

TOWN OF PALM BEACH

Information for Special Town Council Meeting on: July 11, 2024

To: Mayor and Town Council

Via: Kirk Blouin, Town Manager

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

Re: Peruvian Avenue 400 Block Streetscape Project Underground Assessment Area –
Adoption of Estimated Assessment Roll for FY2025
Resolution No. 084-2024

Date: July 1, 2024

STAFF RECOMMENDATION

Staff recommends Town Council adopt Resolution No. 084-2024, which is the preliminary assessment resolution for the proposed maintenance assessments for the Peruvian Avenue 400 Block Streetscape Project Assessment Area in FY2025.

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 FY2025 proposed maintenance assessments for the Peruvian Avenue 400 Block Streetscape Project Assessment Area that will appear on a property owner's tax bill mailed on or about November 1. By adopting Resolution No. 084-2024 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 Peruvian Avenue 400 Block Streetscape Project net maintenance assessment for FY2025 has been calculated as follows:

Cost Description	
Original Principal	\$ 1,224,759.00
Outstanding Principal	-
Estimated Maintenance Expenses 10/1/24-9/30/25	27,000.00
Estimated Attorney Fees	1,000.00
Estimated Postage (\$.60 x 133 properties)	80.00
Estimated PB Post Advertisement	1,400.00
Property Appraiser Administrative Fees	150.00
Final FY2025 Total Net Assessment	\$ 29,630.00

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, we used the most common methodology in use throughout Florida called the Linear Front Footage method of assessment. Resolution No. 084-2024 confirms the continued use of the Linear Front Footage methodology and finds that the project improvements will provide a special benefit to all Tax Parcels located within the Peruvian Avenue Assessment Area.

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 FY2025 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 FY2025 net assessment of \$29,630.00 and incorporating the accumulated rounding adjustment of \$5.75, the gross total assessment is \$31,117.61.

Resolution No. 084-2024 formally initiates the process to implement the intended assessments for FY2025. The resolution describes the property to be assessed, the improvements and related services 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 11, 2024.

Resolution No. 084-2024 is attached hereto. The FY2025 Preliminary Assessment Roll and estimated assessments for this project are indicated in Appendix C of Resolution No. 084-2024. 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.

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 property owners whose properties benefit from the project improvements as opposed to all property owners in Town.

TOWN ATTORNEY REVIEW

Resolution No. 084-2024 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.