



# JIC Rehabilitation Project “Assessment Fact Sheet”

October 24<sup>th</sup>, 2016

## BACKGROUND

The community commenced a significant project to upgrade the Central Sanitary Sewer System with new roads and the current Drainage System. This project is anticipated to cost \$9,550,000 and will be paid for by JIC residents, through a special assessment. The special assessment will be paid in 15 equal annual installments and will be levied using the uniform method for the collection of non-ad valorem assessments. They will commence with the tax levy for 2018 in November 2017.

### Project Cost

Sewer System & Roads	\$5,450,000
Drainage Upgrades	<u>\$4,100,000</u>
Total Cost	\$9,550,000

### Possible financial mitigation, that *could* reduce net project cost to property owners

- **Direct Budget Appropriation:** sponsored by the President of the Florida Senate & a State Representative, a \$6m appropriation has been requested. Any amount up to the \$6m may be determined, and that decision will be made by April 2017 during the legislative session.
- **New grant program funding state wide ‘septic to sewer projects’:** sponsored by the Governor for projects that are ‘shovel ready’ this program is yet to be agreed or established. It does have senior sponsorship. If the program evolves, our application would be submitted June 2017 and it would take approx. 6 month to gain approval. The amount we would request is yet to be determined.
- **DEP Grant:** we have already received a DEP grant for \$750,000 and have another one in process; decision by March 2017. Perception that we have a 50/50 chance
- **South Florida Water Mgt District:** \$57,000 granted against \$1,500,000 request. Being reapplied for now with DEP sponsorship. 10% chance of success

### Project cost breakdown by property owner

- **Assessment** of \$9,550,000/240 properties = \$39,791 per property. On a 15 year repayment loan, with a finance fee, this equates to \$3,504 per property with payment starting Nov 1<sup>st</sup> 2017
- **Hook Up to Loxahatchee River District** will be based on number of toilets per dwelling, per chart below. There is a grant of \$2,500 per dwelling that mitigates net cost of hook up per chart

# of Toilets	Hook Up Cost (\$)	Net Cost after grant (\$)	Quarterly Service Charge (\$)
1	2,727	227	53.53
2	3,409	1,409	66.91
3	4,091	1,591	80.30
4	4,773	2,279	93.68

- **Quarterly Service Charge** estimated at \$54 to \$94/qtr, depending on toilet number, per dwelling, per chart
- **All lots that had a house on it prior to April 1<sup>st</sup>, 1981** get a \$500 credit per LRD agreement



# JIC Rehabilitation Project “Assessment Fact Sheet” (2)

**Reason for increase in cost, from initial guesstimate of \$20,000 per lot to \$39,000 per lot**

- *Change in road specification & width from original agreed design*
- *Final bid came in at \$2m more than engineering estimate*
- *\$1m for additional engineering work*
- *\$750,000 repayment to JIC for initial development work, including technical, engineering and legal for the project and for funding solutions*

**Non-Ad Valorem assessment method (equal assessment rather than assessment by property valuation) is being proposed due to:**

- Prior study in support of ‘undergrounding’ project for telephone, cable and electric which also recommended Non-Ad Valorem
- September 1<sup>st</sup> 2016 study on this project looked at direct benefit generated for each property and concluded that benefit by lot is the same, regardless of lot or house size, and each property owner is assigned 1 (ONE) equivalent benefit unit.

**Alternatives to Non-Ad Valorem assessment method**

- An alternative is to assess cost and share using property valuation as the baseline, but it has been determined that this is not fair, based on the equal benefits per property derived from the project. A referendum is required for use of an Ad Valorem assessment method