

# TOWN OF PALM BEACH

Information for Special Town Council Meeting on: September 12, 2023

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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 FY2024  
**Resolution No. 114-2023**

Date: September 1, 2023

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## **STAFF RECOMMENDATION**

Staff recommends Town Council adopt Resolution No. 114-2023, which is the Annual Rate 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 final 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. 114-2023, you will be concluding a process whereby each affected property owner was advised of the amount of their proposed improvement and maintenance assessments and the date, time, and place of this public hearing to adopt the final assessment and associated assessment roll on the Property Appraiser's TRIM notice issued in August of this year and by letter from the Town issued in mid-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)
<b>FY2024 Total Net Assessment</b>	<b>\$ 1,205,065.00</b>

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. 114-2023 implements the intended Worth Avenue Commercial District Area assessments for FY2024. The resolution, among other things:

- references the property to be assessed;
- references past Town Council actions to properly effectuate Worth Avenue assessments;

- adopts the updated assessment roll for the fiscal year commencing on October 1, 2023;
- reimposes the assessments;
- provides for Proof of Publication;
- if applicable, provides an executed Affidavit of Mailing executed by staff;
- provides a Certificate to Non-Ad Valorem Assessment Roll for the Mayor to sign and be transmitted to the Tax Collector of Palm Beach County.

### **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. 114-2023 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.