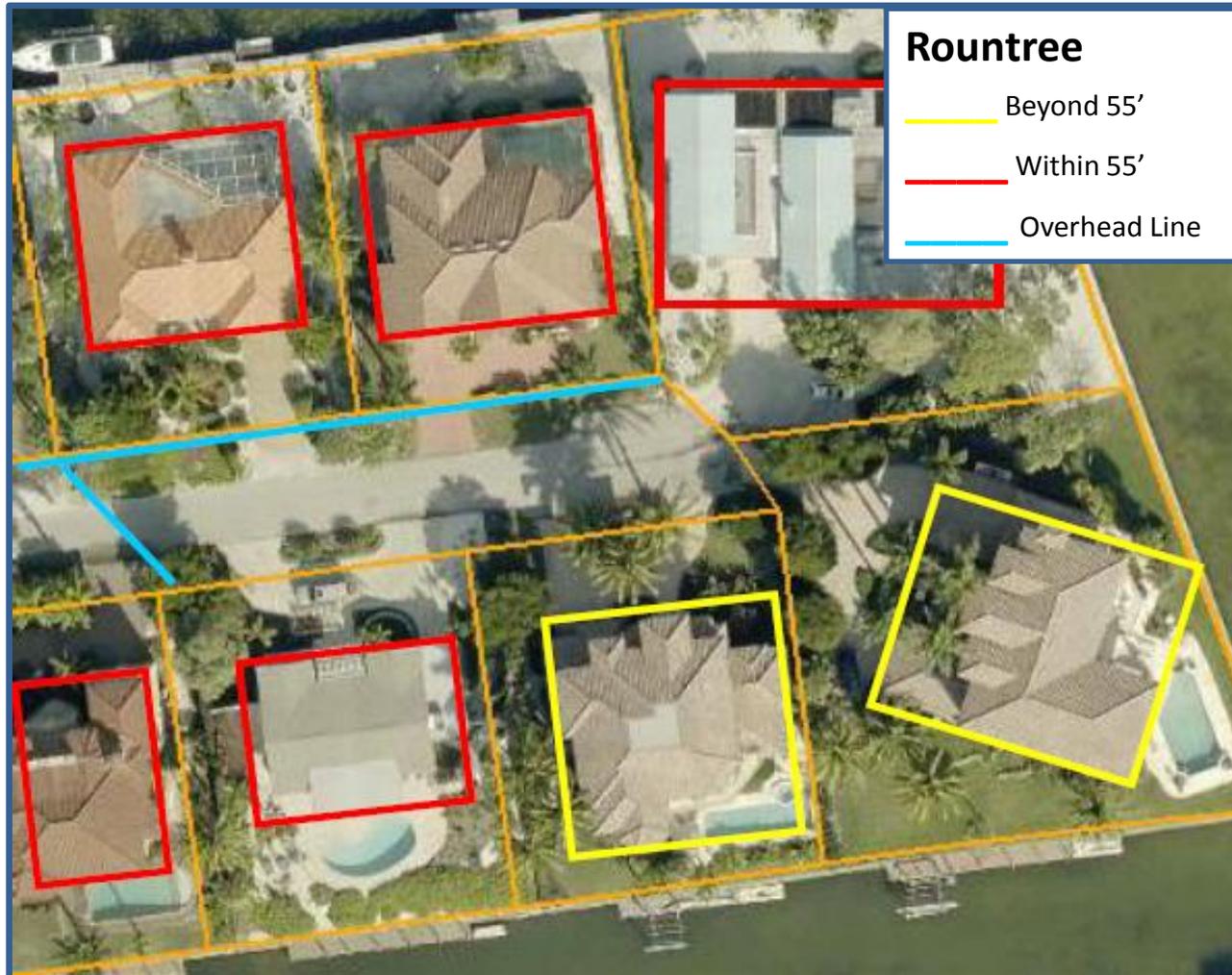


Map of 55' impact on buildings: Single Family





Map of 55' impact on buildings: Single Family





Map of 55' impact on buildings: Single Family





Impact of 55' Rule in Single Family Areas

Range of Potential Assessment Revenue Impact

PROPERTY CLASSIFICATION	PARCEL COUNT	TOTAL ASSESSMENT	ANNUAL ASSESSMENT - MARKET RATE 6%
SINGLE FAMILY	1,284	\$ 9,476,087.38	\$ 699,603.02
Potential Impact of Conversion to Structure within 55'			
Reduction in Parcels			
20%	257	\$ (1,762,161.69)	\$ (139,920.60)
30%	385	\$ (2,643,242.54)	\$ (209,880.91)
40%	514	\$ (3,524,323.38)	\$ (279,841.21)
50%	642	\$ (4,405,404.23)	\$ (349,801.51)

Note: Estimate. Field Verification of Single Family Parcels pending.



Financial Impact of Unit Application

- Potential Range of Impact on condo and single family Total and Annual Assessment Revenue
 - Low: \$4,052,000 Total / \$309,000 Annual
 - High: \$8,608,000 Total / \$660,100

*Approximate – would need to be field verified



Taking it to individual unit

- Will need to be field verified to determine accurate distance of each unit that is potentially within 55' of an overhead line
- Equity Issues
- Legal Issues



Questions??