

TOWN OF PALM BEACH

Information for Town Council Meeting on: July 13, 2023

To: Mayor and Town Council

Via: Kirk Blouin, Town Manager

From: Robert Miracle, Deputy Town Manager, Finance and Administration

Re: Worth Avenue Commercial District Assessment Area – Adoption of Assessment Roll
and Improvement and Maintenance Assessments for FY 2024
Resolution No. 093-2023

Date: June 30, 2023

STAFF RECOMMENDATION

Staff recommends Town Council adopt Resolution No. 093-2023, which is the preliminary assessment resolution for the proposed improvement (debt service) and maintenance assessments for the Worth Avenue Commercial District Assessment Area in FY2024.

GENERAL INFORMATION

The non-ad valorem assessment process that causes special assessments implemented by the Town to appear on a property owner's property tax bill dovetails with the statewide budget and millage rate adoption schedule. Accordingly, it is time to begin the formal steps of implementing the FY2024 proposed capital and maintenance assessments for the Worth Avenue Commercial District Assessment Area that will appear on a property owner's tax bill mailed on or about November 1. By adopting Resolution No. 093-2023 you will be initiating a process whereby each affected property owner will be advised of the amount of their proposed improvement and maintenance assessments and the date, time, and place of the public hearing to adopt the final assessment and associated assessment roll on the Property Appraiser's TRIM notice and by letter from the Town issued in late August of this year.

The Worth Avenue Commercial District net improvement and maintenance assessment for FY2024 has been calculated as follows:

Cost Description	
Original Principal	\$ 14,770,000.00
Outstanding Principal	9,160,000.00
Scheduled Principal Payment	390,000.00
Scheduled Interest Payment	334,538.00
Bond Compliance Reporting Fees	2,500.00
Estimated Maintenance Expenses 10/1/23-9/30/24	601,777.00
Estimated Attorney Fees	1,000.00
Estimated Postage	100.00
Estimated PB Post Advertisement	1,000.00
Property Appraiser Administrative Fees	150.00
Offsetting Revenue (\$5K Garden Club, \$1K Interest)	(6,000.00)
Use of Accumulated Fund Balance	(120,000.00)
FY2024 Total Net Assessment	\$ 1,205,065.00

To employ a defensible assessment methodology to ensure that property owners are only paying costs in proportion to the benefits they derive from the improvements or costs related to the improvements, we again used the methodology developed in 2010 by Special District Services which was previously found by the Town Council to provide benefits from the improvements that were/are in proportion to the assessments to be allocated to each benefitted property and that the apportionment of the special benefits to each benefitted property is fair and reasonable.

In order to place assessments on the property tax bill, which virtually assures that the Town will receive payment and avoid having to create an internal billing and collection function, a number of steps are required to be taken in coordination with the Tax Collector and Property Appraiser. The Tax Collector charges a fee for the work they undertake on the Town's behalf that is 1% of the value of the assessments. The Property Appraiser fee for FY2024 is \$150.00, which has been included as shown above. These costs are passed on to a property owner being assessed. In addition, since a property owner can receive a 4% discount for early payment of their property tax bill in November of each year, the assessments have to be adjusted upward by like amount to ensure the sum needed to pay expenses is realized in full. All totaled, for every \$100 in assessments the Town needs to collect, the assessment will be approximately \$105 in order to net the \$100 needed.

The additional 5 percent is attributable as follows:

- Tax Collector – 1%
- Potential early property tax bill payment discount – 4%
- Total – 5%

After adding these multipliers to the Town's proposed FY2024 net assessment of \$1,205,065.00 and incorporating the accumulated rounding adjustment of \$40.89, the gross total assessment is \$1,265,361.28.

Resolution No. 093-2023 formally initiates the process to implement the intended assessments for FY2024. The resolution describes the property to be assessed, the improvements and related services to be provided, determines the estimated cost to be assessed for the fiscal year commencing on October 1, delineates which properties will be assessed, and, among other things, directs staff to

take certain required steps to effectuate the assessment process. The final public hearing will begin at 5:01 p.m. in the Town Hall Council Chambers on September 12, 2023.

Resolution No. 093-2023 is attached hereto. The FY2024 Preliminary Assessment Roll and estimated assessments for this project are indicated in Appendix C of Resolution No. 093-2023. These estimates are subject to change as all items associated with the assessment are finalized for the property owner notice and Final Assessment Resolution to be considered in September. For your information, the proposed maintenance budget, upon which a portion of the proposed assessments are based, is attached hereto as Exhibit A.

The notices that property owners will receive from the Town prior to the final public hearing via first class mail and the TRIM notice provided by the Property Appraiser alerts the property owner to their right to object or call to the Town's attention any mistakes that they believe may have been made in applying the assessment formula to any given property. The law recognizes the difficulties that can exist in the assessment process and creates a check and balance into the process whenever an assessment is proposed for the first time or there is an increase in the cost or method in calculating the assessment.

FUNDING/FISCAL IMPACT

All direct costs borne by the Town to accomplish this project are paid for by the properties benefitting from the project improvements as opposed to all property owners in Town.

TOWN ATTORNEY REVIEW

Resolution No. 093-2023 was prepared by Heather Encinosa, Esq., of the law firm Nabors, Giblin & Nickerson. Ms. Encinosa focuses her practice on assessments and special districts and previously prepared the Town's ordinance that established Chapter 90 of the Town Code pertaining to special assessments.

Attachments

cc: Paul Brazil, Director of Public Works
Heather Encinosa, Esq.