

North 1 West UEP Update January 18, 2023



North 1 West UEP Outline

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3. **North 1 West Estimated Costs**
4. **North 1 West Assessments**
5. **North 1 West Financing**
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UEP History

- **Utilities Extension Project (UEP)**
 - Extension of water, sewer and irrigation infrastructure
 - Citywide project constructed in phases
 - Primary funding for each phase: Special Assessments

- **Availability of Publicly Owned and Maintained Systems**
 - Eliminates need for individual potable water wells and septic systems
 - Improves reliability and quality of service
 - Environmental benefits
 - Expands customer base

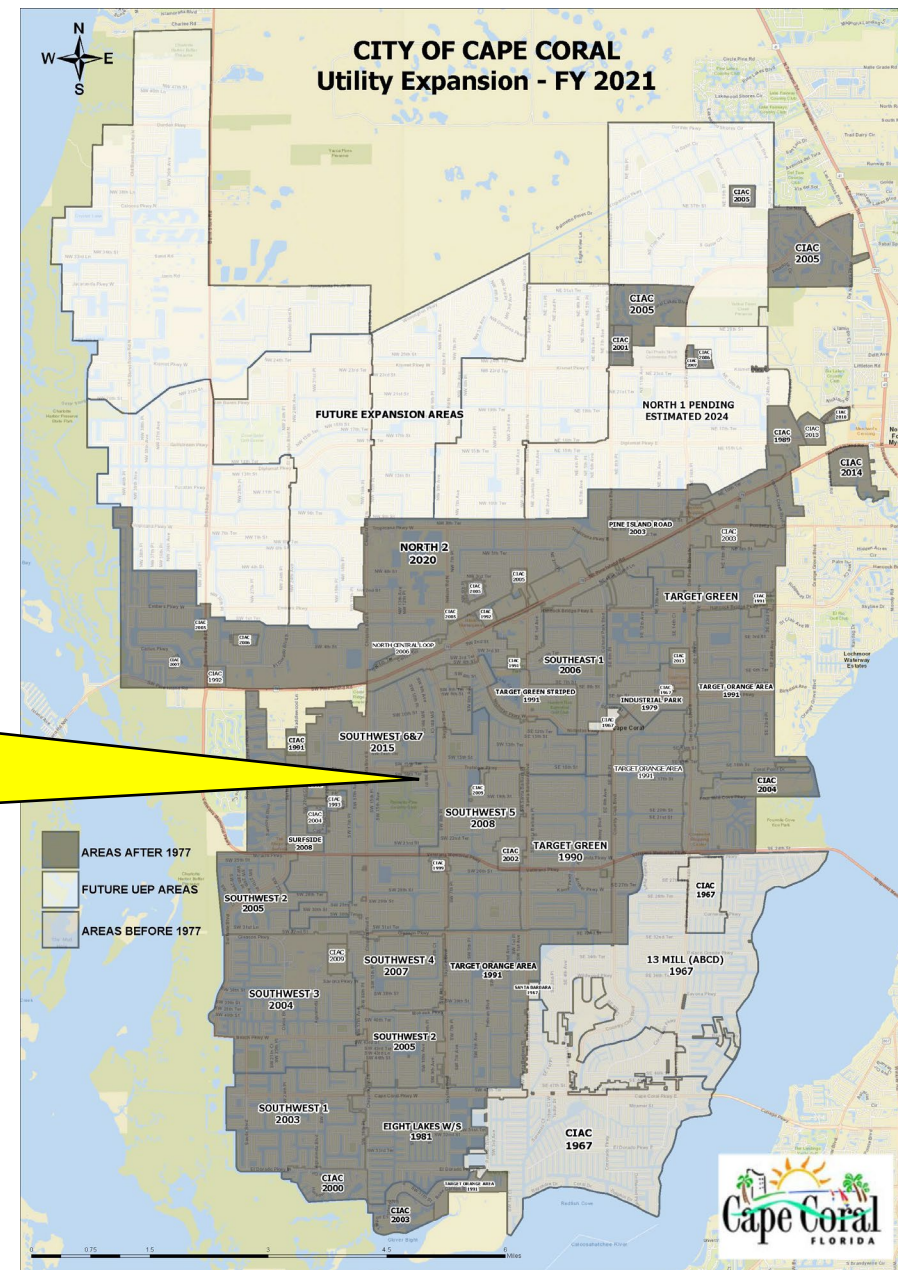
UEP History

➤ Assessments Prepared Pursuant to Home Rule Ordinance

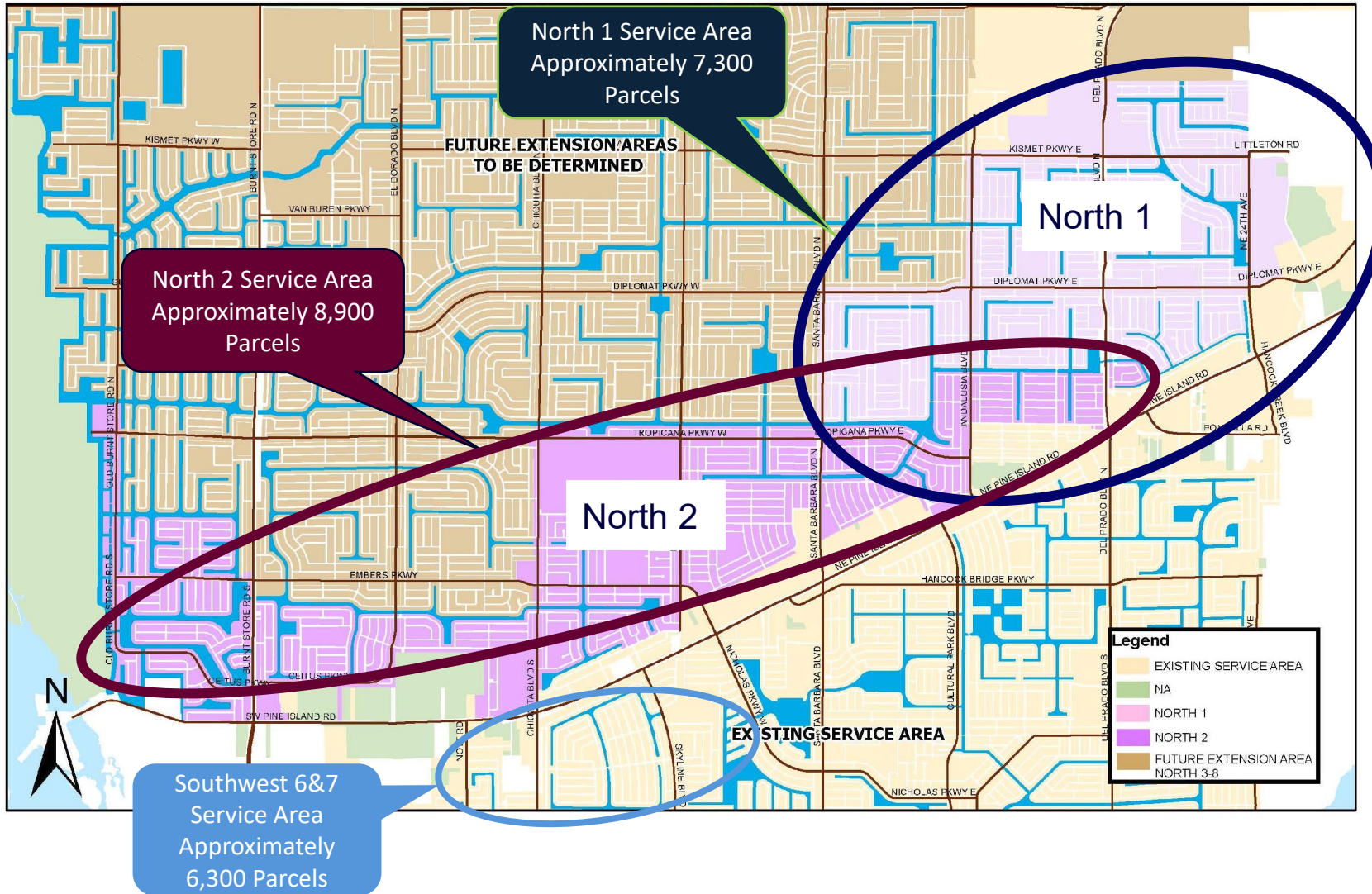
- Water – Frequency of wells running dry and saltwater intrusion. Special benefit provides access to City's potable water treatment and distribution facilities.
SFWMD may impose aquifer withdrawal restrictions in the future.
- Wastewater – Eliminates on-site (septic) systems, which are not effective in treating sewage in urbanized areas. Special benefit provides access to City's wastewater collection and treatment facilities.
FDEP may impose on-site septic restrictions in the future.
- Irrigation – Reduces dependence on fresh water and provides a method for disposal of treated wastewater for irrigation purposes and other non-potable uses.

UEP History

Majority of the construction of water, sewer and irrigation in the City was paid through UEP assessments.



UEP History



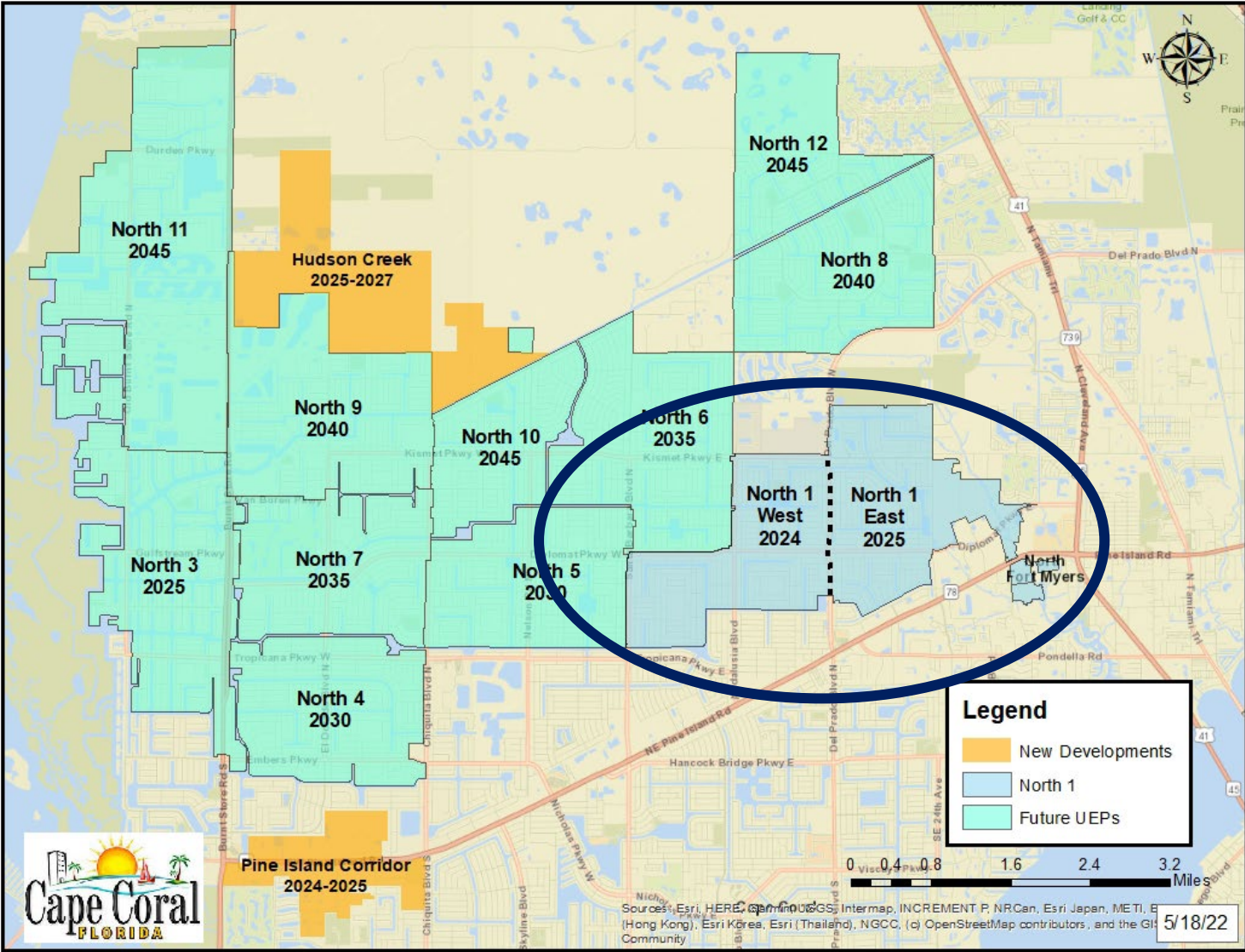
SW 6&7,
North 2 and
North 1
Approved by
Council in
2012

UEP History

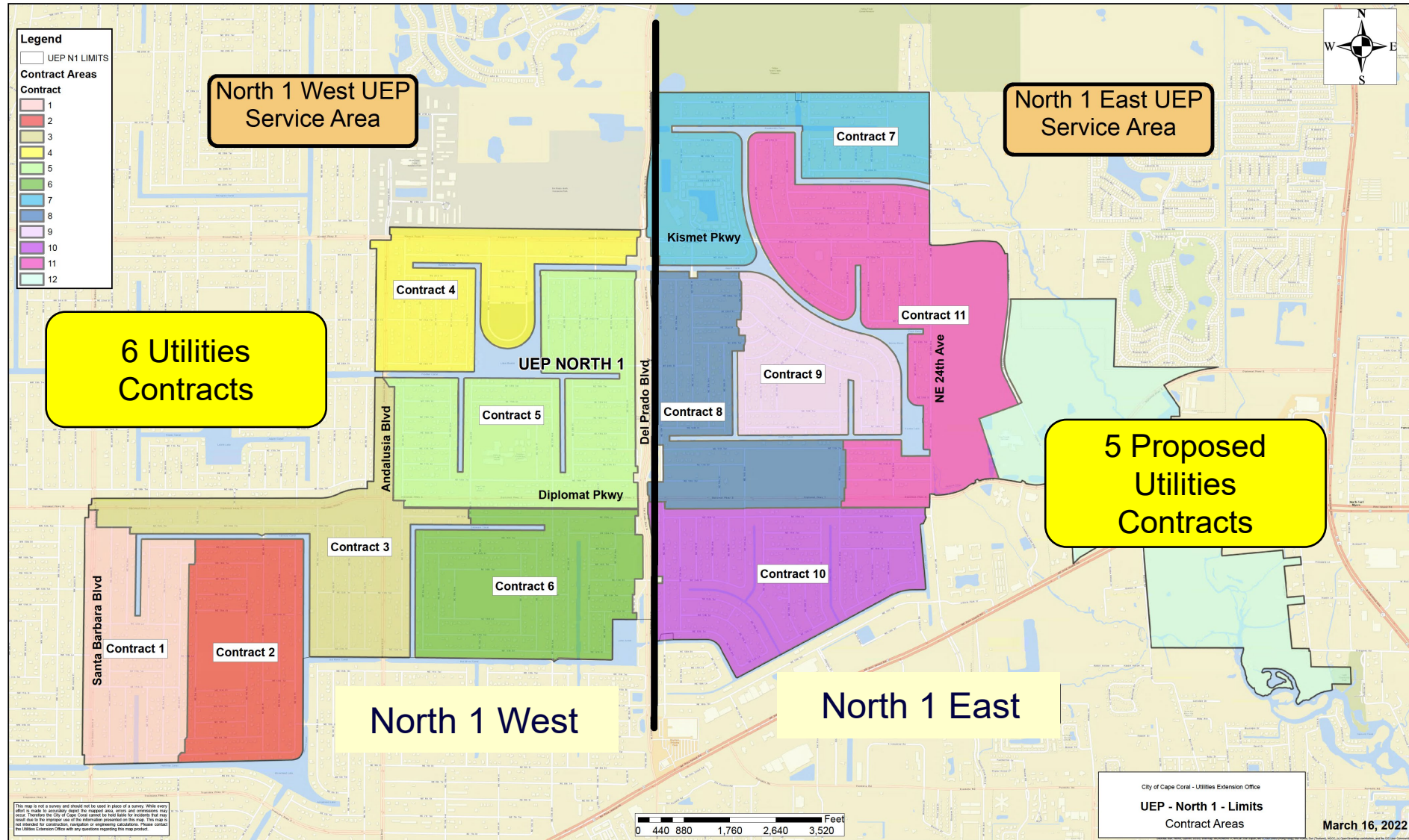
➤ Next Phase - North 1 West UEP

- **Adopts same assessment methodology as SW 6&7 and North 2**
- **Two components:**
 - **Line Extension Assessment (SF)**
 - **Capital Facility Expansion Charge (CFEC)**
- **Assessments paid in full or in annual installments on tax bill**
- **City finances cost of North 1 West through bonds which is repaid over time by the assessments**

North 1 West Project Area



North 1 West Project Area

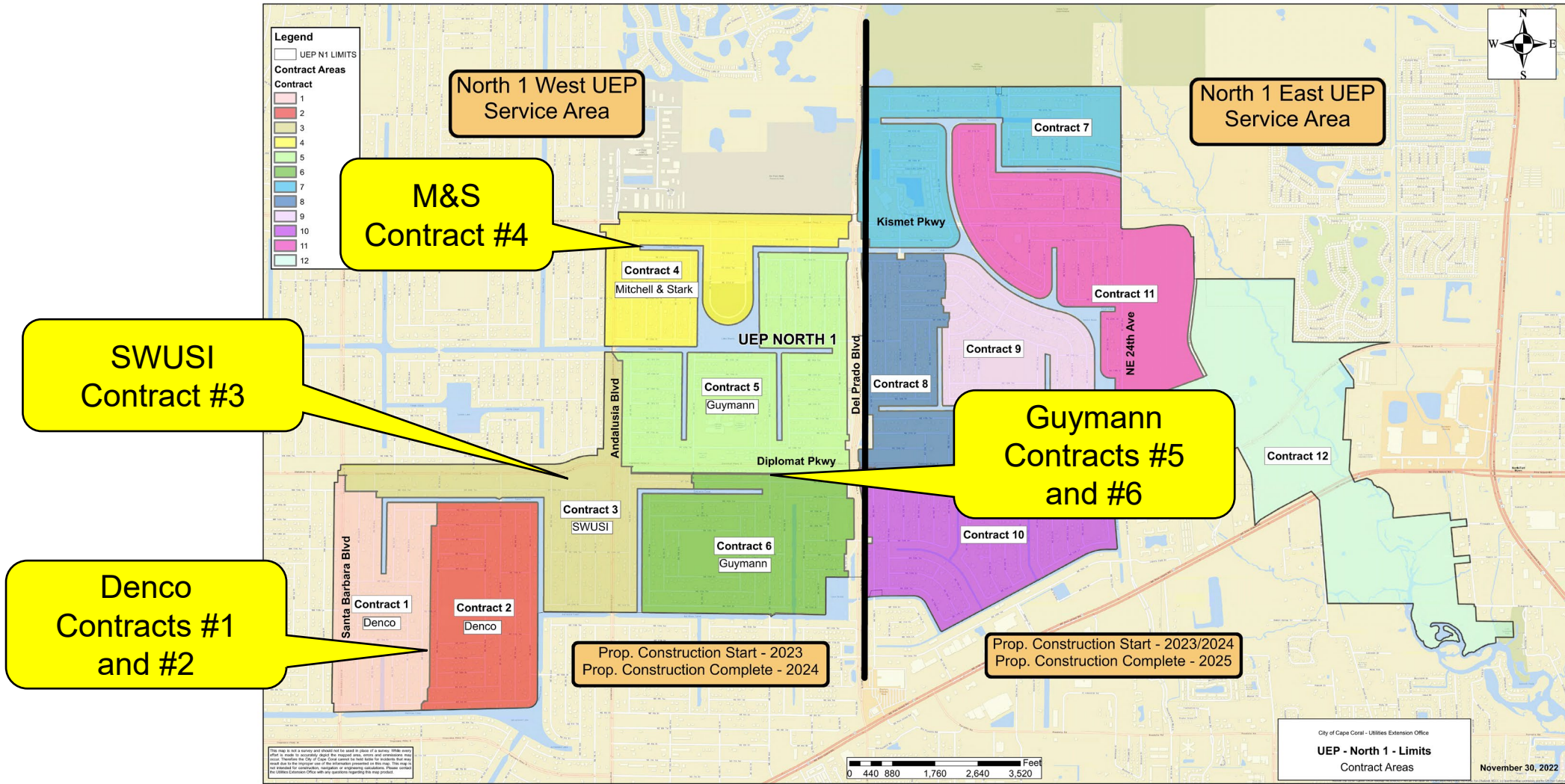


North 1 West Estimated Costs

Utilities Construction Bids

Contract #	Road Miles	Apparent Low Bidder	Construction Bid Amount
1	6.4	Denco Construction	\$ 24,384,279
2	6.3	Denco Construction	\$ 24,128,610
3	6.9 (Diplomat and Andalusia)	SWUSI	\$ 44,621,286
4	5.0 (Kismet and Andalusia)	Mitchell & Stark	\$ 37,311,499
5	10.5 (Diplomat)	Guymann Construction	\$ 47,977,757
6	7.7	Guymann Construction	\$ 24,700,148
	42.8	TOTAL	\$ 203,123,579

North 1 West Estimated Costs - UEP Contractors



North 1 West Estimated Costs Utilities Construction Bids

\$ 42.3 M – Water Utilities Construction

\$ 90.0 M – Wastewater Utilities Construction

\$ 42.8 M – Irrigation Utilities Construction

\$ 10.1 M – Storm Drain Replacement

\$ 14.0 M – Road Improvements

\$ 3.9 M – Fiber Optics

\$ 203.1 M – Total Construction Cost

North 1 West Estimated Costs

Project Costs

\$ 175.1 M – Utilities Construction

\$ 11.0 M – Facilities Construction (1 MPS) (Est.)

\$ 28.0 M – Storm Drains, Roads, Fiber Optics

\$ 214.1 M – Total Construction Cost

\$ 11.3 M – Construction Contingency

\$ 12.0 M – Construction Engineering and Inspection (Est.)

\$ 12.2 M – Design, Survey, UEP Admin., etc.

\$ 249.6 M – Total Project Cost

North 1 West Estimated Costs

Funding Sources

\$ 116.3 M – Line Extension Assessment (SF)

\$ 100.8 M – Capital Facility Expansion Charge (CFEC) and Utilities Fees

\$ 16.2 M – Transportation

\$ 11.8 M – Stormwater

\$ 4.5 M – Utilities Fees (Fiber Optics)

\$ 249.6 M – Total Project Cost

North 1 West Assessments

- Same methodology as Southwest 6&7 and North 2
- Line Extension - Land Area (SF) based on Equivalent Parcel (EP) method for water and irrigation distribution mains and wastewater collection mains.
- Capital Facility Expansion Charge (CFEC) based on Equivalent Residential Unit (ERU) method for treatment and transmission.

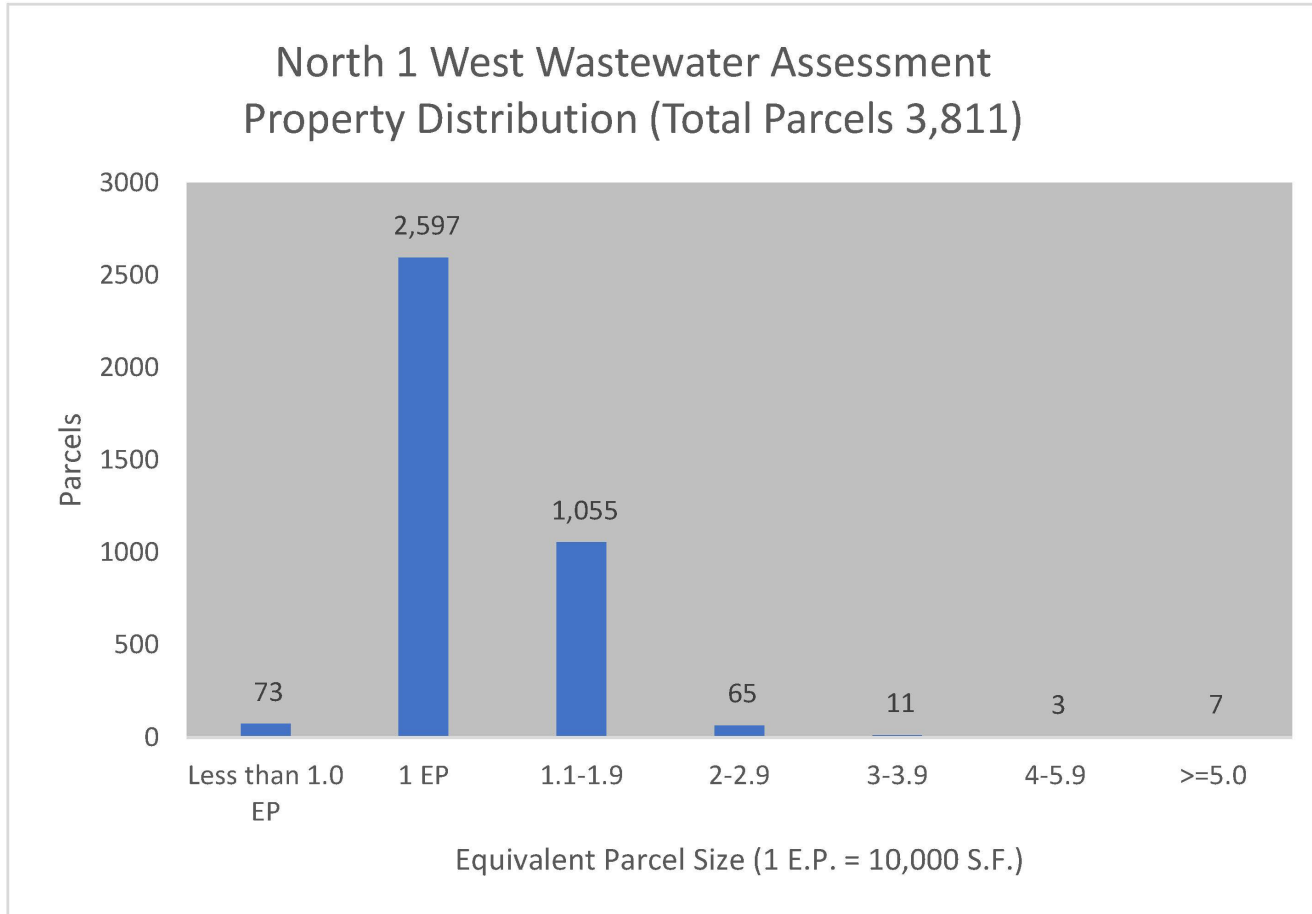
North 1 West Assessments

EP's vs. Parcels

Equivalent Parcels (EP) (1 EP = 10,000 SF)	Estimated Water	Estimated Wastewater	Estimated Irrigation
Total EP's	3,959	4,477	4,627

Parcels	Estimated Water	Estimated Wastewater	Estimated Irrigation
Total Parcels	3,392	3,811	3,676

North 1 West Assessments - EP's



Equivalent Parcel Size (1 EP = 10,000 SF)	Percent
<1.0	1.9 %
1.0	68.1 %
1.1 to 1.9	27.7 %
2.0 to 2.9	1.7 %
3.0 to 3.9	0.3 %
4.0 to 4.9	0.1 %
>= 5.0	<u>0.2 %</u>
Totals	100 %

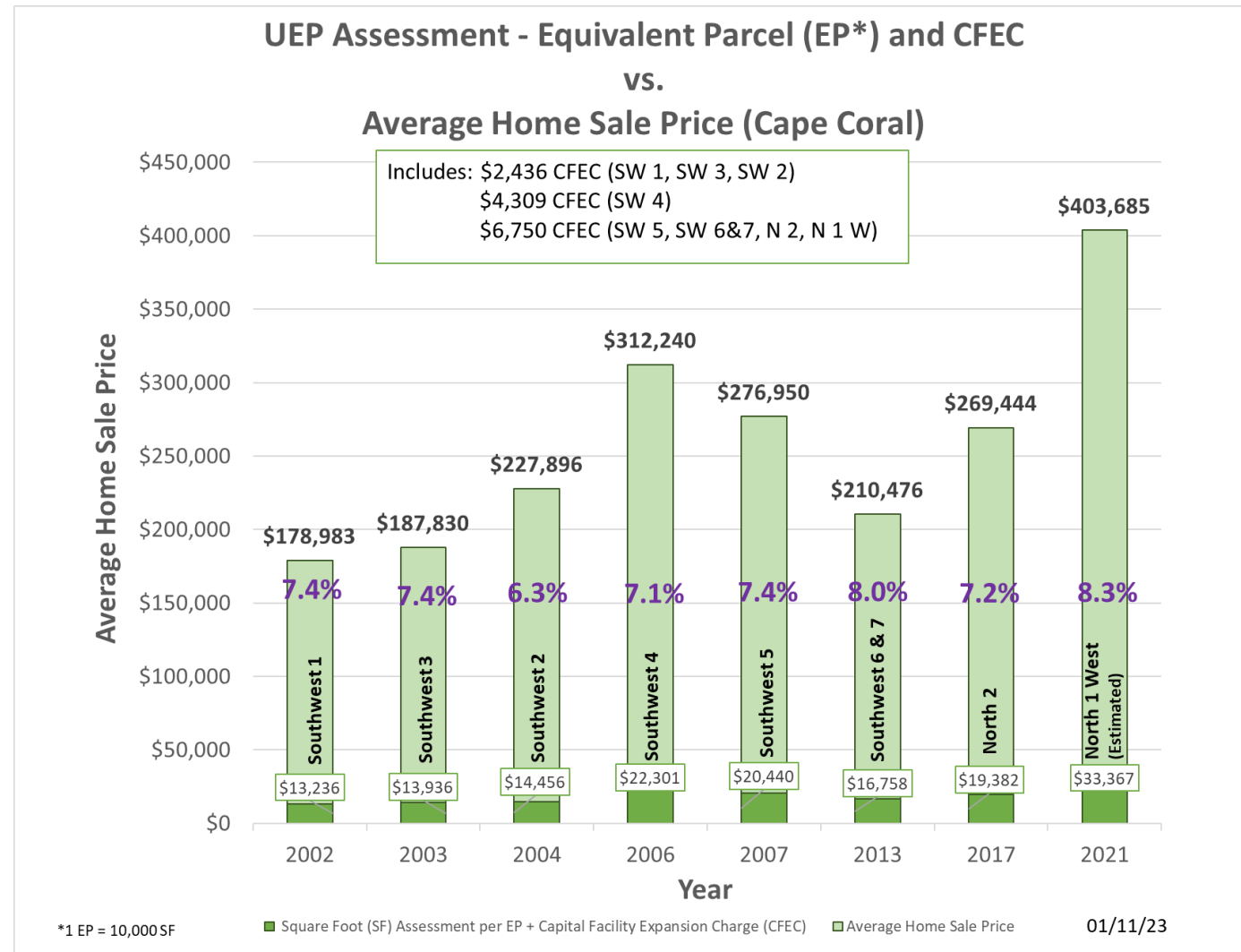
North 1 West Assessments

Estimated Land Area (SF) and CFEC

Water and Irrigation Distribution and Wastewater Collection	Estimated Water	Estimated Sewer	Estimated Irrigation	Estimated Total
Land Area Assessment Per 1 EP = 10,000 SF	\$7,246	\$13,330	\$6,041	\$26,617
Capital Facility Expansion Charge	Estimated Water	Estimated Sewer	Estimated Irrigation	Estimated Total
System Demand Units Per 1 ERU (5/8" meter, receiving all three utilities)	\$1,106	\$3,390	\$2,254	\$6,750
Totals	\$8,352	\$16,720	\$8,295	\$33,367

North 1 West Assessments

EP and CFEC vs. Average Home Price



Source: Average Home Sales Price 2021 , Florida Housing Data Clearinghouse, Shimberg Center, University of Florida. 2022.

North 1 West Assessments

Real Estate Data – Florida Gulf Coast MLS January 4, 2023

Current Active Listings

Quick Statistics (41 Listings Total)				
	Median	Min	Max	Average
List Price	\$420,900	\$279,900	\$645,500	\$427,169
Sold Price				

Actual Home Sale Transactions – Last 120 Days

Quick Statistics (28 Listings Total)				
	Median	Min	Max	Average
List Price	\$349,900	\$279,000	\$585,000	\$371,492
Sold Price	\$349,450	\$270,000	\$585,000	\$365,107 (Average 98.3% of List Price)

	Average Home Price	North 1 West Est. Assessment % of Home Price
Anticipated Average Home Sale Price of Current Listings - 98.3% of List Price (41 homes)	\$419,907	7.9%
Homes Sold Average Price -120 days (28 homes)	\$365,107	9.1%
Average Home Sale Price per Home in North 1 West (69 total homes)	\$397,669	8.4%

North 1 West Assessments

Historical Assessments adjusted to January 2023 Dollars

Utility Extension Project	Year	Assessment + CFEC (Actual Year)	Assessment + CFEC (Adjusted to January 2023 Engineering News Record Construction Cost Index)
Southwest 1	2002	\$13,236	\$26,986
Southwest 3	2003	\$13,936	\$27,900
Southwest 2	2004	\$14,456	\$27,906
Southwest 4	2006	\$20,428	\$35,136
Southwest 5	2007	\$20,440	\$34,175
Southwest 6&7	2013	\$16,758	\$23,396
North 2	2017	\$19,382	\$24,223
North 1 West	2023	\$33,367	\$33,367

North 1 West Assessments - Exemptions

Governmental Parcels

- City Owned Property
 - City pays the assessment from any legally available funds
- County/State/Federal Owned Property
 - City pays the assessment from any legally available funds
 - Ex: County Schools, County Library, etc.

North 1 West Assessments – Exemptions Institutional Properties

Institutional Properties: State Department of Revenue Classification Codes 70-79

**70-Vacant Institutional
71-Churches, Temples
72-Private Schools and Colleges
73-Privately Owned Hospitals
74-Homes for the Aged**

**75-Orphanages, Non-Profit
76-Mortuary, Cemetery, Crematorium
77-Clubs, Lodges, Union Halls
78-Sanitarium, Convalescent, & Rest Home
79-Cultural Org, Facilities**

These properties provide services and facilities to their owners, occupants, members, and the general public that otherwise might be requested or required to be provided by the City and thus provide a partial Public Benefit.

North 1 West Assessments – Exemptions

Institutional Properties

- The **City will make an annual contribution for each Fiscal Year** a parcel of Institutional Property remains (a) classified as Institutional Property and (b) current on its annual payment of Amortized Assessments.
- The contribution amount is equal to the difference between the parcel's annual Amortized Assessment determined normally and the parcel's annual Amortized Assessment determined by assigning to each parcel the greater of **two (2) Equivalent Parcels for every three (3) acres of Parcel Area**, or one (1) Equivalent Parcel.
- **The parcel of Institutional Property will be removed from this annual assessment contribution program in the event a parcel** classified as Institutional Property (I) fails to pay the annual Amortized Assessment and a tax certificate is issued against the real property, or (II) **fails to maintain its status as an Institutional Property**. In such an event, the Parcel Area shall be calculated normally.

North 1 West Assessments – Exemptions

Irrigation Prohibited Connections

- **Certain parcels are prohibited by the City Code from connecting until other adjacent properties are served by potable water.**
- **The SF Assessment attributed to such parcels shall be advanced by the City.**
- **When future connection is permitted, the funds advanced by the City shall be reimbursed.**

North 1 West Assessments - Exemptions

Estimated Land Area (SF) City Pays

Exemption	Estimated Total Assessment Prepay	Estimated Amortized Annual Installment (30 Years)	Total Amortized Repayment (30 Years)
Governmental Parcels	\$6,471,362	\$721,251	\$21,637,530
Institutional Properties	N/A*	\$8,458	\$253,740
Irrigation Prohibited Connections	\$1,135,104	\$127,020	\$3,810,600
Totals	\$7,606,466	\$856,729	\$25,701,870

*The City only contributes annually towards the line extension installment for properties that qualify as 'Institutional'

North 1 West Financing – Payment Options

- **Initial Prepayment Period – March 2023 through 9/30/2023**
- **Adjusted Prepayment Period – 10/1/2023 through 7/31/2024**
- **Amortized (Default Method) :**
 - **Billed via the tax bill annually for 20, 25 or 30 years.**
 - **First billing to occur in November 2024**

North 1 West Financing – Initial Prepayment

Initial Prepayment March 2023 thru 9/30/2023	Estimated Water	Estimated Sewer	Estimated Irrigation	Estimated Total
Equivalent Parcel (1 EP = 10,000 SF)	\$7,246	\$13,330	\$6,041	\$26,617
CFEC (1 ERU)	\$1,106	\$3,390	\$2,254	<u>\$6,750</u>
Totals	\$8,352	\$16,720	\$8,295	\$33,367

North1 West Financing – Adjusted Prepayment

Adjusted Prepayment 10/01/2023 thru 7/31/2024	Estimated Water	Estimated Sewer	Estimated Irrigation	Estimated Total
Equivalent Parcel (1 EP = 10,000 SF)	\$7,802	\$14,352	\$6,504	\$28,658
CFEC (1 ERU)	\$1,196	\$3,650	\$2,427	\$7,273
Totals	\$8,998	\$18,002	\$8,931	\$35,931

North 1 West Financing – Maximum Annual Payments 20 Year Term

Assessment Amount After 7/31/2024	Estimated Water	Estimated Sewer	Estimated Irrigation	Estimated Total
Equivalent Parcel (1 EP = 10,000 SF)	\$944	\$1,729	\$788	\$3,461
CFEC (1 ERU)	\$157	\$447	\$300	\$904
Totals	\$1,101	\$2,176	\$1,088	\$4,365

*Annual payment includes principal, interest, collection costs and statutory discount recovery costs.

1. A Hardship Program is available based on income qualification and must qualify annually.

North 1 West Financing – Maximum Annual Payments 25 Year Term

Assessment Amount After 7/31/2024	Estimated Water	Estimated Sewer	Estimated Irrigation	Estimated Total
Equivalent Parcel (1 EP = 10,000 SF)	\$863	\$1,579	\$721	\$3,163
CFEC (1 ERU)	\$144	\$409	\$275	\$828
Totals	\$1,007	\$1,988	\$996	\$3,991

*Annual payment includes principal, interest, collection costs and statutory discount recovery costs.

1. A Hardship Program is available based on income qualification and must qualify annually.

North 1 West Financing – Maximum Annual Payments 30 Year Term (Default)

Assessment Amount After 7/31/2024	Estimated Water	Estimated Sewer	Estimated Irrigation	Estimated Total
Equivalent Parcel (1 EP = 10,000 SF)	\$808	\$1,479	\$676	\$2,963
CFEC (1 ERU)	\$136	\$383	\$258	\$777
Totals	\$944	\$1,862	\$934	\$3,740

*Annual payment includes principal, interest, collection costs and statutory discount recovery costs.

1. A Hardship Program is available based on income qualification and must qualify annually.

North 1 West Financing – Maximum Annual Payments Comparison

Estimated Annual Installment Amounts - All 3 Utilities	20 Year Annual Amount *	25 Year Annual Amount *	30 Year Annual Amount
EP Interest Rate: 6.5%	\$3,461	\$3,163	\$2,963
CFEC Interest Rate: 6.5%	\$904	\$828	\$777
Totals	\$4,365	\$3,991	\$3,740

*Annual payment includes principal, interest, collection costs and statutory discount recovery costs.

1. A Hardship Program is available based on income qualification and must qualify annually.

North 1 West Financing – Hardship Program

- Hardship Program
 - Method of deferral of annual payments
Applicable to the amortized method only
 - Based upon income qualification
 - Must qualify annually

North 1 West Financing – CDBG

- **Community Development Block Grant (CDBG)**
 - **Grants for very low-income families to connect from meter to the home, septic abandonment fee, and the water meter fee.**
 - **The household must be income qualified**
 - **The property must be owner occupied**
 - **The property must be homesteaded**
 - **The homeowner must be current on monthly mortgage payments**

Next Steps

- **February 2023 – Public Hearing for Initial Assessment Resolution**
- **February/March 2023 - Homeowner's Informational Meeting**
- **March 2023**
 - **Public Hearing for Final Assessment Resolutions and Assessment Rolls**
 - **Resolution to Approve Construction Contracts**
 - **Resolution to Approve Construction Engineering & Inspection Contract**
- **April 2023 – Notice to Proceed for Construction**

THANK YOU

Any Questions?

