

(239) 533-2737

February 9, 2018

NAME
ADDRESS
ADDRESS

Strap No.: XX XX XX XX XXXXX XXXX

Dear Property Owner:

On Tuesday, April 3, 2018 at 9:30 A.M., in the County Commissioner Meeting Room of the Lee County Courthouse, 2120 Main Street, Fort Myers, Florida, a public hearing will be held regarding the creation of the Sunset Cove Channel Dredge CIP and the Sunset Cove Channel Marker O&M Municipal Service Benefit Units. The Resolution to be considered is titled as follows:

A RESOLUTION RELATING TO THE UNINCORPORATED AREA OF LEE COUNTY, FLORIDA: CREATING A MUNICIPAL SERVICE BENEFIT UNIT TO BE KNOWN AS THE "SUNSET COVE CHANNEL DREDGE CIP" MUNICIPAL SERVICES BENEFIT UNIT" FOR THE PURPOSE OR PROVIDING FOR THE DREDGING OF CHANNEL; PRESCRIBING THE BOUNDARIES OF SAID UNIT, ALL WITHIN THE UNICORPORATED AREA OF LEE COUNTY, FLORIDA: AUTHORIZING THE DREDGING OF CHANNEL A PROJECT WITHIN THE UNIT AND THE LEVYING OF SPECIAL ASSESSMENTS TO FINANCE SUCH A PROJECT; ESTABLISHING THE ESTIMATED COST TO BE \$393,395 AND PROPOSED METHOD OF ASSESSMENT TO BE ON A PER PARCEL ASSESSMENT; ESTABLISHING THAT THIS NON-AD VALOREM ASSESSMENT MAY BE COLLECTED, IN PART, PURSUANT TO THE UNIFORM COLLECTION ACT; AND PROVIDING AN EFFECTIVE DATE.

The Ordinance to be considered is titled as follows:

AN ORDINANCE CREATING THE SUNSET COVE CHANNEL MARKER OPERATION AND MAINTENANCE SPECIAL IMPROVEMENT UNIT; DEFINING THE TERRITORY TO BE INCLUDED; ESTABLISHING THE BOARD OF COUNTY COMMISSIONERS AS THE GOVERNING BODY OF THE UNIT; PROVIDING FOR THE REPAIR/REPLACEMENT OF CHANNEL MARKERS; PROVIDING FOR THE POWER TO LEVY SERVICE CHARGES, SPECIAL ASSESSMENTS OR TAXES WITHIN THE UNIT; PROVIDING FOR A FUND; PROVIDING FOR REVERTER; SEVERABILITY; AND PROVIDING FOR EFFECTIVE DATE.

The area to be encompassed by the proposed Unit shall consist of real property located in Section 16, Township 45, Range 24E in Lee County, as depicted in the attached map.

The estimated cost of the Channel Dredge Project is \$393,395, which shall be paid as a special assessment on the properties within the Unit, which are specially benefited by the Project. The proposed method of assessment for purposes of paying the costs of the project is on a per parcel basis to be billed at the completion of project. Property owners can elect to pay the assessment in full within 30 days of notification of completion or finance the total cost. Those property owners that chose to finance the assessment will be appear as a non-ad valorem special assessment on your annual property taxes. It is anticipated that the assessment on the property taxes will begin

November 2019. The estimated per parcel cost with financing will be \$6,449. The final interest rate will not be determined until the final signing of the loan documents upon completion of the project. Failure to pay the special assessment may cause a tax certificate to be issued against the property, which may result in the loss of title.

The maximum yearly cost of the Channel Marker (repair/replacement) O&M is \$52.08, which shall be paid as a special assessment on the properties within the Unit. This assessment is also anticipated to begin **November 2019** and will appear as a separate line item from the above assessment on your annual tax bill.

Should the proposed Units be created, the Board of County Commissioners of Lee County, Florida (the "Board") shall act as its governing body, and acting on behalf of the Unit, will obtain the necessary financing and contract for the acquisition and construction of the Project. The property owners within the unit will be responsible for all costs associated with the project. In the event the project fails to be completed, the property owners within the unit will be responsible for all costs expended related to the project.

At the public hearing on the creation of the Unit, the Board will hear further public input regarding the acquisition and construction of the Project and establishment and apportionment of special assessments within the Unit.

The adoption of the resolution and ordinance creating the Units will be the final adjudication of the issues presented thereby unless proper steps shall be initiated in a court of competent jurisdiction to secure relief within 20 days from the date of adoption of such resolution. You are advised that any person wishing to appeal any decision of the Board with respect to any matter considered will need a record and may wish to ensure that a verbatim record is made.

This Public Hearing is an opportunity for you to express your opinion or you may wish to write a letter to the sender at P. O. Box 398, Fort Myers, Florida 33902. All correspondence received within twenty (20) days of this notice will become a part of the Public Record. If you have any questions, please call 533-2308. In accordance with the Americans with Disabilities Act, persons needing a special accommodation or an interpreter to participate in this proceeding should contact Joan LaGuardia, with County Administration at (239) 533-2221 at least seven days prior to the date of the hearing.

If you have any questions, please give me a call at 239-533-2308.

Sincerely,

Lori Borman, MSTBU Coordinator
Lee County Management & Budget
PO Box 398
Ft Myers FL 33902
Email: bormanla@leegov.com

Attachment: Map

SUNSET COVE CHANNEL DREDGE CIP/O&M

Breakdown of Cost Estimate:

61 Properties Included

Assumption 6% Interest (determined at time of draw)

| | |
|---|-----------------|
| Administration Fee *: | \$19,801 |
| Engineering/Surveying: | \$41,000 |
| Permit/Fees: | \$16,000 |
| Construction: | \$215,000 |
| Interest of Short Term Loan Estimate: | \$11,718 |
| Financial Services/Long Term Loan Estimate**: | \$46,876 |
| 20% Contingency: | <u>\$43,000</u> |
| Total Probable Cost Estimate | \$393,395 |

Estimated Cost per property: \$6,449

*Administration Fee – Advertising, Postage, Supplies, Adding unit to accounting system, lien recording and releases, coordinator's and project management time.

** Financial Services: Cost of issuance, Tax Collector, Property Appraiser, and Capitalized Interest.

Timeframe:

Upon receipt of the formal petitions a timeframe of 60 to 90 days for processing of all the paperwork and for Board of County Commissioner to hold the Public Hearings for creation of the units. This timeframe is setup to meet state statute requirements for notification and the Board meeting only twice a month.

Directly after the Board holds the Public Hearing to create the units. We can have Engineer work up the contract to move forward with this project.

The Engineer's preliminary schedule:

0-3 Months for Hydrographic survey, geotechnical subsurface material testing, Environmental reports and preparation of permit applications and exhibits design plans and specifications.

3-9 months Permitting and approval process (this depends on Army Corp and DEP timelines)

9-12 months Contractor bidding and Selection process/contract award

12-16 months construction

13 months final certifications and project close-out

**BUDGET SHEET FOR SUNSET COVE OPERATION & MAINTENANCE FIRST YEAR BUDGET
CANAL, CHANNEL DREDGE AND MARKER MAINTENANCE**

FUND NO.:

| NOV. Tax Bill YEAR | DISTRICT ASSESSMENT | NUMBER Equal Units | FINAL ASSESSMENT |
|-----------------------|------------------------|-----------------------|---------------------|
| 2019 | \$3,177 | 61 | \$52.08 |

| Account Description | FY 19/20 Final Budget |
|-------------------------------|-----------------------|
| Current Assessments | 3,177 |
| Interest on Investments | 25 |
| Less 5% Anticipated | -152 |
| Fund Balance Appropriated | |
| TOTAL REVENUE | 3,050 |
| | |
| | |
| Tax Collector Financial S | 100 |
| Property Appraisals | \$ 100 |
| Replacement of Channel Marker | 2,000 |
| Administrative Chgs-MSTBU | 750 |
| Future Capital Outlay | 0 |
| Reserves for Contingencies | 100 |
| Reserve Cash Balances | 0 |
| TOTAL EXPENDITURES | 3,050 |

FINANCING INFORMATION/DISCLOSURE

Municipal Services Benefit Units (MSBUs) are created to provide a legal dependent unit to assist property owners in obtaining municipal type services and/or improvements which specifically benefit their community. When a unit is created by the Board of County Commissioners, the County will, along with managing the design, permitting, and construction, arrange for the necessary loans to finance the project; manage the debt funds during the term of the loans; annually assess, collect, and manage the individual accounts included in the unit; and provide releases of liens to property owners upon full payment of lien.

The three loans generally utilized for a project are as follows:

Short Term Financing: The County secures short term financing to fund the project during the construction phase. The short term loan is paid off with proceeds from the long term loan obtained following the completion of the project. **The interest cost of the short term loan is included in the cost of the project and borne by all benefited property owners within the MSBU.**

Long Term Financing: Following the completion of the project and the final public hearing the County will obtain long term financing. The loan is secured to reimburse any inter-fund loans, satisfy short term debt, and will include in the loan amount, closing costs/fees, and capitalized interest. Currently the County has a contract with SunTrust bank for these loans with defined interest rate (that are determined three days prior to closing), and 100 basis points (1%) for County administration fees over the term of the loan.

The interest rate utilized for the cost estimate is an estimate in what County's financial consultants believe the rate could be at the completion of the project, based on historical and current trends.

Property owners have a choice to 1) pay their assessment off in full within the first thirty days following the final public hearing, without incurring any portion of the long term financing costs, or 2) finance their assessment over the term of the loan. **Property Owners who choose to finance their assessment will pay annual interest on the principal balance. Assessments can be paid off at anytime without penalty.**

While the final interest paid over the term of the loan will depend on the final project costs and the final interest rate, the amortization schedule provided to you on the back of this document will provide you with a sample payment schedule indicating the payments for any given year during the term of the loan and total principal and interest payments if finance for the full duration of the loan.

**EXAMPLE OF A FIXED PRINCIPAL SCHEDULE
for PROPOSED**

| | |
|------------|--------------|
| PRINCIPAL: | \$393,395.43 |
| INTEREST: | 6.0% |
| TERM: | 10 years |

Please Note: Interest Rate may change pending Bond or Loan rate at closing.

| YEAR | PRINCIPAL | INTEREST | PAYMENT | BALANCE |
|-------|--------------|--------------|--------------|--------------|
| | | | | \$393,395.43 |
| | | | | |
| | | | | |
| 2019 | \$39,339.54 | \$25,570.70 | \$64,910.24 | \$354,055.89 |
| 2020 | \$39,339.54 | \$21,243.35 | \$60,582.90 | \$314,716.34 |
| 2021 | \$39,339.54 | \$18,882.98 | \$58,222.52 | \$275,376.80 |
| 2022 | \$39,339.54 | \$16,522.61 | \$55,862.15 | \$236,037.26 |
| 2023 | \$39,339.54 | \$14,162.24 | \$53,501.78 | \$196,697.72 |
| 2024 | \$39,339.54 | \$11,801.86 | \$51,141.41 | \$157,358.17 |
| 2025 | \$39,339.54 | \$9,441.49 | \$48,781.03 | \$118,018.63 |
| 2026 | \$39,339.54 | \$7,081.12 | \$46,420.66 | \$78,679.09 |
| 2027 | \$39,339.54 | \$4,720.75 | \$44,060.29 | \$39,339.54 |
| 2029 | \$39,339.54 | \$2,360.37 | \$41,699.92 | \$0.00 |
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| TOTAL | \$393,395.43 | \$131,787.47 | \$525,182.90 | |