

## MEMORANDUM

Date: November 13, 2017

**TO:** Town Commission  
**FROM:** Dave Bullock, Town Manager  
**SUBJECT:** Resolution 2017-18, Providing for an Initial Assessment for Neighborhoods Utility Undergrounding Project

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At the October 16, 2017 Regular Workshop Meeting the Town Manager provided an update on the Neighborhood Undergrounding project and discussed the methodology utilized for determining assessments for the Neighborhood Project (includes neighborhoods and side streets).

Resolution 2017-18 was then forwarded to the November 6, 2017 Regular Meeting for public hearing and discussion. The Town Commission instructed the Town Manager and staff to look at specific impacts to Bayport Condominiums and report back to the Commission at the November 13, 2017 Regular Workshop Meeting. The Town's consultants are still working on those calculations. They will be presented at the Regular Workshop meeting.

Following the November 13, 2017 Regular Workshop Meeting, Resolution 2017-18 will be forwarded to the November 13, 2017 Special Meeting for formal action.

In September 2016, the Town Commission directed staff to move ahead with steps necessary to obtain an updated cost estimate of the Neighborhood Project and to budget for the Town contributing 50% of the Neighborhood General Benefit from non-ad valorem revenues.

Since September, a survey of each right of way with above ground facilities (poles, transformers, switches, phone and cable equipment, driveways, manholes, etc.) has been completed. Using this survey FPL completed preliminary design of the underground electrical system for Phase 1 (Country Club Shores) thus providing a basis for more precise cost estimates. The Town issued an RFP for design and construction management services and selected CDM Smith (CDM).

CDM has completed a project cost estimate for the Neighborhood Project that is very close to the overall costs previously done. The major difference is that while the overall project cost is the same, some cost components are higher, and some lower than previously estimated. Therefore, adjustments were made in the assessment categories. These changes are shown in the PowerPoint presentation and result in about a 10% increase in most properties in the overhead areas and approximately 20% decrease in already underground areas. The new cost estimates and the associated assessment changes are presented in the PowerPoint.

Included in your agenda are: PowerPoint delineating the most recent project costs and estimated assessments, Methodology Report, and the Initial Assessment Resolution.

Resolution 2017-18, 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 optic backbone, also benefits the assessed properties.

It establishes that costs of the undergrounding will be apportioned based on Equivalent Benefit Units (EBUs) and approves the Assessment Report prepared by Willdan Financial Services and the consulting team. The apportionment methodology based upon EBUs is used to allocate the costs and benefits associated with the undergrounding project among benefitted property and determines that such method is reasonable and equitable. See Methodology Report.

Resolution 2017-18 also describes how the assessment roll will be maintained. It establishes a public hearing (currently scheduled for December 4, 2017 at 1:00 PM Time Certain) to consider

adoption of the final assessment resolution (Resolution 2017-20) and imposition of assessments, and directs the mailing and publication of notice of such hearing.

Resolution 2017-18 further describes how each EBU is assigned to different types of parcels and addresses special parcel types (golf courses, and the boat storage condominium facility located at 408 Gulf of Mexico Drive).

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.

Please contact me if you have any questions.



# NEIGHBORHOOD UNDERGROUNDING PROJECT UPDATE

Town Commission  
Regular Workshop and  
Special Meetings Held  
November 13, 2017

# TOWN OF LONGBOAT KEY



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
Bonds/Notes	_____	No - Against



**March 2016  
Neighborhood Undergrounding Referendum  
Results**

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



## 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



# LATEST UNDERGROUND COST ESTIMATE AND SUMMARY

- New Project Team
- Latest Cost Update/Assessments
- Cost Considerations
- Updated Schedule
- Benefits Assignment
- Assessments by Category
- Town Contribution to General Benefit



# NEIGHBORHOOD PROJECT

<b>NEIGHBORHOOD</b>	<b>Current Estimate</b>	<b>Prior Estimate</b>	<b>Difference</b>
Undergrounding Main Feeder Connections	\$ 4,335,605.82	\$ 5,060,120.00	\$ (724,514.18)
Undergrounding in Neighborhoods	\$ 11,719,271.24	\$ 9,939,880.00	\$ 1,779,391.24
Street Lighting Replacement Neighborhoods	\$ 2,225,128.44	\$ 2,000,000.00	\$ 225,128.44
Fiber Optic Line Installation Neighborhoods	\$ 3,750,514.34	\$ 4,550,000.00	\$ (799,485.66)
Financing and Legal Costs	\$ 1,667,970.00	\$ 760,000.00	\$ 907,970.00
Financing, Legal, Inflation, Contingency	\$ 300,000.00	\$ 300,000.00	\$ -
Multi Year Project Inflation Cost (3 Years)	\$ 1,493,000.00	\$ 1,000,000.00	\$ 493,000.00
Other Misc Costs Incurred to Date	\$ -	\$ 240,000.00	\$ (240,000.00)
<b>Total</b>	<b>\$ 25,491,489.85</b>		
Estimated CIAC Credit (\$2M to \$3M)	\$ (2,000,000.00)		
Estimated CIAC Credit (\$2M to \$3M)	\$ (3,000,000.00)		
<b>Referendum Amount:</b>	<b>\$ 23,850,000.00</b>		
Potential at \$2M	\$ 23,491,489.85		
Potential at \$3M	\$ 22,491,489.85		





# NEIGHBORHOOD UNDERGROUNDING

Contribution In Aide of Construction – CIAC



## Detailed Formulas for Electric UG Conversion Cost CIAC

### Town Performs All Installation Work

- COSTS = New UG Facilities + Removal of Existing OH + New Book Value of Removed OH
- MINUS Credits = Equiv. New OH\* + FPL Labor & Equip. Installation Costs\* + Salvage\* + Storm Cost Savings, Government Adjustment Factor (GAF)\* + Overhead & Management Savings\* + Eng'g Deposit\*
- EQUALS CIAC Paid to FPL\*
- PLUS Cost of Town-Performed Work (Replaces FPL Labor & Equip. + O & M)
- EQUALS Total Electric UG Cost

\* See notes slide.



## CIAC Formula Notes

- ❖ Cost of Equivalent New OH Facilities Must Include Costs of “Hardened” Facilities Where Applicable.
- ❖ Credit Should be Given for Cost of Removing AND for Net Book Value of OH Facilities that will be replaced per FPL’s Storm Hardening (GAF) Plan.
- ❖ Storm Restoration (GAF) Cost Savings may be subject to increase per recent storm experience.
- ❖ O&M Cost Differential may be subject to challenge.
- ❖ FPL still performs engineering work including design and inspection; FPL still furnishes materials.



# NEIGHBORHOOD PROJECT SOFT COSTS

Project Component	Cost Incurred Since 2016	Estimated Future Costs	Total
<b>LEGAL</b>			
Persson & Cohen	\$ 46,727	\$18,056	\$392,146
Bryant Miller & Olive	125,552	48,878	
Special Counsel	10,433	22,500	
Bond Validation		150,000	
<b>ASSESSMENT ADMIN/CONSULTING</b>			
Brannon & Gillespie/Willdan Financial	271,136		\$285,882
Mailings/Postage/Advertising	746	14,000	
Interim Issuance Costs		435,000	\$435,000
Interim Interest/Expense Contingency	<u>1,255</u>	<u>523,687</u>	<u>\$524,942</u>
<b>Totals</b>	<b>\$ 455,849</b>	<b>\$ 1,212,134</b>	<b>\$ 1,667,970</b>
Total Financing, Legal, Inflation, Contingency, Other Misc Costs To Be Allocated			



## FPL COST COSTS CONSIDERATIONS

- A more detailed independent costs approach was utilized by using GIS data collection. This methodology allowed for more accuracy on actual lengths and units estimated to build the new infrastructure.
- FPL provided their preliminary plan for Phase I. This provided a limited preview on their intended build and is the most recent basis for subsequent phases.
- Although there are differences, this independent approach for cost assessment was found to be comparable to prior estimate.



## CARRIERS COSTS CONSIDERATIONS

- Similar to FPL quantity collection of data, we were able to achieve a more detailed approach utilizing GIS for better accuracy on lengths and quantities.
- CDM Smith was able to get preliminary mark-up plans from Frontier & Comcast to obtain a preview of scope needed for town wide undergrounding.
- Currently making progress with both carriers to obtain additional data on customer base and undergrounding needs.



## TOWN WIDE FIBER COSTS NEIGHBORHOOD CONSIDERATIONS

- GIS collection of data was obtained to get a better assessment for lengths and quantities to install a backbone fiber infrastructure within the neighborhood areas - HDPE with average 96 CT fiber to support future connectivity.
- Costs methodology assumes a consolidated build with all carriers.
- Costs were separated out to include backbone in already undergrounded areas.
- CDM cost estimate was found to be slightly lower than prior estimate.



# STREET LIGHTS NEIGHBORHOODS COSTS CONSIDERATIONS

- The basis for estimate includes replacing lights at existing locations.
- Costs methodology uses a consolidated build approach for the underground portion - conduit.
- CDM cost estimate was found to be slightly higher than prior estimate.





# BENEFIT ASSIGNMENT OF NEIGHBORHOOD UNDERGROUNDING

Project Component	Estimated Cost September 2016	Estimated Cost October 2017
Total Neighborhood Project	\$ 23,789,265	\$ 23,850,000
Less: Main Feeder Connections	(5,049,694)	(5,071,560)
Less: Fiber in Underground Areas	<u>(3,347,301)</u>	<u>(2,100,394)</u>
Neighborhood Above Ground Areas	<u>\$ 15,392,270</u>	<u>\$ 16,678,046</u>
Town Credit	\$ 5,097,225	\$ 5,501,215

Note: Project Component Costs include the allocation of financing, legal, inflation, contingencies, and other miscellaneous soft costs on a pro rata basis to each project component based on construction costs.

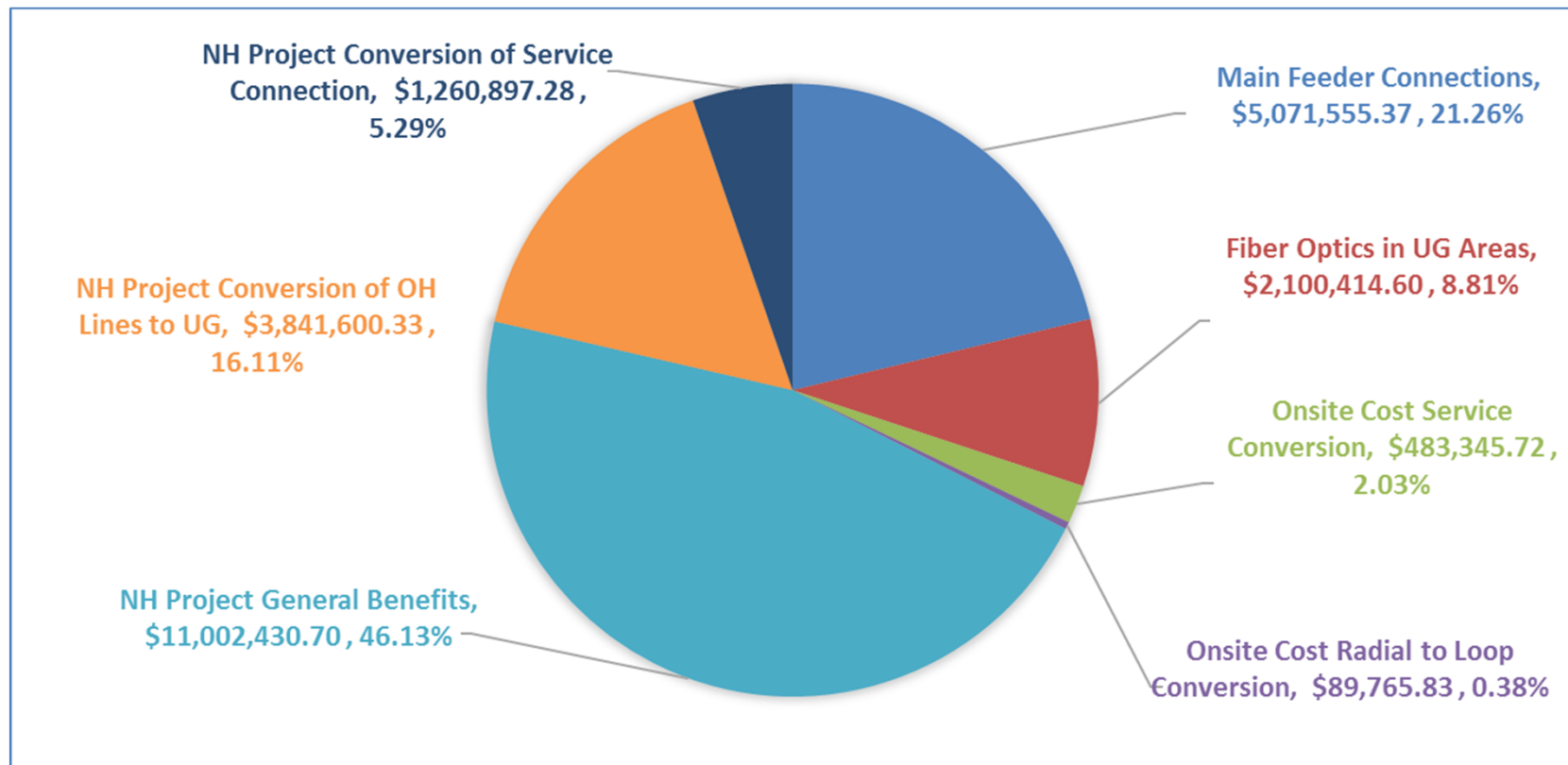


# ASSESSMENT BREAKDOWN BY CATEGORY

PROPERTY CLASSIFICATION	ASSESSMENT FOR MAIN FEEDER CONNECTIONS	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
TOTAL	\$ 5,071,555.37	\$ 2,100,414.60	\$ 11,002,430.70	\$ 3,841,600.33	\$ 1,260,897.28	\$ 483,345.72	\$ 89,765.83	\$ 23,850,009.83
PERCENT OF TOTAL	21.26%	8.81%	46.13%	16.11%	5.29%	2.03%	0.38%	100.00%

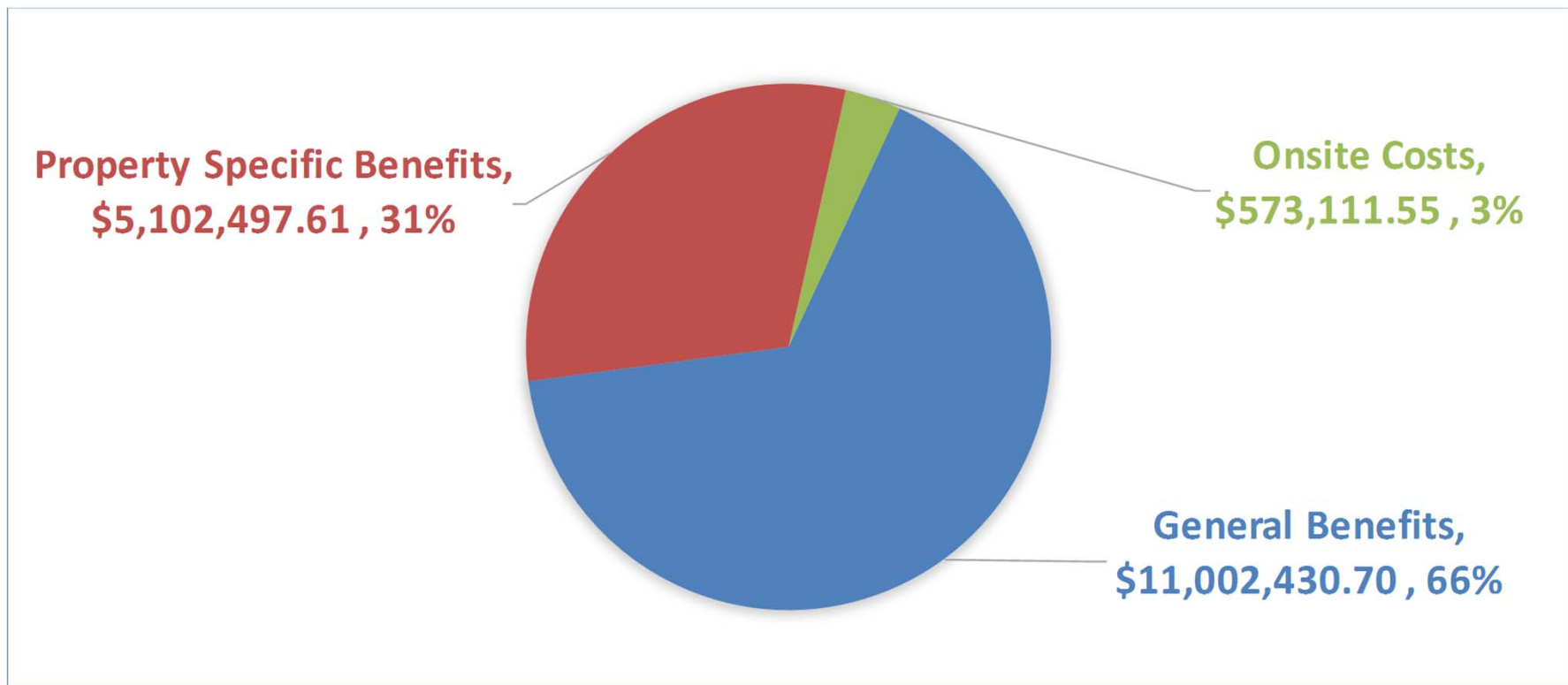


# ASSESSMENT BREAKDOWN BY CATEGORY





# NEIGHBORHOOD ABOVE GROUND PROJECT ASSESSMENT AMOUNT BY CATEGORY (2,608 PARCELS)





# TYPICAL EXAMPLES OF ASSESSMENT FACTORS

CUSTOMER CLASS	PROPERTY CLASS	CONNECTION NEEDED	RADIAL TO LOOP	NET ASSESSMENT	**	**	DESCRIPTION
					30 YEAR - 4.5% MARKET RATE	30 YEAR - 6.0% MARKET RATE	
SINGLE FAMILY	UG	N	N	\$ 519.20	\$ 31.88	\$ 37.71	OH PARCEL CONVERTED TO UG ON GMD PROJECT
SINGLE FAMILY	UG	N	N	\$ 942.50	\$ 57.87	\$ 68.46	UG AREA PARCEL GETTING FIBER OPTICS
SINGLE FAMILY	UG	N	Y	\$ 4,379.17	\$ 268.86	\$ 318.10	UG PARCEL REQUIRING CONVERSION TO LOOP
SINGLE FAMILY	OH	N	N	\$ 5,120.63	\$ 314.38	\$ 371.96	OH PARCEL CONVERTED WITH RESUABLE UG SVC
SINGLE FAMILY	OH	Y	N	\$ 7,229.73	\$ 443.87	\$ 525.17	OH PARCEL CONVERTED REQUIRING NEW UG SVC

**\*\* The actual rate of interest will be determined upon issuance of the bonds secured by the assessments. The maximum annual payment amount set forth does not include annual collection and administration costs which are not expected to exceed 10% of the annual principal and interest payment.**



# TOWN OF LONGBOAT KEY

## 50% TOWN CONTRIBUTION OF NEIGHBORHOOD GENERAL BENEFIT

SITE ADDRESS	TYPE	TOTAL ASSMT AFTER TOWN CREDIT 9/2016	ANNUAL ASSMT 30 YEAR - 4.5% MARKET RATE	ANNUAL ASSMT 30 YEAR - 6.0% MARKET RATE	TOTAL ASSMT AFTER TOWN CREDIT 10/2017	**	**	TOWN CONTRIB OF GENERAL BENEFIT	% OF EXIST ASSMT	DIFF BTWN 9/2016 AND 10/2017 ASSMTS	%
						ANNUAL ASSMT 30 YEAR - 4.5% MARKET RATE	ANNUAL ASSMT 30 YEAR - 6.0% MARKET RATE				
561 RANGER LN	S	\$ 6,615.08	\$ 411.37	\$ 488.30	\$ 7,229.73	\$ 443.87	\$ 525.17	\$ (2,042.03)	-22%	\$ 614.65	9%
601 BIRDIE LN	S	\$ 4,660.75	\$ 289.84	\$ 344.04	\$ 5,120.63	\$ 314.38	\$ 371.96	\$ (2,042.03)	-29%	\$ 459.88	10%
825 LONGBOAT CLUB RD	S	\$ 1,192.85	\$ 74.18	\$ 88.05	\$ 942.50	\$ 57.87	\$ 68.46	\$ -	0%	\$ (250.35)	-21%
3360 BAYOU GATE	S	\$ 1,192.85	\$ 74.18	\$ 88.05	\$ 942.50	\$ 57.87	\$ 68.46	\$ -	0%	\$ (250.35)	-21%
545 ROUNDTREE DR	S	\$ 6,615.08	\$ 411.37	\$ 488.30	\$ 7,229.73	\$ 443.87	\$ 525.17	\$ (2,042.03)	-22%	\$ 614.65	9%
605 KINGFISHER LN	S	\$ 4,660.75	\$ 289.84	\$ 344.04	\$ 5,120.63	\$ 314.38	\$ 371.96	\$ (2,042.03)	-29%	\$ 459.88	10%
5060 GULF OF MEXICO DR	S	\$ 518.13	\$ 32.22	\$ 38.25	\$ 519.20	\$ 31.88	\$ 37.71	\$ -	0%	\$ 1.07	0%
435 L AMBIANCE DR L207	C	\$ 1,192.85	\$ 74.18	\$ 88.05	\$ 942.50	\$ 57.87	\$ 68.46	\$ -	0%	\$ (250.35)	-21%
1145 GULF OF MEXICO DR 204 BLD 1	C	\$ 1,192.85	\$ 74.18	\$ 88.05	\$ 942.50	\$ 57.87	\$ 68.46	\$ -	0%	\$ (250.35)	-21%
1900 HARBOURSIDE DR 104 BLD 1	C	\$ 1,192.85	\$ 74.18	\$ 88.05	\$ 942.50	\$ 57.87	\$ 68.46	\$ -	0%	\$ (250.35)	-21%
3040 GRAND BAY BLVD 214 BLD 2	C	\$ 1,192.85	\$ 74.18	\$ 88.05	\$ 942.50	\$ 57.87	\$ 68.46	\$ -	0%	\$ (250.35)	-21%
2301 GULF OF MEXICO DR APT 73N	C	\$ 1,192.85	\$ 74.18	\$ 88.05	\$ 942.50	\$ 57.87	\$ 68.46	\$ -	0%	\$ (250.35)	-21%
40 TWIN SHORES BLVD	C	\$ 3,081.18	\$ 191.61	\$ 227.44	\$ 3,348.05	\$ 205.55	\$ 243.20	\$ (2,042.03)	-38%	\$ 266.87	9%
6701 GULF OF MEXICO DR UNIT 327	C	\$ 1,192.85	\$ 74.18	\$ 88.05	\$ 942.50	\$ 57.87	\$ 68.46	\$ -	0%	\$ (250.35)	-21%
805 SPANISH DR N	C	\$ 3,069.95	\$ 190.91	\$ 226.61	\$ 3,340.58	\$ 205.10	\$ 242.66	\$ (2,042.03)	-38%	\$ 270.62	9%
7065 GULF OF MEXICO DR UNIT 14	C	\$ 2,700.07	\$ 167.91	\$ 199.31	\$ 2,943.67	\$ 180.73	\$ 213.83	\$ (2,042.03)	-41%	\$ 243.59	9%
569 CHANNEL LN	MF	\$ 8,970.71	\$ 557.86	\$ 662.18	\$ 9,790.95	\$ 601.12	\$ 711.22	\$ (4,084.05)	-29%	\$ 820.24	9%
6051 GULF OF MEXICO DR	MF	\$ 17,941.42	\$ 1,115.72	\$ 1,324.37	\$ 19,581.90	\$ 1,202.24	\$ 1,422.43	\$ (8,168.10)	-29%	\$ 1,640.48	9%
651 FOX ST	MF	\$ 8,970.71	\$ 557.86	\$ 662.18	\$ 9,790.95	\$ 601.12	\$ 711.22	\$ (4,084.05)	-29%	\$ 820.24	9%
6501 BAYOU HAMMOCK RD	MF	\$ 7,016.38	\$ 436.32	\$ 517.92	\$ 7,681.85	\$ 471.63	\$ 558.01	\$ (4,084.05)	-35%	\$ 665.47	9%



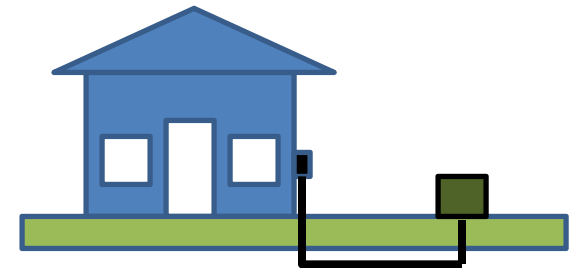
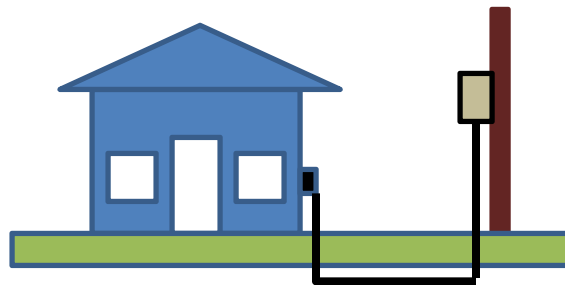
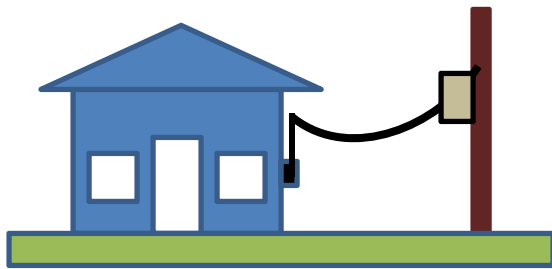
# SINGLE FAMILY ASSESSMENT EXAMPLES

SITE ADDRESS	ASSESSMENT FOR MAIN FEEDER CONNECTIONS	ASSESSMENT FOR FIBER OPTICS IN UNDERGROUND AREAS	ASSESSMENT FOR NH PROJECT GENERAL BENEFITS	ASSESSMENT FOR NH CONVERSION OF OH LINES TO UG	ASSESSMENT FOR NH CONVERSION OF OH SERVICE CONNECTION	ONSITE COST FOR NH RADIAL TO LOOP CONVERSION	ONSITE COST FOR NH SERVICE CONVERSION	TOWN CREDIT	TOTAL ASSMT AFTER TOWN CREDIT	**	**
										ANNUAL ASSMT 30 YEAR - 4.5% MARKET RATE	ANNUAL ASSMT 30 YEAR - 6.0% MARKET RATE
561 RANGER LN	\$ 519.20	\$ -	\$ 4,084.05	\$ 2,559.40	\$ 1,524.65	\$ -	\$ 584.45	\$ (2,042.03)	\$ 7,229.73	\$ 443.87	\$ 525.17
601 BIRDIE LN	\$ 519.20	\$ -	\$ 4,084.05	\$ 2,559.40	\$ -	\$ -	\$ -	\$ (2,042.03)	\$ 5,120.63	\$ 314.38	\$ 371.96
825 LONGBOAT CLUB RD	\$ 519.20	\$ 423.30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 942.50	\$ 57.87	\$ 68.46
3360 BAYOU GATE	\$ 519.20	\$ 423.30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 942.50	\$ 57.87	\$ 68.46
545 ROUNDTREE DR	\$ 519.20	\$ -	\$ 4,084.05	\$ 2,559.40	\$ 1,524.65	\$ -	\$ 584.45	\$ (2,042.03)	\$ 7,229.73	\$ 443.87	\$ 525.17
605 KINGFISHER LN	\$ 519.20	\$ -	\$ 4,084.05	\$ 2,559.40	\$ -	\$ -	\$ -	\$ (2,042.03)	\$ 5,120.63	\$ 314.38	\$ 371.96
5060 GULF OF MEXICO DR	\$ 519.20	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 519.20	\$ 31.88	\$ 37.71
5362 SANDHAMN PL	\$ 519.20	\$ -	\$ 4,084.05	\$ -	\$ -	\$ 1,817.94	\$ -	\$ (2,042.03)	\$ 4,379.17	\$ 268.86	\$ 318.10
755 ST JUDES DR N	\$ 519.20	\$ -	\$ 4,084.05	\$ 2,559.40	\$ 1,524.65	\$ -	\$ 584.45	\$ (2,042.03)	\$ 7,229.73	\$ 443.87	\$ 525.17
530 COMPANION WAY	\$ 519.20	\$ -	\$ 4,084.05	\$ 2,559.40	\$ 1,524.65	\$ -	\$ 584.45	\$ (2,042.03)	\$ 7,229.73	\$ 443.87	\$ 525.17
5821 GULF OF MEXICO DR	\$ 519.20	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 519.20	\$ 31.88	\$ 37.71
5940 EMERALD HARBOR DR	\$ 519.20	\$ -	\$ 4,084.05	\$ 2,559.40	\$ -	\$ -	\$ -	\$ (2,042.03)	\$ 5,120.63	\$ 314.38	\$ 371.96
538 NORTON ST	\$ 519.20	\$ -	\$ 4,084.05	\$ 2,559.40	\$ 1,524.65	\$ -	\$ 584.45	\$ (2,042.03)	\$ 7,229.73	\$ 443.87	\$ 525.17
630 BROADWAY	\$ 519.20	\$ -	\$ 4,084.05	\$ 2,559.40	\$ 1,524.65	\$ -	\$ 584.45	\$ (2,042.03)	\$ 7,229.73	\$ 443.87	\$ 525.17
751 RUSSELL ST	\$ 519.20	\$ -	\$ 4,084.05	\$ 2,559.40	\$ -	\$ -	\$ -	\$ (2,042.03)	\$ 5,120.63	\$ 314.38	\$ 371.96
690 HIBISCUS WAY	\$ 519.20	\$ -	\$ 4,084.05	\$ -	\$ -	\$ 1,817.94	\$ -	\$ (2,042.03)	\$ 4,379.17	\$ 268.86	\$ 318.10
6888 POINSETTIA AVE	\$ 519.20	\$ -	\$ 4,084.05	\$ 2,559.40	\$ -	\$ -	\$ -	\$ (2,042.03)	\$ 5,120.63	\$ 314.38	\$ 371.96
7050 FIREHOUSE RD	\$ 519.20	\$ -	\$ 4,084.05	\$ 2,559.40	\$ -	\$ -	\$ -	\$ (2,042.03)	\$ 5,120.63	\$ 314.38	\$ 371.96

**\*\* The actual rate of interest will be determined upon issuance of the bonds secured by the assessments. The maximum annual payment amount set forth does not include annual collection and administration costs which are not expected to exceed 10% of the annual principal and interest payment.**



# TYPICAL SINGLE FAMILY PROPERTIES IN OVERHEAD



Component	Amount
General (Main Feeder Connections)	\$ 519.20
General (OH to UG)	4,084.05
Specific (OH to UG Lines)	2,559.40
Specific (Connection)	1,524.65
Onsite (Connection)	584.45
Onsite (Radial)	0.00
Town Credit	-2,042.03
Net Assessment	\$ 7,229.72

Component	Amount
General (Main Feeder Connections)	\$ 519.20
General (OH to UG)	4,084.05
Specific (OH to UG Lines)	2,559.40
Specific (Connection)	0.00
Onsite (Connection)	0.00
Onsite (Radial)	0.00
Town Credit	-2,042.03
Net Assessment	\$ 5,120.62

Component	Amount
General (Main Feeder Connections)	\$ 519.20
General (OH to UG)	4,084.05
Specific (OH to UG Lines)	0.00
Specific (Connection)	0.00
Onsite (Connection)	0.00
Onsite (Radial)	1,817.94
Town Credit	-2,042.03
Net Assessment	\$ 4,379.16





# CONDOMINIUM ASSESSMENT EXAMPLES

SITE ADDRESS	ASSESSMENT FOR MAIN FEEDER CONNECTIONS	ASSESSMENT FOR FIBER OPTICS IN UNDERGROUND AREAS	ASSESSMENT FOR NH PROJECT GENERAL BENEFITS	ASSESSMENT FOR NH CONVERSION OF OH LINES TO UG	ASSESSMENT FOR NH CONVERSION OF OH SERVICE CONNECTION	ONSITE COST FOR NH RADIAL TO LOOP CONVERSION	ONSITE COST FOR NH SERVICE CONVERSION	TOWN CREDIT	TOTAL ASSMT AFTER TOWN CREDIT	**	**
										ANNUAL ASSMT 30 YEAR - 4.5% MARKET RATE	ANNUAL ASSMT 30 YEAR - 6.0% MARKET RATE
435 L AMBIANCE DR L207	\$ 519.20	\$ 423.30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 942.50	\$ 57.87	\$ 68.46
1145 GULF OF MEXICO DR 204 BLD 1	\$ 519.20	\$ 423.30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 942.50	\$ 57.87	\$ 68.46
1900 HARBOURSIDE DR 104 BLD 1	\$ 519.20	\$ 423.30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 942.50	\$ 57.87	\$ 68.46
3040 GRAND BAY BLVD 214 BLD 2	\$ 519.20	\$ 423.30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 942.50	\$ 57.87	\$ 68.46
2301 GULF OF MEXICO DR APT 73N	\$ 519.20	\$ 423.30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 942.50	\$ 57.87	\$ 68.46
40 TWIN SHORES BLVD	\$ 519.20	\$ -	\$ 4,084.05	\$ 136.14	\$ 470.37	\$ -	\$ 180.31	\$ (2,042.03)	\$ 3,348.05	\$ 205.55	\$ 243.20
6701 GULF OF MEXICO DR UNIT 328	\$ 519.20	\$ 423.30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 942.50	\$ 57.87	\$ 68.46
805 SPANISH DR N	\$ 519.20	\$ -	\$ 4,084.05	\$ 301.82	\$ 345.20	\$ -	\$ 132.33	\$ (2,042.03)	\$ 3,340.58	\$ 205.10	\$ 242.66
7065 GULF OF MEXICO DR UNIT 14	\$ 519.20	\$ -	\$ 4,084.05	\$ 382.44	\$ -	\$ -	\$ -	\$ (2,042.03)	\$ 2,943.67	\$ 180.73	\$ 213.83

\*\* The actual rate of interest will be determined upon issuance of the bonds secured by the assessments. The maximum annual payment amount set forth does not include annual collection and administration costs which are not expected to exceed 10% of the annual principal and interest payment.



# MULTI-FAMILY ASSESSMENT EXAMPLES

SITE ADDRESS	ASSESSMENT FOR MAIN FEEDER CONNECTIONS	ASSESSMENT FOR FIBER OPTICS IN UNDERGROUND AREAS	ASSESSMENT FOR NH PROJECT GENERAL BENEFITS	ASSESSMENT FOR NH CONVERSION OF OH LINES TO UG	ASSESSMENT FOR NH CONVERSION OF OH SERVICE CONNECTION	ONSITE COST FOR NH RADIAL TO LOOP CONVERSION	ONSITE COST FOR NH SERVICE CONVERSION	TOWN CREDIT	TOTAL ASSMT AFTER TOWN CREDIT	**	**
										ANNUAL ASSMT 30 YEAR - 4.5% MARKET RATE	ANNUAL ASSMT 30 YEAR - 6.0% MARKET RATE
569 CHANNEL LN	\$ 1,038.40	\$ -	\$ 8,168.10	\$ 2,559.40	\$ 1,524.65	\$ -	\$ 584.45	\$ (4,084.05)	\$ 9,790.95	\$ 601.12	\$ 711.22
6051 GULF OF MEXICO DR	\$ 2,076.80	\$ -	\$ 16,336.20	\$ 5,118.80	\$ 3,049.30	\$ -	\$ 1,168.90	\$ (8,168.10)	\$ 19,581.90	\$ 1,202.24	\$ 1,422.43
651 FOX ST	\$ 1,038.40	\$ -	\$ 8,168.10	\$ 2,559.40	\$ 1,524.65	\$ -	\$ 584.45	\$ (4,084.05)	\$ 9,790.95	\$ 601.12	\$ 711.22
6501 BAYOU HAMMOCK RD	\$ 1,038.40	\$ -	\$ 8,168.10	\$ 2,559.40	\$ -	\$ -	\$ -	\$ (4,084.05)	\$ 7,681.85	\$ 471.63	\$ 558.01
5145 GULF OF MEXICO DR	\$ 1,038.40	\$ -	\$ 8,168.10	\$ 2,559.40	\$ -	\$ -	\$ -	\$ (4,084.05)	\$ 7,681.85	\$ 471.63	\$ 558.01
3037 GULF OF MEXICO DR	\$ 1,038.40	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,038.40	\$ 63.75	\$ 75.43
4031 GULF OF MEXICO DR	\$ 1,038.40	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,038.40	\$ 63.75	\$ 75.43

\*\* The actual rate of interest will be determined upon issuance of the bonds secured by the assessments. The maximum annual payment amount set forth does not include annual collection and administration costs which are not expected to exceed 10% of the annual principal and interest payment.



# TOWN OF LONGBOAT KEY WEBSITE SEARCH



Search by partial name or address. Do not use suffixes in your searches (Drive, Road, Street, Lane). Searching the street name for "Bay" will show any street that has the word Bay included.

Actual assessments and the methodology will be finalized for consideration and adoption by the Town Commission at a public hearing to be held December 4, 2017 at 1 PM.

SAMPLE SEARCH: For Gulf of Mexico Drive, type "GULF" or "GULF OF MEXICO".

Business or Owner's Name:

Street Name:

The Total Assessment is made up of several components attributable to each property. These components are listed below:

**Main Feeder Connection:** Cost of eliminating 84 poles on Gulf of Mexico Drive which connect the side streets to the main feeder lines.

**Fiber Assessment:** Cost of installation of fiber optic lines in existing underground areas.

**General Benefits:** Costs allocated to the parcel for neighborhood wide special benefits received (i.e. safety, reliability and aesthetics). An Equivalent Benefit Unit (EBU) methodology is the basis for the apportionment. The Town is providing a 50% credit to each parcel to reduce the assessment, as shown in a separate column.

**Conversion of OH lines to UG:** Cost of undergrounding the remaining side street overhead lines or the looping of remaining radial underground FPL cables supplying power to existing underground transformers.

**Neighborhood Conversion OH Service Connection:** Cost of 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.

**Radial Conversion:** Onsite Cost for Neighborhood radial to Loop conversions: This is the portion of the onsite costs allocated to the parcel for the costs associated with installing the additional facilities to create a loop versus the installation of a radial, based on FPL differential cost schedules.

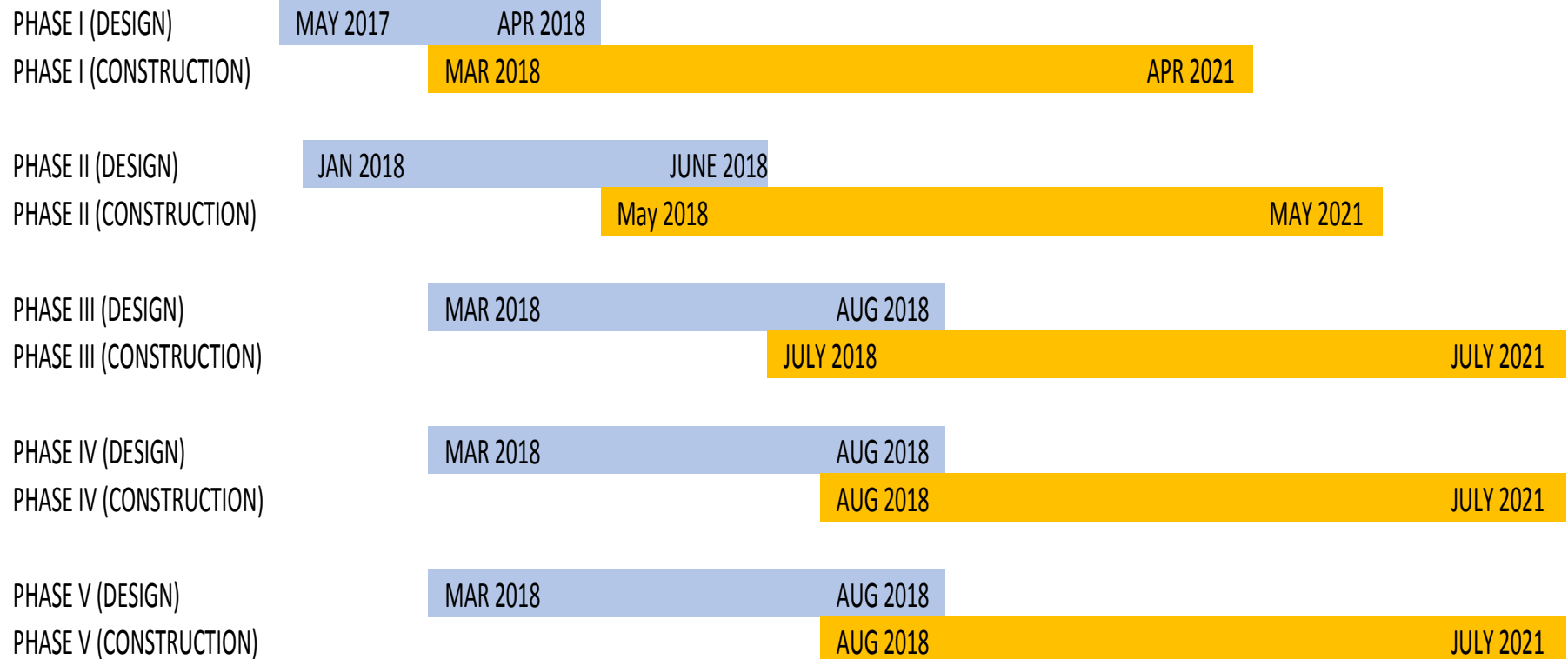
**Service Connection:** Onsite Costs for Neighborhood Service Conversion: This is the portion of the onsite costs allocated to the parcel for the costs associated with installing the new underground service line and performing the needed equipment changes at the meter enclosure to accommodate an underground service.

### Neighborhood Underground Project Estimate

Owner	Address	Main Feeder	Fiber Assessment	General Benefits	Conversion of OH to UG	Conversion of OH Service	Cost-Radial Conversion	Cost-Service Conversion	General Benefit Offset (50%)	Net Assessment	30-Year Annual 4.5%	30-Year Annual 6.0%	Prepayment Amount
Barber Mary L Ttee	537 Channel Ln	\$519.20	\$0.00	\$4,084.05	\$2,559.40	\$1,524.65	\$0.00	\$584.45	(\$2,042.03)	\$7,229.73	\$443.87	\$525.17	\$7,085.13
Felton Cheryl R (Ttee)	501 Channel Ln	\$519.20	\$0.00	\$4,084.05	\$2,559.40	\$1,524.65	\$0.00	\$584.45	(\$2,042.03)	\$7,229.73	\$443.87	\$525.17	\$7,085.13



# TOWN OF LONGBOAT KEY SCHEDULE SUMMARY





## CRITICAL EVENTS SCHEDULE

- NOVEMBER 6, 2017 – REGULAR MEETING
  - ADOPTION OF INITIAL ASSESSMENT RESOLUTION 2017-18
- NOVEMBER 13, 2017 – REGULAR WORKSHOP MEETING
  - FINAL ASSESSMENT RESOLUTION (RES 2017-20)
  - INTENT RESOLUTION (RES 2017-17)
  - BOND RESOLUTION (RES 2017-19)
- DECEMBER 4, 2017 – REGULAR MEETING – RESOLUTION PUBLIC HEARINGS
  - ADOPTION OF FINAL ASSESSMENT RESOLUTION (RES 2017-20)
  - ADOPTION OF INTENT RESOLUTION (RES 2017-17)
  - ADOPTION OF BOND RESOLUTION (RES 2017-19)



## CRITICAL EVENTS SCHEDULE

- DECEMBER 8, 2017 – BOND VALIDATION FILING
- DECEMBER 15, 2017 – OBTAIN HEARING DATE
- FEBRUARY 9, 2018 TO APRIL 1, 2018  
OBTAIN RENDERED FINAL JUDGEMENT
- MARCH - 2018  
INTIATE CONSTRUCTION PROCUREMENT



**NEIGHBORHOOD PROJECT  
INITIAL ASSESSMENT RESOLUTION**

**RESOLUTION 2017-18**

**A RESOLUTION OF THE TOWN OF LONGBOAT KEY, FLORIDA, AMENDING AND RESTATING TOWN RESOLUTION 2016-06; PROVIDING FOR THE IMPOSITION OF SPECIAL ASSESSMENTS TO FUND ACQUISITION, CONSTRUCTION AND FINANCING 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; ESTIMATING THE PORTION OF THE COST OF THE IMPROVEMENTS TO BE PAID FOR BY SPECIAL ASSESSMENTS; ESTABLISHING THE METHOD OF APPORTIONING THE SPECIAL ASSESSMENTS AMONG 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.**





## Next Steps

- Prepare for public hearings
- Prepare budget amendment for GMD and Neighborhood Projects
- Workshop Fiber and Street Light options





Questions?

**RESOLUTION 2017-18**  
**TOWN OF LONGBOAT KEY, FLORIDA**  
**AMENDED AND RESTATED**  
**INITIAL ASSESSMENT RESOLUTION**  
**FOR**  
**NEIGHBORHOOD**  
**UTILITY UNDERGROUNDING PROJECT**

**ADOPTED NOVEMBER 13, 2017**

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## RESOLUTION 2017-18

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BE IT RESOLVED BY THE TOWN COMMISSION OF THE TOWN OF LONGBOAT KEY, FLORIDA, AS FOLLOWS:

### ARTICLE I

#### DEFINITIONS AND FINDINGS

**SECTION 1.01. DEFINITIONS.** This Resolution constitutes an Initial Assessment Resolution within the meaning of the Assessment Ordinance. All capitalized words and terms not otherwise defined herein shall have the meaning set forth in the Assessment Ordinance. As used in this Resolution, the following terms shall have the following meanings, unless the context hereof otherwise requires.

**"Assessed Capital Cost"** means that portion of the total cost of the Neighborhood Project to be funded by the Assessments including but not limited to costs and expenses associated with preparation, planning, engineering, design, acquisition, construction, installation, reconstruction, renewal or replacement (including demolition, environmental mitigation (if any) and relocation) of the capital improvements associated therewith,

excluding Transaction Costs but including legal, consulting and advertising costs and costs associated with development and imposition of the Assessments under generally accepted accounting principles; and including reimbursement to the Town for any funds advanced in furtherance of the Project and interest on any interfund or intrafund loan for such purposes.

**"Assessed Project Cost"** means collectively (A) the Assessed Capital Cost, (B) the Transaction Cost associated with Obligations issued to finance the Project, (C) interest accruing on any interim or temporary Obligations for such period of time as the Town deems appropriate, (D) the debt service reserve fund or account, if any, established for Obligations issued to finance the Project, and (E) any other costs or expenses related thereto.

**"Assessed Property"** means the Tax Parcels included on the Assessment Roll and subject to the Assessments imposed hereunder.

**"Assessment Coordinator"** means the Town Manager or his designee responsible for coordinating Assessments as provided herein.

**"Assessment Ordinance"** means Town Ordinance 2015-30, as codified in Chapter 37 of the Town Code of Ordinances in sections 37.20 through 37.53, as may be amended from time to time, or its successor in function.

**"Assessment Report"** means the report entitled "Underground Utility Assessment Methodology Neighborhood Project, Rev. October 2017" prepared by Willdan Financial Services, and, as the context requires, any draft thereof and supplements thereto.

**"Assessment Roll"** means the special assessment roll for the Project which contains a list of the Tax Parcels subject to the Assessments imposed hereunder and the amount of the Assessment imposed against each.

**"Assessment"** means a special assessment (sometimes characterized as a non-ad valorem assessment) imposed by the Town against Assessed Property to fund costs associated with the Project and related expenses, computed in the manner described in Section 3.03 hereof.

**"Collection Costs"** means the estimated costs to be incurred by the Town during any Fiscal Year in connection with the implementation, administration, collection, and enforcement of the Assessments, including, without limiting the generality of the foregoing, any service charges of the Tax Collector or Property Appraiser pursuant to the Uniform Assessment Collection Act or other general law and amounts necessary to off-set any

applicable statutory discounts for the early payment of ad valorem taxes and non-ad valorem assessments.

**"Equivalent Benefit Unit" or "EBU"** means the Assessment Unit used to determine the Assessment for each Tax Parcel included on the Assessment Roll.

**"Feeder Facilities Improvements"** shall be deemed Capital Improvements as such term is defined in the Assessment Ordinance, and means improvements associated with elimination of the approximately 84 locations on or adjacent to Gulf of Mexico Drive where feeder poles would be required upon completion of the GMD Project but for construction of the Neighborhood Project, and the undergrounding of the feeder lines associated with those poles.

**"Fiber Optics Improvements"** shall be deemed Capital Improvements as such term is defined in the Assessment Ordinance, and means the improvements necessary for the installation of fiber optics facilities in those areas and neighborhoods of the Town where such facilities are not currently available and will not be provided as part of the GMD Project.

**"Fiscal Year"** means the period commencing on October 1 of each year and continuing through the next succeeding September 30, or such other period as may be prescribed by law as the fiscal year for the Town.

**"FP&L"** means Florida Power and Light.

**"GIS Parcel"** means a parcel of land to which the Property Appraiser has assigned a distinct property identification number, and upon which multiple condominium units are situated, typically comprised of one or more common areas the use and enjoyment of, and responsibility for the maintenance and improvement of, are shared by the individual units comprising the condominium complex as a whole.

**"GMD Proceedings"** means the ordinances, resolutions and actions of the Town Commission authorizing the issuance of revenue bonds and/or notes and the imposition of special assessments to finance the GMD Project, including but not limited to Town Ordinance 2015-21 and Town Resolutions 2015-30, 2016-01 and 2016-03.

**"GMD Project"** means the undergrounding of electrical, communications, fiber optics and other utilities, including the primary feeder poles and backbone lines, and installation of street lighting relating to Gulf of Mexico Drive within the Town as contemplated by the GMD Proceedings.

**"Neighborhood Undergrounding Improvements"** shall be deemed Capital Improvements as such term is defined in the Assessment Ordinance, and means the improvements and facilities associated with undergrounding overhead electrical, communications, fiber optics and other utilities in areas and neighborhoods of the Town where such utilities are currently overhead and/or which will not be undergrounded as part of the GMD Project, and the installation of street lighting improvements in such areas and neighborhoods, including but not limited to the acquisition of land and/or easements associated therewith and restoration of landscaping, which are necessary to facilitate the undergrounding of all remaining utility lines and the provision of street lighting improvements, as further described in the Assessment Report. The term "Neighborhood Undergrounding Improvements" shall be broadly construed to include any and all improvements and facilities associated with the undergrounding of electric, cable and communications utilities, installation of fiber optic conduits and street lighting improvements in all areas and neighborhoods of the Town where such facilities are currently overhead and/or will not be entirely undergrounded as part of the GMD Project.

**"Obligations"** means Original Obligations or Refunding Obligations.

**"Onsite Improvements"** shall be deemed Capital Improvements as such term is defined in the Assessment Ordinance, and means the improvements and facilities necessary to connect Assessed Property with the Neighborhood Undergrounding Improvements, including but not limited to meter conversions, service laterals and looping of onsite radial primary voltage lines as required by FP&L underground system standards and applicable tariffs, as further described in the Assessment Report.

**"Original Obligations"** means a series of bonds or other evidence of indebtedness including but not limited to notes, commercial paper or any other obligations of the Town issued or incurred to finance all or any portion of the Assessed Project Cost which may be secured, in whole or in part, by proceeds of the Assessments.

**"Overhead Utility Parcel"** means a Tax Parcel or GIS Parcel which as of the date hereof either has an existing utility pole onsite, is adjacent to an existing utility pole or the parcel boundary is within fifty-five (55) feet of overhead utility lines. The term "Overhead Utility Parcel" shall not include a Tax Parcel or GIS Parcel for which the owner thereof presented a development order, contract or other documentation to Town staff by the date



hereof, demonstrating a binding obligation on the part of the owner to remove such utility poles and/or place such overhead utility lines underground at the owner's expense.

**"Project"** or **"Neighborhood Project"** means collectively the design, permitting, engineering, acquisition, construction, installation and financing of the Feeder Facilities Improvements, the Fiber Optics Improvements, the Neighborhood Undergrounding Improvements and the Onsite Improvements.

**"Property Appraiser"** means, collectively or individually as the context may require, the Sarasota County Property Appraiser and/or Manatee County Property Appraiser.

**"Refunding Obligations"** means a series of bonds or other evidence of indebtedness including but not limited to notes, commercial paper, capital leases or any other obligations of the Town issued or incurred to refund all or any portion of the Original Obligations or any indebtedness issued to refinance the Original Obligations.

**"State"** means the State of Florida.

**"Tax Collector"** means, collectively or individually as the context may require, the Sarasota County Tax Collector and/or Manatee County Tax Collector.

**"Tax Parcel"** means a parcel of property to which the Property Appraiser has assigned a distinct ad valorem property tax identification number.

**"Tax Roll"** means the real property ad valorem tax assessment roll maintained by the Property Appraiser for the purpose of the levy and collection of ad valorem taxes.

**"Town Commission"** means the Town Commission of the Town.

**"Town"** means the Town of Longboat Key, Florida.

**"Transaction Cost"** means the costs, fees and expenses incurred by the Town in connection with the issuance and sale of any series of Obligations, including but not limited to (A) rating agency and other financing fees; (B) the fees and disbursements of bond counsel, issuer's counsel and special assessment counsel; (C) the underwriters' discount; (D) the fees and disbursements of the Town's financial advisor; (E) the costs of preparing and printing the Obligations, the preliminary official statement, the final official statement, and all other documentation supporting issuance of the Obligations; (F) the fees payable in respect of any municipal bond insurance policy; (G) administrative, development, credit review, and all other fees associated with any pooled commercial paper or similar interim financing program; (H) capitalized interest, if any, and (I) any other costs of a similar nature incurred in connection with issuance of such Obligations.

**"Uniform Assessment Collection Act"** means Sections 197.3632 and 197.3635, Florida Statutes, or any successor statutes authorizing the collection of non-ad valorem assessments on the same bill as ad valorem taxes, and any applicable regulations promulgated thereunder.

**SECTION 1.02. INTERPRETATION.** Unless the context indicates otherwise, words importing the singular number include the plural number, and vice versa; the terms "hereof," "hereby," "herein," "hereto," "hereunder" and similar terms refer to this Resolution; and the term "hereafter" means after, and the term "heretofore" means before, the effective date of this Resolution. Words of any gender include the correlative words of the other gender, unless the sense indicates otherwise.

**SECTION 1.03. FINDINGS.** It is hereby ascertained, determined and declared that:

(A) The Town has determined to provide for the town-wide undergrounding of existing overhead electrical, communications, fiber optics and other such utilities, the installation of fiber optics facilities in those areas of the Town which do not have such facilities, and the installation of enhanced street lighting facilities.

(B) The town-wide undergrounding will occur in two phases, the first of which relates to Gulf of Mexico Drive and is comprised of the GMD Project. The second phase comprising the Neighborhood Project involves all remaining streets, areas 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.

(C) The qualified electors of the Town approved the issuance of bonds and/or notes to finance the costs of the GMD Project during a referendum conducted on November 3, 2015, in accordance with section 5(b) of the Town Charter.

(D) Thereafter, the Town undertook the GMD Proceedings which provided for the imposition of special assessments to fund, and the issuance of bonds and/or notes to finance, the GMD Project.

(E) On March 29, 2016, the Circuit Court of the Twelfth Judicial Circuit in and for Sarasota County, Florida entered a Final Judgment in Case No. 2016-CA-222 validating and

confirming the Town's authority to issue the bonds secured by assessments to fund the GMD Project.

(F) By referendum conducted on March 15, 2016, the qualified electors of the Town also approved the issuance of bonds and/or notes in a not to exceed principal amount of \$23,850,000 to finance the costs of the second phase of the town-wide undergrounding improvements comprising the Neighborhood Project.

(G) On June 6, 2016, the Town Commission adopted Resolution No. 2016-06 which, among other things, described the Neighborhood Project, proposed the imposition of Assessments to fund the Neighborhood Project, and scheduled a public hearing to receive comments on the Project and the Assessments from interested parties.

(H) Such public hearing was commenced on July 5, 2016 and continued to September 12, 2016, at the conclusion of which the Town Commission determined to temporarily postpone consideration of the Assessments in order to further develop and refine the plan of finance for the Project including the construction cost estimates upon which the Assessments were based.

(I) Since that time, the Town has engaged consulting firm CDM Smith to act as construction manager for the Neighborhood Project and the GMD Project, and to assist with refining cost estimates for the respective projects.

(J) CDM Smith has completed its preliminary cost estimate analysis and the Town Commission now desires to reinstate the process required by the Assessment Ordinance to consider and impose Assessments to fund the Neighborhood Project by adoption of this Resolution amending and restating Resolution 2016-06 in its entirety.

(K) The undergrounding of utilities, including removal of all remaining utility poles and overhead lines in the Town, provides safety benefits to Assessed Property by reducing the potential for (1) downed power lines during storm and natural disaster events, (2) the hazardous conditions associated with downed power lines and exposure of live electric lines, and (3) restricted ingress and egress to and from Assessed Property by the owners thereof and emergency responders.

(L) The undergrounding of overhead facilities also improves the reliability of utility services by substantially reducing the frequency of outages when compared with overhead networks, and the installation of new and upgraded utility lines, cables, and appurtenant facilities provides a higher level of reliability of utility services for Assessed Property and

reduces exposure to the elements that could cause potential damage and speed deterioration to facilities resulting in service interruptions.

(M) In addition to safety and reliability benefits provided by undergrounding utilities, removing the overhead facilities and utility poles creates an inviting, visually pleasing and scenic environment, eliminates the radical line trimming of trees which frequently results in an unsightly and unnatural appearance and improves the overall aesthetics for Assessed Property.

(N) Street lighting improvements provide beautification, better property identification and recognition, and enhanced safety and accessibility to real property, as well as preserving and/or enhancing the value, marketability and enjoyment of property through the provision of uniform street lighting services.

(O) 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, high speed broadband internet connectivity, 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.

(P) FP&L plans to replace highly depreciated existing overhead utility poles serving or otherwise necessary for the provision of service to neighborhoods with new, expensive, larger, and stronger utility poles to fortify, or harden, the lines against tropical storm force winds, thereby significantly increasing the Town's cost to underground the subject utilities at a future date after such replacement has occurred.

(Q) By undertaking the Project at this time, the Town can maximize the financial assistance available for the Project through a reduction of up to 25% of the otherwise required contribution in aid of construction payable to FP&L, and take advantage of substantial cost efficiencies associated with constructing the Neighborhood Project in conjunction with the GMD Project which result from economies of scale and the avoidance of separate and additional mobilization costs.

(R) The Town is authorized by Article VIII, Section 2 of the State Constitution, Section 166.021, Florida Statutes, the Assessment Ordinance, the Uniform Assessment Collection Act, and other applicable provisions of law, to provide for the imposition and collection of charges in the form of Assessments.

(S) The Assessment Ordinance provides the procedure pursuant to which the Town may impose and collect Assessments to finance Capital Improvements such as those comprising the Project.

(T) The Project will convey special benefits to Assessed Property in addition to improved safety, improved reliability and improved aesthetics, including but not limited to heightened use, enjoyment and marketability, and an increase in market value.

(U) Apportioning costs associated with the Feeder Facilities Improvements, The Fiber Optics Improvements and the Neighborhood Undergrounding Improvements according to Equivalent Benefit Units is a fair and reasonable method of allocation which measures the proportional benefit conveyed by the respective improvements to each parcel of Assessed Property.

(V) The Assessment Report has been considered by the Town Commission in adopting this Resolution. The apportionment methodology described in the Assessment Report and based upon Equivalent Benefit Units is reasonable and equitable, and will continue to be so as properties within the Town develop and change; and it is also manageable and capable of being fairly implemented from year to year without wasteful or extraordinary consumption of resources.

(W) The apportionment method described in the Assessment Report and adopted in Section 3.03 hereof bears a reasonable relationship to the cost of providing the Capital Improvements comprising the Project.

(X) The Assessments to be imposed in accordance with this Resolution provide an equitable method of funding the Project by fairly and reasonably allocating the costs associated therewith among specially benefited property.

[Remainder of page intentionally left blank]

## ARTICLE II

### NOTICE AND PUBLIC HEARING

**SECTION 2.01. ESTIMATED ASSESSED PROJECT COST.** The estimated Assessed Project Cost is \$23,850,000. The Assessed Project Cost shall be funded through the imposition of Assessments as contemplated hereunder.

**SECTION 2.02. ASSESSMENT ROLL.**

(A) The Assessment Coordinator is hereby directed to prepare a preliminary Assessment Roll for the Project in the manner provided in the Assessment Ordinance.

(B) The Assessment Coordinator shall compute and allocate the Assessments among the Tax Parcels comprising Assessed Property in conformity with Article III hereof.

(C) The Assessment Roll shall be maintained on file in the offices of the Town Clerk and open to public inspection. The foregoing shall not be construed to require that the Assessment Roll be in printed form if the amount of the Assessment for each Tax Parcel can be determined by use of a computer terminal or internet access available to the public.

**SECTION 2.03. PUBLIC HEARING.** A public hearing will be conducted by the Town Commission at 1:00 p.m. EST, December 4, 2017, in the Town Commission Chamber at Longboat Key Town Hall, 501 Bay Isles Road, Longboat Key, Florida to consider adoption of a Final Assessment Resolution and imposition of the Assessments.

**SECTION 2.04. NOTICE BY PUBLICATION.** Upon completion of the preliminary Assessment Roll, the Assessment Coordinator shall publish a notice of the public hearing authorized by Section 2.03 hereof in the manner and the time provided in the Assessment Ordinance. Such notice shall be in substantially the form attached hereto as Appendix A.

**SECTION 2.05. NOTICE BY MAIL.** Upon completion of the preliminary Assessment Roll, the Assessment Coordinator shall, at the time and in the manner specified in the Assessment Ordinance, provide first class mailed notice of the public hearing authorized by Section 2.03 hereof to each property owner proposed to be assessed at the address indicated on the Tax Roll. Such notice shall be in substantially the form attached hereto as Appendix B, with such changes as may be approved by the Assessment Coordinator; provided, however, that any such changes shall be consistent with the requirements of the Uniform Assessment Collection Act and the Assessment Ordinance.

[Remainder of page intentionally left blank]

**ARTICLE III  
ASSESSMENTS**

**SECTION 3.01. DESCRIPTION OF PROPOSED ASSESSMENT AREA.**

Pursuant to Section 2.02 of the Assessment Ordinance, the Assessment Area pertaining to the Project shall include the entire area within the boundaries of the Town.

**SECTION 3.02. IMPOSITION OF ASSESSMENTS.** Assessments shall be imposed against Assessed Property, the annual amount and term of which shall be computed for each Tax Parcel in accordance with this Article III. When imposed, the Assessment for each Fiscal Year shall constitute a lien upon Assessed Property as provided in Section 2.11 of the Assessment Ordinance.

**SECTION 3.03. APPORTIONMENT METHODOLOGY.**

(A) The apportionment methodology described in the Assessment Report, a copy of which is on file with the Town Clerk and incorporated herein by reference, is fair and reasonable and is hereby approved and adopted as the methodology for apportioning the costs and benefits associated with the Project among Assessed Property. Such methodology shall be applied in preparing the Assessment Roll.

(B) The Assessed Project Cost shall fund the Feeder Facilities Improvements, the Fiber Optics Improvements, the Neighborhood Undergrounding Improvements and the Onsite Improvements as set forth in the Assessment Report. The costs and benefits associated with such improvements shall be allocated among Assessed Parcels as follows:

(1) Feeder Facilities Improvements.

(a) Tax Parcels throughout the Assessment Area shall be attributed Equivalent Benefit Units with respect to the costs and benefits of the Feeder Facilities Improvements. EBUs will be attributed among the affected land uses as follows:

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

(b) The cost estimate set forth in the Assessment Report for the Feeder Facilities Improvements is \$5,071,560.48. There are a total of 14,652.000 EBUs attributable to the Feeder Facilities Improvements, such that the rate of Assessment for the Feeder Facilities Improvements shall be \$346.13 per EBU.

(2) Fiber Optics Improvements.

(a) Tax Parcels which do not currently have fiber optics facilities available and will not otherwise obtain such availability from the GMD Project or any other project contemplated by the Town shall be attributed Equivalent Benefit Units with respect to the costs and benefits of the Fiber Optics Improvements. EBUs will be attributed among the affected land uses as follows:

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

(b) The cost estimate set forth in the Assessment Report for the Fiber Optics Improvements is \$2,100,393.69. There are a total of 7,443.000 EBUs attributable to the Fiber Optics Improvements, such that the rate of Assessment for the Fiber Optics Improvements shall be \$282.20 per EBU.

(3) Neighborhood Undergrounding Improvements. The cost estimate set forth in the Assessment Report for the Neighborhood Undergrounding Improvements is \$16,104,934.28 which shall be divided among the three primary benefit categories of safety, reliability and aesthetics and apportioned among the Assessed Property benefited by the Neighborhood Undergrounding Improvements as follows:

(a) Safety Benefit.

(i) The improved safety benefit is comprised of two components: 0.5 EBUs for improvements which may not be immediately adjacent to the parcel but which enhance safe access to and from the parcel and are independent of the parcel's lot size (referred to in the Assessment Report as neighborhood-wide or general



benefits), and 0.5 EBUs for improved safety improvements made at or adjacent to a particular parcel which enhance safety for that one specific parcel (referred to in the Assessment Report as property-specific benefits for conversion of overhead lines to underground).

(ii) Certain Tax Parcels subject to the Neighborhood Undergrounding Improvements are already served by radial undergrounded utilities and therefore do not benefit to the same extent when compared to Overhead Utility Parcels. Such Tax Parcels which are not within approximately fifty-five (55) feet of overhead utility lines shall be assigned 0.5 safety EBUs to account for the portion of special benefit attributable for improvements not specific to that parcel but which enhance safety for all parcels subject to the Neighborhood Undergrounding Improvements and which are independent of the parcel's lot size.

(iii) Each condominium complex is assigned safety EBUs on a complex by complex basis and the total safety EBU assignment to the condominium complex is then apportioned equally to each condominium unit within the complex. For example, for a condominium complex that is 3 acres of land and has 30 units, the safety EBUs for each condominium unit would be 0.55 EBUs, which is calculated as:  $[0.5 \text{ EBUs} + ((3 \text{ acres} \times 0.5 \text{ EBUs})/30 \text{ units})]$ . For single-family residential parcels, multi-family parcels, and non-residential parcels, the EBUs calculated are assigned to the applicable parcel number. Boat slips comprising Tax Parcels are treated similarly to condominiums, whereas the safety EBUs are apportioned evenly to all boat slips within the marina.

(iv) The following table outlines the calculation of neighborhood-wide safety EBUs.

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

(v) The following table outlines the calculation of property-specific safety EBUs.

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

(iv) The Assessment Report allocates \$5,368,311.43 to the safety benefit derived from utility undergrounding. There are a total of 2,097.488 EBUs attributable to the safety benefit, such that the rate of Assessment for the safety benefit is \$2,559.40 per EBU.

(b) Reliability Benefit.

(i) The reliability benefit is comprised of two components: 0.5 EBUs to reflect the improved reliability resulting from the undergrounding of the primary network (referred to in the Assessment Report as neighborhood-wide or general benefits), plus an additional 0.5 EBU per utility service connection for which service lateral(s) are required (referred to in the Assessment Report as property-specific benefits for conversion of overhead lines to underground).

(ii) For condominiums, 0.5 EBU are assigned to each Tax Parcel to reflect the improved reliability resulting from the undergrounding of the primary network and then the number of utility service connections required is evenly apportioned to each condominium parcel within the complex. Boat slips are treated in a similar manner as condominiums. Multi-Family parcels are assigned 0.5 EBUs per dwelling unit to reflect the

improved reliability resulting from the undergrounding of the primary network as well as an additional 0.50 EBU per utility connection requiring undergrounding.

(iii) The following table outlines the calculation of neighborhood-wide reliability EBUs.

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

(iv) The following table outlines the calculation of property-specific reliability EBUs.

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

(v) The Assessment Report allocates \$5,368,311.43 to the reliability benefit derived from utility undergrounding. There are a total of 1,760.504 EBUs attributable to the reliability benefit, such that the rate of Assessment for the reliability benefit is \$3,049.30 per EBU.

(c) Aesthetic Benefit.

(i) The aesthetic benefit is comprised of two components: 0.5 EBUs for the improved aesthetics of the neighborhood in which the affected Tax Parcel is located (referred to in the Assessment Report as neighborhood-wide or general benefits), and 0.5 EBUs for the improved aesthetics of the parcel (referred to in the Assessment Report as property-specific benefits for conversion of overhead lines to underground).

(ii) Tax Parcels which are not Overhead Utility Parcels are only assigned 0.5 EBUs for improved aesthetics.

(iii) The following table outlines the calculation of neighborhood-wide aesthetic EBUs.

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

(iv) The following table outlines the calculation of property-specific aesthetic EBUs.

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

(iv) The Assessment Report allocates \$5,368,311.43 to the aesthetic benefit derived from utility undergrounding. There are a total of 2,097.488 EBUs attributable to the aesthetic benefit, such that the rate of Assessment for the aesthetic benefit is \$2,559.40 per EBU.

(d) Town Contribution to Cost of Neighborhood Undergrounding Improvements.

(i) The Town Commission has determined to contribute, from legally available funds of the Town other than the Assessments, an amount equal to 50% of the Neighborhood Undergrounding Improvements corresponding to neighborhood-wide or general benefits category, resulting in a credit or reduction in the amount of the Assessment corresponding with such category. As described in the Assessment Report, the credit or reduction for each class of land use will be calculated for the neighborhood-wise safety, reliability and aesthetics benefit categories as follows:

Land Use and Category of Special Benefit	Calculation of Town Credit
<b>Single Family, Condominium, Non-Residential, Boat Slip, and Vacant</b>	
Safety	0.5 EBU x 50% x Cost per Safety EBU (\$2,559.40)
Reliability	0.5 EBU x 50% x Cost per Reliability EBU (\$3,049.30)
Aesthetics	0.5 EBU x 50% x Cost per Aesthetics EBU (\$2,559.40)
<b>Multi-Family</b>	
Safety	0.5 EBU x # of Units x 50% x Cost per Safety EBU (\$2,559.40)
Reliability	0.5 EBU x # of Units x 50% x Cost per Reliability EBU (\$3,049.30)
Aesthetics	0.5 EBU x # of Units x 50% x Cost per Aesthetics EBU (\$2,559.40)

(ii) Such credit or reduction shall be reflected in the mailed notices contemplated by Section 2.05 hereof and in the amount of the Assessment included on the Assessment Roll for Assessed Property subject to Assessments imposed to fund the Neighborhood Undergrounding Improvements.

(4) Onsite Improvements. The Assessment Report estimates that the cost associated with the Onsite Improvements is \$573,111.55. Such cost is apportioned among Assessed Property benefited by the Onsite Improvements not by Equivalent Benefit Units, but by the parcel's need for looping and/or services connections, if any, in accordance with FP&L standards and tariffs, as follows.

(a) "Looping" is required when another supply to an alternate source 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 FP&L to restore service with a significantly reduced outage time if a cable should fail without having to replace the entire cable. To ensure such benefits are provided, FP&L engineering standards and tariffs require that all radial cable installations be converted to a loop configuration when part of a total underground distribution system.

(b) For purposes of calculating the Assessment for each Tax Parcel, costs associated with Onsite Improvements were isolated and only imposed against those Tax Parcels which require those specific improvements.

(c) Utilizing the FP&L tariff, the cost for each underground service connection conversion is estimated at \$584.45.

(d) Additionally, for those Tax Parcels which require looping of onsite radial primary voltage lines as required by FP&L underground system standards and tariffs, the costs for looping are also taken from FP&L's tariff and are allocated at \$1,817.94 per Tax Parcel requiring looping.

(e) For multi-unit properties requiring service connections and/or looping of the radial primary voltage lines, the total cost of the service connection(s) and/or looping is divided equally among the units comprising the property. For example, two townhomes sharing a single service connection would each be assessed [ $\$292.23$  ( $\$584.45 \div 2$ )] for the service connection component of the Onsite Improvements; each unit in a three unit complex requiring two service connection would be assessed [ $\$389.63$  ( $(\$584.45 \times 2) \div 3$ )]; and for an eleven-unit condominium requiring looping, each unit would be assessed [ $\$165.27$  ( $\$1,817.94 \div 11$ )] for the looping component of the Onsite Improvements.

(5) Golf Courses. While Tax Parcels throughout the Assessment Area benefit from the undergrounding of nearby utilities, golf course properties are special cases due to the utilization of the property in relation to its parcel size. A majority of golf course acreage is used for the golf course itself. Tax Parcels comprising golf courses 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 is adjusted. To calculate these parcel's adjusted acreage, the parcel's frontage is multiplied by 100 feet to account for the typical depth of parcels in the community.

(6) Boat Storage Condominiums. The boat storage facility located at 408 Gulf of Mexico Drive is subject to a condominium form of ownership, pursuant to which each of the approximately 194 boat storage units is individually owned and each has a tax parcel

identification number assigned by the Property Appraiser. Notwithstanding anything herein or in the Assessment Report to the contrary, the Assessment for each Tax Parcel comprising a boat storage unit in such facility shall be calculated by treating the entire boat storage facility as though it consists of one commercial building, and then dividing the Assessment for such building equally among the Tax Parcels comprising boat storage units. The Town Commission hereby determines that such treatment is warranted in light of the unique circumstances associated with the condominium form of ownership for boat storage units and represents a fair and reasonable allocation of the benefits and costs of the Project among those units

(7) Collection Costs. In addition to the assessment rates set forth above, each annual installment of the Assessment shall include a pro rata share of the Collection Costs.

(C) In the event of conflict between the Assessment Report and the description of the apportionment methodology set forth in this Section, the provisions of the Assessment Report shall control.

(D) The Assessment rates set forth herein and summarized in the Assessment Report are based upon conservative construction and financing cost estimates. The actual cost of the Project, including one or more of the several cost components comprising the Project, may vary from such estimates. In the event that the actual cost of the Project or any component thereof is less than the amounts approved hereunder, either as a result of construction or financing cost savings or any other factor, and/or Tax Parcels are subsequently developed or re-developed resulting in additional Equivalent Benefit Units and Assessment revenues, then such cost savings and additional revenue shall be used for:

(1) Reducing the amount the Town would have otherwise contributed toward the Neighborhood Project from its legally available funds other than proceeds of the Assessments; or

(2) Reimbursing the Town for any prior expenditures made in furtherance of the Neighborhood Project; or

(3) Repaying Obligations issued to finance the Neighborhood Project or otherwise retiring the Assessed Project Cost; or

(4) Paying costs and expenses properly attributable to the Neighborhood Project; or

(5) Any other lawful purpose.

(E) It is hereby ascertained, determined, and declared that the method of determining the Assessments as set forth in the Assessment Report and adopted by this Initial Assessment Resolution is a fair and reasonable method of apportioning the Assessed Project Cost among Assessed Property.

**SECTION 3.04. PREPAYMENT.**

(A) The Assessments imposed hereunder shall be subject to prepayment at the option of the property owner, as follows:

(1) Initial Prepayment Option. Prior to the issuance of Obligations, the Assessment Coordinator shall provide first class mailed notice to the owner of each Tax Parcel subject to the Assessment of the owner's option to prepay the Assessment and thereby avoid a pro rata share of Transaction Costs, Collection Costs and annual interest payments associated with the Obligation. On or prior to the date specified in such notice (which shall not be earlier than the fifteenth day following the date on which the notice is delivered to the possession of the U.S. Postal Service), or such later date as the Town Commission may allow in its sole discretion, the owner of each Tax Parcel subject to the Assessment shall be entitled to prepay the total Assessment obligation. The amount of any prepayment made pursuant to this Section 3.04(A)(1) shall be calculated based upon the Tax Parcel's pro rata share of the Assessed Project Cost with a discount reflecting avoidance of Transaction Costs equal to 2% of the amount of the Assessment imposed to fund the Feeder Facilities Improvements, the Fiber Optics Improvements and the Neighborhood Undergrounding Improvements.

(2) Prepayment Following Issuance of Obligations. Following the date specified in the notice provided pursuant to Section 3.04(A)(1) hereof, or such later date as the Town Commission may allow in its sole discretion, the owner of each parcel of property subject to the Assessment shall be entitled to prepay the total remaining Assessment upon payment of an amount equal to the sum of (a) such parcel's share of the principal amount of Obligations then outstanding (or for which issuance is pending), (b) the premium associated with redemption of such parcel's share of the principal amount of Obligations then outstanding, if any, and (c) interest on such parcel's share of the principal amount of Obligations then outstanding plus one full percentage point, from the most recent date to which interest has been paid to the next date following such prepayment on which the Town can redeem Obligations after providing all notices required by the ordinance or resolution authorizing issuance of such Obligations; provided however, that during any period



commencing on the date the annual Assessment Roll is certified for collection pursuant to the Uniform Assessment Collection Act and ending on the next date on which unpaid ad valorem taxes become delinquent, the Town may reduce the amount required to prepay the Assessments imposed against any parcel of property by the amount of the Assessment certified for collection with respect to such parcel. The amount of any prepayment made pursuant to this Section 3.04(A)(2) shall be calculated based upon the Tax Parcel's pro rata share of the Assessed Project Cost. The proceeds of any prepayments received by the Town pursuant to this Section 3.04(A)(2) shall be applied to the repayment of the Obligations or otherwise retire the Assessed Project Cost.

(B) At the Town's election, the Assessment imposed against any parcel of property may be subject to acceleration and mandatory prepayment if at any time a tax certificate has been issued and remains outstanding with respect to such property. In such event, the amount required for mandatory prepayment shall be the same as that required for an optional prepayment authorized by Section 3.04(A) hereof.

(C) The amount of all prepayments computed in accordance with this Section 3.04 shall be final and only subject to adjustment as provided in Section 3.05 hereof. The Town shall not be required to refund any portion of a prepayment if (1) the Assessed Project Cost is less than the amount upon which such prepayment was computed, or (2) annual Assessments will not be imposed for the full number of years anticipated at the time of such prepayment.

**SECTION 3.05. ADJUSTMENT AFTER PREPAYMENT UPON SUBSTANTIAL IMPROVEMENT OF TAX PARCEL.** In the event any Assessment is prepaid for any Tax Parcel, or portion thereof, and the Tax Parcel is subsequently developed or reconstructed with more Equivalent Benefit Units than attributed at the time of prepayment, the owner of the Tax Parcel shall then be subject to an adjustment in the Assessment for each additional EBU or fraction thereof, and shall pay such additional amount to the Town in cash at the time a building permit is issued. Such adjustment shall be computed in accordance with the most recent Annual Assessment Resolution for the subject Assessment, without any other credit, refund, recalculation or reapportionment, so that the proceeds from such additional Assessments are available to the Town to additionally apply to payment of applicable Obligations or otherwise retire the Assessed Project Cost. In the event such additional amount is not paid to the Town at the time a building permit is issued, the Town may collect such amount by any method authorized by law including but not limited to collection in one or

more installments on the ad valorem tax bill in accordance with the Uniform Assessment Collection Act.

[Remainder of page intentionally left blank]

**ARTICLE IV  
GENERAL PROVISIONS**

**SECTION 4.01. METHOD OF COLLECTION.** Unless determined otherwise by subsequent resolution of the Town Commission, Assessments which are not prepaid in full shall be collected in annual installments over a period not to exceed thirty (30) years pursuant to the Uniform Assessment Collection Act.

**SECTION 4.02. SEVERABILITY.** If any clause, section or provision of this Resolution shall be declared unconstitutional or invalid for any reason or cause, the remaining portion of said Resolution shall be in full force and effect and be valid as if such invalid portion thereof had not been incorporated herein.

**SECTION 4.03. AMENDMENT AND RESTATEMENT OF RESOLUTION 2016-06.** Town Resolution 2016-06 is hereby amended and restated in its entirety by this Resolution.

**SECTION 4.04 EFFECTIVE DATE.** This Resolution shall take effect immediately upon its adoption.

**DULY ADOPTED** this 13<sup>th</sup> day of November, 2017.

**TOWN COMMISSION OF  
LONGBOAT KEY, FLORIDA**

\_\_\_\_\_  
Terry A. Gans, Mayor

ATTEST:

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

**APPENDIX A**

**FORM OF NOTICE TO BE PUBLISHED**

**NOTICE OF PUBLIC HEARING TO IMPOSE AND  
PROVIDE FOR COLLECTION OF NON-AD VALOREM ASSESSMENTS  
TO FUND THE UNDERGROUNDING OF UTILITIES AND  
INSTALLATION OF FIBER OPTICS AND STREET LIGHTING IMPROVEMENTS  
RELATING TO NEIGHBORHOODS**

[Insert Map of Town Prior to Publication]

Notice is hereby given that the Town Commission of the Town of Longboat Key (the "Town") will conduct a public hearing to consider the imposition and collection of special assessments within Town limits, as shown above, to fund the acquisition and construction 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. The public hearing will be held at 1:00 p.m. EST, December 4, 2017, in the Town Commission Chamber at Longboat Key Town Hall, 501 Bay Isles Road, Longboat Key, Florida 34228, for the purpose of receiving public comment on the proposed special assessments. All affected property owners have a right to appear at the hearing and to file written objections with the Town Commission within twenty (20) days of this notice. If a person decides to appeal any decision made by the Town Commission with respect to any matter considered at the hearing, such person will need a record of the proceedings and may need to ensure that a verbatim record is made, including the testimony and evidence upon which the appeal is to be made. In accordance with the Americans with Disabilities Act, persons needing a special accommodation or an interpreter to participate in this proceeding should contact the Town Clerk at Longboat Key Town Hall, 501 Bay Isles Road, Longboat Key, Florida, (941) 316-1999, at least forty-eight (48) hours prior to the date of the hearing.

The assessment for each parcel of property will be based upon the total number of "equivalent benefit units" attributable to each tax parcel subject to the assessment. A more specific description of the improvements and the method of computing the assessment for each parcel of property are set forth in Resolution No. 2017-18 (the "Initial Assessment Resolution") adopted by the Town Commission on November 13, 2017. Copies of the Initial Assessment Resolution and the preliminary Assessment Roll are available for inspection at the office of the Town Clerk.

The assessments are anticipated to be collected on the ad valorem tax bill by the Sarasota County Tax Collector and Manatee County Tax Collector, respectively, commencing in November, 2018, as authorized by Section 197.3632, Florida Statutes. Florida law provides that failure to pay the assessments will cause a tax certificate to be issued against the property which may result in a loss of title. The Town Commission intends to collect the assessments in not more than thirty (30) annual installments.

**TOWN COMMISSION OF  
LONGBOAT KEY, FLORIDA**

[To be published on or before November 14, 2017]

**APPENDIX B**

**FORM OF NOTICE TO BE MAILED**

**[TOWN OF LONGBOAT KEY LETTERHEAD]**

\_\_\_\_\_, 2017

[Property Owner Name]

[Street Address]

[City, State and zip]

Re: Parcel Number [Insert Number]

Property Address [Insert Address]

Special Assessments to Fund Utility Undergrounding, Fiber Optics and Street Lighting Improvements

Dear Property Owner:

The Town Commission of the Town of Longboat Key (the "Town") is providing for the town-wide undergrounding of electric, communications, fiber optics and other utilities. The undergrounding is taking place in two phases, with each phase distinct from the other in terms of construction and financing. The first phase will consist of undergrounding the utility lines along Gulf of Mexico Drive (the "GMD Project"). The second phase will consist of undergrounding 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 GMD 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 (the "Neighborhood Project"). Each phase will be funded through special assessments imposed against real property within the Town which is specially benefitted by the improvements. The proposed assessment for your parcel for the Neighborhood Project is shown on page 2.

The Town Commission will conduct a public hearing to consider the imposition and collection of a special assessment within Town limits to fund the Neighborhood Project. The public hearing will be held at 1:00 p.m. EST, December 4, 2017, at the Town Commission Chambers at Longboat Key Town Hall, 501 Bay Isles Road, Longboat Key, Florida 34228, for the purpose of receiving public comment on the proposed special assessment.

All affected property owners have a right to appear at the hearing and to file written objections with the Town Commission within twenty (20) days of this notice. If a person decides to appeal any decision made by the Town Commission with respect to any matter considered at the hearing, such person will need a record of the proceedings and may need to ensure that a verbatim record is made, including the testimony and evidence upon which the appeal is to be made. In accordance with the Americans with Disabilities Act, persons needing a special accommodation or an interpreter to participate in this proceeding should contact the Town Clerk at Longboat Key Town Hall, 501 Bay Isles Road, Longboat Key, Florida 34228, at least forty-eight (48) hours prior to the date of the hearing.

The assessment for each parcel of property will be based upon the total number of "equivalent benefit units" (EBUs") attributable to each tax parcel subject to the assessment, and the onsite improvements, if any, which are necessary to connect the parcel with the undergrounded facilities. A more specific description of the improvements comprising the Neighborhood Project and the method of computing the assessment for each parcel of property are set forth in Resolution No. 2017-18 (the "Initial Assessment Resolution") adopted by the Town Commission on November 6, 2017. Copies of the Initial Assessment Resolution and the preliminary Assessment Roll are available for inspection at the office of the Town Clerk. The total revenue to be collected by the Town through the special assessment for the Neighborhood Project is estimated not to exceed \$23,850,000, together with interest on the bonds and other costs associated with collecting and administering the assessment each year. Such amount was approved by referendum of the qualified electors of the Town conducted on March 15, 2016.

The assessments will be collected in annual installments on the ad valorem tax bill by the Sarasota County Tax Collector and Manatee County Tax Collector, respectively, as authorized by Section 197.3632, Florida Statutes. Collection is expected to begin commencing with the tax bills issued in November, 2018. Florida law provides that failure to pay the assessments will cause a tax certificate to be issued against the property which may result in a loss of title.

The Town intends to issue bonds or notes to finance the Neighborhood Project. This will permit the cost attributable to your property to be collected over a period not to exceed thirty (30) years. However, you may choose to prepay the special assessment and avoid the additional financing cost. If the assessments are imposed, you will receive a separate notice of the date and place for payment.

Information concerning the proposed assessment for the parcel identified above is included below.

TOWN COMMISSION OF  
LONGBOAT KEY, FLORIDA

**\*\*\* SEND NO MONEY NOW – THIS IS NOT A BILL\*\*\***



[Property Owner Name]  
Parcel Number [Insert Number]  
Property Address [Insert if Available]

Total number of EBUs attributed to property for undergrounding of feeder poles and lines on Gulf of Mexico Drive:	[Insert Number]
Rate of Assessment per feeder EBU:	[\$ per EBU]
Total number of EBUs attributed to property for installation of underground fiber optics facilities:	[Insert Number]
Rate of Assessment per fiber optics EBU:	[\$_____ per EBU]
Total number of safety EBUs attributed to property:	[Insert Number]
Rate of Assessment per safety EBU:	[\$_____ per EBU]
Total number of reliability EBUs attributed to property:	[Insert Number]
Rate of Assessment per reliability EBU:	[\$_____ per EBU]
Total number of aesthetic EBUs attributed to property:	[Insert Number]
Rate of Assessment per aesthetic EBU:	[\$_____ per EBU]
Onsite Improvements:	[Insert Rate]
Town Credit/Reduction (See Town Resolution 2017-18)	[-\$_____]
Amount to make full payment before obligations are issued:	[Insert Amount]
Prepayment amount after bonds are issued:*	[Insert Amount]
Maximum number of annual payments:	30
Maximum annual payment:**	[Insert Amount]

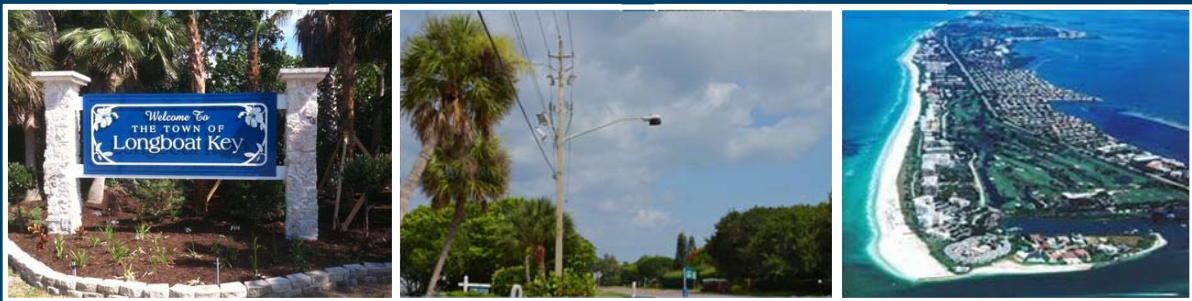
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\* This amount will be reduced after each annual payment.

\*\* Annual Payment includes principal and interest at an assumed annual rate of 6.0%. The actual rate of interest will be determined upon issuance of the bonds secured by the assessments. The maximum annual payment amount set forth above does not include annual collection and administration costs which are not expected to exceed 10% of the annual principal and interest payment.

[To be mailed on or before November 14, 2017]

*Town of*  
**LONGBOAT KEY | FLORIDA**



**Underground Utility Assessment  
Methodology  
Neighborhood Project**

Rev. October 28, 2017

**Final Report**



Financial & Economic Consulting Services

T 407.872.2467 | F 888.326.6864 | 200 South Orange Avenue, Suite 1550, Orlando, FL 32801 | [www.willdan.com](http://www.willdan.com)

# Town of Longboat Key, Florida

## Utility Undergrounding Assessment Methodology Neighborhood Project

FINAL REPORT



200 South Orange Avenue, Suite 1550 | Orlando, Florida 32801  
Tel: (407) 872-2467 | Fax: (888) 326-6864 | [www.willdan.com](http://www.willdan.com)



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## 1.0 Executive Summary

Historically, Willdan Financial Services (WFS) 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”). Initial project costs for this project were developed by B&G. Revised cost estimated for the Neighborhood Project have been provided by CDM Smith, the Construction Manager for this Project. WFS, B&G, and CDM Smith are referred to collectively as the “Consulting Team” throughout the remainder of this Report.

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. WFS is now submitting 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. <sup>1</sup> 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

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<sup>1</sup> The 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.



in higher costs for overhead lines. This was also a cost reduction opportunity for undergrounding projects as the fee FPL charges for undergrounding is mainly the difference between the cost for a new underground system less the cost for an equivalent new overhead system. Recently, FPL has been pushed to complete the implementation of extreme wind load engineering designs standards and field implementations. These field implementations result in more expensive overhead line construction costs, as well as stronger and more aesthetically unsightly poles with shorter spans between the poles. These two FPL actions provide current opportunities to both receive a 25% reduction in the fee, but to also obtain a lower calculated fee due to the equivalent overhead line costs having increased. Municipalities such as Miami Beach, Pompano Beach, Ft. Lauderdale, Hollywood, Plantation, Sunny Isles, Gulf Stream, Palm Beach, Holly Hill, Daytona Beach, Collier County, Bonita Springs, Charlotte County, and Ft. Myers are currently pursuing undergrounding projects to obtain the associated benefits for their communities and take advantage of the current reduced costs.

The second type of facilities involved are overhead communications facilities which are currently attached to the FPL utility poles. 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 lower in operating and maintenance costs, turtle friendly, enhances safety thru improved illumination, and aesthetically pleasing.



During the course of preparing this Report, the Consulting Team conducted fieldwork which included 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 for which all utility services 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, communication 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 connections along Gulf of Mexico Drive that would not otherwise be undergrounded as part of the GMD Project. Unless the Neighborhood Project is undertaken, several main feeder connections 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 remaining main feeder connections.

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 and expenses associated with maintenance and collection of the assessment roll each year. Annual installments of the assessment are generally comprised of the principal and interest on any long-term or short-





term bonded indebtedness issued to finance the project, together with the referenced administration and collection costs which are typically 8-10% of the combined principal and interest components.



### 3.0 Budget

Budgeted costs for the neighborhood project have been refined by CDM Smith 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 Main Feeder Connections	\$ 4,335,606
Undergrounding in Neighborhoods	10,077,781
Street Lighting Replacement in Neighborhoods	2,225,128
Fiber Optic Line Installation in Neighborhoods	1,954,917
Additional Fiber in Underground Areas	<u>1,795,597</u>
Subtotal	<b>\$ 20,389,030</b>
Financing, Legal, Other Miscellaneous Costs	1,667,970
Financing, Legal, Inflation Contingency	300,000
Multi Year Project Inflation Cost (3 years)	<u>1,493,000</u>
Total Non-Ad Valorem Project Cost Neighborhood Project	<b>\$ 23,850,000</b>

Source: CDM Smith; 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 category is in turn comprised of neighborhood-wide (or general) benefits, and benefits which are particular to each individual tax parcel (or property specific). 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). 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 power 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 main feeder connections 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 substantially 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 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 Main Feeder Connections
- Fiber Optic in Underground Areas
- Undergrounding in Neighborhoods/Side streets (includes street light improvements)
  - Neighborhood Wide Special Benefits for Side Street Undergrounding
  - Conversion of Overhead Lines to Underground
  - Conversion of Overhead Service Connections
  - Onsite Costs – If Required



# Neighborhood Project

## Remaining Main Feeder Connections

- 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 and/or require looping

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. Soft costs including financing, legal, inflation, and other miscellaneous costs have been allocated to the categories of special benefit on a pro rata basis based on projected construction costs.

Category of Special Benefit	Percentage of Budget	Benefit Allocation
Main Feeder Connections		\$ 5,071,560.48
Fiber Optic in UG Areas		<u>2,100,393.69</u>
Subtotal Feeder Lines and Fiber Optic in UG Areas		<u>\$ 7,171,954.17</u>
Undergrounding in Neighborhoods/Side Streets		
Improved Safety	33.33333%	\$ 5,368,311.43
Improved Reliability	33.33333%	5,368,311.43
Improved Aesthetics	<u>33.33333%</u>	<u>5,368,311.43</u>
Subtotal Undergrounding in Neighborhoods	100.00000%	<u>\$ 16,104,934.28</u>
Subtotal		\$ 23,276,888.45
Property Specific Improvements (Onsite Costs)		<u>573,111.55</u>
<b>TOTAL</b>		<b>\$ 23,850,000.00</b>

Note: Financing, Legal, Inflation, and other Miscellaneous Costs identified in the Neighborhood Project Budgeted Costs in **Section 3** have been allocated to the Category of Special Benefit Based on a pro rata basis based on construction costs.

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 Main Feeder Connections

As part of this Project, the remaining overhead main feeder connections 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 main feeder connections 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 feeder connections are also subject to the reliability of the overhead line at the side street. Additionally, the removal of these main feeder connections 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 main feeder connections underground as part of this Project. Therefore, parcels within the Assessment Area are assigned EBUs for the Remaining Main Feeder Connections 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 Main Feeder Connections 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.

**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 is 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 **2,608** taxable parcels have been identified as receiving special benefits from undergrounding in neighborhoods.

### 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 property’s 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

**Town Credit for Neighborhood Wide Special Benefits**

The Town held a workshop on September 12, 2016 to discuss the Neighborhood Project. At that meeting, the Town Commission committed to a 50% reduction in the Neighborhood Wide Special Benefits category. For purposes of this Report and the related assessment roll, WFS is referring to this amount as the “Town Credit for the General Above Ground Benefits” or the “Neighborhood General Benefit Offset”.



As shown on **Tables 3, 4, and 5**, each parcel is assigned 0.5 EBU each for the general above ground benefit for safety, reliability, and aesthetics based on the parcel’s land use code (Multi-Family parcels are assigned 0.5 EBU per unit). The calculation of the Town Credit is shown in **Table 6** below:

**Table 6: Calculation of the Town Credit**

Land Use and Category of Special Benefit	Calculation of Town Credit
<b>Single Family, Condominium, Non-Residential, Boat Slip, and Vacant</b>	
Safety	0.5 EBU x 50% x Cost per Safety EBU (\$2,559.40)
Reliability	0.5 EBU x 50% x Cost per Reliability EBU (\$3,049.30)
Aesthetics	0.5 EBU x 50% x Cost per Aesthetics EBU (\$2,559.40)
<b>Multi-Family</b>	
Safety	0.5 EBU x # of Units x 50% x Cost per Safety EBU (\$2,559.40)
Reliability	0.5 EBU x # of Units x 50% x Cost per Reliability EBU (\$3,049.30)
Aesthetics	0.5 EBU x # of Units x 50% x Cost per Aesthetics EBU (\$2,559.40)

**Property Specific Benefits from 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 7** outlines the safety EBU calculations for the Conversion of Overhead Lines to Underground.

**Table 7: 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 8** outlines the aesthetics EBU calculations for the Conversion of Overhead Lines to Underground.

**Table 8: 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 9** outlines the reliability EBU calculations for the Conversion of Overhead Service Connections.





**Table 9: 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 and updated by CDM Smith 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.

For multi-unit properties with shared service connections, the total cost of the service connection(s) and/or looping of the radial primary voltage lines is divided equally among the units comprising the property. For example, two townhomes sharing a single service connection would each be assessed \$292.23 ( $\$584.45 \div 2$ ) for service connections. Each unit in a three-unit complex requiring two service connection would be assessed \$389.63 ( $(\$584.45 \times 2) \div 3$ ). For an eleven-unit condominium requiring looping, each unit would be assessed \$165.27 ( $\$1,817.94 \div 11$ ).

**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 divide the assessment for such property equally among the parcels comprising boat



storage units.

### Jewfish Key

Tax Parcels on Jewfish Key are benefitted by the removal of the remaining overhead feeder facilities along Gulf of Mexico Drive because such parcels and/or the occupants thereof (1) may be serviced by emergency personnel and vehicles utilizing Gulf of Mexico Drive; (2) could face power and other utility service outages if overhead facilities on Gulf of Mexico Drive were disrupted in a storm event; and (3) enjoy increased use, enjoyment, marketability and value by virtue of aesthetic improvements to Gulf of Mexico Drive which is a mode of ingress and egress continually available to the owners of property (and occupants) on Jewfish Key. Such parcels have been assigned EBUs accordingly. However, such parcels are not within 55 feet of an overhead line that will be placed underground, nor will they be benefitted by the fiber optics aspect of the Project and, therefore have not been assigned EBUs in those benefit categories.

### 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.

## 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 five condominiums have requested clarification of the assessment as it relates to their specific property. Those properties have included:

- Spanish Main
- 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 \$4,084.05 to all taxable parcels within the condominium. The Overhead to Underground specific benefits total \$647.02 for each unit. With the inclusion of the Town Credit, this results in a net total assessment per unit of: remaining main feeder connections (\$519.20) + general neighborhood wide benefit (\$4,084.05) + specific benefit (\$647.02) + onsite costs (\$132.33) – Town Credit (\$2,042.03) = Net Neighborhood Project assessment (\$3,340.57), or an annual payment over 30 years of \$242.66, 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 net assessment for each of the 87 units on this property with the inclusion of the Town Credit is: remaining main feeder connections (\$519.20) + general neighborhood wide benefit (\$4,084.05) + specific benefit (\$382.44) – Town Credit (\$2,042.03) = Net Neighborhood Project assessment (\$2,943.66), or an annual payment over 30 years of \$213.83, 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. With the inclusion of the Town Credit, each of the 12 parcels have been assessed as follows: remaining main feeder connections (\$519.20) + general neighborhood wide benefit (\$4,084.05) + specific benefit (\$853.13) – Town Credit (\$2,042.03) = Net Neighborhood Project assessment (\$3,414.36), or an annual payment over 30 years of \$248.02, 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 main feeder connections (\$519.20) + general neighborhood wide benefit (\$4,084.05) + specific benefit (\$1,023.76) – Town Credit (\$2,042.03) = Net Neighborhood Project assessment (\$3,584.98), or an annual payment over 30 years of \$260.41, at an annual interest rate of 6%. Each of the parcels in Building "B" have been assessed as follows: remaining main feeder connections (\$519.20) + general neighborhood wide benefit (\$4,084.05) + specific benefit (\$568.76) – Town Credit (\$2,042.03) = Net Neighborhood Project assessment (\$3,129.98), or an annual payment over 30 years of \$227.36, 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 10**. 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 11** details the breakdown of project costs for the Undergrounding in Neighborhoods by category of special benefit.

**Table 10: Cost per EBU by Component and Benefit Type**

Category of Special Benefit	Total EBUs	Cost per EBU
Remaining Main Feeder Connections	14,652.000	\$ 346.13
Fiber Optic Lines in Underground Neighborhoods	7,443.000	\$ 285.20
Undergrounding in Neighborhoods		
Safety	2,097.488	\$ 2,559.40
Reliability	1,760.504	\$ 3,049.30
Aesthetics	2,097.488	\$ 2,559.40

**Table 11: General vs. Specific Benefit Summary – Undergrounding in Neighborhood**

Category of Special Benefit	Project Costs			Percent	
	General	Specific	Total	General	Specific
Safety	\$ 3,447,511.80	\$ 1,920,800.16	\$ 5,368,311.96	64.22%	35.78%
Reliability	\$ 4,107,407.40	\$ 1,260,897.28	\$ 5,368,304.38	76.51%	23.49%
Aesthetics	\$ 3,447,511.80	\$ 1,920,800.16	\$ 5,368,311.96	64.22%	35.78%
Total	\$11,002,430.70	\$ 5,102,497.61	\$ 16,104,928.31		
Proj. Town Credit	\$ 5,501,215.35				

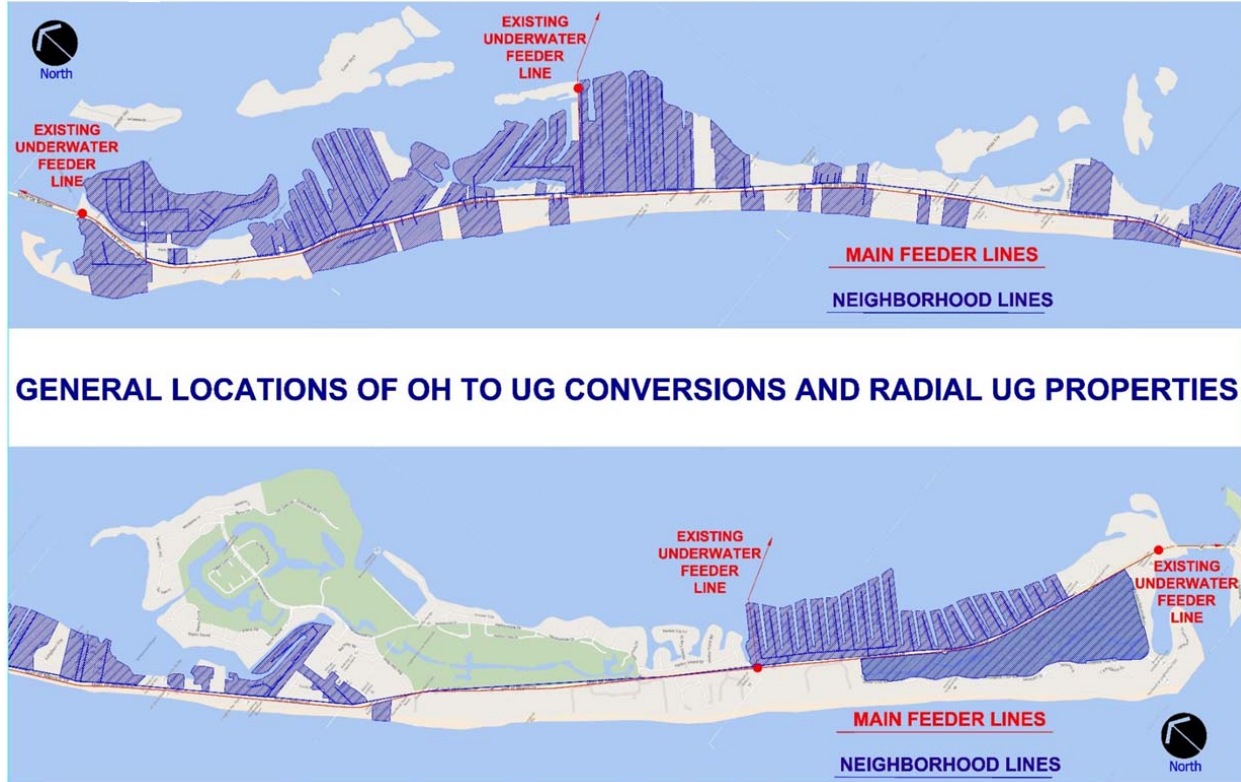
Note: Minor differences in totals due to rounding.





## 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 for 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.



**End of Agenda Item**