

From: "jeffrey E." <jeevacation@gmail.com>

To: Richard Kahn <[REDACTED]>

Subject: Re: Palm Beach Underground Utility Assessment

Date: Mon, 28 Aug 2017 21:14:17 +0000

30 payments

On Mon, Aug 28, 2017 at 5:12 PM, Richard Kahn <[REDACTED]> wrote:

attached letter states that your assessment is 31,969.03 to fund, design, construct and install underground utility improvement

it appears you are in phase one and work in your neighborhood will take place in 2019

<http://undergrounding.info/undergrounding-phase-tracking/>

you can prepay 31,969.03 by Sep 1, 2017 or amortize over 30 years however that amount will be subject to interest and other annual costs

please advise on prepay or amortize

thank you

[FAQs – History and Timeline](#)

Why Is Undergrounding Being Proposed Now? There is state mandate that will require FPL to “harden” all critical facilities replacing current poles with larger and taller concrete poles if residents don’t approve the proposed undergrounding project.

Will FPL harden electric facilities if undergrounding does not occur? YES. If the undergrounding referendum does not pass, FPL will harden power poles throughout the Island.

If the Town undergrounds all utilities, can we avoid having to “harden” overhead utilities? YES.

If the undergrounding referendum passes, will all power poles be removed on the Island? YES. If the referendum passes, all electrical, cable and phone lines will be undergrounded and all power poles will be removed.

By undergrounding now, will the Town qualify for a 25% discount on the cost of undergrounding electric utilities? YES. The Town of Palm Beach will receive a 25% discount on the cost to underground electric utilities.

Did the Town’s Citizens Undergrounding Utilities Task Force recommend undergrounding utilities throughout the Town? YES. The group consists of Town residents who spent time reviewing the plan and finances and unanimously voted to recommend undergrounding.

Did the Town Council unanimously vote to seek voter approval on the undergrounding question? YES. The council unanimously agreed this is an important issue and is seeking voter approval to proceed with improving reliability, aesthetics and safety by undergrounding.

Where will existing poles be hardened if Town utilities are not undergrounded? The areas already identified by FPL for hardening include:

- N. Ocean Blvd (from Inlet to PB Country Club)
- Onondaga Avenue
- N. Lake Way (from Onondaga to Laurian Lane)
- N. County Road (from Country Club Road to Royal Poinciana Way)
- S. County Road (from Royal Poinciana Way to Barton)

- Bradley Place (from Wells to Sunrise and Sunset to Royal Poinciana Way)
 - Sunrise Avenue (from N. Ocean Blvd. to Bradley Place)
 - Royal Poinciana Way and Main Street
 - Golfview Road and Hammon Avenue
 - S. County Road (from Hammon to S. Ocean Blvd.)
- Other areas of the town may be identified as a later date for hardening.

PREPAYMENT OPTION FAQs

Please see below for a series of FACTS about the Undergrounding of Utilities Project assessment prepayment option.

What is the value of prepaying the assessment for the undergrounding project?

The primary benefit of participating in the initial prepay opportunity enables the property owner to avoid future interest and other charges which are added to the assessment if paid annually. Also, by prepaying at this time, property owners will minimize their overall assessment amount. Once you prepay, your obligations for this assessment are concluded.

What is the cost of my prepayment?

For prepayment cost, please refer to your June assessment notice previously sent to you or enter your address into the online cost search tool.

How do I prepay the assessment?

Property owners interested in participating in the initial prepayment option for their undergrounding of utilities assessment should make their payment prior to the September 1st, 2017 deadline.

To prepay an assessment, please make your check payable to the Town of Palm Beach, Florida and mail it to the Town of Palm Beach, Attention: Finance Department, P. O. Box 2029, Palm Beach, Florida 33480. Please be sure to write the assessment parcel number on your check.

Why should I pay by September 1st?

Doing so enables us to work with the Palm Beach County Tax Collector's office to ensure the 1st annual assessment payment will not appear on your November tax bill.

Is this the only opportunity I will have to prepay the assessment?

This is the initial prepayment opportunity, in other words, the 1st opportunity to prepay. Property owners may prepay the assessment anytime up until the Town-Wide Underground Utility project is funded by the issuance of long term general obligation bonds to fund the Town-Wide Underground Utility Project.

What does the town do with my prepayment since there is pending litigation concerning the funding of the project?

Assessment prepayments will be held in escrow until current litigation is resolved.

If I do not prepay, how many annual payments will there be?

There will be 30 annual payments.

What is the interest we would be paying if the annual payment is elected?

If the assessment is paid annually interest is added to the payment. For year 1 interest is estimated to be 3.81% and may vary annually if short term debt is used. Short term debt is planned for financing until the general obligation bonds are issued. Annual interest rates will be locked when financing is obtained through the issuance of general obligation bonds to fund the Town-Wide Underground Utility Project.

What are the additional charges associated with the annual payment?

There will be interest and additional overhead charges such as fees paid to the Palm Beach County Tax Collector to coordinate assessment collection which appears on your annual tax bill.

If one did not prepay, then what is the annual amount?

The annual assessment is different for all parcels. Go to www.undergrounding.info and use the assessment cost search tool to show your prepay amount and estimated annual payment.

How do I find more information about the project?

Another option to obtain information is to go to [http://undergrounding.info/](http://undergrounding.info) and use the "Contact" tool on the website.

Property owners may also send an email to [REDACTED] or call [561-227-7077](tel:561-227-7077) and leave a voicemail which are typically returned within one business day. Whichever method is used to request information, please tell us the parcel control number if available, owner's name, property address, your phone number to call or email address to send answers to assessment related questions.

When one pays property taxes in advance, one gets a discount. Does the prepay amount contain a discount?

The initial assessment prepayment amount allows the property owner to avoid all interest payments and financing associated with future prepayment opportunities or the annual payment option.

Is my assessment tax deductible?

Assessments are not deductible from your annual income taxes. However, the IRS allows assessments for local improvements to be used to increase the cost basis of the property, which may reduce the amount of capital gains tax you pay on the sale of your property. (Refer to IRS publications 551, 530 and 17). Please consult with a tax professional to obtain information about your specific property.

Will those who prepay the assessment receive an acknowledgement letter?

Yes. Those who prepay will receive a letter and a receipt.

For more undergrounding assessment FACTS, please visit: <http://undergrounding.info/assessments-faqs/>

You can review the prepayment reminder letter here: <http://undergrounding.info/prepayment-option-for-underground-townwide-utilities-assessment/>

GENERAL FAQs

How can I find out how much this will cost me?

The initial assessment amount is on your notice received in the mail and you can find out your cost online at: <http://undergrounding.info/cost-search-tool/> The initial assessment amount was calculated using the following assumptions with contingencies:

The amount of the initial assessment is based on a total debt issue of \$90,000,000 and estimated debt service for 30 years at an estimated interest rate of 4.31%.

Assessments are calculated based on an estimated annual debt service of \$5,275,000.

Administrative and legal fees totaling \$100,000 have been added.

The assessment has been increased by 2% to include the 2% first year charge imposed for the cost of collections by the Palm Beach County Tax Collector and Property Appraiser. In the second year and every year thereafter the cost drops to approximately 1% for Tax Collector and a small fee for the Property Appraiser.

The assessment amount in the notice has been increased by 5% to account for the up to 4% early payment discount allowed by the Palm Beach County Tax Collector and a contingency for uncollectable assessments.

It is highly likely the final assessment amount will decrease from the amount on your notice.

When will the final assessment numbers be available? We plan to post the final assessment amounts online in the cost search tool, shortly after adopted on July 12th.

When will the assessments be billed? They will be billed on your property tax bill which you will receive from the Palm Beach County Tax Collector issued in November 2017.

What is the average cost per property owner? The average annual assessment in the initial assessment resolution for a single family home is \$1191 or \$3.26 per day. The average annual assessment for condos is \$331 or \$0.91 per day.

How will this project be financed? In the long-term the project will be financed through general obligation bonds paid by a special assessment to each individual property owner to ensure equity. The assessment method is an equitable form of payment that has been used by other communities that have undergrounded and has been approved by the courts. In the short term, a financing plan

was developed that will use a combination of the revenue from the assessments and Commercial Paper.

How long is the special assessment levied? The assessments will be levied for 30 years from the start of the assessment.

Is a special assessment an equitable way to pay for the undergrounding project? YES. After significant review and consideration by both the Underground Utilities Task Force and Town Council it was determined that the assessment methodology was the fairest approach for apportioning costs associated with this project.

How are the assessments determined? A methodology has been developed that is based on the special benefit provided to properties within the Town as a result of undergrounding overhead utilities. The benefits are safety, reliability and aesthetics.

The benefits are allocated 30.8% to safety, 38.4% to reliability and 30.8% to aesthetics.

The safety factor is based on land use and lot size. Reliability is based on population density factors derived from the 2010 census data and land use. The Aesthetic calculation is based on lot size and land use.

If a property has overhead utilities, then they receive the entire weight of the safety reliability and aesthetic benefits based on their land use and lot size.

If a property does not have overhead utilities, the assessment is reduced by 1/2 of the safety and aesthetics benefits.

Has the special assessment methodology been approved by the courts? YES.

Are the funds allocated from the special assessment dedicated to the undergrounding project? YES.

If I sell my home, do I need to pay off the assessment? NO. Once you sell your home, the remaining assessment payments will transfer to the new property owner.

If I believe my assessment is incorrect, who do I talk to about this? The Town has an appeals process put in place to deal with any inaccuracies on a case by case basis. After the final assessments are adopted, you must appeal in writing to the Town Manager based upon provisions of section 90-49 of the Town Code of Ordinances.

When will I hear from someone regarding my appeal? It would depend on the complexity of the issue.

What if I can't make it to the public hearing, how do I submit a comment? You may send a letter to the Town Council at the Town of Palm Beach, 360 South County Road, Palm Beach, FL 33480.

Will my assessment change over the 30-year period? The amount may change but it cannot exceed the amount in the notice you received unless circumstances cause us to initiate a new notice of assessment.

Can I deduct the assessment from my taxes? Assessments are not deductible from your annual income taxes. However, the IRS allows assessments for local improvements to be used to increase the cost basis of the property, which may reduce the amount of capital gains tax you pay on the sale of your property. (Refer to IRS publications 551, 530 and 17) Please consult with a tax professional to obtain information about your specific property.

When will the project start in my neighborhood? Project sequencing maps are available online depicting the current schedule which is subject to change.

Can I prepay? Yes, you will have the ability to prepay once the final assessments are adopted on July 12th. A prepayment letter will be sent to you in (August) and you should prepay by September 15th. You will have at least one more opportunity to prepay before long term debt is issued.

FAQs – Project Information

<http://undergrounding.info/faqs/>

How long will the undergrounding project take? Up to 10 years. Once Town Council grants final approval to proceed, the project must be designed and the proposed design approved by each utility (AT&T, Comcast and FPL) being converted to underground service. Any required permits have to be secured and then the work must be competitively bid, the work awarded by the Town and then constructed. In addition, we check with every utility and investigate every major piece of Town infrastructure within the project area, including the City of West Palm Beach for water service to determine if any renewal or replacement should occur while the underground utility work is underway.

When will the project begin if approved by the voters? Immediately. Once approved by the voters, the first 9 months – 1 year will be an initial design phase. Construction would be scheduled to begin May 2017.

Will the undergrounding project be completed in phases throughout the Town? YES. To minimize the impacts of undergrounding, the project will be completed in different phases within Town. Current plans indicate starting in the North and South ends, but no two adjacent areas will be done at the same time to avoid traffic or other delays.

Who does the work? The work to convert facilities to underground service can either be done entirely by the three affected utilities, AT&T, Comcast and FPL or by a combination of Town contractors and the work force of the three affected utilities. The Town will ascertain which option is the least expensive before committing to the approach it will utilize. For all the neighborhood jobs the Town has completed to date, each time it was determined that the least expensive option was a combination of Town contractors and the work force of the three affected utilities doing the work.

How will I be disrupted? It depends on the extent of renewal and replacement of the existing infrastructure serving your street, but any and all disruptions will be clearly communicated to residents well in advance

Will directional drilling be used to minimize impacts from undergrounding? YES. Directional drilling and other technologies will be used in lieu of open trenching to help minimize the impacts from undergrounding utilities.

Will phone and cable lines for internet and TV be undergrounded with the electric utilities? YES. In addition to the electrical lines, both the cable and phone lines will be buried as well. Extra empty conduits will also be installed to facilitate easy installation of new fiber or other technology in the future.

Will fiber optic upgrades be available to improve cable speed? YES. Fiber optic conduits will be installed providing opportunities for future fiber optic upgrades. If a property owner wants fiber optic cable, they will need to contact their cable and telephone provider directly.

Will street lights be installed with micro cell sites to improve cell phone coverage in the Town? The Town is examining how to improve cell phone coverage in the Town using the new decorative street lights.

Will other utilities in my rear easement be moved to the front easement? YES. Cable, phone and electric will move to the front. Where applicable, gas and sewer lines will remain in the rear easement.

Will residents recover the easement from their backyard? YES. Once the utilities are moved to the front of your home, the rear easements will be abandoned and returned to the property owner (unless there are gas or sewer utilities in the rear). The Town will implement a process with the utilities to release the rear easements.

What is the easement required for the transformers? Approximately 8 feet by 6 feet. Approximately one in four homes will require a transformer to be placed in the landscaped enclosed easement.

Why must the transformers be placed in the front yard? Padmount transformers are essential for the proper and safe distribution of electricity to homes and businesses. Current FPL standards require service from the front yard, unless there is an alley behind the property (see below). All properties with backyard service will be converted to the front yard, except those with an alley, during the underground conversion process to comply with FPL's standards.

If I have an alley behind my home, can a transformer be placed there instead of the front of my home? YES, as long as there is sufficient clearance for FPL. Currently, residents who have already undergrounded their utilities and have alleys have placed their transformers there. Town engineers will work side by side with residents to ensure the project is completed in a manner that best suits the needs of property owners. The number of required easements for transformers will be a lot less than the 25% originally projected due to the vast amount of alleys, existing easements, and parkway strips that will be available to place transformers.

Will the project pay for landscaping around transformer boxes that have to be installed? YES. There are no additional costs to property owners to install landscaping around the transformers. The project team will work with each affected homeowner to select the best location.

Are there alternative options available than using above ground transformer boxes? FPL has not adopted an underground transformer option but is looking at subsurface equipment options. If the referendum passes we'll request that the design company explore alternative solutions for consideration.

Will homes with older wiring have to re-wire their homes to be compatible with undergrounding? The Town is not aware of any need for internal re-wiring of homes in Palm Beach or any town in Florida where undergrounding has occurred. However, on the rare occasion that a property has a meter box on the side of the house that does not meet code, that will be an owner expense.

When it says my property has overhead lines, what does that mean? This means that your utility lines that connect to your home's lateral service lines are on poles. With undergrounding, all of these utility lines would move to the front of the home and be placed underground. Some residents have instead buried the overhead utilities so they will receive a discount on their annual assessment for making this investment previously.

Are the utility lines used for undergrounding waterproof? YES. The utility lines crossing the Intracoastal Waterway and Palm Beach Inlet are coated in a resin like material called Sealex and are completely water

proof. FPL indicates this water proof material coats the lines buried in the conduits proposed for the Palm Beach undergrounding project.

What do subject matters experts say about flooding Palm Beach? “With strong storms and hurricanes flooding is a possibility, but strong winds and wind damage is guaranteed. If there is flooding, water will recede quickly but damaged power poles and lines will take much longer to repair or replace.” Bill Bucklew, Town of Palm Beach Chief Building Official & Flood Plain Administrator

Richard Kahn
HBRK Associates Inc.



Begin forwarded message:

From: [REDACTED]
Date: August 17, 2017 at 5:58:44 PM EDT
To: [REDACTED]

CS 3051ci
[00:17:c8:25:f3:53]

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please note

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