

Town of Golden Beach
Internet/Telecom
Special Assessment Study



SCS ENGINEERS
Management Services

Background

Services to be Provided



Florida Law

Laws and Statutes Governing Special Assessments



Analysis

Methodology and Apportionment of Benefit





Background

- Hotwire to provide high-speed fiber internet and security systems throughout Town
- Minimum 360 locations
- \$55-\$95 per location per month
- Town intends to bill to residents as assessment on tax bill

Golden
BEACH



Special Assessments

- Non-ad valorem assessment
 - Not based on value
 - Based on benefit/relief of burden
- Can be used to fund all or a portion of the costs associated with the provision of services



Requirements for Special Assessments

Case law in Florida has **two prong test** for special assessments:

1. Must be a **special benefit**
2. Assessment must be **fairly and reasonably apportioned**



What is the Special Benefit?

Internet and Security Availability

Benefits of availability include:

- Access to high-speed fiber internet service
- Enhanced property and rental value
- Increased use and enjoyment
- Enhanced marketability and value
- Protection of the health and safety of owners/occupants



Who Benefits?

- **All parcels** in Town will receive access to internet and security
- These parcels **directly benefit** from proposed project



How Do We Apportion the Cost?

Two Tiers of Benefit

- Tier 1 – Infrastructure
 - All parcels have access to infrastructure
 - Developed and undeveloped parcels*
 - Charge per parcel

* One vacant parcel contains part of house from adjacent parcel. Not developable alone, will not be assessed.



How Do We Apportion the Cost?

Two Tiers of Benefit

- Tier 2 – Service
 - Developed parcels have ability to connect
 - All developed parcels
 - Includes Town parks
 - Based on Equivalent Residential Unit (ERU)



How Do We Apportion the Cost?

Equivalent Residential Unit (ERU)

- Residential – Each dwelling unit assumed to be 1.0 ERU
 - Avg living area – 5,353 sq ft = 1.0 ERU
- Non-Residential – Divide living area on parcel by ERU square feet to calculate ERUs on parcel



Net Revenue Requirement (NRR)

- Based upon costs provided by Hotwire
- Annual escalator
- 100% cost recovery

Town of Golden Beach, FL Internet/Telecommunications Special Assessment

Max Revenue Requirement for Assessment		\$ 271,768
Plus: Property Appraiser Expense	1%	\$ 2,893
Plus: Tax Collector Expense	1%	\$ 2,893
Plus: Prepayment Discount	4%	\$ 11,573
Plus: Costs of Mailing		\$ 196
Net Revenue Requirement for Assessment		\$ 289,324
% Cost Recovery		100.0%
Apportioned Revenue Requirement		\$ 289,324



Assessment Calculation

- Tier 1 NRR % based upon initial infrastructure costs
- For each Tier:
$$\text{Rev Req/Units} = \text{Assessment/Unit}$$

Tier 1 - Infrastructure	47.9%
Tier 1 Apportioned Revenue Requirement	\$ 138,490
Total Tier 1 Units	402
Annual Tier 1 Fee per Unit	\$ 344.50

Tier 2 - Service	52.1%
Tier 2 Apportioned Revenue Requirement	\$ 150,834
Total Tier 2 Units	353
Annual Tier 2 Fee per Unit	\$ 427.01

Average Residential Annual Assessment	\$ 771.51
Monthly Equivalent Assessment	\$ 64.29



Next Steps

To Assess on Tax Bill for FY 2023

- Finalize Costs
- Initial Assessment Resolution – April Agenda
- First Class Mailing – 20 Days Prior to Public Hearing
- Public Hearing/Final Assessment Resolution – June Agenda
- Roll to MDCPA for Inclusion on Tax Bill – July

Thank You

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