




## LEGISLATIVE MEMORANDUM

**TO:** Honorable Mayor and Members of the City Council  
**FROM:** Gregg Lynk, City Manager   
**DATE:** August 2, 2018  
**RE:** Unit 32 Roads Initial Assessment Resolution

The Public Works Department is requesting the adoption of the Unit 32 Initial Assessment Resolution. The revenue derived from the assessment will be used to reconstruct roads in Unit 32 and some benefitting parcels outside of, but adjacent to Unit 32. The assessment insures an equitable and efficient method of allocating and apportioning road construction costs among benefited properties.

**REQUESTING DEPARTMENTS:**

Public Works Department, City Attorney's Office, City Manager's Office

**FISCAL IMPACT:**

The Brevard County Tax Collection office can place up to a 2% fee for processing our Stormwater Utility service fees.

**RECOMMENDATION:**

Motion to approve the Unit 32 Roads Initial Assessment Resolution.

Attachments: 1) Stantec Final Report  
2) Copy of Initial Assessment Resolution

JM/GS/ab



City of Palm Bay, FL

# Unit 32 Roads Assessment – 3<sup>rd</sup> Revised Final Report

July 27, 2018





July 27, 2018

Mr. Gregory Stone, PMP  
City of Palm Bay  
Special Projects Division  
Manager  
120 Malabar Road  
Palm Bay, FL 32907

Re: Unit 32 Roads Assessment  
– Final Report

Dear Mr. Stone

Stantec is pleased to present this Final Report of the Unit 32 Roads Assessment that we have performed for the City of Palm Bay (The City).

We appreciate the fine assistance provided by you and all of the members of City staff who participated in the analysis.

If you or others at the City have any questions, please do not hesitate to call me at (904) 923-1466 or email me at [michael.burton@stantec.com](mailto:michael.burton@stantec.com). We appreciate the opportunity to be of service to the City and look forward to working with you again in the near future.

Sincerely,

A handwritten signature in blue ink, appearing to read "Michael Burton".

Michael Burton  
Vice President

200 Business Park Circle, Suite 101  
St. Augustine, FL 32095  
[michael.burton@stantec.com](mailto:michael.burton@stantec.com)

Enclosure

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# 1. INTRODUCTION

Stantec Consulting Services Inc. has conducted a Non-Ad Valorem Assessment Study (Study) to develop a Non-Ad Valorem Assessment for the City of Palm Bay (the City) to fund capital improvements to local roads (Road Assessment Program) within Port Malabar Unit 32 (Unit 32) and several connecting roads bordering Unit 32 (Assessment Area) within the City. This report presents the objectives, approach, methodologies, source data, assumptions, as well as the findings and recommendations of the Study.

Pursuant to Section 6.02 of the City Charter, the City has the authority to impose special assessments for the construction, reconstruction, repair and related maintenance of all roads and streets. As such, the City desires to create a Road Assessment Program that would recover the full capital costs to provide paved and improved roads to Unit 32. The methodology utilized within this study relies upon current property and cost data to create a fair and equitable assessment.

## 1.1 STUDY OBJECTIVE & PROCEDURE

The objective of this Study is to develop a non-ad valorem assessment program that will recover the full capital cost requirements of providing improved roads to properties within the Assessment Area. The costs associated with these improvements must be recovered in proportion to the benefit received from these services provided by the City.

The Study first identifies the recommended improvements as provided by the City and their associated cost requirements, recognizing the high level of service traditionally provided by the City.

The revenue requirement was then apportioned to vacant and improved residential and non-residential property classes based upon property data obtained from the Brevard County Property Appraiser's Office (Property Appraiser) and Graphical Information System (GIS) data provided by the City. Once the allocations were complete, Assessment rates were developed, the results of which are presented herein.

## 2. PROJECT DESCRIPTION

### 2.1 ASSESSMENT AREA

The Assessment Area consists of 1,876 parcels within Unit 32 and 25 parcels outside of the boundary of Unit 32 fronting the north side of Gates Rd. between Happiness Avenue and LaBelle Avenue, on Almeria Lane, and along the western border of Unit 32 along Garvey Road as recorded by the Property Appraiser and reviewed by the City. Appendix A provides a map of the Assessment Area indicating the location of the project and proposed road improvements.

### 2.2 PROJECT COSTS OF PROPOSED IMPROVEMENTS

The City has identified the probable costs for the paving and improvement of the road network throughout the Assessment Area. The City has identified two level of service standards for these improvements as follows:

#### **Option 1: DCS (Double-Chip and Seal)**

Under this improvement option, the City will complete a full depth reclamation (FDR) process to stabilize the base then place a double chip and seal (DCS) driving surface. Roads which currently have a Pavement Condition Index (PCI) greater than 80 will be milled and resurfaced with Superpave. 78,655 linear feet (lf)/14.9 miles will get FDR/DCS treatment while 32,326 lf/6.1 miles will be milled and resurfaced with Superpave for a total of 110,981 lf/21.0 miles of road to be resurfaced. All drainage repairs and improvements will be funded from the storm water utility and therefore not included in the assessment calculation.

#### **Option 2: Superpave**

This option includes a FDR process to stabilize the base then pave the driving surface with Superpave. Roads which currently have a PCI greater than 80 will be milled and resurfaced with Superpave. 78,655 linear feet (lf)/14.9 miles will get FDR/Superpave treatment while 32,326 lf/6.1 miles will be milled and resurfaced with Superpave for a total of 110,981 lf/21.0 miles of road to be resurfaced. All drainage repairs and improvements will be funded from the storm water utility and therefore not included in the assessment calculation.

Probable costs for these improvements are shown in Table 1. The City's proposed financing plan for the project consists of the issuance of a debt instrument to be issued and repaid through this Assessment.

**Table 1 – Unit 32 Roads Assessment Probable Costs**

<b>Description</b>	<b>Option 1: DCS</b>	<b>Option 2: Superpave</b>
Cost	\$4,026,655	\$5,513,435
Overhead Costs	\$1,207,997	\$1,654,031
<b>Total<sup>1</sup></b>	<b>\$5,234,652</b>	<b>\$7,167,466</b>

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<sup>1</sup> Includes Engineering and CEI costs.

## 3. SPECIAL ASSESSMENT METHODOLOGY

The development of a non-ad valorem assessment to fund roads improvements requires that the improvements for which properties are to be assessed confer a special benefit upon the property burdened by the special assessment. Simply stated, there must be a logical relationship between the services and facilities provided and the benefit to real property assessed.

In addition to the special benefit requirement, the costs associated with providing the services and facilities must be reasonably apportioned to the properties that receive a benefit from the improvements in proportion to the benefit received. Therefore, the recommended assessments calculated in this study were developed such that the costs incurred by the City in improving these roads will be recovered through assessments to properties in proportion to the benefit received by the availability of the improved roads to all properties within the Assessment Area.

This section describes the assessment methodology used to develop the Roads Assessment. The first sub-section discusses relevant Florida Law regarding special non-ad valorem assessments, followed by sections discussing how Florida Law has been applied to the determination of special benefit and the apportionment of revenue requirements of the assessment to benefitting properties.

### 3.1 FLORIDA LAW GOVERNING SPECIAL ASSESSMENTS

This section discusses relevant Florida Law regarding special non-ad valorem assessments as it relates to the proposed Roads Assessment. The discussion covers how Florida law relates to special benefit.

Special assessments are a revenue source available to local governments in Florida to fund operations and maintenance expenses and capital improvements for essential services such as roads, drainage, fire protection services, utilities, etc.

Pursuant to Florida case law, two requirements must be satisfied for the imposition of a valid non-ad valorem special assessment. These two requirements have become known as the two-pronged test. They are 1) the property assessed must derive a special benefit from the services or assets provided, and 2) the assessment must be fairly and reasonably apportioned among the properties that receive the special benefit.

In considering special benefit, the following question must be considered: “Can a special benefit be derived from the improvements by all properties within the Assessment Area to meet the first prong of the two-pronged test, even if all properties are not yet improved?”. The answer is yes, based in part upon the Florida Supreme Court determination in Meyer v. City of Oakland Park where the Court upheld a sewer assessment on both improved and unimproved property, stating that the benefit need



not be direct or immediate but must be substantial, certain and capable of being realized within a reasonable time<sup>2</sup>. Road improvements were determined to provide special benefit per Atlantic Coast Line R. Co. v. City of Gainesville<sup>3</sup> and Bodner v. City of Coral Gables<sup>4</sup>. In City of Hallandale v. Meekins<sup>5</sup> the Court indicated that the proper measure of benefits accruing to property from the assessed improvement was not limited to the existing use of the property but extended to any future use which could reasonably be made.

It is well settled under Florida law that local governments are afforded great latitude regarding legislative determinations of special benefit and reasonable apportionment of costs. Specifically, the Florida Supreme Court has held that in cases where valid alternative methods of apportionment exist, the legislative body's determination should be upheld, unless that determination was arbitrary, and a court should not substitute its judgment for that of the local legislative body. In City of Boca Raton v. State of Florida<sup>6</sup> the Florida Supreme Court stated that the apportionment of benefits is a legislative function, and if reasonable persons may differ as to whether the land assessed was benefitted by the local improvement, the findings of the City officials must be sustained. Further, in City of Boca Raton v. State of Florida the Florida Supreme Court also determined that the manner of the assessment is immaterial and may vary within the City, as long as the amount of the assessment for each tract is not in excess of the proportional benefits as compared to other assessments on other tracts. A local government can assign to each property, which is subject to the assessment, a different category designation with each category having a different assessment rate.<sup>7</sup>

### **Special Benefit – The First Prong of the Two-Pronged Test**

All tax parcels, developed and undeveloped, are benefited by the mere availability of a paved and improved roads network infrastructure. Such benefit is independent of whether the property is developed or not. The benefits include:

- Increasing, establishing, and preserving adequate ingress and egress to all properties within the assessment area.
- Enhanced property and rental value, marketability of and/or ability to develop property.

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<sup>2</sup> Meyer v. City of Oakland Park, 219 So.2d 417 (Fla. 1969)

<sup>3</sup> Atlantic Coast Line R. Co. v. City of Gainesville, 91 Sc.118 (Fla. 1922)

<sup>4</sup> Bodner v. City of Coral Gables, 245 So.2d 250 (Fla. 1971)

<sup>5</sup> City of Hallandale v. Meekins, 237 So.2d 318 (Fla. 4th DCA 1970), aff'd, 245 So.2d 253 (Fla 1971)

<sup>6</sup> City of Boca Raton v. State of Florida, 595 So.2d 25 (1992)

<sup>7</sup> Workman Enterprises, Inc. v. Hernando County, 790 So.2d 598 (Fla. 5th DCA 2001); Desiderio Corp. v. City of Boynton Beach, 39 So. 3d 487, 498 (Fla. 4th DCA 2010)

- Facilitating access to and delivery of essential services, including but not limited to: fire rescue, emergency medical services, solid waste collection, law enforcement, postal delivery, and transportation of students by the School Board.
- Increased use and enjoyment of the parcel derived from continuously and immediately available improved roads.
- Enhanced marketability and value of the parcel when compared to a similarly situated parcel for which roads are not improved to the same level of standard or are otherwise more difficult to access.

The mere availability of an improved road network benefits each parcel because each property owner will have more reliable access to their parcel whether already developed or currently undeveloped but with the potential to be developed in the future.

Therefore, the first prong of the two-pronged test (the property burdened by the assessment must derive a special benefit from the service provided by the assessment) is met because each parcel will receive a special benefit from the availability of improved roads provided by the City.

#### **Fair and Reasonable Apportionment – The Second Prong of the Two-Pronged Test**

In considering the assessment methodology, the second prong of the two-pronged test requires that the costs of the assessment must be fairly and reasonably apportioned among the properties that receive the special benefit. In this Study we have developed an apportionment methodology based upon the availability of improved roads to all parcels abutting the roads or parcels that must use the roads for ingress or egress, improved and un-improved.

#### **Apportionment of Benefits to Properties**

Our analysis of the Assessment Area is based upon an Equivalent Assessment Unit (EAU) which was determined by an evaluation of the parcels within the Assessment Area and their current and potential property use based on the City's Land Development Code (LDC). Properties within the Assessment Area (which includes all parcels that will receive a special benefit from the proposed improvements described herein) were classified as either (1) Non-Residential or (2) Residential based upon the property type and use code description.

- Non Residential zoned parcels (IU and NC):
  - Undeveloped and developed Non-Residential properties were apportioned EAU's based upon their allowable density as determined by their LDC zoning classification.
    - Zoning Classification IU: minimum lot size = 1 acre (i.e. maximum allowable density for a 1 acre parcel is 1 EAU)
    - Zoning Classification NC: minimum lot size = 10,000 square feet or approximately 0.23 acres (i.e. maximum allowable density for a 1 acre parcel is 4 EAUs)

- Residential zoned parcels (RS-2, SRE, RS-1, RE, and RR):
  - Developed residential parcels were assigned one EAU per platted lot. In circumstances where a parcel consists of two or more platted lots, a visual analysis was performed to determine the potential future development capability of said parcel. In these instances, the determined development potential was determined to be no greater than the maximum allowable density based upon their zoning classification in the City's LDC.
  - Undeveloped platted residential parcels were assigned the number of benefitting dwelling units based on the number of platted lots within the parcel and apportioned one EAU per dwelling unit.
  - Undeveloped unplatted residential parcels were assigned the number of benefitting dwelling units based upon the allowable density based on their LDC zoning classification and apportioned one EAU per dwelling unit.
    - Zoning Classification RS – 2: minimum lot size = 7,500 square feet or approximately 0.17 acres (i.e. maximum allowable density for a 1 acre parcel is 5 single-family lots)
    - Zoning Classification SRE: minimum lot size = 8,000 square feet or approximately 0.18 acres (i.e. maximum allowable density for a 1 acre parcel is 5 single-family lots)
    - Zoning Classification RS – 1: minimum lot size = 8,000 square feet or approximately 0.18 acres (i.e. maximum allowable density for a 1 acre parcel is 5 single-family lots)
    - Zoning Classification RE: minimum lot size = 12,000 square feet or approximately 0.28 acres (i.e. maximum allowable density for a 1 acre parcel is 3 single-family lots)
    - Zoning Classification RR: minimum lot size = 1 acre (i.e. maximum allowable density for a 1 acre parcel is 1 single-family lot)

### **Discussion of the Apportionment Methodology**

The methodology is a benefit-based approach, which is the legal requirement for a non-ad valorem assessment. Therefore, this methodology does not rely upon demand-based trip generation data directly because of the large number of vacant parcels, however each EAU when developed will be expected to produce on average a similar number of vehicular trips. In addition, the recommended methodology herein focuses on benefit to the property based upon the availability of the improved roads network allowing property owners access to and from their property to and from major collector roads within the City which is an appropriate matching of benefit received and recognizes the benefit to all properties regardless of whether or not trips are actually made to and from any class of properties or individual properties. This methodology recognizes two important facts:

- First and foremost, the Road improvements to be made by the City will be ready and available to be driven on to access property within the Assessment Area.
- The projects to be funded from this assessment result in improvements to roads that are “local” or primarily exist for the purpose of providing access to these parcels for the property owners.

Therefore, the second prong of the two-pronged test is met by the recommended fair apportionment of costs based upon benefit embodied in this cost apportionment approach.

## 4. ASSESSMENT CALCULATION

This section presents the results of the Assessment calculations and our recommendations based upon those results.

### 4.1 NET REVENUE REQUIREMENT

The Net Revenue Requirement (NRR) will be the basis for the Assessment calculations. The projection of costs is used to identify the assessment rates necessary to fully fund the improvements and associated annual debt service payments (the Maximum Assessment Rate). The NRR and projected costs are based upon the proposed project costs as provided by the City at the time of this analysis.

#### **Projection of the Net Revenue Requirement**

To calculate the NRR, the probable improvement costs were provided by City Staff. In addition, associated legal and consulting fees related to the development and implementation of this Assessment were included. For those property owners that choose to pay the assessment annually, a 5% collection cost and non-collection contingency was included along with the Statutory Discount of 4% for early payment discounts to determine the annual assessment revenue requirement. The projection of the NRR for each option is presented in Tables 2 and 3 while Tables 4 and 5 summarize the sources and uses of funds. The financing terms are assumed to include the following and are based upon the assumption that the debt issued will be in the form of a revenue bond<sup>8</sup>:

- Term of 15 years consisting of 30 semi-annual interest payments
- Interest rate equal to 3.5%
- Debt service reserve fund equal to one year of debt service
- Costs of issuance equal to 2% of the par amount

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<sup>8</sup> Financing terms are based upon assumptions as stated herein and will be finalized when debt issuance occurs.

The NRR is 100% Cost Recovery for the assessments calculated herein.

**Table 2 – Net Revenue Requirement Calculation – Option 1: DCS**

<b>Unit 32 Net Revenue Requirement Calculation</b>		
DCS Cost	\$	5,234,652
Superpave Cost	\$	-
Consulting Fees	\$	15,994
Legal Fees	\$	58,500
<b>Total Capital Costs</b>	<b>\$</b>	<b>5,309,146</b>
Cost Recovery		100%
<b>Adjusted Capital Costs</b>	<b>\$</b>	<b>5,309,146</b>

**Table 3 – Net Revenue Requirement Calculation – Option 2: Superpave**

<b>Unit 32 Net Revenue Requirement Calculation</b>		
DCS Cost	\$	-
Superpave Cost	\$	7,167,466
Consulting Fees	\$	15,994
Legal Fees	\$	58,500
<b>Total Capital Costs</b>	<b>\$</b>	<b>7,241,960</b>
Cost Recovery		100%
<b>Adjusted Capital Costs</b>	<b>\$</b>	<b>7,241,960</b>

**Table 4 – Sources and Uses – Option 1: DCS**

Proceeds	\$	5,309,146
Cost of Issuance	2.0%	\$ 118,883
Debt Service Reserve	\$	516,099
<b>Par Amount</b>	<b>\$</b>	<b>5,944,128</b>

**Table 5 – Sources and Uses – Option 2: Superpave**

Proceeds	\$	7,241,960
Cost of Issuance	2.0%	\$ 162,162
Debt Service Reserve	\$	703,987
<b>Par Amount</b>	<b>\$</b>	<b>8,108,109</b>

## 4.2 PROPERTY DATA AND ASSESSMENT UNITS

The basis for creating the Assessment calculations and associated assessment roll is the parcel database as provided by the Property Appraiser. The property database includes 1,888 parcels within Unit 32 and 27 parcels located outside of Unit 32 that are included in the Assessment Area as receiving benefit. Each parcel was assigned a number of EAUs for purposes of the assessment calculations based upon the type of property, acreage, and other factors as described herein.

### **Exempt and Excluded Properties**

There is a distinction between exempt and excluded parcels. Certain tax parcels are exempt by State statutes or case law from non-ad valorem assessments such as this Assessment even those that benefit. Such exempt parcels are included in the cost apportionment but will not be billed an assessment. The unrecovered revenue will be funded through other City general revenues. To identify the exempt parcels, the use codes assigned to each property by the Property Appraiser were utilized.

Parcels that are excluded from this assessment because they receive no benefit from road improvements, are lake bottoms, marshes, and other property types that will likely never develop. The excluded properties are identified by the property use codes contained in the Property Appraiser's database.

This study has assumed the required exemptions for City, County, State, and Federal properties. For purposes of this assessment it is assumed that the City will not impose any elective exemptions for properties coded as Not-for-profit in the Property Appraiser's database.

## **4.3 ASSESSMENT RATE CALCULATION**

### **Identification of Assessment Units**

The following steps were taken to populate assessment units for the assessment rate calculations:

1. All parcels identified as not receiving any benefit from the proposed improvements were excluded from the EAU calculation.
2. All remaining parcels exempt or otherwise located within the Assessment Area were identified by the full parcel database and were included in the determination of the number of EAUs to be included for each parcel and in total.

Table 6 presents the total parcels within the Assessment Area and provides the excluded parcels (not benefitted or otherwise excluded), exempt parcels, and determination of total EAUs within the Assessment Area by their corresponding use code and class.

**Table 6 – Equivalent Assessment Units**

UNIT 32 ASSESSMENT AREA								
Code	UseCodeDesc	Exempt	Total Parcels	Not Benefitted Parcels	Benefiting Parcels	Assessment Methodolog y	(Less: Excluded) Apportioned EAUs	(Less:Exempt) Billed EAUs
7100	C-CHURCH	N	1	1	-	Acreage	-	-
8910	C-MUNICIPALLY OWNED LAND - IMPROVED	Y	1	1	-	Acreage	-	-
1000	C-VACANT COMMERCIAL LAND	N	2	2	-	Acreage	-	-
7000	C-VACANT LAND - INSTITUTIONAL	N	1	-	1	Acreage	1	1
8080	C-VACANT MUNICIPALLY OWNED LAND	Y	5	-	5	Acreage	162	-
132	R-RESIDENTIAL RELATED AMENITIES	N	2	2	-	N/A	-	-
113	R-SINGLE FAMILY - MODULAR	N	2	1	1	DU	1	1
110	R-SINGLE FAMILY RESIDENCE	N	481	40	441	DU	498	498
819	R-TWO RESIDENTIAL UNITS - NOT ATTACHED	N	1	-	1	DU	2	2
10	R-VACANT RESIDENTIAL LAND (SINGLE FAMILY, PLATTED)	N	1,396	72	1,324	DU	1,485	1,485
9	R-VACANT RESIDENTIAL LAND (SINGLE FAMILY, UNPLATTED) - LESS THAN 5	N	1	1	-	Acreage	-	-
9600	C-WASTE LAND	N	1	1	-	N/A	-	-
9909	R-VACANT RESIDENTIAL LAND (SINGLE-FAMILY, UNPLATTED) - 5 ACRES OR	N	7	-	7	Acreage	411	411
<b>Total</b>			<b>1,901</b>	<b>121</b>	<b>1,780</b>		<b>2,560</b>	<b>2,398</b>

UNIT 32 ASSESSMENT AREA								
Land Development Code	Zoning Classification		Total Parcels	Not Benefitted Parcels	Benefiting Parcels		(Less: Excluded) Apportioned EAUs	(Less:Exempt) Billed EAUs
IU	IU - Institutional Use District		2	1	1		1	1
NC	NC Neighborhood Commercial District		2	2	-		-	-
RR	RR - Rural Residential District		27	3	24		94	94
RS-2	RS-2 - Single-family Residential District		1,867	115	1,752		2,172	2,010
RE	RE - Estate Residential District		1	-	1		1	1
RS-1	RS-1 - Single-family Residential District		1	-	1		75	75
SRE	SRE - Suburban Residential Estate Category		1	-	1		217	217
<b>Total</b>			<b>1,901</b>	<b>121</b>	<b>1,780</b>		<b>2,560</b>	<b>2,398</b>

**Unity of Title**

Property owners of a parcel which consists of more than one lot may elect to declare a “Unity of Title” which would voluntarily legally restrict or limit the use of additional lots/units within the parcel. For example, a property owner of a parcel with three combined lots may make a declaration of “Unity of Title” on either one or two of the lots/units therefore reducing the assigned EAUs and amount of assessment, but also limiting the ability of the property owner to further develop said parcel beyond the lots/units declared in the unity of title declaration.

As such, for purposes of calculating a maximum assessment rate, assumptions have been made herein regarding assumed “Unity of Title” declarations that may be made by affected property owners. The assumptions made are that all parcels with 5 or fewer lots/units will elect a unity of title to one lot/unit, and all parcels with greater than 5 lots/units will elect a unity of title to one half of the original lots/units. Therefore, the assessments presented herein represent a reasonable maximum assessment amount and to the extent that fewer parcels make a unity-of-title election, the final assessments will be less than presented here.

**Full Cost Recovery Rate Calculation**

Property owners have two options for payment of the assessment; 1) prepay their apportioned costs, or 2) make annual assessment payments over 15 years. To calculate the full cost recovery assessments, we utilized the apportioned costs and total assessable units per property classification as identified in the previous sub-sections of this report. The full cost is apportioned to all properties included within the



assessment area. While exempt properties are included in the apportionment, their assessment will be paid by the City from other legally available revenues. The costs were divided by the number of EAUs identified to compute the Assessment per EAU as shown in Table 7 and 8 for Options 1 and 2 respectively.

**Table 7 – Full Cost Recovery Option 1: DCS<sup>9</sup>**

Unit 32 Pre-Payment Assessment Calculation	
Adjusted Capital Costs	\$ 5,309,146
Equivalent Assessment Units	2,101
Pre-payment Assessment per EAU	\$ 2,527

**Table 8 – Full Cost Recovery Option 2: Superpave<sup>10</sup>**

Unit 32 Pre-Payment Assessment Calculation	
Adjusted Capital Costs	\$ 7,241,960
Equivalent Assessment Units	2,101
Pre-payment Assessment per EAU	\$ 3,447

Property owners have the option to pay their apportioned costs for the project as shown in Tables 7 and 8 or to pay the assessment through the non-ad-valorem assessment portion of their Brevard County property taxes. In this case, certain costs are borne related to the acquisition of debt financing to pay for the project and the administration of the annual assessment including:

- Costs related to the issuance of debt and associated interest,
- Collection costs of 5% for administration, billing, collection, and a non-collection contingency,
- Statutory discount of 4% for early payments of Brevard County taxes.

Tables 9 and 10 present the estimated annual assessment at full cost recovery for options 1 and 2 respectively.

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<sup>9</sup> EAUs adjusted based upon assumed "Unity of Title" declarations.

<sup>10</sup> EAUs adjusted based upon assumed "Unity of Title" declarations.

**Table 9 – Annual Assessment: Option 1: DCS<sup>11</sup>**

Unit 32 Annual Assessment Calculation			
Proceeds		\$	5,309,146
Cost of Issuance	2.0%	\$	118,883
Debt Service Reserve		\$	516,099
<b>Par Amount</b>		<b>\$</b>	<b>5,944,128</b>
	<b>Interest</b>		<b>Term</b>
	3.5%		15
<b>Annual Debt Service Component</b>		<b>\$</b>	<b>516,099</b>
Collection Cost Component	5.0%	\$	25,805
Statutory Discount Amount	4.0%	\$	20,644
<b>Total Annual Project Costs</b>		<b>\$</b>	<b>562,548</b>
Equivalent Assessment Units			2,101
<b>Annual Assessment per EAU</b>		<b>\$</b>	<b>268</b>

**Table 10 – Annual Assessment: Option 2: Superpave<sup>12</sup>**

Unit 32 Annual Assessment Calculation			
Proceeds		\$	7,241,960
Cost of Issuance	2.0%	\$	162,162
Debt Service Reserve		\$	703,987
<b>Par Amount</b>		<b>\$</b>	<b>8,108,109</b>
	<b>Interest</b>		<b>Term</b>
	3.5%		15
<b>Annual Debt Service Component</b>		<b>\$</b>	<b>703,987</b>
Collection Cost Component	5.0%	\$	35,199
Statutory Discount Amount	4.0%	\$	28,159
<b>Total Annual Project Costs</b>		<b>\$</b>	<b>767,346</b>
Equivalent Assessment Units			2,101
<b>Annual Assessment per EAU</b>		<b>\$</b>	<b>365</b>

**Assessment Roll**

The complete assessment roll will be provided to the City electronically.

<sup>11</sup> EAUs adjusted based upon assumed “Unity of Title” declarations.

<sup>12</sup> EAUs adjusted based upon assumed “Unity of Title” declarations.

## **Disclaimer**

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