

**Initial Assessment Resolution  
for  
Bellevue Estates Island Assessment Area  
Utility Undergrounding Project**

**February 5, 2016**

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Elizabeth Rodriguez & Associates**

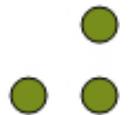
**Bryant  
Miller  
Olive**

**OUR NAME IS EASY TO REMEMBER OUR WORK IS HARD TO FORGET.**

Tallahassee Orlando Miami Jacksonville Tampa Atlanta Washington D.C.

# Project Cost Financing vs. Repayment Source

- Loan to finance the cost of the project
  - Bank Loan = Bond = Note = Debt Obligation
  - Borrow funds to pay for construction and related project costs
- Revenue source to repay loan over time
  - Payments occur annually or biannually
  - Examples:
    - Utility system revenues
    - Special assessments



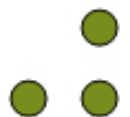
# Bonds vs. Bank Loans

- Municipal Bonds:
  - Lender = Individuals, syndicates, mutual funds
  - Typically larger principal balance (ex. +\$5M)
  - More documentation
  - Longer closing time
  - Higher closing costs
  - Longer term (15-30 years)



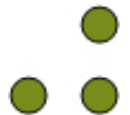
# Bonds vs. Bank Loans, continued

- Bank Loans:
  - Lender = banks (ex. SunTrust, BB&T, Wells Fargo)
  - Typically smaller principal balance
  - Less documentation
  - Shorter closing time
  - Lower closing costs
  - Shorter term (5-10 years)
  - Often involves promissory note instead of bond
- Florida League of Cities Loan Program
  - Loan may take the form of a bond or note



# Differences vs. Non-Governmental Loans

- **May Be Tax-Exempt** – no income tax on profit (interest) earned by lender/investor  
=> *lower rate of interest*
- No Mortgaging of Government Property
- Identify Source of Security
  - Revenue stream used to repay
  - Pledged to repayment



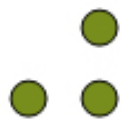
# Special Assessments

- Revenue source for many types of capital improvement projects including utility undergrounding and street lights
- Project cost is paid by property owners benefitted by the project
- Primary legal requirements:
  - Special benefit to property
  - Fair Apportionment
    - Local discretion
    - Method may vary according to type of improvement
  - Due Process



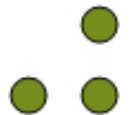
# Special Assessments - Process

- Assessment Ordinance – establishes process for first time levy and annual administration
- A given assessment program is initiated by:
  - Discretion of City Council; or
  - Landowner petition process (straw ballot)
- Adoption of *initial* resolution to identify project, assessment area and cost estimate
- Notice to affected property owners
- Public hearing & adoption of *final* resolution which imposes the assessment



# Completed Steps for Bellevue Estates Island Assessment Area

- ✓ Adoption of Assessment Ordinance (Ord. 17-02)
- ✓ Tax Bill Collection Resolution (December 2017)
- ✓ Preliminary Cost Estimate (CPWG)
- ✓ Landowner Petition Process (January 2018)
  - 115 parcels/property owners
  - 95 responses (82.6%)
  - 85 yes votes (89.5%)
  - 20 no votes (20.9%)
  - Yes votes account for 72.4% of total assessment
  - Supervisor of Elections reviewed results
  - **Results meet requirements of Assessment Ordinance**





# Current Step: Initial Assessment Resolution

- Describes Project
  - Core Components
    - Undergrounding of utility lines in rights of way
    - Street lighting improvements
    - Benefits each dwelling unit in BEI Assessment Area
  - Onsite Improvements
    - Undergrounding of facilities between dwelling unit and curbside
    - Conversion or upgrading of meters
    - Site restoration
    - Not required for every dwelling unit
- Describes Special Benefits Conveyed by Project
  - Reliability
  - Safety
  - Aesthetics
  - Increase in enjoyment, marketability and value



# Initial Assessment Resolution, continued

- Estimates Project Cost:
  - \$1,285,000 Core Component
  - 315,000 Onsite Improvements
  - \$1,600,000\* Total
- Approves Assessment Rates
  - Core Component: \$11,078\* per Dwelling Unit  
**(\$1,285,000 / 116 Dwelling Units = \$11,078 per Dwelling Unit)**
  - Onsite Improvements: \$4,500\* or actual cost  
**(70 parcels x \$4,500 = \$315,000)**

*\*subject to 15% cost contingency increase*



# Initial Assessment Resolution, continued

- Describes/Approves Supporting Documents
  - Peer Review Assessment Report (Rodriguez & Associates)
  - CPWG Cost Estimate
  - Petition Documents
- Describes Apportionment Method
  - Core Component: per Dwelling Unit
  - On-Site Improvements: actual cost
- Sets public hearing for March 5, 2018
- Directs publication and mailed notice to property owners
- Establishes payment options
  - Prepayment, or
  - Annual installments collected on November property tax bill



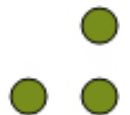
# Next Steps and Timeline

- February – March: work with City financial advisor to facilitate financing
- Mid-February: Mailing and publication of notice
- March 5: Public hearing
  - Final Assessment Resolution
  - Bond Resolution
- March - July: Judicial validation process
- July – August: Prepayment period
- August – September: Close on bonds/bank loan; receive funds
- November: Begin collection of annual installments



# Judicial Validation

- Seeks circuit court validation of City authority to issue bonds or other debt obligations
- Also validates source of security pledged to repayment of the debt obligation (i.e. special assessments)
- Resolves with finality any question or controversy concerning the bond issue and assessment program
- Expedited proceeding (typically 90-120 days)



# Questions

Bryant Miller Olive

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Rodriguez and Associates

