



Road and Drainage Assessment Revenue Sufficiency Analysis and Cost Apportionment

*North Port
Road and Drainage District*



Overview

1. Background
2. Mowing Assessment
Restructuring
3. Cost Apportionment
4. Property Impacts
5. Resolution 2018-R-19

Road and Drainage Assessment

1. Background

Background

- The North Port Road and Drainage District maintains the road and drainage network within the District,
 - The roads assessment is based upon trip generation rates of property classes, and
 - The drainage assessment is based upon the portions of the drainage system from which each parcel receives benefit...
 - Tertiary System – collects rainfall in neighborhoods and conveys to the Secondary System
 - Secondary Drainage System – Conveys drainage from the Tertiary System to the Primary System
 - Primary Drainage System – Conveys drainage from the Secondary System to receiving waters
- The District also mows the right of way for all vacant lots within the District.
 - The current mowing assessment is to only vacant lots and is equal per parcel

Background

The North Port Road and Drainage District has retained Stantec to conduct a Road and Drainage Assessment Study to address the following:

1. Develop a ten year financial plan to determine annual assessment adjustments that will be required to ensure that the District will generate sufficient revenues to meet all of its projected operations, maintenance and capital cost requirements,
2. Review and update the assessment methodology, including allocation of costs to the primary functions of Roads, Drainage and Mowing,
3. Review and update the assessment rate structure for each function above,
4. Prepare an assessment roll to reflect the results of the above activities,
5. Assist the District with implementation of the adjusted assessments for inclusion on the November 2018 tax bill.

Background

On June 13th, 2018, a Special Commission Meeting was held to discuss the Road and Drainage Study and review the pertinent scenarios and analyses for Fiscal Year (FY) 2019. The Commission direction from that meeting includes the following:

1. Increase the District's assessment rates by 4.50% in FY 2019.
2. Update the Mowing Assessment recovery to be based upon Equivalent Mowing Units (EMUs) where an EMU is a factor of 80 linear feet of frontage.
3. Begin City mowing the swales of improved lots in the agricultural estates and include the estate's mowing costs in the Primary, Secondary, and Tertiary Drainage Assessment.
4. Provide option for property owners of improved parcels to request City mowing services for a minimum time period if they meet certain criteria. This cost would be added to their annual Road and Drainage non-ad valorem assessment.
5. Reapportion the total district costs to the appropriate assessment based upon the Cost Of Service analysis conducted by Stantec and City Public Works Staff.

Road and Drainage Assessments

2. Mowing Assessment Restructuring

Arterials & Collectors – 8x/yr



Mowing Level of Service

Swales– 2x/yr



Local Roads– 6x/yr



Mowing Apportionment Methodology

Type of Lot	Current		Updated
Vacant (excluding Estates Agricultural)	Per Parcel	→	By EMU
Estates Agricultural Vacant	Per Parcel	→	N/A - costs apportioned to Drainage

Equivalent Mowing Unit (EMU), 1 EMU = 80 linear feet of frontage

Standard Lot:
80'x120',
¼ Acre



Large Panacea Lot:
Average 28.63 Acres





Estates Agricultural Lots:
Mow both vacant and
improved parcels. Costs
shift to Primary, Secondary
and Tertiary Drainage

Estates Lot:
230'x570',
3 Acres

Drainage (by acre)



Road and Drainage Assessment

3. Cost Apportionment

Basis of Apportionment

Two-Pronged Test

1. The property assessed must derive a special benefit from the service provided.
 2. The assessment must be fairly and reasonably apportioned among the properties that receive the special benefit.
- Roads:
 1. Special Benefit – Accessibility of maintained Roads network
 2. Fair Apportionment – Apportioned based on trips generated by property class
 - Drainage:
 1. Special Benefit – Drainage provided by the Drainage System components
 2. Fair Apportionment – Apportioned based on benefit provided by the specific system components
 - Mowing:
 1. Special Benefit – Provided by mowing of right-of-ways on vacant parcels
 2. Fair Apportionment – Apportioned equally to all vacant parcels benefitted

Allocation of Costs

- Allocation of Cost of Primary Functions
 - Roads
 - Administration
 - Base Roads
 - Enhanced Roads
 - Drainage
 - Administration
 - Drainage I
 - Drainage II
 - Drainage III
 - Mowing
 - Administration
 - Mowing of right-of-ways

Cost Allocation Process

During several interactive work sessions, staff and Stantec developed a revenue sufficiency analysis that determined the FY 2019 revenue requirements to serve as the test year for the allocations to each assessment charge. The procedure for this study is below:

1. Individually allocate all test year personnel, operating, capital, and offsetting revenue between mowing, roads, and drainage services.
2. Individually allocated the revenue requirements within each service to the appropriate assessment charge i.e. Road Admin, Road Base, and Enhanced Road.
3. Defined the total units EMU (mowing), ERU (roads), and EDU (drainage). Then distributed the allocated costs to the units receiving the benefit of each assessment.

Apportionment Of FY 2019 Revenue Requirements

FY 2019 Gross Assessment Revenue Requirement

\$ 12,695,469

Breakdown of FY 2019 Gross Assessment Revenue	Mowing		Roads			Drainage				Total
	Admin	Mowing	Admin	Base	Enhanced	Admin	Primary	Secondary	Tertiary	
FY 2019 Allocation of Asmt. Rev. Req.	\$250,039	\$1,500,819	\$428,943	\$2,409,305	\$436,024	\$783,271	\$2,904,958	\$1,621,590	\$2,360,520	\$12,695,469
FY 2018 Gross Asmt Rev. Per Roll	\$167,556	\$2,168,570	\$391,246	\$1,061,700	\$2,337,790	\$388,571	\$2,526,323	\$1,386,728	\$1,434,573	\$11,863,056
Variance (Allocation - Asmt)	\$82,483	-\$667,751	\$37,697	\$1,347,605	-\$1,901,766	\$394,700	\$378,635	\$234,862	\$925,947	\$832,413

FY 2019 Projected Assessment Charges

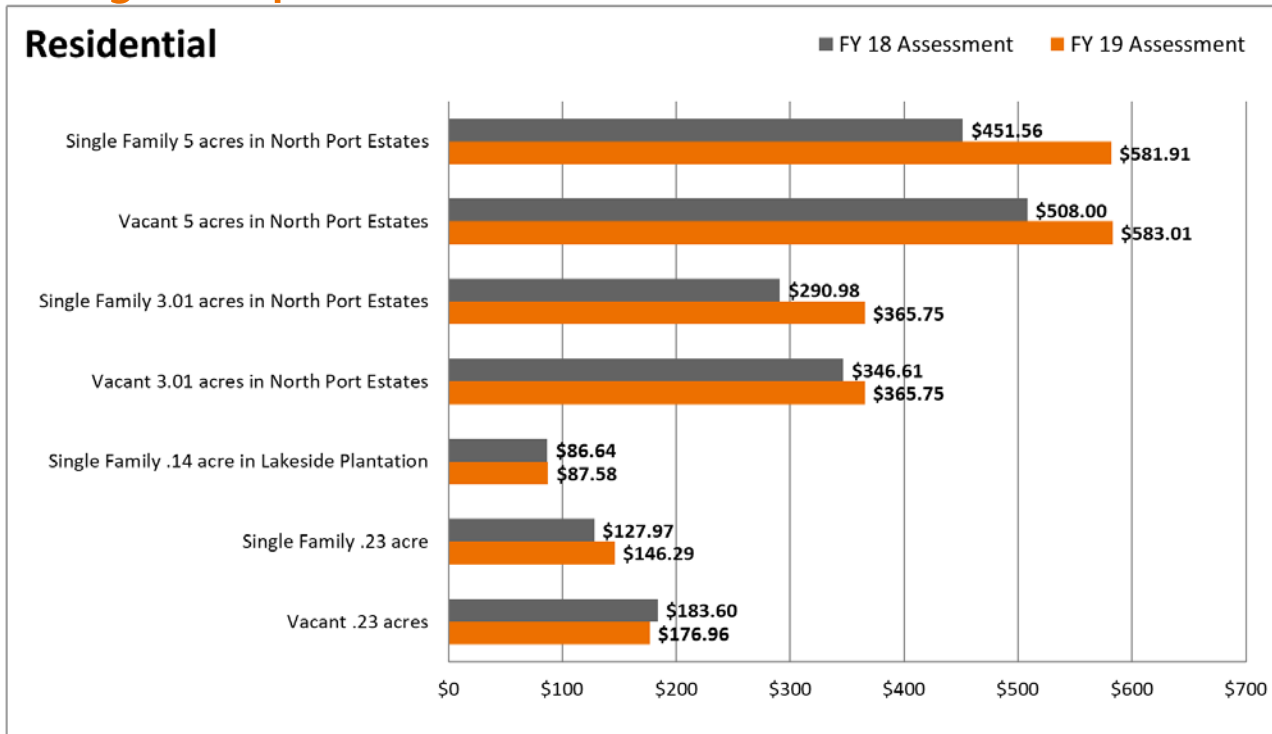
FY 2019 Projected Assessment Charges	Mowing		Roads			Drainage			
	Admin	Mowing	Admin	Base	Enhanced	Admin	Primary	Secondary	Tertiary
Projected FY 2019 Assessment*	\$4.38	\$26.29	\$4.75	\$26.68	\$5.68	\$10.66	\$39.81	\$23.53	\$35.18
FY 2018 Assessment	\$3.99	\$51.64	\$4.40	\$11.94	\$30.53	\$5.27	\$34.50	\$20.04	\$21.29
Percentage Difference	9.77%	-49.09%	7.95%	123.45%	-81.40%	102.28%	15.39%	17.42%	65.24%

* The Projected FY 2019 Assessment reflects the updated cost apportionment for each assessment based upon the FY 2019 revenue requirements from the Financial Model and the cost allocations from the Cost Allocation Model

Road and Drainage Assessment

4. Sample Property Impacts

Property Impacts



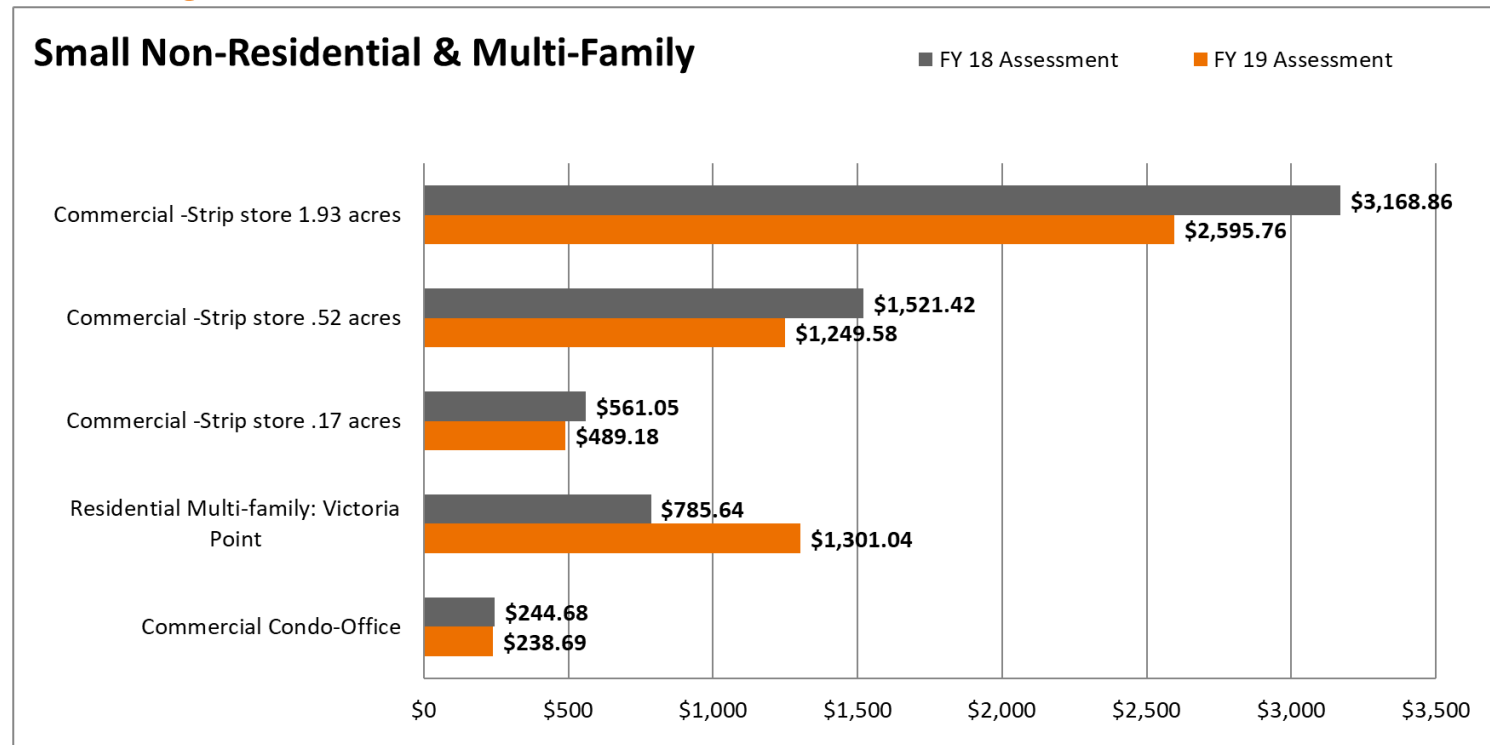
Description	FY 18 Assessment	FY 19 Assessment	Dollar Change
Vacant .23 acres	\$183.60	\$176.96	-\$6.64
Single Family .23 acre	\$127.97	\$146.29	\$18.32
Single Family .14 acre in Lakeside Plantation	\$86.64	\$87.58	\$0.94
Vacant 3.01 acres in North Port Estates	\$346.61	\$365.75	\$19.14
Single Family 3.01 acres in North Port Estates	\$290.98	\$365.75	\$74.77
Vacant 5 acres in North Port Estates	\$508.00	\$583.01	\$75.01
Single Family 5 acres in North Port Estates	\$451.56	\$581.91	\$130.35

Breakdown of Property Impacts

RESIDENTIAL

Description	FY 18 Assessment	4.5% Rate Increase	Mowing Methodology Change	Updated Cost Apportionment	FY 19 Assessment	Change In Assessment
Vacant .23 acres	\$ 183.60	\$ 8.26	\$ (11.62)	\$ (3.28)	\$ 176.96	\$ (6.64)
Single Family .23 acre	\$ 127.97	\$ 5.76	\$ 4.23	\$ 8.33	\$ 146.29	\$ 18.32
Single Family .14 acre in Lakeside Plantation	\$ 86.64	\$ 3.90	\$ 1.34	\$ (4.30)	\$ 87.58	\$ 0.94
Vacant 3.01 acres in North Port Estates	\$ 346.61	\$ 15.60	\$ (42.90)	\$ 46.44	\$ 365.75	\$ 19.14
Single Family 3.01 acres in North Port Estates	\$ 290.98	\$ 13.09	\$ 12.73	\$ 48.95	\$ 365.75	\$ 74.77
Vacant 5 acres in North Port Estates	\$ 508.00	\$ 22.86	\$ (34.49)	\$ 86.64	\$ 583.01	\$ 75.01
Single Family 5 acres in North Port Estates	\$ 451.56	\$ 20.32	\$ 21.10	\$ 88.93	\$ 581.91	\$ 130.35

Property Impacts



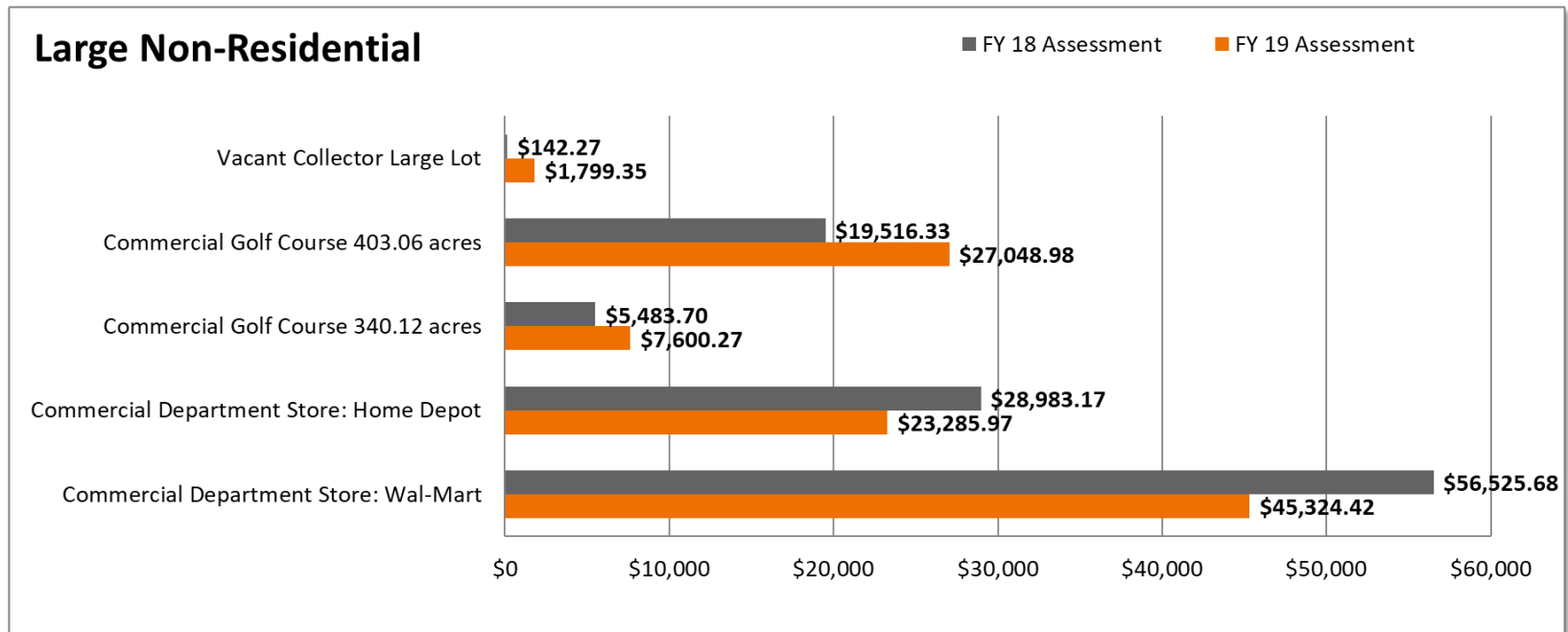
Description	FY 18 Assessment	FY 19 Assessment	Dollar Change
Commercial Condo-Office	\$244.68	\$238.69	-\$5.99
Residential Multi-family: Victoria Point	\$785.64	\$1,301.04	\$515.40
Commercial -Strip store .17 acres	\$561.05	\$489.18	-\$71.87
Commercial -Strip store .52 acres	\$1,521.42	\$1,249.58	-\$271.84
Commercial -Strip store 1.93 acres	\$3,168.86	\$2,595.76	-\$573.10

Breakdown of Property Impacts

SMALL NON-RESIDENTIAL & MULTI-FAMILY

Description	FY 18 Assessment	4.5% Rate Increase	Mowing Methodology Change	Updated Cost Apportionment	FY 19 Assessment	Change In Assessment
Commercial Condo-Office	\$ 244.68	\$ 11.01	\$ 4.23	\$ (21.23)	\$ 238.69	\$ (5.99)
Residential Multi-family: Victoria Point	\$ 785.64	\$ 35.35	\$ 14.17	\$ 465.87	\$ 1,301.04	\$ 515.40
Commercial -Strip store .17 acres	\$ 561.05	\$ 25.25	\$ 4.23	\$ (101.34)	\$ 489.18	\$ (71.87)
Commercial -Strip store .52 acres	\$ 1,521.42	\$ 68.46	\$ 4.23	\$ (344.53)	\$ 1,249.58	\$ (271.84)
Commercial -Strip store 1.93 acres	\$ 3,168.86	\$ 142.60	\$ 8.16	\$ (723.86)	\$ 2,595.76	\$ (573.10)

Property Impacts



Description	FY 18 Assessment	FY 19 Assessment	Dollar Change
Commercial Department Store: Wal-Mart	\$56,525.68	\$45,324.42	-\$11,201.26
Commercial Department Store: Home Depot	\$28,983.17	\$23,285.97	-\$5,697.20
Commercial Golf Course 340.12 acres	\$5,483.70	\$7,600.27	\$2,116.57
Commercial Golf Course 403.06 acres	\$19,516.33	\$27,048.98	\$7,532.65
Vacant Collector Large Lot	\$142.27	\$1,799.35	\$1,657.08

Breakdown of Property Impacts

LARGE NON-RESIDENTIAL

Description	FY 18 Assessment	4.5% Rate Increase	Mowing Methodology Change	Updated Cost Apportionment	FY 19 Assessment	Change In Assessment
Commercial Department Store: Wal-Mart	\$ 56,525.68	\$ 2,543.66	\$ 59.15	\$ (13,804.07)	\$ 45,324.42	\$ (11,201.26)
Commercial Department Store: Home Depot	\$ 28,983.17	\$ 1,304.24	\$ 35.13	\$ (7,036.56)	\$ 23,285.97	\$ (5,697.20)
Commercial Golf Course 340.12 acres	\$ 5,483.70	\$ 246.77	\$ 152.30	\$ 1,717.50	\$ 7,600.27	\$ 2,116.57
Commercial Golf Course 403.06 acres	\$ 19,516.33	\$ 878.23	\$ 542.05	\$ 6,112.37	\$ 27,048.98	\$ 7,532.65
Vacant Collector Large Lot	\$ 142.27	\$ 6.40	\$ 1,341.89	\$ 308.78	\$ 1,799.35	\$ 1,657.08

Road and Drainage Assessment

5. Summary of Changes

Changes

First: Apply 4.5% assessment rate increase

Second: Add additional Mowing Service Costs to Drainage

Third: Re-apportion costs to the appropriate services
(9 buckets)