

SHI Federal Beach Project

A Plan That Works for All

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Phase 1 (Prior to confirmation of the 2022 Budget)

All the funds required for the ACOE (Army Corps of Engineers) Initial Start have already been forwarded to the Corps, and with the same SHI Erosion District (MSTU) millage rate used last year the County will be left with sufficient funds for all anticipated expenses, plus an adequate reserve for the coming year. Therefore, we should roll back the proposed SHI MSTU from 0.7455 to 0.2131 eliminating the 340% increase that has been proposed.

Our analysis (see attached) indicates the Contingency Reserve is in excess of \$730,900, before any new tax revenue. Any new tax revenue will only add to the reserve. As indicated below, with additional revenue using last year's millage rate, the reserve approaches \$1MM prior to any anticipated further cost reductions to be confirmed very shortly by the Corps.

A "catastrophic erosion event" prior to the initial start does not need any further funding in year 1 for that very unlikely scenario, nor is it reasonable attempting to fund such an unknown all in one year.

\$730,924 - Remaining Contingency Reserve after construction costs, year 1 post construction monitoring, and debt service through 10/1/2022.

\$252,890 – Tax revenue (95%) rolled back to last year's rate of (0.2131).

\$983,815 – Remaining Contingency Reserve with last year's rate projected through 10/1/2022.

Phase II (Prior to confirmation of 2023 Budget Workshops)

Unlike Phase 1, Phase 2 needs no immediate action. Once Phase 1 is complete, a working group, comprised of SLC Erosion District Staff and the SHI stakeholders should be convened to develop a proposal covering the following subjects.

Topics to be discussed by the Project Team:

Number of nourishments to be planned over 50-year period

- 3 in the Federal program per ACOE
- 5 in the SLC proposed budget
- 4 proposed by MSTU participants

Number of years to amortize each nourishment project

- ACOE 3 nourishments = 17 years
- SLC 5 nourishments = 8 years
- MSTU proposal 4 nourishments = 12 years

MSTU/Erosion District participation

Fulfill all of the remaining ACOE requirements for qualification and full participation within the federal program (including obtaining the last remaining construction easement)

Determine fair and balanced funding alternatives

**Attachments (9/6/2021) within the PC-SHI Federal Beach Project
A Plan That Works For ALL**

Reserve for "Contingencies" - Summary of Sources, Uses and Remaining Balance.

<u>FLA matching Grant 20SL3</u>	<u>County Local Share</u>	<u>Total</u>	
43.49%	56.51%	100%	
\$3,381,281.00	\$4,560,000.00	\$7,941,281.00	Initial Balance
	(8 yr. Bank Loan)^		
-2,685,965.88	-3,490,088.12	-6,176,054.00	Paid to ACE for Initial Start
695,315.12	1,069,911.88	1,765,227.00	Remaining Balance (FLA matching Grant 20SL3 funds still held by the state and dedicated to)
Initially>	-700,000.00	-700,000.00	Post-construction monitoring (Yr.1-During Construction Only)
695,315.12	369,911.88	1,065,227.00	
Following Completion			
-304,430.00	304,430.00	0.00	
390,885.12	674,341.88	1,065,227.00	Remaining Balance (FLA matching Grant 20SL3 funds still held by the state and dedicated to)
	-334,302.67	-334,302.67	Debt Service thru 10/1/2022. Next pmnt is due 04/01/2023
390,885.12	340,039.21	730,924.33	Remaining "reserved" for contingencies/unexpected costs) BEFORE any Nov 2021 tax revenue.
			It should be a more than sufficient cushion or contingency fund for 12 months until the next tax yr. when final actual costs will be known, considering the anticipated further savings/cost reductions.
	252,890.24	252,890.24	Plus: Tax Revenue @ Rolled Back Rate
			SHI Beach Erosion Control \$ 1,249,179,955 Gross Value July
390,885.12	592,929.45	983,814.57	Remaining Balance projected thru 10/1/2022
	631,810.24	631,810.24	If this yrs proposed increase
390,885.12	1,224,739.68	1,615,624.80	Remaining Balance projected thru 10/1/2022
			95% \$ 266,200.25 0.2131
			95% \$ 665,063.41 0.5324
			95% \$ 931,263.66 0.7455

Plus: Further cost reductions. The long anticipated derived from the finalized competitive construction bids, which the CORPs will hold as a "reserve", either a credit to refund after closing the books on the project or any erosion event as below. Other?

Less: Unanticipated costs for significant erosion due to a storm event as occurred for 2013 project. Note: the CORPs will already have any cost reductions/savings as above pending the project's completion. Other?

Where & when is the fairness assured multiple times earlier this year by SLC staff? "As to the budget process, please be assured that your request for additional county funding will be considered as we develop the budget for the coming year. The County will be a good neighbor through this process and its contribution will cover, at a minimum, the public beachfront."

Please do not leave the SHI taxpayers feeling and believing they were misled.

Non-Federal Share Breakdown (Year 1)	
Non-Federal Share Due August 4, 2021 (USACE Letter)	
(-) FDEP Grant 19SL4 (184234) State Grant @ 100%	\$9,273,000.00
Non-Federal Balance Due (After Applying 19SL4 Funds)	\$3,096,946.00
(-) FDEP Grant 20SL3 (001486) State Share @ 43.49% ¹	\$6,176,054.00
(-) FDEP Grant 20SL3 (001486) County Share @ 56.51% ¹ (Non-Federal (Local) Share Due to USACE on August 4, 2021)	\$2,685,965.88
Balance (Non-Federal/Local Share)	\$3,490,088.12
	\$0.00
Local Share - Construction Monitoring (Year 1 - During Construction Only) ²	
FDEP Grant 20SL3 (001486) State Share @ 43.49% ²	\$700,000.00
FDEP Grant 20SL3 (001486) County Share @ 56.51% ² (Local Funds Required to perform Year 1 Construction Monitoring)	\$304,430.00
	\$395,570.00
	\$3,885,658.12
Project Long-Term Monitoring (Years 2-10) ³	
Local Share Estimate without State Funding	
Local Share Estimate with State Funding @ 43.49%	\$1,485,000.00
	\$839,173.50
Non-Federal Share (Years 1) + (Years 2-10)	
Total Local Share of Project (Estimated) with State Funding @ 43.49% (Years 1-10)	\$4,724,831.62
Total Local Share of Project (Estimated) without State Funding (Years 2-10)	\$5,370,658.12

¹ USACE construction only - partial distribution of grant funds
² Pre, during, and immediate post-construction effort (year 1) - state cost shared/existing grant
³ Success of future state grant applications unknown

Non-Federal Share Breakdown (Year 1)

Non-Federal Share Due August 4, 2021 (USACE Letter)

\$9,273,000.00

Total Local Share of Project (Estimated)

Non-Federal Share (Years 1) + (Years 2-10)

Total Local Share of Project (Estimated) with State Funding @

43.49% (Years 1-10) ⁴

If proposed over 8 yrs.>
s Taxable Value ⁵> \$ 1,249,179,955

SHI Millage

**1/8
8 yrs.**

**1/12
If 12 yrs.**

\$4,724,831.62

Historically successful and highly likely^

0.4728

0.3152

Total Local Share of Project (Estimated) without State Funding
(Years 2-10) ⁴

\$5,370,658.12

And if it should be the historically much less likely^

0.5374

0.3583

⁴ Source: ^Non-Federal Share SLC Summary for Aug. 2021 \$9.273M Pmnt to CORPs

Adding interest on 8 yr. Bank Loan per current payment schedule ⁶,
& not part of the above. Other items?

\$349,682.67

\$349,682.67

\$5,074,514.29

\$5,720,340.79

Adjustment for required 5%

95%

95%

SHI Millage for:

0.5345

0.6025

Revised & increased Total Local Share of Project (Estimated) with
State Funding ⁷

\$5,341,593.99

\$6,021,411.36

Compared to the proposed SHI Millage of: ⁵

0.7455

0.7455

Which over 8 yrs. would raise

\$7,450,109.25

\$7,450,109.25

0.7445

0.4970

Difference

\$2,108,515.26

\$1,428,697.89

What is the difference for? And it's justification? Is it really warranted, necessary?

It appears neither the already available "Reserve for Contingencies" OR

the above support a millage rate as onerous as proposed this year.

**Even if some of the difference should be needed, it certainly appears ALL of it is NOT needed this year
nor should most all of it be charged or allocated to the first of 8 or more years.**

⁵ Gross Taxable Value per Worksheet Analysis (pg.732 of 734 within BOCC Packet 7/27/2121 FY 2022 Budget)

⁶ Bank Loan Payment/Amortization Schedule

⁷ Does NOT yet include the generally highly & long expected further cost savings anticipated to be derived from the soon awarded competitive construction bid, which the CORPs will hold as a further "reserve", either to ultimately refund as a credit after closing the project's books or cover any unanticipated significant erosion event requiring more sand than already contracted for between now and the projects start. Other?

9/6/2021jha Attachment 3 of 5 within the PC-SHI Federal Beach Project-A Plan That Works For ALL

This Yr. Proposed	GROSS (Assessed/Taxable)		Millage Rate	Gross Taxes	95%	SHI Gross Contribution
	%SHI	Value *1				
General Fund	4.87%	25,669,932,656	4.207			
Fine & Forfiture	4.87%	25,669,932,656	3.037			
Erosion Control-Zone E	4.87%	25,669,932,656	0.1763	4,525,609	4,299,329	220,230
Stormwater	13.18%	9,478,780,258	0.4731	4,484,411	4,260,190	590,987
SHI Beach Erosion Control	100.00%	1,249,179,955	0.7455	931,264	884,700	931,264

^Per the present TRIM Notice, more than triple last year, with 100% only adding to an already funded "Reserve for Contingencies" - It is NOT needed for any known expenditures thru 10/1/2022, as they (including construction, post-construction monitoring and debt service) are already covered. (see Reserve for Contingencies" - Sources, Uses and Remaining Balance)

Last Year

SHI Beach Erosion Control	100%	1,164,332,066	0.2131	248,119	235,713	248,119
Change Yr Over Yr.	7.29%	84,847,889			increase >	375%
Stormwater	12.88%	9,038,199,615	0.3497	3,160,658	3,002,625	more than 3.75 x times
Change Yr Over Yr.	4.87%	440,580,643				407,167

With one small SLC rd in SHI what if any "stormwater" maintenance or \$\$ does SHI derive?

Before the increase? After the increase?

Where & what is their contribution to the SHI storm, flood control & prevention?

This Year

If Rolled Back

SHI Beach Erosion Control		1,249,179,955	0.2131	266,200	252,890	266,200	100%
<i>It too only adds to the "Reserve for Contingencies" - And NOT needed thru at least 10/1/2022</i>							
<i>If rolled back, SHI's contribution is more than 5X greater than CW TPs below</i>						5.87	x times
<i>Per the present TRIM notice it is more than 20x greater than</i>						20.55	x times
IF it were 100% Countywide		25,669,932,656	0.0363	931,264	884,700	45,318	4.87%
<i>If rolled back, SHI's contribution is more than 2X greater than Stormwater TPs below</i>						2.17	x times
<i>Per the present TRIM notice it is more than 7x greater than Stormwater TPs below</i>						7.59	x times
<i>If NOT 100% Countywide, but the same taxpayers supporting Stormwater supported the SHI Beach.</i>							
On that tax base		9,478,780,258	0.0982	931,264	884,700	122,728	13.18%

*1 Source: Gross Taxable Value Worksheet Analysis Cols. G & H (pg.732 of 734 within BOCC Packet 7/27/2121 FY 2022 Budget)

WORKSHEET ANALYSIS OF ROLL-BACK MILLAGE RATE FOR FISCAL YEAR 2021-2022

	A	B	C	D	E	F	G	H
FUND NAME	2020-21 Millage	2020-21 Taxes	2021-22 Rollback Rate	2021-22 Rollback Taxes	2021-22 Millage	2021-22 Taxes	Prior Year's Value ¹	2021-22 Gross Value ¹
COUNTY								
GENERAL FUND	4.2077	98,756,538	3.9640	101,755,613	4.2077	108,011,376	23,470,432,330	25,669,932,656
FINE & FORFEITURE	3.2324	75,865,825	3.0542	78,401,108	2.9824	76,558,007	23,470,432,330	25,669,932,656
SUBTOTAL COUNTY	7.4401	174,622,363	7.0182	180,156,721	7.1901	184,569,383		
DEPENDENT DISTRICTS								
EROSION CONTROL - ZONE E	0.1763	4,137,837	0.1656	4,250,941	0.1763	4,525,609	23,470,432,330	25,669,932,656
MOSQUITO DISTRICT ²	0.1352	3,101,399	0.1269	3,179,770	0.1352	3,387,745	22,939,343,070	25,057,288,944
SUBTOTAL DEPENDENT DIST.	0.3115	7,239,236	0.2925	7,430,711	0.3115	7,913,354		
TOTAL COUNTY/DEPENDENT DIST.	7.7516	181,861,599	7.3107	187,587,432	7.5016	192,482,737		
MUNICIPAL SERVICE TAXING UNITS (MSTUs)								
UNINCORPORATED SERVICES ³	0.4300	3,886,426	0.4131	3,915,684	0.4300	4,075,876	9,038,199,615	9,478,780,258
STORMWATER ³	0.3497	3,160,658	0.3360	3,184,870	0.4731	4,484,411	9,038,199,615	9,478,780,258
LAW ENFORCEMENT ³	0.9103	8,227,473	0.8746	8,290,141	0.9103	8,628,534	9,038,199,615	9,478,780,258
PARKS MSTU ⁴	0.2313	5,441,347	0.2172	5,587,580	0.2313	5,950,310	23,525,061,940	25,725,507,810
TRANSIT MSTU	0.1269	2,978,398	0.1192	3,059,856	0.1269	3,257,514	23,470,432,330	25,669,932,656
SHI BEACH EROSION CONTROL	0.2131	248,119	0.1989	248,462	0.7455	931,264	1,164,332,066	1,249,179,955
SUBTOTAL MSTU	2.2613	23,942,421	2.1590	24,286,594	2.9171	27,327,909		
TOTAL AGGREGATE MILLAGE	8.7687	205,804,020	8.3171	213,499,397	8.5630	219,810,646	23,470,432,330	25,669,932,656
AGGREGATE MILLAGE INCREASE (DECREASE)					-0.2057			
PERCENT INCREASE(DECREASE) IN AGGREGATE MILLAGE OVER PREVIOUS YEAR					-2.35%			
INCREASE (DECREASE) OVER ROLL-BACK					0.2459			
PERCENT INCREASE(DECREASE) IN AGGREGATE MILLAGE OVER ROLL-BACK					2.96%			
GRAND TOTAL OF TAXES		205,804,020				219,810,646		

NOTES:

1. The property values are as certified by the Property Appraiser.
2. There is a small portion of the County that the Mosquito Control Millage does not apply to.
3. The Unincorporated Services MSTU, Stormwater MSTU and Law Enforcement MSTU do not apply to properties within the Cities.
4. The Parks MSTU runs through December 31, 2023.

Pg. 5 of 5 PC Attachment