

North 1 West UEP Update November 30, 2022



North 1 West UEP Outline

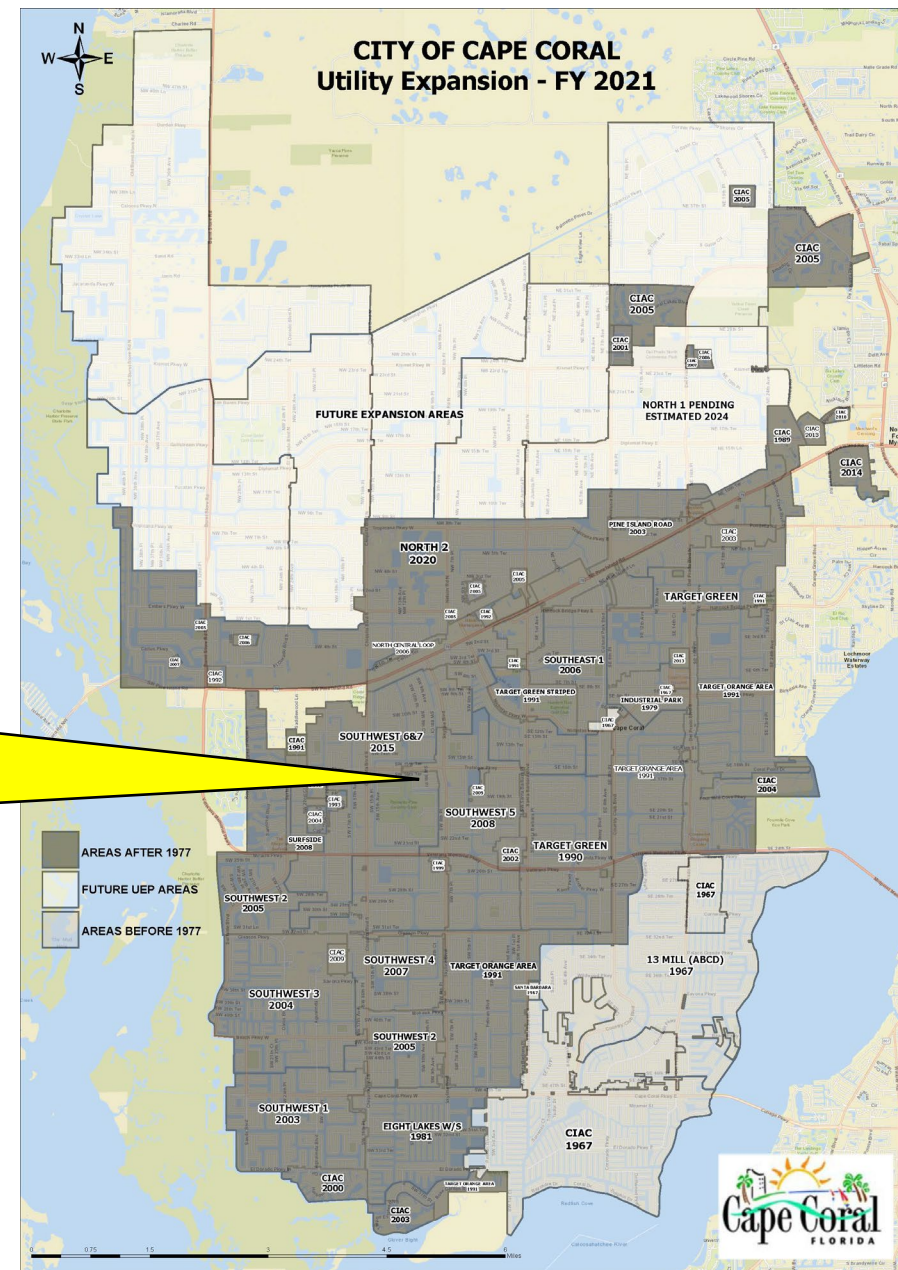
1. **UEP History**
2. **North 1 West Project Area**
3. **North 1 West Estimated Costs**
4. **North 1 West Assessments**
5. **North 1 West Financing**
6. **Next Steps**

UEP History

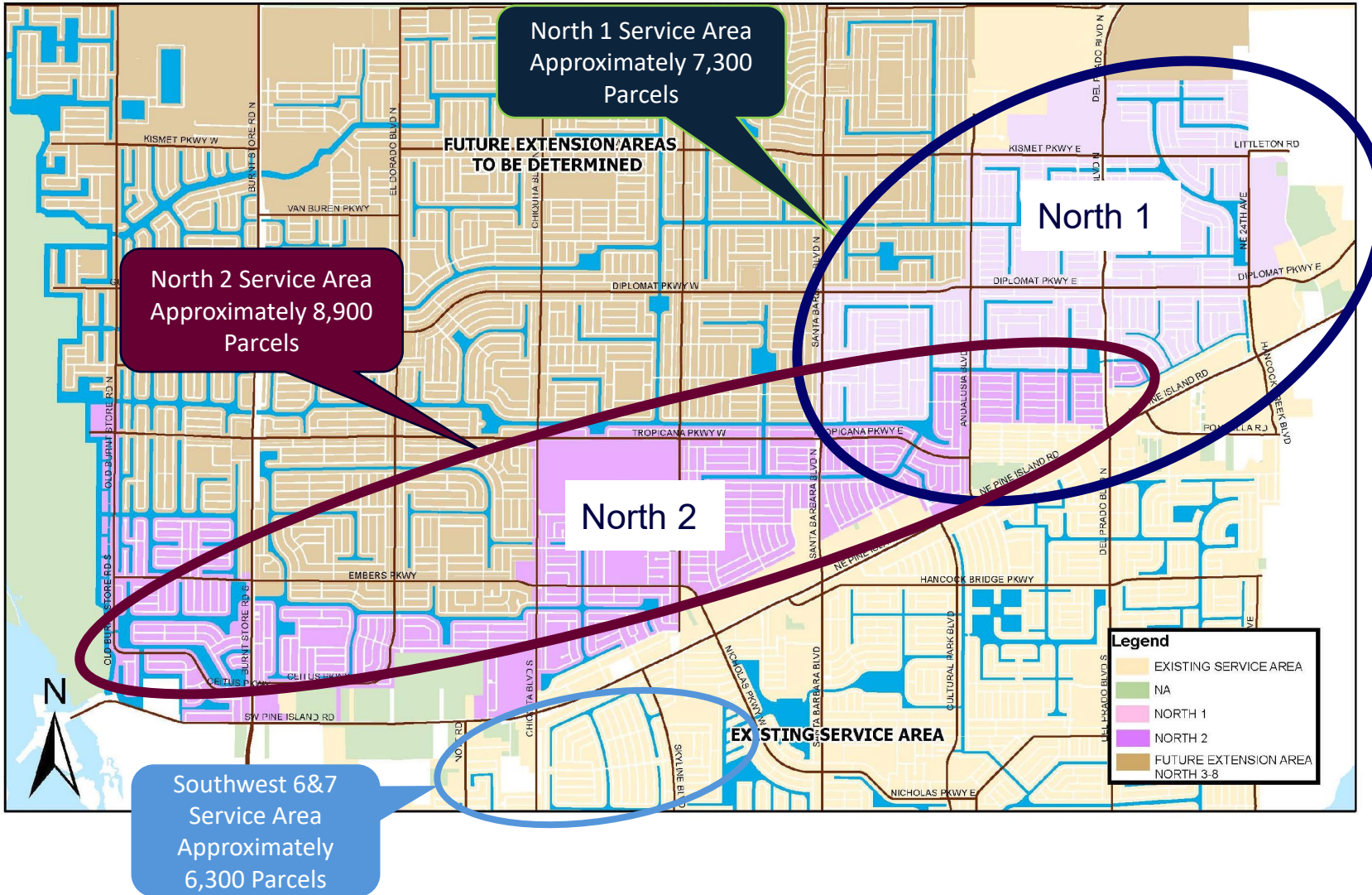
- **Utilities Extension Project (UEP)**
 - Extension of water, sewer and irrigation infrastructure
 - Citywide project constructed in phases
 - Primary funding for each phase: Special Assessments
- **Next Phase - North 1 West UEP**
 - Adopts same assessment methodology as SW 6&7 and North 2
 - Two components:
 - 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
- **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

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



UEP History



Map of Cape Coral, Florida, showing future urban expansion areas (UEPs) and new developments.

Legend:

- New Developments (Orange)
- North 1 (Light Blue)
- Future UEPs (Light Green)

Map Labels:

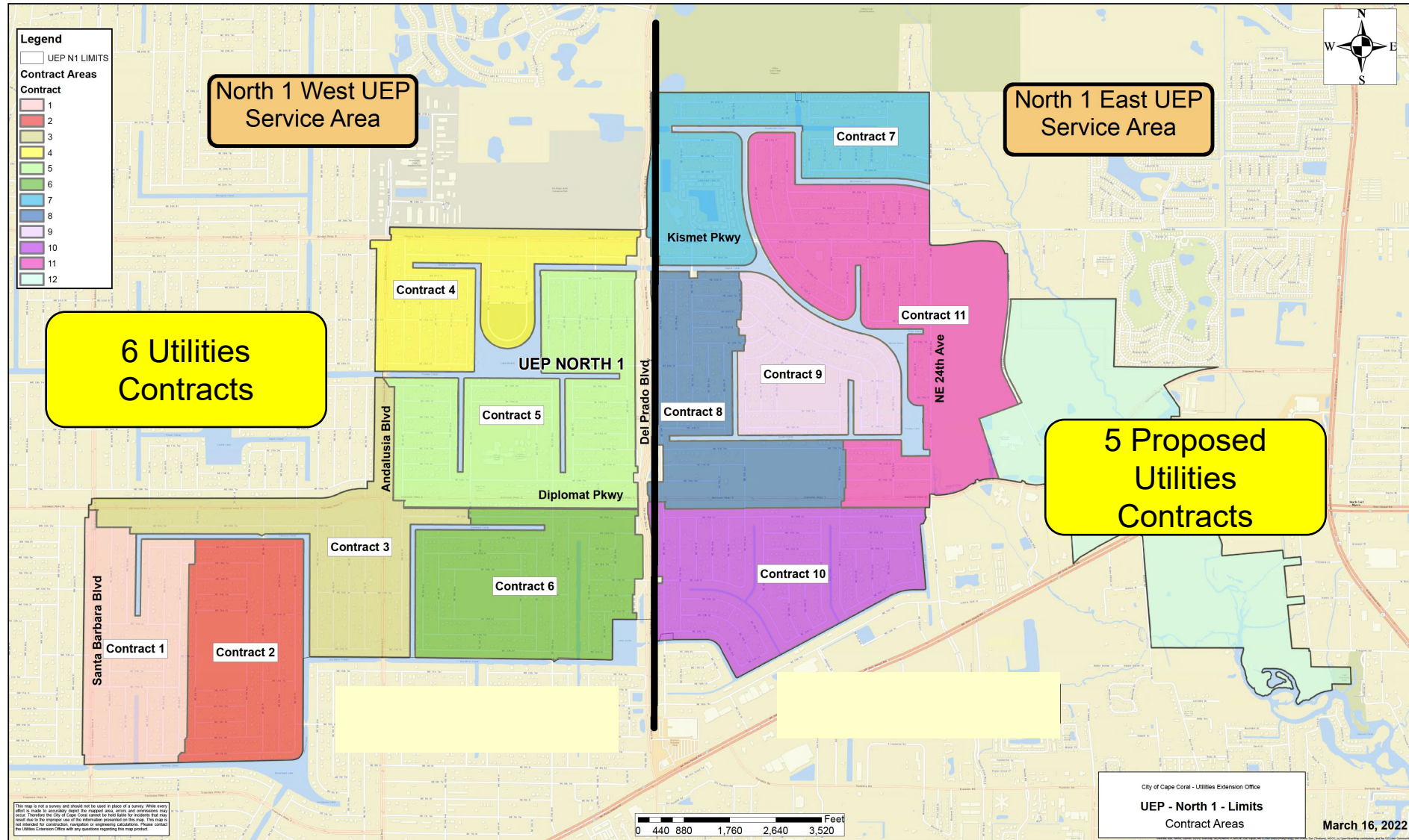
- North 11 2045
- Hudson Creek 2025-2027
- North 9 2040
- North 10 2045
- North 6 2035
- North 3 2025
- North 7 2035
- North 5 2030
- North 4 2030
- North 1 West 2024
- North 1 East 2025
- North 8 2040
- North 12 2045
- Pine Island Corridor 2024-2025
- Fort Myers

Scale: 0 0.4 0.8 1.6 2.4 3.2 Miles

Source: Esri, HERE, DeLorme, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri (Hong Kong), Esri Korea, Esri (Thailand), NGCC, (c) OpenStreetMap contributors, and the GIS User Community

5/18/22

North 1 West Project Area



North 1 West Estimated Costs

Pre Qualified Contractors

#	Pre-Qualified Contractors	Submitted a Bid / Bidding
1	Guymann Construction	Yes
2	Denco Construction	Yes
3	SWUSI	Yes
4	Mitchell & Stark	Yes
5	Lanzo	Yes
6	Ric-Man International	Has not bid
7	Giannetti Construction	Has not bid
8	Garney Construction	Has not bid
9	Oscar Renda	Has not bid
10	Metro Equipment Services	Has not bid

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)	TBD	\$ 42,273,000 (Est.)
4	4.9 (Kismet and Andalusia)	TBD	\$ 39,068,000 (Est.)
5	10.5 (Diplomat)	Guymann Construction	\$ 47,977,752 (Possible Rebid)
6	7.7	Guymann Construction	\$ 24,700,148
	42.7	TOTAL ESTIMATED	\$ 202,531,789

North 1 West Estimated Costs Utilities Construction Bids

\$ 42.1 M – Water Utilities Construction

\$ 87.7 M – Wastewater Utilities Construction

\$ 42.9 M – Irrigation Utilities Construction

\$ 9.7 M – Storm Drain Replacement

\$ 16.0 M – Road Improvements

\$ 4.1 M – Fiber Optics

\$ 202.5 M – Total Construction Cost

North 1 West Estimated Costs – Project

\$ 173 M – Utilities Construction

\$ 6 M – Facilities Construction (1 MPS)

\$ 30 M – Storm Drains, Roads, Fiber Optics

\$ 209 M – Total Construction Cost

\$ 11 M – Construction Contingency

\$ 11 M – Construction Engineering and Inspection

\$ 12 M – Design, Survey, UEP Admin., etc.

\$ 243 M – Total Project Cost

North 1 West Estimated Costs – Funding Sources

\$ 122 M – Line Extension Assessment (SF)

\$ 86 M – Capital Facility Expansion Charge (CFEC) and Utilities Fees

\$ 19 M – Transportation

\$ 11 M – Stormwater

\$ 5 M – Utilities Fees (Fiber Optics)

\$ 243 M – Total Project Cost

North 1 West Estimated Costs – Grants

- The North 1 West project received a \$1.3 M grant from the South Florida Water Management District (SFWMD), Cooperative Funding Program, for irrigation distribution mains. This directly reduces the Irrigation Assessment for homeowners. There is potential to receive additional funds on the next grant cycle.
- Currently pursuing the Department of Environmental Protection (DEP), “State Water-quality Assistance Grants” (SWAG) and 319H grants for \$1 Million for replacement of Stormwater Catch Basins.
- Coordinating with our Consultants, City Staff and Hagerty (Disaster Recovery Consultant) to explore Hurricane Ian Mitigation grants for Fiber Optics.
- Coordinating with our Consultants and City Staff to explore the Bipartisan Infrastructure Law funding program and other state or federal grants.

North 1 West Assessments

- **Assessment Resolutions 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.**

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 - 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

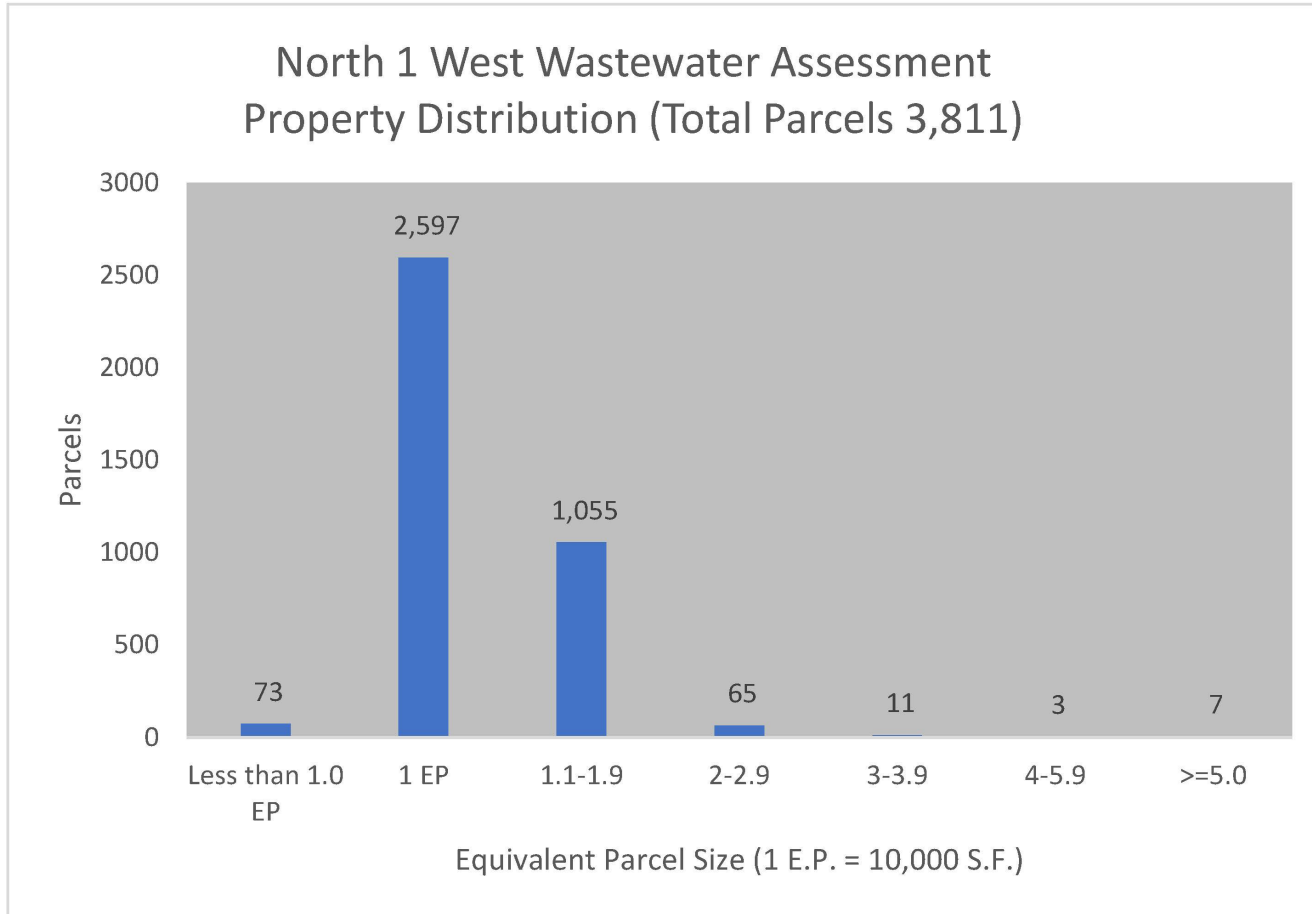
- **Certain parcels are prohibited by the City Code from connecting until other adjacent properties are served by potable water.**
- **The SF Assessment attributed to such parcels shall be advanced by the City.**
- **When future connection is permitted, the funds advanced by the City shall be reimbursed.**

North 1 West Assessments – EP's vs. Parcels

Equivalent Parcels (EP) (1 EP = 10,000 SF)	Estimated Water	Estimated Wastewater	Estimated Irrigation
Total EP's	3,962	4,477	4,488

Parcels	Estimated Water	Estimated Wastewater	Estimated Irrigation
Total Parcels	3,393	3,811	3,676
Percent that are 1 EP (1 EP = 10,000 SF)	68 %	68 %	68 %

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

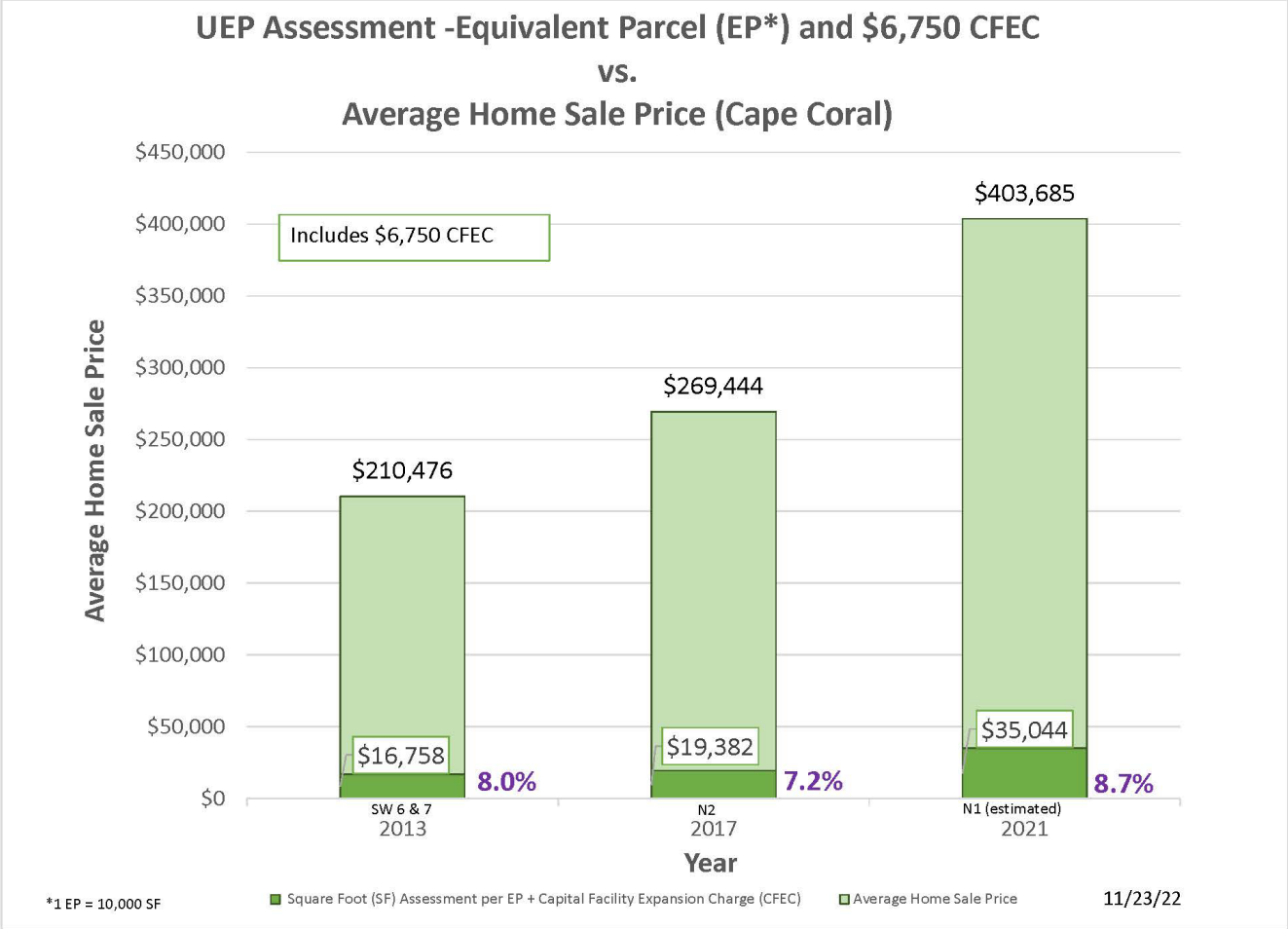
Estimated Land Area (SF) and CFEC

Water and Irrigation Distribution and Wastewater Collection	Estimated Water	Estimated Sewer	Estimated Irrigation	Estimated Total
Land Area Assessment Per 1 EP = 10,000 SF	\$8,332	\$13,949	\$6,013	\$28,294

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

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.

Plumbers Connection Typical Costs

Description	Estimated Amount (1)
Average Plumbers Connection Costs	\$2,500 *
Department of Health: Septic Abandonment Permit	\$100 *
Water Meter Purchase and Install	\$310 *
Account Deposit	\$100 *

Note: 1. Based on one 5/8" water service.

*** Amounts subject to change**

Licensed plumbing contractors must follow the Lee County DOH requirements for Septic System Abandonment .

North 1 West Financing – Payment Options

- **Initial Prepayment Period – March 2023 through 7/31/2023**
- **Adjusted Prepayment Period – 8/1/2023 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 7/31/2023	Estimated Water	Estimated Sewer	Estimated Irrigation	Estimated Total
Equivalent Parcel (1 EP = 10,000 SF)	\$8,332	\$13,949	\$6,013	\$28,294
CFEC (1 ERU)	\$1,106	\$3,390	\$2,254	<u>\$6,750</u>
Totals	\$9,438	\$17,339	\$8,267	\$35,044

North1 West Financing – Adjusted Prepayment

Adjusted Prepayment 08/01/2023 thru 7/31/2024	Estimated Water	Estimated Sewer	Estimated Irrigation	Estimated Total
Equivalent Parcel (1 EP = 10,000 SF)	\$8,969	\$15,015	\$6,473	\$30,457
CFEC (1 ERU)	\$1,191	\$3,649	\$2,426	\$7,266
Totals	\$10,160	\$18,664	\$8,899	\$37,723

North 1 West Financing – Estimated Annual Payments 20 Year Term (default)

Assessment Amount After 7/31/2024	Estimated Water	Estimated Sewer	Estimated Irrigation	Estimated Total
Equivalent Parcel (1 EP = 10,000 SF)	\$1,082	\$1,811	\$781	\$3,674
CFEC (1 ERU)	\$145	\$441	\$294	\$880
Totals	\$1,227	\$2,252	\$1,075	\$4,554

*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 – Estimated 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)	\$989	\$1,654	\$714	\$3,357
CFEC (1 ERU)	\$133	\$403	\$269	\$805
Totals	\$1,122	\$2,057	\$983	\$4,162

*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 – Estimated Annual Payments 30 Year Term

Assessment Amount After 7/31/2024	Estimated Water	Estimated Sewer	Estimated Irrigation	Estimated Total
Equivalent Parcel (1 EP = 10,000 SF)	\$926	\$1,550	\$669	\$3,145
CFEC (1 ERU)	\$124	\$378	\$252	\$754
Totals	\$1,050	\$1,928	\$921	\$3,899

*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 – Estimated 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%	\$3,674	\$3,357	\$3,145
CFEC Interest Rate: 6.5%	\$880	\$805	\$754
Totals	\$4,554	\$4,162	\$3,899

*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
(Depends on Final Bid Date of last Contract)**
- **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?

