

# TOWN OF PALM BEACH

Information for Town Council Meeting on: September 12, 2023

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To: Mayor and Town Council

Via: Kirk Blouin, Town Manager

From: Bob Miracle, Deputy Town Manager – Finance and Administration

Re: Town-wide Undergrounding Project Assessments – Adoption of Final Assessment Resolution  
**Resolution No. 117-2023**

Date: September 1, 2023

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## **STAFF RECOMMENDATION**

Staff recommends the Mayor and Town Council adopt Resolution No. 117-2023, which is the Annual Rate Resolution for the proposed assessments for the Town-wide Underground Utility Assessment Area in FY2024.

## **GENERAL INFORMATION**

The Town-wide Undergrounding Utility project is being financed by a General Obligation Bond, backed with both a GO and special assessment pledge.

The non-ad valorem assessment process that causes special assessments implemented by the Town of appear on a property owner's 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 Town-wide Undergrounding Utility Assessment Area that will appear on a property owner's tax bill mailed on or about November 1. By adopting Resolution No. 117-2023, 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 late August of this year.

To meet Florida case law requirements for a valid special assessment, we used the apportionment methodology developed by Raftelis Financial Consultants, Inc. These legislative findings along with the Town Council's independent knowledge of the Town and other project-based information were considered when the Town Council established the selected apportionment methodology set forth in Resolution 090-2017. The methodology is designed to provide an equitable method of funding the Underground Utility Improvements by fairly and reasonably allocating the cost to specially benefitted property based upon the amount of Equivalent Benefit Units or EBUs attributable to each parcel of property. The EBUs are allocated among three special benefit components – safety, reliability and aesthetics based upon the proportionate numbers of EBUs in each category. Each parcel of affected property is then assigned safety, reliability and aesthetic EBUs based upon certain identified property characteristics (size, occupant density, location to existing facilities, etc.) as more specifically described in Section 3.02 of Resolution 090-2017.

The Town-wide Undergrounding project is projected to have an 8-year build out period. The plan of financing the project included an initial Line of Credit, and the issuance of long-term General Obligation bonds. The assessment amount has been calculated based on General Obligation Debt in the amount of \$90 million over 30 years at an estimated interest rate of 3.81% which totals approximately \$5,080,000.

In order to place assessments on the property tax bill, which virtually assures that the Town will receive payment, a number of steps are required to be taken in coordination with the Tax Collector and Property Appraiser. Each constitutional officer charges a fee for the work they undertake on the Town's behalf that is estimated to be up to 1% of the value of the annual assessments for the Tax Collector and \$150 for the Property Appraiser. These costs are passed on to the 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. Administrative costs including legal, postage and advertising, assessment consulting fees and software programming charges have been added to the assessment totaling \$5,000. The additional required amounts added to the debt service amount of \$5,080,000 are detailed as follows:

<b>Cost Description</b>	
Assessment Amount, Adjusted for Prepayments, for \$90 million debt at 3.81% over 30 years	\$3,498,756.98
Administrative Costs	5,000.00
Early Payment Discount at 4% and Tax Collector Charge	184,425.00
Final FY2024 Total Assessment	\$3,688,181.98

Resolution No. 117-2023 implements the intended Town-wide Underground Utility assessments for FY2024. The resolution among other things:

- references the property to be assessed;
- references past Town Council actions to properly effectuate Town-wide Underground Utility Project 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.

The final public hearing will begin at 5:01 p.m. on Tuesday, September 12, 2023, in Town Council Chambers. Property owners received notice of this hearing from the TRIM notice provided by the Property Appraiser which alerts the property owner to the amount of the annual assessment and to the date, time and place of the public hearing so that they may exercise their right to be heard 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.

### **FUNDING/FISCAL IMPACT**

The total assessments for FY2024 on the Final Assessment Roll are \$3,688,181.98.

### **TOWN ATTORNEY REVIEW**

Resolution No. 117-2023 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: John C. Randolph, Town Attorney  
Heather Encinosa, Esq.