

I. REPORT OBJECTIVE

This Assessment Methodology Report details the basis of the benefit allocation and assessment methodology to support the implementation of a pavement management plan consisting of a continuous process for maintaining high quality City Streets. The City has identified Street Paving Improvements in the City's Street Improvement Fund within its five-year Capital Improvement Plan. Those lands within the Assessment Area of the City of New Port Richey (City) are generally described as properties which are currently included or may in the future be included within the corporate boundaries of the City. The objective of this Report is to:

1. Identify the City's Capital Improvement Program ("CIP") needs for a continuous program that will preserve the existing City investment in paved streets and other functioning right of ways. The program will be deployed in a cyclical manner through an ongoing program of resurfacing and improvements appropriate for the sustainability of the transportation system within the City that is owned and or maintained by the City of New Port Richey. An annual budget will be recommended.
2. Determine a fair and equitable method of spreading the associated costs to the benefiting properties within the Citywide Assessment Area and ultimately to the individual real property parcels ~~therein;~~
and
3. Calculate and recommend the appropriate fee to be placed on an annual non-ad valorem assessment on the assessable lands within the City.
4. Review previous street improvement project assessments and identify the methodology. Subsequent to the review, create a recommendation of an appropriate credit for property owners who have been assessed for street improvement project assessments based on the proposed pavement management plan that is based on a 20 year design criteria should the proposed plan/s contain a different methodology than the existing PMP.
5. Review existing alley maintenance program and provide input back to Council.
6. Collect input from the Citizens Advisory Committee (CAC), comprised of a diverse collection of City residents and business interests who will be affected differently under the proposed plan/s.

The basis of benefit received by properties within the City relates directly to the findings of the Roadway Needs Assessment Report (Engineer's Report), prepared by Genesis and issued in December of 2014. The Introduction Section of the report (attached as Exhibit A) states at the outset that; "High quality transportation systems are essential to a thriving community". The Engineer's Report identified the general condition of approximately 70 miles of paved roadways that are owned and maintained by the City. The methodology employed was based on the Pavement Surface Evaluation and Rating (PASER) system developed by the Transformation Information System of the University of Wisconsin - Madison. The PASER system focuses on the surface condition of roads using photographic standards as benchmarks for a ten point **evaluation** scale. The prevailing logic of Pavement Management (Street Paving Improvement) is to restore road surfaces before the ride quality drops below a good quality rating in order to reap the benefits of a consistently high quality pavement condition. The justification for the increased scheduling of periodic pavement restoration is not just for vehicle ride quality, but also to avoid the rapid decline that occurs as ~~roads begin~~ **roadway conditions begin** to drop from good to fair condition, resulting in a high **corresponding increase in** cost of rehabilitation maintenance (which can cost up to 10 times the cost of preventative maintenance). Therefore, benefits will be derived from the use and enjoyment of a well maintained road network. Additionally, property owners will benefit economically from expected maintenance cost savings and through the sustainability of private property values attributable to ~~the curb appeal~~ of a quality street system.

It is the City's CIP that will establish the Pavement Management schedule for maintenance of the public transportation infrastructure that will be deployed systematically within the Assessment Area. All property owners within the City will have the ability to utilize and benefit from the streets and multi-modal corridors developed, constructed and maintained by the City. The main objective of this Report is to establish a basis on which to quantify and allocate the special benefit provided by the Pavement Management component of the CIP to the various benefiting parcels of real property within the City.

The City does not anticipate the issuance of Bonds or indebtedness to finance the ~~Pavement Management~~ **pavement management** portion of the CIP which will be scheduled in a rotating fashion in the most efficient manner practicable while prioritizing streets whose condition has dropped below a good rating. **Since Arterial/Collector (A/C) streets are critical to providing efficient commerce, emergency services, and municipal services, they shall have a priority status.**

In summary, this Methodology Report will determine the benefit of maintaining the City's network of streets that insures to the properties within the City, the recommended method of apportionment of the benefits and the resulting non-ad valorem assessments to be levied on an annual basis. The assessments will provide the financial support required for the City to perform a pavement management program that will result in improved driving surfaces and provide for the periodic pavement restoration of all streets and **improved** transportation corridors controlled by the City.

II. HISTORICAL CITY PAVEMENT ASSESSMENTS OVERVIEW

The City has historically maintained its residential streets by completing projects using **funding from** a combination of ~~City funds~~ **sources**. Accumulated funds collected from multiple years' Gas Tax proceeds have been combined with collections from special assessments which have been applied at various levels against benefiting properties ~~based on the front footage owned along the streets being repaved or reconstructed. Over the past 30 years, there have been 12 street paving projects using this method. Streets that are considered major arterials such as Main Street/Nebraska, portions of Grand Boulevard, Madison, Congress, Gulf, Adams, Marine Parkway and Cecelia were fully funded by the City in many cases. Recently, Pasco County conveyed the newly paved Plathe Road and the southern section of Grand Boulevard to the City along with the future maintenance responsibility.~~ **The 2009 Street Assessment Project used a calculation of three (3) assessment amounts (attached as Exhibit B). Property owners were classified into three classifications, Single-Family Home (SFH), Commercial/Multi-Family (CMF), and a Special Streets/Arterial/Collector Streets Class (SS/AC). The total cost for the project was divided by the number of properties associated with the SFH, CMF, and SS/AC classes resulting in the total dollar amount for each assessment per property. The City's Board of Equalization then approved funding contributions by the City for each class based on a percentage. SFH class had a 65% contribution by the City and a 35% cost share by the property owner. The CMF class had a 35% contribution by the City and a 65% cost share by the property owner. The SS/AC class had a 75% contribution by the City and a 25% cost share by the (SFH) property owners while the (CMF) percentage remained at the 35% contribution by the City and 65% contribution by the property owner. Over the past 30 years, there have been 12 street paving projects. Most of these projects were funded utilizing some form of assessment of directly affected property owners. However, this was not always the case, as streets that are considered arterial/collectors such as Main St.,**

Madison St., Congress St., Gulf Dr., Plathe Rd., and most recently Circle Blvd. were paved at no cost to the affected property owners and funded at 100% by the City.

For the last 12 street paving projects, assessments were levied and liens recorded with payback terms of ten years to include interest and ~~direct~~ **were directly** billed by the City. ~~Assessments were levied with~~ The construction costs ~~supplemented by~~ **of these paving project were subsidized to** various degrees ~~of~~ **by the** City ~~financial assistance against~~ **and** property owners who were immediately adjacent to the improvements **were assessed their difference** based on ~~front~~ **either road** footage ~~or classification~~. This direct benefit method has been problematic in two ways. First, the variance among property owners in the length of ~~front~~ footage adjacent to the pavement installed often resulted in perceptions that the distribution of costs under that method was not equitable. Second, property owners share their public streets with other vehicles and some streets incur more through traffic and as such those streets ~~may~~ deteriorate at a faster rate. While the City **typically** made adjustments for assessments on **arterial/collector roads** ~~and arterial roads~~, the resulting net charges to property owners over the past 30 years ~~lack~~ **lacked** consistency. The use of limited resources to finance the street improvements and the cumbersome steps involved in ~~forwarding~~ **advancing** paving projects have resulted in a decline in the **in the overall** quality of the ~~overall~~ street network and the need to change the City's process **in order to** ~~protect~~ **preserve** the **transportation** assets and provide a better ~~product~~ **quality of life**.

III. EXISTING CITY PAVEMENT MANAGEMENT PLAN METHODOLOGY CONCLUSIONS & RECOMMENDATIONS (Option #1)

Should City Council choose to continue with the City's existing Pavement Management Plan the following staff and Citizen's Advisory Committee recommendations should be considered:

1. In an effort to reduce delinquent payment, all future street improvement special assessments shall be collected each year through the Pasco County Tax Collectors Office, as opposed to the City's current practice of direct billing.
2. City Council shall make a commitment to not change the percentage of contribution approved by City Council/Board of Equalization (BOE), for all future street special assessment projects in order to be fair and equitable to all assessed individuals regardless of which project their special assessment was part of.

3. City Council shall identify the standard percent contribution amount for all future street improvement projects and direct staff for implementation when submitting to the BOE. The program percentages historically contributed by the City are too high, making this program non-sustainable under the 20 year design criteria.
4. Footage Methodology should be eliminated for all future projects.
5. All future projects assessments methodology shall be based on the 2009 assessment method (Section II) or the proposed 20 year methodology (Section V).
6. Where applicable roadways designated (A/C) by the Public Works Department shall remain a priority.
7. Additional funding shall be identified by the City in addition to the existing Local Option Gas Tax (LOGT) dollars of \$425,000 to meet the engineer's 20 year estimated design life-cycle for street improvements. (It should be noted that additional funding to meet the engineer's 20 year estimated design life-cycle might be met with the increase of LOGT dollars. The existing LOGT methodology is based on percent increases or decreases dependent on the previous 5 year expenditures by the City on street improvements.)
8. All property owners receiving a direct benefit, including schools, and government facilities shall be assessed.
9. Collection of outstanding unpaid balances and late payments shall become a Billing and Collection Division priority, as these outstanding balances cannot be placed on the Tax Collector Assessment Rolls.
10. It is understood that Federal Funds are available and administered through the County to assist low income residents and property owners. Guidelines should be reviewed to see if these funds are available for this type of assessment.
11. If the expected increase of funding isn't able to replace the dollars 'loaned' to Property Owners utilizing the 10-year payment plan, future years of pavement management projects can only be continued at a lower rate of project completion. While the rehabilitation of residential street improvements might be able to extend beyond the recommended 20 year design life-cycle, associated maintenance costs will escalate. Since (A/C) streets are integral to the City's roadway network and maintaining an acceptable ride quality of these streets is imperative, the rationing of maintenance may result in local residential streets being repaved significantly less frequently than

(A/C) streets. Finally, the extended time frame will also have an impact on construction costs associated with the street rehabilitation process for all streets included in the program.

In conclusion, the CAC has ranked this option #1 the lowest of the three (3) options described in this report. The CAC voted unanimously not to recommend this option during the committee's April 24, 2017 meeting.

IV. PROPOSED PAVEMENT MANAGEMENT PLAN IMPROVEMENTS – 20 YEAR DESIGN CRITERIA (Option #2)

A report issued in 2013 by IMS Infrastructure Management Services for the City of Dunwoody, GA addressed the importance and purpose of pavement management systems as follows;

Agencies implement pavement management systems for a variety of reasons:

- The agency desires to use analytical tools and technologies to more effectively manage their assets. This need often comes to the forefront due to rapidly increased costs and rapidly deteriorating pavements.
- In some cases a pavement management system is required in order to qualify for various types of funding.
- The Governmental Accounting Standards Board (GASB) Statement 34 now requires agencies that collect taxes for the purpose of managing a long-term, fixed infrastructure assets to either:
 - ~~Option #1~~ (Standard Method) - Implement financial-accounting controls to effectively depreciate and plan for replacement of fixed assets, or,
 - ~~Option #2~~ (Modified Method) - Implement an asset management system that provides a mechanism to gauge and budget for the long-term rehabilitation/maintenance of an asset.

The study completed on the City's roadway network may be used as the basis for achieving their GASB 34 compliance. In the case of ~~Option #1~~ the *Standard Method*, this study may be used as the basis for the inventory and valuation of the roadway network. For ~~Option #2~~ the *Modified Method*, once implemented the study recommendations may form the core of the GASB 34 compliance.

For New Port Richey, the Roadway Needs Assessment Report identified nearly ~~75~~70 miles of roadway in the City and completed a surface inspection of every roadway. The report identified the **initial five (5)** phases of capital improvements to be completed over a five year period **at a cost estimate** which includes only a portion of the street network of the City. The costs associated with the ~~capital improvements are derived from the Engineer's Report and are~~ **first five (5) cycles were** estimated to include both pavement overlay to refurbish road surfaces, and in cases where multiple layers have accumulated to an excess thickness or patching and other defects call for milling, the additional process to remove and replace surface materials. These costs have been projected based on current material pricing and ~~the~~ **historical project total cost at \$1,000,000.00.** The frequency of repaving ~~has been~~ **was** targeted based on ~~an average cycle of twenty years.~~ **staff's input during discussions with the engineer.** It is not anticipated that the assessment will generate 100% of the street improvement costs as the City will continue to rely on other revenue sources such as local option gas taxes to supplement the assessment revenues. ~~The~~

Subsequent to the completion of the Roadway Needs Assessment Report, the Genesis Group assisted City staff with the creation of the Street Paving Assessment Methodology Report. In the report, the Engineer has estimated that an annual allocation of approximately \$1,700,000 is a reasonable estimate of the cost to implement a resurface replacement program (the program) using a 20 year life-cycle to maintain the street network. In recognition that the original local option gas tax distribution to the City allows for street maintenance, the budgeted approximate \$425,000 contribution from those funds has been recommended to be applied to the program. In addition, annual solid waste franchise fees in the amount of \$75,000, annual general fund transfers in the amount of \$200,000, and \$200,000 from Penny for Pasco (2) Tax dollars, have been proposed to lower the annual non-ad valorem assessments to benefiting properties. The reduced annual assessments would total \$1,275-800,000 if the full amount of the original gas tax allocation were to **should these funds be allocated to the program. A reduced annual assessment will also serve to assure that the ~~benefits assessed~~ **assessment amounts** do not exceed the benefits received to individual properties within the City. ~~Benefits-Assessments~~ will also ~~accrue to~~ **include** local ~~school~~ **schools**, state and county governmental ~~or~~ **and** public purpose facilities ~~for which the~~ **as they receive special benefits included in the proposed program.** City Council ~~facilities~~ will ~~need to consider the appropriateness of assessing those properties.~~ **not be charged as the City is contributing over 50% funding of the program.****

V. PROPOSED PAVEMENT MANAGEMENT PLAN ALLOCATION METHODOLOGY (Option #2)

The program costs and underlying benefit of a well paved road network provide two distinct types of benefits to the property owners within the City. The first benefit is the positive effect that a well maintained road system has on the value of all real estate parcels that exist within the City. The second benefit of a well maintained road system is in the actual provision of satisfactory trips that occur as a result of the active use of the system by the various types of real properties within the City. The existence of a well paved road network improves the value of all properties within the City irrespective of the frequency of use of the property whether vacant or fully developed. According to F.S. 170.02, the methodology by which valid special assessments are allocated to specifically benefited property must be determined and adopted by the governing body of the City. This authority alone gives the City latitude in determining how special assessments will be allocated to specifically benefited properties. The benefit and assessment allocation rationale recommended in this report is detailed below and provides a mechanism by which the costs, based on a determination of the estimated level of benefit conferred by the program are apportioned to the assessable lands within the City for levy and collection. The recommended assessment allocation methodology ~~includes two components which separately address~~ **was developed after several meetings of the two distinct benefits outlined above to be allocated to each property within Citizen's Advisory Committee (CAC) where specific elements of prior assessment programs and proposed programs were evaluated. Reoccurring themes of the City. This method of benefit meetings included the recommendation that the final assessment** allocation is based on the benefit received from infrastructure improvements relative to the property's use and size in comparison to other properties within the City. **methodology should:**

~~The allocation of benefits and assessments associated with the street maintenance program are demonstrated on Table 2.~~

EQUIVALENT ASSESSMENT UNITS (EAU) ALLOCATION:

~~The Equivalent Assessment Unit Allocation addresses the value enhancement type of benefit described in this report. The attached letter from the Pasco County Property Appraiser to the County Attorney (Exhibit B) included a calculation of the value enhancement to real estate for a newly paved surface (a well~~

maintained road) as opposed to real estate where the road network was not as well maintained. Based on the analysis performed by the Property Appraiser's office, the value enhancement to a single family residence resulting from newly repaved roads in 2002 was \$5,000 to \$6,000. All assessable land within the city has been evaluated based on the parcel sizes for the various classes of properties within the City. The EAU assessment component has been assigned 50% of the total costs to be assessed annually. This portion of the assessment covers all properties regardless of the state of development on the property. Vacant lots are assessed equally to developed lots as all properties enjoy the benefits of value enhancement. The average lot size for a single family residence in the City is approximately .185 acres. One EAU is .185 acres.

EQUIVALENT RESIDENTIAL UNITS (ERU) ALLOCATION:

The remaining 50% of the total costs to be allocated are assessed based on the frequency of usage attributed to each class of property. To determine the level of relative benefit among properties based on the intensity of use of the City's road network, this report has relied on the best available data specific to transportation. Average trip generation tables were utilized to establish "equivalent" units of measurement by product type to compare dissimilar development product types. This is accomplished through determining an estimate of the relationship between the product types, based on the transportation activity that is generated by each property class (product type) within the City's transportation network. A discount is applied to commercial properties in recognition of the location of a majority of commercial properties on major arterial roads which are not maintained by the City. As with U.S. Highway 19 and with other commercial arterial roads however, the City anticipates making investments in the transportation network along those corridors to include multi-modal trails and other safety improvements. More importantly however, the City's street network is impacted by the trips generated by commercial activities and the street improvement and maintenance program is intended to address the needs of the system at large and distribute those costs among all properties within the City fairly. The use of equivalent residential assessment unit methodologies is well established throughout the State as a fair and reasonable proxy for estimating the benefit received by properties within an assessment area. This methodology uses the number of daily trips generated by a single family residence to establish a single ERU and assigns ERUs to other classes of properties based on the ratio of adjusted daily trip counts to those of a single family residence. These calculations were

~~developed by the City's Engineering consultant subsequent to their completion of the Engineer's Report. A single family residential unit is assigned 9.52 average daily trips.~~

~~Therefore, with the calculated annual assessment amount estimated to be \$1,275,000, one half of the assessment or \$637,000 is recommended to be generated by an assessment of \$36.26 for a single Equivalent Residential Unit (ERU). This ERU assessment is to be leveled on single family residential properties equally with some concessions for non traditional product types or underdeveloped residential parcels. Vacant lots are not assessed for this portion of the methodology. Commercial, Industrial and other product types are assigned unique ERUs based on the size and intensity of use of those parcels.~~

- ~~VI.~~ not be overly burdensome to neighborhood businesses;
- not be overly burdensome to neighborhood churches;
- consider the city as an interconnected network of streets;
- include every residential dwelling unit; and
- include consideration for parcels that are not contiguous to City maintained local roadways.

PROPERTY OWNER CLASSIFICATIONS:

In response to the CAC's desire to 'simplify' the assessment methodology, the City's property owners were divided into three classifications. The residential land uses are recommended to be assessed per individual dwelling unit. The non-residential land uses are proposed to be assessed on a per parcel basis with a distinction made for parcels containing buildings < 5,000 SF (Small Commercial) vs. parcels containing buildings ≥ 5,000 SF (Large Commercial). It should be noted that over 70% of the 'non-residential' parcels have buildings smaller than 5,000 SF allowing these neighborhood businesses to be classified as 'Small Commercial'. In response to CAC input, churches (DOR code 71) are proposed to be treated the same as residential property. Parcels owned by the City of New Port Richey as well as those that are exclusively ditches, wetlands, private right-of-way, etc. (DOR Codes 9, 91, 94, 95, and 96) were excluded from the dataset.

ARTERIAL / COLLECTOR ROADS

The recommended assessment allocation divides the City roadway network into two categories - 'Collector / Arterial Roads' and 'Local Roads'. Collector / Arterial (A/C) roads are generally higher volume roadways that connect to other (A/C), County, or State roadways. They encourage 'through traffic,' generally have higher speeds, increased degree of Access Control, and frequently make-up 20-35% of the roadway network. These roadways are commonly used by residents to make longer trips and are vital to providing timely public services throughout the community (i.e. police, fire, medical, public works, etc.) Since every parcel relies on the (A/C) roadway network (Exhibit C), each of the included parcels will be assessed based on its designated classification. The annual maintenance cost was established as 1/20 of the engineer's opinion of probable maintenance cost for the (A/C) network. After allowing for a \$200,000 contribution by the City, the remainder of \$230,100 per year must be raised by the network beneficiaries via assessment. After establishing the residential dwelling unit contribution at \$15, the small commercial parcel assessment was computed to be \$96.79 and the large commercial parcel \$193.58.

LOCAL ROADS

Local roads consist of all City owned roadways that are not part of the (A/C). These roadways discourage 'through traffic' and are characterized by lower speeds, limited connectivity, decreased Access Control and comprise the bulk of the network's lane miles. While local roads are an integral part of the overall roadway network, they provide special benefit to the residents that are physically located adjacent to the local roads. Therefore, the recommended assessment methodology begins with the (A/C) road roll and omits parcels that are not contiguous to a city owned / maintained local roadway. The members of the modified roll are then assessed based on the same three property owner classifications used to assess the (A/C) roadways. The annual maintenance cost was determined by subtracting the (A/C) maintenance cost from the \$1.7 million dollar per year citywide maintenance estimate. After the City allocates Local Option Gas Tax, solid waste franchise fees, and general revenue transfers, the difference of \$569,000 per year must be raised by the network beneficiaries via assessment. After establishing the residential dwelling unit contribution at \$70, the small commercial parcel assessment was computed to be \$160.44 and the large commercial parcel \$320.87.

It should be noted that if a parcel is located adjacent to a local City owned roadway it would be responsible for paying both assessments. However, if the subject parcel is located adjacent to only (A/C), State / County, or privately owned / maintained roadways it would only be subject to the Arterial / Collector component of the assessment.

EXAMPLE:

Single family Residence on a local road:

\$15 (Arterial / Collector)
\$70 (Local Road)
\$85 (Total)

Small Commercial contiguous to a local road:

\$96.79 (Arterial / Collector)
\$160.44 (Local Road)
\$257.23 (Total)

Large Commercial contiguous to a local road:

\$193.58 (Arterial / Collector)
\$320.87 (Local Road)
\$514.45 (Total)

VI. PROPOSED PAVEMENT MANAGEMENT PLAN DETERMINATION OF THE ASSESSMENT – LEGAL QUALIFICATIONS (Option #2)

While the City has asserted that its Home Rule powers, pursuant to State Statutes ~~125.01~~ and ~~Statute~~, 166.021, provide the legal basis for ~~the~~ a non-ad valorem assessment program for street ~~improvement and maintenance~~ **improvements**, there is other supplemental statutory authority which this report also considers in the development of the methodology. Florida Statute Chapter 197.3631 provides the non-ad valorem

option for the collection of the assessments subject to the agreement of the County Property Appraiser and the County Tax Collector and Chapter 197.3632 establishes the need to provide timely notices and to hold a public hearing. The logic for “special assessments” that is encased in Chapter 170 of the Florida Statutes is also embraced in the application of the methodology with the caveat that the imposition of the assessments on a “city wide basis” is not considered in this analysis to conflict with the broad concept of ‘special benefit’. While past assessments have been levied on the basis of linking improvements directly to adjacent properties on the basis of ~~front~~ road footage, and assessment categories, this assessment is being made once again on the benefit of the overall system of transportation improvements owned and/or maintained by the City. In considering special benefit, the question of geographic proximity must be considered. Specifically, “Can a special benefit be derived from the road project by all properties within the road network even if all properties are not adjacent to all of the specific reconstruction of roads to be funded by the assessment?” The answer is yes based in part upon the following Florida Supreme Court determination “Although a special assessment is typically imposed for a specific purpose designed to benefit a specific area or class of property owners, this does not mean that the cost of services can never be levied throughout a community as a whole. Rather, the validity of a special assessment turns on the benefits received by the recipients of the services and the appropriate apportionment of the cost thereof. This is true regardless of whether the recipients of the benefits are spread throughout an entire community or are merely located in a limited, specified area within the community.”

There are three main requirements for valid special assessments under Chapter 170. The first requirement demands that the improvements to benefited properties, for which special assessments are levied, be implemented for an approved and assessable purpose (F.S. 170.01); as a second requirement, special assessments can only be levied on those properties specially benefiting from the improvements (F.S. 170.01). Thirdly, the special assessments allocated to each benefited property cannot exceed the proportional benefit to each parcel (F.S. 170.02).

The City’s Street Improvement CIP contains a “system of improvements” including the funding, construction and/or acquisition of roadway improvements all of which are considered to be for an approved and assessable purpose (F.S. 170.01) which satisfies the first requirement for a valid special assessment, as described above. Additionally, the improvements will result in all properties within the Assessment Area receiving a direct and specific benefit, thereby making those properties legally subject to assessments (F.S.

170.01), which satisfies the second requirement, above. Finally, the specific benefit to the properties is equal to or exceeds the cost of the assessments levied on the benefited properties (F.S. 170.02), which satisfies the third requirement, above.

The first requirement for determining the validity a special assessment is plainly demonstrable; eligible improvements are found within the list provided in F.S. 170.01. However, the second and third requirements for a valid special assessment require a more analytical examination. As required by F.S. 170.02, and described in the preceding section entitled "Allocation Methodology," this approach involves identifying and assigning value to specific benefits being conferred upon the various benefitting properties, while confirming the value of these benefits exceed the cost of providing the improvements. These special benefits include, but are not limited to, the added use of the property, added enjoyment of the property and the probability of increased market ability and value of the property. The determination has been made that the duty to pay the non-ad valorem special assessments is valid based on the special benefits imparted upon the property. These benefits are derived from the resurface and replacement program which will result from the improvements in quality of the transportation system and the value enhancement that will result in a citywide high quality maintenance ~~program~~. **Pavement Management Plan.**

VI. PROPOSED PAVEMENT MANAGEMENT PLAN EXEMPTIONS AND APPEALS (Option #2)

Property within the City that currently is not, or upon future development, will not be subject to the special assessments include publicly owned (State/County/City/CDD) tax-exempt parcels such as: lift stations, road rights-of-way, waterway management systems, **Rivers/Lakes, jurisdictional wetlands**, common areas, and certain lands/amenities owned by HOA(s). To the extent it is later determined that a property no longer qualifies for an exemption, assessments will be apportioned and levied based on ~~calculated EAU and ERU factors as established in this~~ **the methodology established in this option. Because the City still has undeveloped parcels which may cause the total number and class of participants to vary as time passes, the annual assessment charge for each class should be reviewed every 5 years to determine if the level should be adjusted. Finally, lands that may become annexed into the City will become assessable upon the annexation.**

~~Because the City still has undeveloped parcels which may cause the total number of ERUs to vary as time passes, the annual assessment charge for an ERU should be reviewed every 5 years to determine if the level should be adjusted. In addition, fluctuations in material costs as well as changes in best practices should be factored into updates of the assessment methodology. Finally, lands that may become annexed into the City will become assessable upon the annexation.~~

All appeals shall be in writing addressed to the City Manager's Office 5919 Main St. New Port Richey Florida 34652. The City Manager or his/her designee shall have 30 business days to respond in writing to the appellant. The City Manager's or his/her designee's decision shall be final. Appeals shall be based solely on methodology application such as, but not limited to misclassification, exemption status, and mathematical errors. Requests for assessment exemption will not be permissible.

VII. PAVEMENT MANAGEMENT PLAN CREDITS AND COLLECTIONS (Option #2)

In order to credit those residents that have already paid for previous street assessments, the City considered street improvements project assessments over the past 20 years. During this time, there have been six (6) street improvements project assessments.

To calculate a credit for previously paid street improvements project assessments, the City will identify the Assessment Amount each individual resident received and divide it by the Useful Life of the Improvement made to the street, which is based on a 20 year design life-cycle by the Genesis Group, to come up with an Annual Value of Assessment Paid.

$$\frac{\text{Assessment Amount}}{\text{Useful Life of Improvement (20 years)}} = \text{Annual Value of Assessment Paid}$$

The Annual Value of Assessment Paid will be multiplied by the Remaining Useful Life of the Improvement to come up with a credit.

Remaining Useful Life = 20 Year Useful Life of Improvement - (2017(Current Year) - First Year of Assessment)

$$\text{Annual Value of Assessment Paid} \times \text{Remaining Useful Life} = \text{Credit Amount}$$

As an example, let's assume that a resident was assessed \$2,000 in the 2008 street improvements. Below is how the credit amount would be calculated:

$$\frac{\text{Assessment Amount (\$2,000)}}{\text{Useful Life of Improvement (20 years)}} = \$100 \text{ (Annual Value of Assessment Paid)}$$
$$20 \text{ Year Useful Life} - (2017 \text{ (Current Year)} - 2008 \text{ (First Year of Assessment)}) = 11 \text{ years (Remaining Useful Life)}$$
$$\$100 \text{ (Annual Value of Assessment Paid)} \times 11 \text{ years (Remaining Useful Life)} = \$1,100 \text{ Credit Amount}$$

For those property owners who have already paid their past street assessment, the calculated credit would be applied to the new annual Pavement Management Plan Street Assessment each year until the credit is exhausted. For those property owners who still owe the City for the past street assessments, the calculated credit would reduce the amount still owed to the City. The City would still collect any unpaid assessment.

At the April 24, 2017 meeting, the CAC ranked Option #2 the highest of the three (3) options described in this report by a vote of six (6) to one (1) in favor of recommending this option to Council.

VIII. PROPOSED PAVEMENT MANAGEMENT PLAN 20 YEAR DESIGN CRITERIA (Option #3)

This proposed pavement management plan would take the option #2 pavement management plan and divide it into two (2) phases. The methodology assessment allocation would remain “network system” based and as stated in Option #2, the City’s arterial/collector streets are to remain a priority. This proposed plan would designate all of the A/C streets as Phase 1 and all of the local residential streets as Phase 2. The annual proposed cost of \$1.7 million dollar maintenance budget would be applied exclusively to the A/C streets (Phase 1) and the first phase would sunset after five (5) years (including assessments). This would allow the City to proceed toward the 20 year maintenance cycle incrementally while demonstrating the benefits of a well maintained roadway system to the residents of New Port Richey. At the conclusion of Phase 1, staff would survey the residents to determine support for continuing the network based system allocation for the Phase 2 residential street improvements.

As indicated in Option #2, the Collector / Arterial (A/C) roads are generally higher volume roadways that connect to other thoroughfares and are vital to providing timely public services throughout the community (i.e. police, fire, medical, public works, etc.) Since every parcel relies on the (A/C) roadway network (Exhibit C), each of the included parcels will be assessed based on its designated classification. The annual maintenance cost was established as 1/5 of the engineer’s opinion of probable maintenance cost for the

(A/C) network. After allowing for a \$900,000 contribution by the City, the remainder of \$820,420 per year must be raised by the network beneficiaries via assessment, computed to be \$197.30 for a small commercial parcel and \$394.60 for a large commercial parcel.

The Citizens Advisory Committee ranked Option #3 as an alternate to Option #2 described in this report by a six (6) to (1) vote at the committee's April 24, 2017 meeting.

VIV. ALLEYS

There are approximately 5.2 miles of alleyways located in the City Limits of which, two (2) miles are improved. The rehabilitation of these alleys would be performed on a case by case basis. Historically property owners adjacent to alleys have two types of opinions on the condition of their alleys. Some are in favor of improving them, due to the dust created by vehicles traveling in the alley which prevents the residents from opening their house windows to enjoy the weather at certain times of the year. These property owners also express the frustration of not being able to keep their vehicles clean because of the dust and mud. Other property owners are not in favor of improving their alleys and only want minimal maintenance performed. They feel as though if the alleys were improved, traffic volumes and speeds would increase greatly. It is therefore the recommendation of the Citizens Advisory Committee not to include alley improvements as part of the proposed options contained in this report and to separate the alley type of roadway category out of the proposed street improvements project assessment process. A policy addressing alley improvements should be approved by City Council and subsequent to the policy approval, the following standard operating procedure should be implemented:

- Staff should identify a total cost for alley rehabilitation. This will encompass all alleys within the City limits.
- An outreach program explaining all of the details of the proposed improvements shall be mailed out to all property owners adjacent to an alley. This outreach program shall include an outreach survey to determine which alleys property owners want improved. A public hearing shall be scheduled to hear input from the residents.
- Subsequent to the outreach survey completion by residents, staff will review and identify alleys the property owners want to improve.

- For the alley to be improved (51%) of the property owners shall have selected the request to improve box in the survey. The (51%) shall include the section of alley block to block.
- Once approved, the total cost of the alley to be paved would be divided by the number of property owners; however, since the alleys are used by the City for brush pick up and as well as garbage collection by private refuse haulers that pay an existing franchise fee to the City, a minimal contribution should be considered.
- Once the first alley improvement project is completed, alley improvements will be addressed on a case by case basis that will follow the same guidelines included in the first assessment project. For any alley to be improved a majority (51%), of the property owners shall sign a petition in favor of the improvement. The 51% would include the section of alley block to block. Because the alleys would be on a request base, if the required amount of property owners are in favor of the improvement then the project would be included in the following street improvement project as an alternate assessed differently than the street assessment.
- The City Manager or his/her designee shall have the right to deny a petition or approve a petition that does not meet the guidelines called out in this report should he or she determine it is in the best interest of the City. The decision shall be final.

X. CONCLUSION

As stated previously in this report, the Citizens Advisory Committee voted at its April 24, 2017 meeting the following recommendation of options and ranking order to City Council:

1. Option #2 Six (6) to one (1) in favor of recommending this option for implementation to City Council.
2. Option #3 Six (6) to one (1) in favor as an alternate option should City Council not elect to approve Option #2 for implementation.
3. Option #1 Seven (7) to zero (0) Unanimous Vote not in favor of recommending this option to City Council.
4. An Alley Improvement Program should be created but not included in the assessment methodology contained in the proposed Pavement Management Plan.

I INTRODUCTION

High quality transportation systems are essential to a thriving community. Suburban roadways allow residents to participate in commerce as well as facilitating the transportation of goods to local markets. Roadways are integrated into the fabric of America and their maintenance has become a significant responsibility of local government. In response to this obligation, the engineering community has developed pavement management systems to assist decision makers in finding optimum strategies for providing, evaluating, and maintaining pavements in a serviceable condition over a period of time.

The purpose of this Roadway Needs Assessment Report is to identify the general condition of the approximately 70 miles of paved roadways owned and maintained by the City of New Port Richey (City). The 5.2 miles of right-of-way without paved roads were omitted from this study. As indicated in the project Task Order, limitations in both schedule and budget mandated that the assessment be based on visual observations and is not an exhaustive analysis utilizing field measurements and empirical data collection.

It is understood that the City will utilize this report for:

- Updating the Geographic Information System (GIS) database
- Making decisions regarding funding / assessing roadway improvements
- Prioritizing roadway maintenance / improvement projects

II METHODOLOGY



Figure 1 - Typical Roadway Grade 8 (Grand Blvd.)

The methodology employed for this evaluation was based on the Pavement Surface Evaluation and Rating (PASER) system developed by the Transportation Information System of the University of Wisconsin – Madison. The PASER system was developed as an alternative to empirical data intensive models to provide local agencies a simplified rating system focused on surface condition with which to evaluate their roads. PASER uses visual inspection to evaluate pavement surface conditions and rates the condition on a ten-point scale. The PASER manual provides

photographic standards that serve as guides to identify both the distresses as well as the numerical rating (ten-point scale). A copy of the PASER manual is provided in **Appendix A**.

