

SPECIAL WORKSHOP MEETING, OCTOBER 31, 1996  
AGENDA ITEM # I

Agenda Item: Canal Dredging Report

Presenter: Town Manager, Town Attorney and Staff

Summary: This report will provide information concerning the canal ownership, liability issues, and methods of financing for your consideration at the meeting.

Attachments: 10-25-96 Memo, Town Manager to Town Commission

Recommended Action: Pending discussion and consensus of the Commission.

/dhs  
10-25-96

MEMORANDUM

DATE: October 25, 1996

TO: Town Commission  
FROM: Griff Roberts, Town  
SUBJECT: Canal Dredging Report

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This is to advise that the Canal Dredging Report which we will present at the workshop will address the following major factors to assist you in making your determination whether to proceed and if so on what bases:

1. Canal ownership;
2. The issue of liability;
3. Methods of financing, including portions to be funded by property owners and the Town.

Staff and I have thoroughly evaluated these factors and will have our assessment and alternative recommendations for your consideration at the workshop.



GHR/dhs

cc: Bruce St. Denis, Assistant Town Manager  
Carl Hubbard, Administrative Services Director  
Terry Sullivan, Finance Director  
Len Smally, P.E., Director  
Dan Gaffney, PZB Director  
Deborah Heger, Purchasing Agent  
David Persson, Town Attorney  
Barbara Levin, Esq.  
Cliff Truitt, P.E., D.Eng.  
Coastal Planning & Engineering, Inc.



\* COST OF SPECIAL STUDIES (SEAWALL COND. ETC.)  
NOT INCLUDED IN PROJ COST.

## I. PROJECT BACKGROUND

### A. Coastal Planning & Engineering (CPE) Study Proposed Dredging of Specific Canals with an initial project cost of \$1.2 million

- Discussed at February 15, 1996 Commission Meeting
- Attachment A, Streets List (to follow)

At a previous workshop, the Commission directed investigating additional private areas:

- Attachment B, Streets List (to follow)
- These added \$600,000 in cost to the project for a total of \$1.8 million

### B. Town staff conducted a survey of affected canal properties with the following results:

- Survey mailed to 881 properties
- Percent of surveys returned = 67%
- Percent favoring the canal dredging program = 61%
- Percent willing to pay for the canal dredging program = 50%

C. These figures are based on a very limited study. Costs could vary as a result of several factors that cannot be identified without further study. Some of these factors include:

- Which canals are included in final project
- Cost of disposing of spoil material

## II. FINANCING

### A. Funding Options

- Total Public Funding - fund entire project as part of Town's annual budget
- Total Private Funding - as a Special Assessment, or
- Some combination of both

### B. Assessment vehicles available to fund private portion

- By Special Assessments with each benefited unit paying an equal share
- Assessment to benefited properties with percentage based on ad valorem values

### C. What alternatives are available to create special assessment scenarios of project

- Special Assessment (per units)
- Ad Valorem
- Special Taxing District

### D. Potential grant available for minor funding portions of project with benefit to general public

### III. FUNDING EXAMPLES

#### A. Dredge "Public" Canal Area Examples

##### 1. Areas included in Examples

- Country Club Shores area
- Buttonwood
- Gulf Bay Road
- Emerald Harbour area/Buccaneer
- Cannons Bayou (including Dream Island Road South)
- Bishops Bayou
- Lands End Canal

##### 2. All Examples assume Town to pay 1/3 and residents to pay 2/3 on a per unit basis - but can be any combination desired by Commission

##### 3. Cost Allocation

• <b>Cost to Dredge <u>All Public Canals</u></b>	<b>=</b>	<b>\$1,033,313</b>
• <b>Town's Portion (1/3)</b>	<b>=</b>	<b>344,438</b>
• <b>Resident's Portion (2/3)</b>	<b>=</b>	<b>688,875</b>
• <b>Number of Benefited Units</b>	<b>=</b>	<b>607</b>
• <b>Cost Per Unit = <u>\$688,875</u></b>	<b>=</b>	<b>\$1135 Per Unit</b>
<b>607</b>		



B. **Private** Canal Area Examples

1. Areas Included in Example

- Roger Cook Subdivision
- Longboat Harbour Basin
- Longboat Harbour North Basin (Windward Bay)
- Bermuda Bay to Companion Way
- General Harris Area
- Bayview to Juan Anasco
- Longboat Key Estates

2. Cost Allocation

• Cost to Dredge All <u>Private</u> Canals	=	\$888,594
• Town's Portion (1/3)	=	296,198
• Resident's Portion (2/3)	=	592,396
• Number of Benefited Units	=	365
• Cost Per Unit	= <u>\$592,396</u>	= \$1623 Per Unit
	365	

C. "Blended Cost Example (Combines "Public" and "Private" Canals)

1. Cost Allocation

• <b>Cost of <u>"Public Canals Plus Cost of Private Canals"</u></b>	<b>=</b>	
<b>\$1,921,907</b>		
• <b>Town Portion (1/3)</b>	<b>=</b>	<b>640,635</b>
• <b>Private Portion (2/3)</b>	<b>=</b>	<b>1,281,272</b>
• <b>Total Residents to be Assessed</b>	<b>=</b>	<b>972</b>
• <b>Total Cost Per Unit = <u>\$1,281,272</u></b>	<b>=</b>	<b>\$1,318/Unit</b>
<b>972</b>		

D. Ad Valorem Tax Rate

If all costs were paid by ad valorem taxes following are the approximate tax rates for the project using two scenarios. This would be a one-time tax charge to all property owners:

1. A \$1.2 million project would increase ad valorem taxes by .000555 mills (\$166.50 one-time cost for a property with a taxable value of \$300,000.)
2. A \$1.8 million project would increase ad valorem taxes by .000833 mills (\$249.90 one-time cost for a property with a taxable value of \$300,000.)



## IV. OWNERSHIP ISSUES

### A. Public vs. Private Ownership

- What public ownership means
- What private ownership means
- The different types of private ownership the project must address
- What it would take to bring each of the private canals into public ownership so it could be recommended that these areas be included for consideration in this project
- The time frame recommended to allow the private areas to become public

## V. LIABILITY

### A. Liability is a concern in areas that

- Are so narrow that dredging could affect stability at the “toe” of the wall
- Seawalls in an area are in poor condition so that any activity could accelerate failure

### B. Liability can be addressed in several ways

- Delete problem areas from project consideration
- Have property owners sign waivers prior to work
  - hold Town and contractor harmless
- Purchase additional insurance
- Pass liability to contractor by contract
  - has a cost
- Take steps to minimize liability
  - design and dredge based on conditions

## VI. SCHEDULE

- A. CPE estimates that preliminary studies, design, permitting and development of construction documents will take approximately 18 months
- B. Dredging could start sometime after that point
- C. This timeframe will be greatly influenced by:
  - How long it takes to make decision to proceed with project
  - What canals are included in Project
  - How long it takes for private canals that are to be included in project to eliminate barriers to public dredging
  - Time it takes to identify an acceptable spoil site

## VII. ISSUES TO BE DECIDED BY COMMISSION

A. Is Project Worth Pursuing?

B. What areas will be included in project?

- Public Only
- Public and All Private
- Public and Selected Private

C. If private canals are considered, how much time will they be allowed to become public?

D. How is funding of project to be distributed?

- Total public funding
- Total private funding
- Combination (percentage to be determined)

E. What are alternative funding sources?

- Ad Valorem
- Special Assessment
- Special Taxing District

F. What will be the basis for private contribution percentages?

- Equal cost per benefited unit
- Cost per unit based on ad valorem values
- Front footage assessment

G. Will costs assessed to private owners be based on actual cost of dredging a particular canal or "blended" so that all units are charged the same regardless of the cost of dredging the canal on which they reside?

## ADDITIONAL FUNDING ALLOCATION OPTIONS

<u>ASSUMPTION:</u>	Town Portion	=	25%
	Private Portion	=	75%

### A. Public Canals:

• Cost to Dredge All Public Canals	=	\$1,033,300
• Town's Portion (25%)	=	258,325
• Private Portion (75%)	=	774,975
• Number of Benefited Units	=	607
• Cost/Unit	=	$\frac{\$774,975}{607}$
		= \$ 1,276

### B. Private Canals

• Cost to Dredge All Private Canals	=	\$ 888,594
• Town's Portion (25%)	=	222,148
• Private Portion (75%)	=	666,446
• Number of Benefited Units	=	365
• Cost/Unit	=	$\frac{\$666,446}{365}$
		= \$ 1,826



C. Combine Public And Private Canals

• Combined Project Cost	=	\$1,921,900
• Town Portion (25%)	=	480,475
• Private Portion (75%)	=	1,441,425
• Number of Benefited Units	=	972
• Cost/Unit	=	$\frac{\$1,441,425}{972}$
		\$ 1,483

## ADDITIONAL FUNDING ALLOCATION OPTIONS

<u>ASSUMPTION:</u>	Town Portion	=	50%
	Private Portion	=	50%

### A. Public Canals:

• Cost to Dredge All Public Canals	=	\$1,033,300
• Town's Portion (50%)	=	516,650
• Private Portion (50%)	=	516,650
• Number of Benefited Units	=	607
• Cost/Unit	= $\frac{\$516,650}{607}$	= \$ 851

### B. Private Canals

• Cost to Dredge All Private Canals	=	\$ 888,594
• Town's Portion (50%)	=	444,297
• Private Portion (50%)	=	444,297
• Number of Benefited Units	=	365
• Cost/Unit	= $\frac{\$444,297}{365}$	= \$ 1,217

C. Combine Public And Private Canals

• Combined Project Cost	=	\$1,921,900
• Town Portion (50%)	=	960,950
• Private Portion (50%)	=	960,950
• Number of Benefited Units	=	972
• Cost/Unit	=	$\frac{\$960,950}{972}$
		\$ 988