

REQUEST FOR CITY COUNCIL CONSIDERATION

Meeting Date: February 20, 2006

Agenda Item: 7E	Prepared By: William P. Harrison Date: February 15, 2006
Agenda Section: Business: Resolution(s)	
Subject: Initial Assessment Resolutions – Sewer Areas	Department: Finance

BACKGROUND:

City Council is asked to consider the Initial Assessment Resolutions to establish two (2) new sewer assessment areas planned for Year 3 of the STRP. These are the Lamplighter Assessment Area and the Sheffield Assessment Area.

The Septic Tank Replacement Program has been created by the City Council to transition all properties on Marco Island currently on septic tanks to central sewer. The program has been divided into fifteen (15) assessment areas, with construction scheduled over seven (7) years. The first two areas, Tigertail and South Barfield, have been completed and properties are currently being connected to the new system. For Year 2, five assessment areas were established. These are: North Barfield, West Winterberry, and three areas in North Marco. Construction will begin in April 2007 with completion in December 2007. For Year 3 of the STRP, the Lamplighter and Sheffield Areas are scheduled for engineering design in 2007 with construction in 2008.

The Initial Assessment Resolution defines the geographical boundaries of each assessment area, establishes the maximum cost for the improvements, orders public notices and first class mailings to affected property owners, and sets the date (April 23, 2007) for a public hearing on the Final Assessment Resolutions. These resolutions also include repayment options offered to property owners, as established by the City Council.

When considering the Final Assessment Resolutions on April 23rd, City Council shall consider any written or oral testimony, make adjustments to the assessment roll as deemed appropriate, establish the maximum assessment, approve the assessment roll, and determine the method of collection. The resolutions shall be the final adjudication of the issue.

There are two components to the sewer assessment:

1. **Wastewater Collection Improvements (construction assessments):** These are the neighborhood collection pipes and pump stations within the assessment area itself. A charge of one (1.0) Equivalent Residential Connection (ERC) regardless of dwelling size takes into consideration the ability to design and construct these facilities for a rather homogenous area.
2. **Wastewater Treatment Capacity Improvements (capacity assessments):** These are the major transmission, treatment plant, and disposal facilities that are needed to service new customers connecting to the Wastewater Collection Improvements. All existing dwelling units are assessed at

one (1.0) ERC regardless of size. All new construction and redevelopment of existing dwellings after June 1, 2005 will pay an incrementally larger amount (0.33 ERC for every 750 square feet or portion thereof over a base of 2,500 square feet for a single-family residential property.) This allows for users with larger demand who choose to develop or redevelop to contribute more proportionally to the cost of Wastewater Treatment Capacity Improvements, but effectively “grandfathers” existing homeowners.

The ERC values used to determine the maximum assessments (before the 6% reduction offered for a cash payment of the assessment) are as follows:

LAMPLIGHTER SEWER ASSESSMENT AREA:

Wastewater Collection Improvements	\$14,619.87 per ERC
Wastewater Capacity Improvements	4,903.20 per ERC

SHEFFIELD SEWER ASSESSMENT AREA:

Wastewater Collection Improvements:	\$19,466.65 per ERC
Wastewater Capacity Improvements:	4,903.20 per ERC

The cost to physically connect to existing improved parcels is estimated at \$1,650 per property.

Upon adoption of these resolutions, City staff will oversee the publication of legal notices and first class mailings to individual notices to affected property owners. The required Public Hearings will be scheduled.

FUNDING: As companion items to the Final Assessment Resolutions, bond resolutions will be considered by the City Council. Bonds will be validated through the Collier County District Court and application made to the State Revolving Loan Fund for funding at subsidized interest rates.

During the workshop meeting of February 14, 2007, City Council agreed to consider a reduction in the capacity cost in order to offset the wastewater treatment plant upgrades that will be paid through the utility rate base. Upon final adoption of the revised policy (anticipated for consideration on March 5, 2007), the capacity cost component for these two areas and previously adopted assessment areas will be adjusted upon final assessment.

RECOMMENDED ACTION:

Consider and, if deemed appropriate, adopt the Initial Assessment Resolutions for the Lamplighter and Sheffield Sewer Assessment Areas.

Reviewed by Department Director

Reviewed by City Manager

Council Action: Motion by:

Second by: