


# Southwest 6/7

## Water, Wastewater and Irrigation

June 1, 2009



# Southwest 6/7 Water, Wastewater and Irrigation

- Ø February 26, 2007, Council approved Phase I-design services for Southwest 6/7 Area Utilities Design in the amount of \$1.357 million
- Ø June 11, 2007 Council approved Southwest 6/7 Area Extension Design Phase II design in the amount of \$5.313 million.
- Ø Staff began the process of evaluating the Southwest 6/7 area for the potential assessment 

# Southwest 6/7 Water, Wastewater and Irrigation

- ∅ The Southwest 6/7 Area consists of property generally located within the City east of Surfside Boulevard, north of Veterans Memorial Highway (except for real property located in the southwestern portion of the SW6/7 Improvement Area for which the southern border is S.W. 31<sup>st</sup> Lane and for which the eastern boundary is S.W. 17<sup>th</sup> Place), west of Skyline Boulevard (except for real property located in the northeastern portion of the SW6/7 Improvement Area for which the eastern border is S.W. 6<sup>th</sup> Avenue) and south of Pine Island Road S.W.

# Southwest 6/7 Water, Wastewater and Irrigation

- ∅ Construction estimated over 1 – 1 1/2 years with completion estimated in Late 2010/Early 2011.
- ∅ Consists of seven construction areas.

# Southwest 6/7 Water, Wastewater and Irrigation

- Water: Estimated Assessment (Total 6,067.6 EP's)
  - \$2,854 Construction
  - \$2,241 Capital Facility Expansion Charge
- Wastewater: Estimated Assessment (Total 7,338.5 EP's)
  - \$5,413 Construction
  - \$3,389 Capital Facility Expansion Charge
- Irrigation : Estimated Assessment (Total 7,773.0 EP's)
  - \$2,041 Construction
  - \$1,120 Capital Facility Expansion Charge
- Total All Three: Estimated Assessment
  - \$10,308 Construction
  - \$ 6,750 Capital Facility Expansion Charge
  - \$17,058 Per Equivalent Parcel

# Southwest 6/7 Water, Wastewater and Irrigation Findings

- ∅ Hammerheads are Pre-platted parcels with tab-like appendages (usually 1,000 to 2,000 square feet). Difference between 10,000 and 12,000 square feet ignored for assessment purposes
- ∅ The SW6/7 Project Area contains no hammerhead parcels.

# Southwest 6/7 Water, Wastewater and Irrigation Findings

- Resolutions prepared pursuant to Home Rule Ordinance
  - Frequency of Wells Running Dry and Saltwater Intrusion
  - Water - Special Benefit is access to potable water supply and financing  
Capital Facility Expansion Charges will reduce immediate cost of connection to potable water and reserve capacity in the City's Water Treatment Facilities
  - Waste Water – Special Benefit reduces the number of septic systems, which are not effective in urbanized areas
  - Irrigation – Special Benefit provides a separate source of treated, reclaimed water for irrigation purposes
- Methodology used for apportionment is the land area (square foot method) for construction and the Equivalent Residential Method for Capital Facility Expansion Charge

# Southwest 6/7 Water, Wastewater and Irrigation Findings

- Institutional/Governmental Parcels – parcels that provide services and facilities to their owners, occupants, members, and the general public that might be requested or required to be provided by the City.
- There are 28 institutional/government water parcels representing:
  - City owned – 24 parcels – 46.6 EP
  - Lee County – 1 parcel 1 EP
  - Institutional- 3 parcels - 78.9 EP

# Southwest 6/7 Water, Wastewater and Irrigation Findings

- Institutional Parcels – parcels that provide services and facilities to their owners, occupants, members, and the general public that might be requested or required to be provided by the City.
- There are 26 institutional/government wastewater parcels representing:
  - City owned – 24 parcels – 46.6 EP
  - Lee County – 1 parcel 1 EP
  - Institutional- 10 parcels - 366.6 EP
  - Federal- 1 parcel- 1.1 EP

# Southwest 6/7 Water, Wastewater and Irrigation Findings

- Institutional Parcels – parcels that provide services and facilities to their owners, occupants, members, and the general public that might be requested or required to be provided by the City.
- There are 38 institutional/government irrigation parcels representing:
  - City owned – 24 parcels – 42.6 EP
  - Lee County – 1 parcel 1 EP
  - Lee County School- 1 parcel- 55.6 EP
  - Institutional- 11 parcels - 409.6 EP
  - Federal- 1 parcel- 1.1 EP

# Southwest 6/7 Water, Wastewater and Irrigation Findings

- Condominium Parcels – constitute a unique form of real property ownership comprised of condominium unit parcels.
- The City has historically assessed the land area assigned to a tax parcel containing condominiums by dividing such land area equally among the condominium unit parcels.
- When a common area element exists, the common area is also equally divided among the condominium parcels to arrive at a fair and reasonable method of allocation of the land area among the condominium unit parcels.

# Southwest 6/7 Water, Wastewater and Irrigation Findings

- Vacant parcels in previous areas served by water lines via contribution in aid of construction by developers and the City. These vacant parcels will be included in the special assessment.
- Areas such as:
  - Chiquita Blvd between Trafalgar Pkwy and Veterans Pkwy
  - South of Trafalgar around Palmetto Pines Golf Course
  - From RO plant along S.W. 20<sup>th</sup> Ave to Pine Island Road

# Southwest 6/7 Water, Wastewater and Irrigation Findings

- Vacant parcels in previous areas served by wastewater lines via contribution in aid of construction by developers and the City. These vacant parcels will be included in the special assessment.
- Areas such as:
  - Certain parcels along S.W. 20<sup>th</sup> Avenue

# Southwest 6/7 Water, Wastewater and Irrigation Findings

- Other Assessment Areas where parcels have been previously assessed for water and wastewater are not included, such as:
  - Trafalgar North Water Assessment
  - Pine Island Road Water, Sewer & Irrigation Assessments
  - Southwest Two Assessments
  - Surfside Assessments
  - Southwest Five Assessments
- Other Assessment Areas where parcels have been previously assessed for irrigation are not included, such as:
  - Pine Island Road Water, Sewer & Irrigation Assessments

# Southwest 6/7 Water, Wastewater and Irrigation Findings

- **City Right of Way** – Will not receive a special benefit and are excluded from assessment
- In event such parcels are not utilized for City roads, drainage areas or other rights-of-way, such tax parcels will be charged an appropriate fee and such fee will be applied against the assessments

# Southwest 6/7 Water, Wastewater and Irrigation Findings

- **City owned Tax Parcels** – The City will use these parcels in the future and will pay the assessment.
- There are 24 Water and Wastewater Assessment parcels representing 46.6 equivalent parcels.
- There are 20 Irrigation Assessment parcels representing 42.6 equivalent parcels.

# Southwest 6/7 Water, Wastewater and Irrigation Findings

- Private Roads or rights-of-way within residential subdivisions will not receive a special benefit and are not included
- Such as:
  - Trafalgar Woods
  - Heatherwood Lakes
  - Palmetto Pines Estates

# Southwest 6/7 Wastewater Legislative Findings

- ∅ Parcels located within the Trafalgar Woods Subdivision are subject to a separate utility agreement with the City and will not be included in the wastewater improvement area.
- ∅ Parcels located within the Woods at Palmetto Pines will receive a credit for lines previously installed by the developer

# Southwest 6/7 Irrigation Legislative Findings

- ∅ Parcels located within a residential development will receive credit for lines previously installed by the developer.
- ∅ Area such as:
  - The Woods at Palmetto Pines
  - Trafalgar Woods

# Southwest 6/7 Irrigation Legislative Findings

- ∅ The Heatherwood Lakes subdivision association will be responsible for constructing all internal lines necessary to utilize irrigation service
- ∅ The City will credit the association from assessment funds.

# Southwest 6/7 Water, Wastewater and Irrigation Findings

Ø **Initial Prepayment Period – July 21, 2009 through September 18, 2009**

Ø **Amortized Method –**

- Billed via the tax bill annually for 20 years.
- First Billing to occur in November 2011
- Estimated interest rate of 7.5%

Ø **Deferred Method –**

- Deferral of Assessment for 10 years.
- Estimated interest rate 8.5%

# Southwest 6/7 Water, Wastewater and Irrigation Findings

## Ø **Hardship Program**

- Method of deferral of annual payments.
  - Applicable to the amortized method only
- Based upon income qualification.
- Can qualify annually

## Ø **State Housing Initiative Program (SHIP) Loans**

- Loans for very low income families
- 0% over fifteen years
- Must be applied for and accepted during initial prepayment period.
- Set aside \$400,000 for this program.

# Southwest 6/7 Water, Wastewater and Irrigation

## ∅ Financing of Project

- The City will issue multiple bonds or bank notes over the course of this project
- Adjusted prepayments will be adjusted with each financing
- Risks –
  - Credit markets continue to be volatile
  - F.S. 215.84 (3) – Bond not rated, then interest can not exceed 3% above the Bond Buyer 20 year index or ~ 8.16%. Can obtain waiver from SBA.

# Southwest 6/7 Water, Wastewater and Irrigation

## Ø **Economic Stimulus**

- State Revolving Loan Fund – Florida Estimated to receive \$100 million. City will apply for these funds based upon shovel ready project

## Ø **Federal Earmark**

- City will apply for direct earmarks based upon failing wells and salt water intrusion.

Ø Any funds received from these sources as a grant or earmark will be used to pay down construction portion of assessment.

# Southwest 6/7 Water, Wastewater and Irrigation

## ∅ Additional information

- **Connections**
- **Contribution in Aid of Construction**
  - Amounts received in the future for exempt properties who connect will be used in the following order:
    - Payment of any remaining unfunded project costs
    - Payment of interest due on the obligations
    - Payment of principal due on obligations
    - Any other legally permissible use

# Southwest 6/7 Water, Wastewater and Irrigation

## Ø Timeline

- June 8, 2009 – Initial Resolution Adoption
- Week of June 16 – Notices mailed to property owners
- June 30, 2009 @ 5:30 pm – Council Chambers- City Hall
- July 20, 2009 – Final Public Hearing on Assessment Resolution imposing the assessments