
CITY OF NEW PORT RICHEY, FLORIDA

**STREET LIGHTING ASSESSMENT
INITIAL ASSESSMENT RESOLUTION**

ADOPTED JULY 18, 2017

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RESOLUTION NO. 2017-22

A RESOLUTION OF THE CITY COUNCIL OF NEW PORT RICHEY, FLORIDA, RELATING TO THE ANNUAL FUNDING OF STREET LIGHTING SERVICES IN THE CITY THROUGH THE IMPOSITION OF SPECIAL ASSESSMENTS; APPROVING THE STREET LIGHTING ASSESSMENT RATE STUDY PREPARED BY AYRES ASSOCIATES; ADOPTING THE METHODOLOGY FOR APPORTIONING STREET LIGHTING ASSESSMENTS SET FORTH THEREIN; PROVIDING FOR THE IMPOSITION OF STREET LIGHTING ASSESSMENTS WITHIN THE ENTIRE AREA OF THE CITY; ESTIMATING THE SERVICE COST TO PROVIDE STREET LIGHTING RELATED ESSENTIAL SERVICES, FACILITIES, EQUIPMENT AND IMPROVEMENTS; DIRECTING THE CITY MANAGER TO PREPARE A PRELIMINARY STREET LIGHTING ASSESSMENT ROLL FOR THE FISCAL YEAR COMMENCING OCTOBER 1, 2017; ESTABLISHING A PUBLIC HEARING TO CONSIDER IMPOSITION OF THE STREET LIGHTING ASSESSMENTS; DIRECTING THE PROVISION OF NOTICE IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NEW PORT RICHEY, FLORIDA, AS FOLLOWS:

ARTICLE I

INTRODUCTION

SECTION 1.01. AUTHORITY. This Resolution of the City of New Port Richey, Florida is adopted pursuant to City Ordinance No. 2012-1985 (the "Assessment Ordinance"), Sections 166.021, 166.041 and 197.3632, Florida Statutes, and other applicable provisions of law.

SECTION 1.02. DEFINITIONS. All capitalized words and terms not otherwise defined herein shall have the meaning set forth in the Assessment Ordinance. As used in this Resolution, the following terms shall have the following meanings, unless the context hereof otherwise requires.

"Assessed Property" means all parcels of real property included in the Street Lighting Assessment Roll that receive a special benefit from Street Lighting Services.

"Assessment Ordinance" means City Ordinance No. 2012-1985, as may be amended from time to time, or its successor in function.

"Buildings" means any structure, whether temporary or permanent, built for support, shelter or enclosure of persons, chattel, or property of any kind, including mobile homes. This term shall also include the use of land in which lot or spaces are offered for use, rent or lease for the placement of mobile homes, travel trailers or the like for residential purposes.

"City" means the City of New Port Richey, Florida.

"City Clerk" means the clerk of the City Council.

"City Manager" means the chief administrative officer of the City, or such person's designee responsible for coordinating calculation and collection of Assessments as provided herein.

"Class Code" means the class or usage code assigned to each Tax Parcel by the Property Appraiser or by the City Manager after verification and/or field research.

"Council" means the governing body of the City of New Port Richey, Florida.

"Developed Property" means Tax Parcels that are improved entirely or in part with Buildings.

"Equivalent Residential Unit" or **"ERU"** means the Assessment Unit described in Section 3.03 hereof. The ERU is the standard unit used to express the special benefit received by Assessed Property through the provision of Street Lighting Services.

"Exempt Property" means property expressly exempted from Street Lighting Assessments by this Resolution.

"Fiscal Year" means the period commencing on October 1 of each year and continuing through the next succeeding September 30, or such other period as may be prescribed by law as the fiscal year for the City.

"Fiscal Year 2017-18" means the Fiscal Year commencing on October 1, 2017.

"General Parcels" means Tax Parcels other than Single Family Residential Parcels.

"Rate Study" means the Street Lighting Assessment Rate Study dated June 20, 2017, prepared by Ayres Associates.

"Single Family Residential Parcels" means Tax Parcels assigned a Class Code of 01, 02 or 04, including single family residential parcels, mobile home parcels and condominium parcels.

"Street Lighting Assessment" or **"Assessment"** means a special assessment (sometimes characterized as a non-ad valorem assessment) levied by the Council to fund the Street Lighting Service Cost.

"Street Lighting Assessment Roll" means the roll created pursuant to Section 2.04 of the Assessment Ordinance and described in Section 2.02 hereof that includes a summary description of each Tax Parcel subject to Street Lighting Assessments, the name of the owner of each Tax Parcel as shown on the Tax Roll, and the number of Equivalent Residential Units attributable to each Tax Parcel.

"Street Lighting Improvements" means land, appurtenances, facilities, equipment and improvements (including but not limited to light poles and luminaries) necessary for the provision of street lighting.

"Street Lighting Service Cost" means the estimated amount for any Fiscal Year of all expenditures and reasonable reserves that are properly attributable to Street Lighting Service provided under generally accepted accounting principles, including but not limited to billing and collection of Street Lighting Assessments, including customer information services and reserves for statutory discounts.

"Street Lighting Services" means the acquisition, lease, rental, operation, maintenance or installation of Street Lighting Improvements and the provision of and payment for electrical services and current used in the provision of street lighting.

"Tax Parcel" means a parcel of property to which the Pasco County Property Appraiser has assigned a distinct ad valorem property tax identification number.

"Tax Roll" means the real property ad valorem tax roll maintained by the Property Appraiser for the purpose of the levy and collection of ad valorem taxes.

"Undeveloped Property" means Tax Parcels which contain no Buildings.

"Uniform Assessment Collection Act" means Sections 197.3632 and 197.3635, Florida Statutes, or any successor statutes authorizing the collection of non-ad valorem assessments on the same bill as ad valorem taxes, and any applicable regulations promulgated thereunder.

SECTION 1.03. INTERPRETATION. Unless the context indicates otherwise, words importing the singular number include the plural number, and vice versa; the terms "hereof," "hereby," "herein," "hereto," "hereunder" and similar terms refer to this Resolution; and the term "hereafter" means after, and the term "heretofore" means before, the effective date of this Resolution. Words of any gender include the correlative words of the other gender, unless the sense indicates otherwise.

SECTION 1.04. FINDINGS. It is hereby ascertained, determined and declared that:

(A) The City is authorized by Article VIII, Section 2 of the State Constitution, Section 166.021, Florida Statutes, the Assessment Ordinance, the Uniform Assessment Collection Act,

and other applicable provisions of law, to provide for the imposition and collection of charges in the form of Assessments.

(B) The Street Lighting Services contemplated herein are Essential Services which possess a logical relationship to the use and enjoyment of, and provide a special benefit to, real property and the costs associated with such services may be recovered, in whole or in part, through the imposition and collection of Street Lighting Assessments.

(C) The City has imposed special assessments to fund street lighting services and facilities since 2003 and has undertaken periodic review and updating of the street lighting assessment program, including in 2012, to ensure that the assessment rates are sufficient to fund the annual Street Lighting Service Cost incurred by the City.

(D) In 2017, the City engaged Ayres Associates to review the City's street lighting assessment program and prepare the Rate Study, a copy of which is attached hereto as Appendix C and incorporated herein by reference, which provides recommendations regarding the program and the assessment rates necessary to pay for street lighting services and facilities through Fiscal Year 2021-22.

(E) The Rate Study has been considered by the Council in adopting this Resolution. The apportionment methodology and rate classification system described in the Rate Study and based upon the square footage of land and Buildings is reasonable and equitable, and will continue to be so as properties within the City develop and change; and

it is also manageable and capable of being fairly implemented from year to year without wasteful or extraordinary consumption of resources.

(F) As described therein, the provision of Street Lighting Services specially benefits all parcels, whether residential or non-residential, developed or undeveloped property uses, by protecting and enhancing their value, use and enjoyment.

(G) The provision of Street Lighting Services and the operation and maintenance of street lights provides better property identification and recognition, and enhances the safe accessibility to property.

(H) The apportionment of Street Lighting Assessments in the manner set forth in the Rate Study is a fair and reasonable method for allocating the special benefit conveyed by Street Lighting Services.

(I) The assignment of one (1) ERU to each Single Family Residential Parcel is a fair and reasonable method of apportionment which recognizes the substantially similar benefit conveyed by Street Lighting Services to such parcels.

(J) It is also fair and reasonable to assess all mobile homes on a residential unit basis, such that Tax Parcels assigned a Class Code 28 shall be treated as residential parcels and assigned one (1) ERU per mobile home space.

(K) The apportionment method described in the Rate Study bears a reasonable relationship to the cost of providing Street Lighting Services.

(L) It is fair and reasonable to impose Street Lighting Assessments upon Assessed Property, apportioned in the manner set forth in Section 3.03 hereof, to fund the Street Lighting Service Cost.

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ARTICLE II

NOTICE AND PUBLIC HEARING

SECTION 2.01. ESTIMATED STREET LIGHTING SERVICE COST.

(A) The estimated Street Lighting Service Cost to be recovered through Street Lighting Assessments for Fiscal Year 2017-18 is \$486,000. The Street Lighting Service Cost will be funded through the imposition of Street Lighting Assessments, as provided herein.

(B) The estimated Street Lighting Assessments established in this Initial Assessment Resolution shall be the estimated assessment rates applied by the City Manager in the preparation of the preliminary Street Lighting Assessment Roll as provided in Section 2.02 of this Initial Assessment Resolution.

SECTION 2.02. STREET LIGHTING ASSESSMENT ROLL. The City Manager is hereby directed to prepare, or cause to be prepared, a preliminary Street Lighting Assessment Roll for Fiscal Year 2017-18, in the manner provided in Section 2.04 of the Assessment Ordinance. The Street Lighting Assessment Roll shall include all Tax Parcels within the City which are not otherwise exempted from payment of the Street Lighting Assessments hereunder. The City Manager shall apportion the estimated Street Lighting Service Cost to be recovered through Street Lighting Assessments in the manner set forth in this Initial Assessment Resolution. A copy of this Initial Assessment Resolution and the preliminary Street Lighting Assessment Roll shall be maintained on file in the office of the City Clerk and open to public inspection. The foregoing shall not be construed to require

that the preliminary Street Lighting Assessment Roll be in printed form if the amount of the Street Lighting Assessment for each parcel of property can be determined by the use of a computer terminal or internet access available to the public.

SECTION 2.03. PUBLIC HEARING. There is hereby established a public hearing to be held at 6 p.m. on August 1, 2017, in City Council Chambers of City Hall, 5919 Main Street, New Port Richey, Florida, at which time the Council will receive and consider any comments on the Street Lighting Assessments from the public and affected property owners and consider imposing Street Lighting Assessments and authorizing an alternative manner of collection.

SECTION 2.04. NOTICE BY PUBLICATION. The City Manager shall direct the publication of a notice of the public hearing authorized by Section 2.03 hereof in the manner and time provided in Section 2.05 of the Ordinance. The notice shall be published at least twenty (20) days prior to the public hearing, in substantially the form attached hereto as Appendix A.

SECTION 2.05. NOTICE BY MAIL. The City Manager shall direct the mailing of notice of the public hearing authorized by Section 2.03 hereof in the manner and time provided in Section 2.06 of the Ordinance. The notice shall be mailed at least twenty (20) days prior to the public hearing, in substantially the form attached hereto as Appendix B.

**ARTICLE III
ASSESSMENTS**

SECTION 3.01. STREET LIGHTING ASSESSMENTS TO BE IMPOSED THROUGHOUT CITY. Pursuant to Section 2.02 of the Assessment Ordinance, Street Lighting Assessments are to be imposed throughout the entire area within the boundaries of the City.

SECTION 3.02. IMPOSITION OF ASSESSMENTS. Street Lighting Assessments shall be imposed against property located within the City, the annual amount of which shall be computed for each Tax Parcel in accordance with this Article III. When imposed, the Assessment for each Fiscal Year shall constitute a lien upon the Tax Parcels located within the City pursuant to the Assessment Ordinance.

SECTION 3.03. APPORTIONMENT APPROACH; DETERMINATION OF EQUIVALENT RESIDENTIAL UNITS.

(A) The Rate Study is hereby approved and adopted. The apportionment method based upon square footage and Equivalent Residential Units as described in the Rate Study is fair and reasonable and is hereby approved and adopted as the apportionment method for the Street Lighting Assessments.

(B) As described in the Rate Study, the typical single family residence in the City contains 1,860 square feet, which shall constitute one (1) ERU (one ERU = 1,860 building

square feet) for purposes of calculating the Assessment for each Single Family Residential Parcel and General Parcel.

(C) Each Single Family Residential Parcel shall be assigned one (1) ERU.

(D) The number of ERU's attributed to each General Parcel shall be calculated as follows:

$$\frac{\text{Total Building Square Footage}}{1 \text{ ERU (in sq. ft.)}} = \text{Number of ERU's}$$

(E) Mobile home parcels assigned a Class Code 28 shall be attributed one (1) ERU per mobile home space.

(F) As set forth in the Rate Study, the number of ERU's attributed to Undeveloped Property shall be determined by dividing the total area of the parcel by the average size of a Single Family Residential Parcel in the City (7,204 sq. feet), and multiplying the result by .26 (which is the ratio derived by dividing the total land value in the City by the total parcel value in the City).

(G) The determination of whether a Tax Parcel is Developed Property or Undeveloped Property shall be made using best available data prior to adoption of the Final Assessment Resolution or Annual Assessment Resolution (e.g. Property Appraiser information, aerial images or data deemed reliable by the City or its consultants.)

(H) The Assessment rate of \$38.71 per ERU shall be utilized by the City Manager in preparing the Street Lighting Assessment Roll for Fiscal Year 2017-18.

(I) The maximum rate of assessment which may be used in the preparation of the Street Lighting Assessment Roll for subsequent Fiscal Years is \$38.71 per ERU.

(J) It is hereby ascertained, determined, and declared that the method of determining the Street Lighting Assessments as set forth in this Initial Assessment Resolution is a fair and reasonable method of apportioning the Street Lighting Service Cost among Assessed Property.

SECTION 3.04. APPLICATION OF ASSESSMENT PROCEEDS. Proceeds derived by the City from the Street Lighting Assessments shall be utilized for the provision of Street Lighting Services. In the event there is any fund balance remaining at the end of the Fiscal Year, such balance shall be carried forward and used only to fund Street Lighting related services, facilities, improvements and programs.

SECTION 3.05. COLLECTION OF ASSESSMENTS. Street Lighting Assessments shall be collected pursuant to the Uniform Assessment Collection Act unless otherwise determined by the Council.

SECTION 3.06. EXEMPTION. The following are Exempt Properties and not subject to the Street Lighting Assessment:

- (A) Public rights-of-way.
- (B) Lakes and submerged land.

[Remainder of page intentionally left blank]

**ARTICLE IV
GENERAL PROVISIONS**

SECTION 4.01. CONFLICTS. All resolutions or parts of resolutions in conflict herewith are hereby repealed to the extent of such conflict.

SECTION 4.02. SEVERABILITY. If any provision of this Resolution or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are declared to be severable.

SECTION 4.03. EFFECTIVE DATE. This Initial Assessment Resolution shall take effect immediately upon its passage and adoption.

PASSED, ADOPTED AND APPROVED this 18th day of July, 2017.

**CITY COUNCIL OF
NEW PORT RICHEY, FLORIDA**

(SEAL)

By: _____
Rob Marlowe, Mayor

Attest:

By: _____
Judy Meyers, City Clerk

APPENDIX A

FORM OF NOTICE TO BE PUBLISHED

[To be published at least twenty (20) days before the public hearing]

(Map of New Port Richey)

NOTICE OF HEARING TO IMPOSE AND PROVIDE FOR COLLECTION OF NON-AD VALOREM SPECIAL ASSESSMENTS TO FUND STREET LIGHTING SERVICES

Notice is hereby given that the City Council of New Port Richey, Florida, will conduct a public hearing to consider adoption of a final assessment resolution related to the City of New Port Richey (the "City") and the provision by the City of street lighting services. The Street lighting final assessment resolution will provide for the imposition of special assessments, sometimes characterized as non-ad valorem assessments, against property located within City limits and collection of the assessments by the Pasco County Tax Collector pursuant to the tax bill collection method described in Section 3.01 of City Ordinance No. 2012-1985. The assessment is an annual assessment that will continue from year to year. The hearing will be held at 6 PM on August 1, 2017 at City Council Chambers of City Hall, City Hall, 5919 Main Street, New Port Richey, Florida 34652. All affected property owners have a right to appear at the hearing and to file written objections with the City Council within twenty (20) days of this notice.

The assessments have been proposed to fund street lighting related essential services, facilities, equipment and improvements throughout the City. The assessment will be imposed against developed and undeveloped parcels based upon the number of Equivalent Residential Units ("ERUs") attributable to each parcel as of the date the assessments are imposed. If approved by City Council, the street lighting assessment will be imposed at a rate not to exceed \$38.71 per ERU. A more specific description of the street lighting related services and the method of computing the assessment for each parcel of property are set forth in Resolution No. 2017-22 (the "Initial Assessment Resolution") adopted by the City Council on July 18, 2017. Copies of the Initial Assessment Resolution and the preliminary Street Lighting Assessment Roll are available for inspection at the office of the City Clerk, located at City Hall, 5919 Main Street, New Port Richey, Florida 34652. If you have any questions, please contact the City Clerk's Office at (727) 853-1024.

ANY PERSON WISHING TO ENSURE THAT AN ADEQUATE RECORD OF THE PROCEEDINGS IS MAINTAINED FOR APPELLATE PURPOSES IS ADVISED TO MAKE THE NECESSARY ARRANGEMENTS FOR RECORDING AT HIS OR HER OWN EXPENSE. PERSONS WITH DISABILITIES NEEDING ASSISTANCE TO PARTICIPATE IN ANY OF THESE PROCEEDINGS SHOULD CONTACT THE CITY CLERK AT LEAST 48 HOURS IN ADVANCE OF THE MEETING AT (727) 853-1024.

APPENDIX B

FORM OF NOTICE TO BE MAILED

NEW PORT RICHEY, FLORIDA

[date], 2017

[Property Owner Name]

[Street Address]

[City, State and Zip]

Re: Tax Parcel Number [Insert Number]

Dear City of New Port Richey Property Owner:

As required by Section 197.3632, Florida Statutes, and City Ordinance No. 2012-1985 (the "Assessment Ordinance"), notice is given by the City of New Port Richey that an annual assessment for street lighting services may be levied on your property for Fiscal Year October 1, 2017 - September 30, 2018 and each fiscal year thereafter. **THIS IS NOT A NEW ASSESSMENT PROGRAM; THE STREET LIGHTING ASSESSMENT HAS BEEN IMPOSED SINCE 2003.** The original street lighting assessments were imposed and collected on the November 2003 tax bill and subsequent years. However, since the City recently updated the street lighting assessment program it must provide this notice to all property owners of the updated assessment program.

Street Lighting assessments are based upon the parcel's classification and total number of "equivalent residential units" or "ERUs" attributable to that parcel. The City has determined that the average single-family residence in the City includes 1,860 square feet, which is the value of one ERU, the unit of measurement to be applied against each parcel to determine the assessment. Single-family residential units, mobile home units and residential condominium units are charged one ERU. For general parcels, such as commercial parcels, the number of ERUs has been calculated individually for each parcel of property by dividing the total building square footage by 1,860 square feet. The number of ERUS attributed to undeveloped parcels will be calculated by dividing the total area of the parcel by the size of the average single family residential parcel in the City (7,204 sq. ft.), and then multiplying by .26. A more specific description of the street lighting services and the method of computing the assessment for each parcel of property are set forth in Resolution No. 2017-22 (the "Initial Assessment Resolution") adopted by the City Council on July 18, 2017.

The annual Street Lighting Service Assessment rate for Fiscal Year 2017-18 will be \$38.71 for each ERU which is also the maximum Street Lighting Service Assessment rate that can be imposed without further mailed notice for future fiscal years. It is estimated that the City will collect \$486,000 from the Street Lighting Service Assessments for Fiscal Year 2017-18. The above referenced parcel has been assigned the following ERUs and assessment amounts:

Number of Equivalent Residential Units (ERUs): [insert]

The FY 2017-18 annual street lighting assessment for the above parcel is: \$[insert]

The maximum annual street lighting assessment that can be imposed without further notice for future fiscal years is \$[insert]

The City Council will hold a public hearing at 7:00 p.m., or soon thereafter, on August 1, 2017, in the City Council Chambers located at City Hall, 5919 Main Street, New Port Richey, Florida. Comments will be received on the proposed Street Lighting Service Assessments, including their collection on the ad valorem tax bill. You are invited to attend and participate in the hearing. You may also file written objections with the City Council within twenty (20) days of the date of this notice. Please include your name, parcel number, and the reason you object the assessment on all written objections. Objections should be forwarded as follows: City Clerk; Objections to Street Lighting Non-ad Valorem Assessments; 5919 Main Street, New Port Richey, Florida 34652. If you decide to appeal any decision made by the City Council with respect to any matter considered at the hearing, you will need a record of the proceedings and may need to ensure that a verbatim record is made, including the testimony and evidence upon which the appeal is to be made. In accordance with the Americans with Disabilities Act, if you need a special accommodation or an interpreter to participate in this proceeding, please contact the City Clerk at (727) 853-1024 at least 4 days prior to the date of the hearing. If there is a mistake on this notice, it will be corrected. If you have any questions regarding the number of ERUs assigned to your property or the amount of the Street Lighting Service Assessment, please contact Customer Service by telephone at (727) 853-1061.

Unless proper steps are initiated in a court of competent jurisdiction to secure relief within 20 days from the date of City Council action at the above hearing (including the method of apportionment, the rate of assessment and the imposition of assessments), such action shall be the final adjudication of the issues presented.

Copies of the Assessment Ordinance, the Initial Assessment Resolution, and the preliminary assessment roll are available for inspection at the City Clerk's office in City Hall, located at 5919 Main Street, New Port Richey, Florida, or on the City website at cityofnewportrichey.org. The Street Lighting Service Assessment will be collected by the Tax Collector of Pasco County, pursuant to Chapter 197, Florida Statutes. Florida law provides that failure to pay the Street Lighting Service Assessment will cause a tax certificate to be issued against the assessed property which may result in a loss of title.

*******DO NOT SEND PAYMENT - THIS IS NOT A BILL*******

APPENDIX C

RATE STUDY

Street Lighting Assessment Rate Study



Prepared for:

City of New Port Richey, Florida

June 20, 2017

Street Lighting Assessment Rate Study



AYRES
ASSOCIATES

3433 Oakwood Hills Parkway
Eau Claire, WI 54701-7698
715.834.3161 • Fax: 715.831.7500
www.AyresAssociates.com

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Introduction

The City of New Port Richey has retained Ayres Associates to review and update the Street Lighting Assessment Study utilized to determine the applicable assessment rates necessary to fund the Street Lighting Utility. The previous Street Lighting Assessment Rate Study was performed by Government Services Group in May of 2012. That report covered a 5-year projection through Fiscal Year 2016-17 (FY 17).

Scope of Services: Study Update

- **Project Initiation** – Obtain and evaluate data and information regarding the provision of street lighting services and facilities in the City.
- **Review of Current Methodology** – Review documents and information relative to the current rate structure of the existing street lighting assessment program and discuss with staff any problems or concerns with the current methodology; provide recommendations to update the current assessment rate methodology, if applicable.
- **Identify Full Costs (Revenue Requirements) of the Street Lighting Program** – Evaluate the full cost of the street lighting services using the City’s most current financial information, which will include (i) the costs of maintaining and operating the City’s street lighting system based on the level of funding required by the City, (ii) indirect and/or administrative costs and (iii) billing and collection costs associated with the Uniform Method of collection; develop projections for annual revenue requirements for the City’s street lighting operations and maintenance and determine a method of increasing revenue and adjustments of assessment rates on an annual basis or as desired by the City.
- **Evaluate Vacant Lands** – Evaluate the benefit received by vacant lands from the street lighting system. Based on that benefit assign ERU’s.
- **Calculate Preliminary Proforma Schedule of Rates** – Using the total units derived from the preliminary assessment roll developed by the City, calculate a proforma schedule of rates based on the apportionment methodology and revenue requirements for the assessment program.
- **Address Issues** - Research and present recommendations on any outstanding issues that may arise from the assessment program.
- **Prepare and Present Assessment Report** – Prepare a draft report that includes documentation of the street lighting costs and proforma rates; after City staff review, prepare and present the final version of the Assessment Report.

Service Description and Cost Calculations

Street lighting services are currently provided to residential and non-residential properties within the City and the City’s Utility Service area. Duke Energy (formerly Progress Energy) owns and installs the lighting fixtures, performs the maintenance, pays the power consumption, and then leases them back to the City. Services include several different types of luminaires and poles throughout the City and the services are consistent throughout the City. The Florida Department of Transportation (FDOT) provides a portion of the funding for street lights abutting US HWY 19.

Overview of City's Existing Street Lighting Assessment Program

In 2003, the City implemented a street lighting assessment program based on the apportionment methodology identified in Burton & Associates August 2003 Street Lighting Services Assessment Program Final Report (Burton's Report). The street lighting assessment was imposed on all developed properties and established rates for residential and non-residential rate categories.

The Fiscal Year 2011-12 (FY 12) adopted street lighting assessment rate was \$26.07 per ERU and generated approximately \$244,122 in revenue. This created an operating deficit of approximately \$68,044. If the City would have funded 100% of the street lighting assessable costs for Fiscal Year 2011-12 (FY 12), the street lighting assessment rate would have been \$33.34 per ERU.

The analysis conducted by Burton established an Equivalent Residential Unit (ERU) based on the average single family residence in the City. The ERU value established by Burton was 1,860 square feet. Based on that ERU value, tiers were developed for residential parcels (which includes single family, mobile homes, condominiums, and multi-family) and non-residential parcels (non-church and church) with a non-residential cap of 300,001 square feet. Vacant parcels were not charged a street lighting assessment.

City staff felt the tier structure was complicated and confusing to explain to property owners in that there were seven (7) residential rate tiers and 33 non-residential tiers with varying progression of tier sizes. Primarily due to the complexity of the tier structure, City staff also found that it was very difficult and time consuming to maintain the street lighting assessment roll.

In 2012, the City reviewed the utility rates, costs and structure and developed a 5-year projection of revenue and expenses whereby the rate necessary to cover the projected costs was **\$36.24 per ERU**. Also, the tier structure was condensed to a Single Family Residential unit and a General unit. Undeveloped Parcels are not being charged. That rate and structure was adopted and has not changed since that time. In FY 2016-17 (FY 17) the revenue expected to be generated by this rate is \$392,198. The anticipated expenditures for budget year 2016-17 was \$371,900. The anticipated expenditures did not account for administrative, legal and other support services provided to the street lighting utility by other City departments.

Assessable Cost Calculations

To develop a 5-year proforma assessable budget, Ayres utilized the City's Fiscal Year 2016-17 (FY 17) Street Lighting Fund Budget.

The total assessable cost calculations were developed using the following assumptions:

- Begin with FY 2016-17 (FY 17) street lighting fund budget provided by the City:
 - Increase electricity costs by 4% annually.
 - Increase the street light rental and maintenance costs by 4% annually.
 - Include an annual Renewal & Replacement (R&R) reserve for street lighting, equipment, and installation of additional street lights.
 - Increase the US HWY 19 street light operation and maintenance costs by 4% annually.
 - Added Indirect Costs. These are transfers to the General Fund for costs due to administration, legal and other support services provided to the street lighting utility by

other City departments. An initial budget of \$50,000 was used and increased 2.5% annually.

- Revenues are shown as a reduction in the total assessable expenditures. The revenues remained constant since they are established by Florida Department of Transportation (FDOT).
- The Miscellaneous Assessment Expenditures portion of the budget includes costs associated with this Rate Study, implementation costs, and annual program maintenance. These costs are reimbursable through the assessment program.
- Pursuant to section 197.3632, Florida Statutes, the tax collector and property appraiser may each enter into an agreement with the local government for reimbursement of necessary administrative costs incurred from the collection of the non-ad valorem assessment. Accordingly, if any such fee(s) is charged, the fee may be recouped as an add-on to the total assessable costs for the year.
 - Collection Costs (TC) reflects reimbursement for the collection costs associated with the non-ad valorem assessment incurred by the Tax Collector (TC). Pursuant to section 197.3632, Florida Statutes, a municipal government shall only compensate the tax collector for the actual costs of collecting the non-ad valorem assessments, not to exceed 2%, on the amount of special assessments collected and remitted. We have assumed a 2% collection cost.
 - Property Appraiser Costs are the costs for services relating to providing notice of the street lighting assessment in the annual TRIM notices.
- Statutory Discount reflects a 95% collect of the Street Lighting Assessment to cover the 4% statutory discount allowed by the Uniform Method and 1% reserve for under collection. Accordingly, the statutory discount is budgeted at 5% of the total assessable costs.

Table 1 shows the City’s Fiscal Year 2016-17 (FY 17) street lighting budget.

Table 1 – City FY 2016-17 (FY 17) Street Lighting Budget

Code	Expenditures	Budget FY 17
43-11	Electricity - City Facilities	70,000
43-72	Street Light Rental & Maintenance	250,000
43-74	US-19 Street Lighting O&M	50,000
52-52	Misc. Lighting Elements	15,000
Total Expenditures		385,000
Reserves		
94-21	Reserves - Contingency	23,150
Total Reserves		23,150
Revenues		
334-50	St. Hwy Lighting & Main Agreement	(35,000)
361-10 & 35	Interest	(1,250)
Total Revenues		(36,250)
Total Net Street Lighting Fund		371,900

Table 2 shows the 5-year proforma assessable budget based on the above stated assumption for the provision of street lighting services in the City.

Table 2 – 5-Year Proforma Assessable Budget FYI 2017-18 (FY 18) through FY 2021-22 (FY 22)

	FY 17 BUDGET FY 2016-17	FY 18 FY 2017-18	FY 19 FY 2018-19	FY 20 FY2019-20	FY 21 FY2020-21	FY 22 FY 2021-22	5-Year Average
Expenditure Summary							
Electricity - City street Lights	70,000	74,800	77,792	80,904	84,140	87,505	81,028
Street Light Rental & Maintenance	250,000	270,500	281,320	292,573	304,276	316,447	293,023
R&R Reserves	10,000	40,000	10,000	10,000	10,000	10,000	16,000
US 19 Street Light Operation & Maintenance	50,000	52,000	54,080	56,243	58,493	60,833	56,330
Indirect Costs		50,000	51,250	52,531	53,845	55,191	52,563
TOTAL EXPENDITURES	380,000	487,300	474,442	492,251	510,753	529,975	498,944
Revenue							
Inerest	1,250	1,250	1,250	1,250	1,250	1,250	1,250
FDOT Reimbursement	35,000	35,000	35,000	35,000	35,000	35,000	35,000
TOTAL REVENUES	36,250	36,250	36,250	36,250	36,250	36,250	36,250
TOTAL EXPENDITURES	380,000	487,300	474,442	492,251	510,753	529,975	498,944
TOTAL REVENUES	36,250	36,250	36,250	36,250	36,250	36,250	36,250
TOTAL NET EXPENDITURES	343,750	451,050	438,192	456,001	474,503	493,725	462,694
Miscellaneous Assessment Expenditures							
Study Costs	14,550	-	-	-	-	-	-
Legal Costs	-	-	-	-	-	-	-
Annual Assessment Roll Maintenance	717	717	717	717	717	717	717
First Class Notices	10,000	-	-	-	-	-	-
Collection Costs (TC)	7,939	9,719	9,442	9,825	10,223	10,636	9,969
Property Appraiser Costs	150	150	150	150	150	150	150
Statutory Discount (4% early payment & 1% non-collection)	19,848	24,297	23,605	24,563	25,558	26,591	24,923
Total Misc. Assessment Expenditures	53,204	34,882	33,914	35,255	36,648	38,094	35,759
TOTAL ASSESSABLE COSTS	396,954	485,932	472,106	491,256	511,151	531,820	498,453

Determination of Street Lighting Services Demand

Special Assessment Benefit Assumptions

The following assumptions and legislative declarations support a finding that the Street Lighting Assessment Program confers a special benefit on all parcels in the City.

- The provision of street lights specially benefits all parcels, whether residential or non-residential, developed or undeveloped property uses, by protecting and enhancing their value, use and enjoyment.
- The provision of street lights and the operation and maintenance of those lights provides better property identification and recognition, and enhanced safety access to property.

Cost Apportionment Assumptions

The cost apportionment exercise addresses two fundamental questions: Who pays; and for what services?

Defining the benefit or service area is a geographically precise process. Based on a parcel-specific evaluation conducted by the City, it was determined that the entire geographic area of the City benefits from the street lighting services.

Proposed Developed Parcel Apportionment

Parcel apportionment is accomplished through the development of a base billing unit, called an Equivalent Residential Unit (ERU). The base billing unit is defined as the size of the average single-family residence in the City. An ERU is a measure that serves as a common index to compare each parcel's benefit of use derived from the availability of street lighting services. Generally, developed parcels of property that have a larger building area, receive proportionately more benefit than developed parcels with smaller building areas. As identified in Burton 's Report, the **ERU value is 1,860 square feet of building area**. This is still a valid measure and no change is proposed.

Proposed Undeveloped Parcel Apportionment

The City has recognized that undeveloped parcels also benefit from street lighting systems. Generally, larger undeveloped parcels of property receive proportionately more benefit than smaller undeveloped parcels and undeveloped parcels of property receive less of a benefit than developed parcels of property because there are no improvement values to protect, just the land values.

Utilizing the year end 2016 Pasco County tax roll database for the City of New Port Richey, the average number of single family residential parcels (see Rate Class category below for Use Codes) is 5,479 parcels. The tax rolls show the total value of those parcels to be \$356,575,524, the total land value of those parcels to be \$92,780,985 and the total square footage of those parcels to be 39,470,942 square feet. Using the total value and dividing by the total number of parcels shows the average single family residential developed parcel value to be \$65,080. Using the total land value and dividing by the total number of parcels shows the average single family developed parcel land value is \$16,934. Dividing the average land value by the average parcel value yields an **Average Single Family Land Value Ratio of 26%** of the average total value. Dividing the total square footage by the total number of parcels shows the average single family residential parcel size is **7,204 square feet**.

In order to calculate a uniform benefit for undeveloped parcels, it is proposed to take the total undeveloped parcel square footage and divide it by the average single family residential parcel size and then multiply it by the land value to total value percentage ratio.

Rate Classes

Using the data from the Pasco County Tax Rolls, there are approximately 7,481 parcels within the City, each with a unique property use codes as assigned by the Property Appraiser. The City has then assigned a Rate Class Code to each of the parcels based on that use code. A listing of Rate Class Codes and associated property use categories is provided as Appendix A.

Using the Rate Class Codes, the specific methodology for the parcel apportionment within each category or property use is generally described below.

Single Family Residential Parcels – Single Family residential parcels are parcels to which the Property Appraiser has assigned a Use Code 01, 02, 04, 09, or 28. All single family residential parcels are assigned

1 ERU per dwelling unit. Mobile home and RV parks are assigned 1 ERU per individual site within the park.

General Parcels – General parcels are all other developed parcels not classified as single family residential parcels, as Undeveloped Parcels or as not charged parcels. The number of ERUs attributable to each general parcel is determined by dividing the sum of the building square footage for each parcel by the ERU value identified above.

Undeveloped Parcels – Undeveloped parcels are vacant parcels to which the Property Appraiser has assigned a Use Code of 00, 10, 40, or 70. The number of ERUs attributable to each Undeveloped Parcel is determined by dividing the total area of the parcel by the Average Residential Parcel size and then multiplying that by the Average Single Family Land Value Ratio defined in the section above.

Not Charged – Not charged parcels are those parcels to which the Property Appraiser has assigned a Use Code of 94, 95, 96, or 99. These codes will not be utilized in ERU calculations or lighting assessments.

Based on the foregoing methodology, Table 3 provides the total number of ERUs by rate class.

Table 3 – Total Number of ERUs by Rate Class Code

Rate Class	Parcel Count	ERUs
Residential Parcels	5,479	6,371
General Parcels	1,319	4,416
Undeveloped Parcels	643	2,090
Not Charged	40	-
Total	7,481	12,878

Source: Utility Assessment Roll

Calculation of Assessment Rates

Based on the costs of providing the street lighting services and the number of ERUs in the city, Table 4 summarizes the recommended assessment rates after application of the proposed assessment methodology for Fiscal Year 2017-18 (FY 18) at 100 percent of the assessable costs.

Table 4 – Preliminary Rates Fiscal Year 2017-18 (FY 18)

100% of Assessable Costs =	\$	485,932
Total Assessable Costs	\$	485,932
Total Number of ERU's		12,878
Rate Per ERU	\$	37.73

Table 5 reflects the annual rates at 100 percent of the 5-year average assessable costs.

Table 5 – Preliminary Rates 5-Year Average

100% of Assessable Costs =	\$	498,453
Total Assessable Costs	\$	498,453
Total Number of ERU's		12,878
Rate Per ERU	\$	38.71

Table 6 reflects the rates at 100 percent of Fiscal Years 2017-18 (FY 18) through 2021-22 (FY 22) assessable costs and an annual comparison of total revenue excess or (shortfall) by year based on the 5-year average rate and the current assessment rate.

Table 6 – Preliminary Rates Fiscal Years 2017-18 (FY 18) through 2021-22 (FY 22)

	FY 17-18 Proforma Budget	FY 18-19 Proforma Budget	FY 19-20 Proforma Budget	FY 20-21 Proforma Budget	FY 21-22 Proforma Budget	5 Year Average Budget
Total Assessable Costs	\$ 485,932	\$ 472,106	\$ 491,256	\$ 511,151	\$ 531,820	\$ 498,453
Total Number of ERU's	12,878	12,878	12,878	12,878	12,878	12,878
Rate Per ERU	\$ 37.73	\$ 36.66	\$ 38.15	\$ 39.69	\$ 41.30	\$ 38.71
Collections						Total
Over/(Under) @ \$38.71	\$ 12,561	\$ 26,387	\$ 7,237	\$ (12,658)	\$ (33,327)	\$ 200
Over/(Under) @ \$36.24	\$ (19,247)	\$ (5,421)	\$ (24,571)	\$ (44,465)	\$ (65,135)	\$ (158,839)

Methodology Revisions

Item 1: Acceptance of Undeveloped Parcel Methodology

Item 2: Acceptance of Adding Indirect Costs

Item 3: Treating Use Code 87 Other State as General instead of Not Charged

Implementation Schedule

To implement the update street lighting assessment rates and methodology presented in this Rate Study beginning in Fiscal Year 2017-18 (FY 18), the City of New Port Richey must complete the following tasks:

Critical Events Schedule

Event	Date
Workshop Re: Methodology and Rates	May 16, 2017
City Provides Direction on Rates	May 16, 2017
City Approves Final Rate Studies	June 20, 2017
City Passes Assessment Resolutions	September 2017
Appear on Residents' Tax Bill	October 2017

Appendix A
Pasco County Use Codes vs Rate Class Codes

Pasco County Use Codes vs Rate Class Codes

Use Code	Description	Rate Class Code
00	Vacant Residential	Undeveloped
01	Single Family	Residential
02	Mobile Homes	Residential
03	Multi-Family - 5 or more units	General
04	Condominium	Residential
08	Multi-Family - less than 5 units	General
09	Residential Common Elements/Areas	Residential
10	Vacant Commercial	Undeveloped
11	Retail Stores, One Story, All Types	General
12	Stores, Office, SFR	General
13	Department Stores	General
14	Supermarket	General
16	Shopping Center Community	General
17	1 Story Office	General
18	Multi-Story Office	General
19	Professional Service Building	General
21	Restaurants	General
22	Drive-In Restaurants	General
23	Financial Institutions	General
25	Service Shops Non-Automotive	General
26	Service Stations	General
27	Auto Sales, Service, etc.	General
28	Rental MH/RV Park	Residential
29	Wholesale MFG., etc.	General
30	Florist, Greenhouses	General
32	Theaters, Enclosed	General
33	Night Clubs, Bars, etc.	General
39	Hotels, Motels	General
40	Vacant Industrial	Undeveloped
41	Light Manufacturing	General
48	Warehousing (Block or Metal)	General
70	Vacant Institutional	Undeveloped
71	Churches	General
72	Schools, Colleges, Private	General
73	Hospitals, Private	General
74	Homes for the Aged	General
76	Mortuaries, Cemeteries, etc.	General
77	Clubs, Lodges, Halls	General
78	Out Patient Clinics	General
82	Forests, Parks, etc.	General
83	Schools, Public	General
85	Hospitals, Public	General
86	Other County	General
87	Other State	General
88	Other Federal	General
89	Other Municipal	General
91	Utilities	General
94	Right-of-Way, Streets, Ditch	Not Charged
95	Rivers and Lakes, Submerged Lands	Not Charged
96	Sewage Disposal, Waste Lands, Swamp	Not Charged
99	Acreage not zoned agricultural – with/without extra features	Not Charged