

Does the County have a program that offers financial management services to support the immediate and long-term management of hydrilla and other aquatic weeds at Lake Sylvan?

Municipal Service Benefit Unit Program

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MSBU Program
Resource Management Department
Seminole County Government

Overview

- ❖ What is an MSBU?
- ❖ What public services qualify?
- ❖ How is an MSBU created?
- ❖ How/when are assessments collected?
- ❖ How does this relate to Lake Sylvan and your property?

What is an “M-S-B-U” ?

(Municipal Services Benefit Unit)

- ❖ Assessment district (group or “unit” of properties assigned a cost share to cover the expense of a public service that yields special “benefit” to those properties)
- ❖ Created by “ordinance” of local government
- ❖ Provides funding for a municipal (public) service with localized special benefit
- ❖ Benefiting properties contribute an equitable cost share based on benefit unit
(not based on property value)

Public Purpose & Public Funds

- Public Services are restricted to public areas and public purposes deemed essential to public health, safety or welfare.
 - The public area is the waterbody.
 - The public purpose is protection of a natural resource.
- Assessment funds are collected for a specific and restricted purpose.
- Assessment funds are classified as “public” funds and may only be used for public purposes.
- The cost of public services funded by non-ad valorem assessment are allocated based on concept of benefit.

Benefit & Special Benefit

- Assessment funded AWC public services are limited to the waterbody.
- The primary benefit is inherent in the improved and maintained aquatic conditions yielded by ongoing professional management of aquatic plants/algae that may otherwise be detrimental to a waterbody.
- A "special benefit" is derived by properties located along a waterbody that receives ongoing professional aquatic weed control services that utilize best lake management practices with funding provisions that have long-term commitment and stability.
- A secondary special benefit is offered to all properties (lakefront and off-lake) that have right of use of the waterbody.

**As described in State Statutes and Seminole County Administrative Code Section 22.10.

What type of services qualify?

❖ Capital Assessment Services

(One-time Assessment for One-time Service.)

- *Lake Restoration – includes large scale [\$\$\$] treatments of hydrilla*
- Road Paving and Stormwater Drainage
- Sidewalks
- Retention Pond Functional Renovation
- Water and/or Wastewater Utility (Infrastructure)
- Community Wall Reconstruction

❖ Variable Rate Assessment Services

(Annual Assessment for On-going Service)

- Residential Solid Waste Management (collection & disposal of household garbage, recycling & yard waste)
- Street Lighting (primarily residential areas)
- *Aquatic Weed Control* (lake and other natural waterbodies)

How/when are assessments collected?

❖ Capital Assessment Services

(One-time Assessment for One-time Service)

- Documented in Land Records (*Lien until paid in full*)
- Levied following completion of work
- Direct payment via MSBU Program (payable to Board of County Commissioners)
- Installment billing via Property Tax bill (billed by Tax Collector)
 - *Eligible for standard early payment discount up to 4%*

❖ Variable Rate Assessment Services

(Annual Assessment for On-going Service)

- Documented in Land Records (*Lien until paid in full*)
- Levied Annually
- Collected via Property Tax bill (billed by Tax Collector)
 - *Eligible for standard early payment discount up to 4%*

How is an MSBU created?

5-STEP PROCESS
1 Apply
2 Review & Confirm Scope
3 Petition to Determine Support
4 Create by Ordinance
5 Implement

Process to End an MSBU? *1 Apply, 2 Review, 3 Petition, 4 Dissolve by Ordinance Amendment, 5 Close*

Lake Sylvan Aquatic Weed Control MSBU proposal...

- ❖ **Service Scope** – What public services will be funded?
- ❖ **Cost** – How much will it cost to initially treat the hydrilla? To provide ongoing aquatic weed control?
- ❖ **Special Benefit** – How are assessable properties determined?
- ❖ **Assessment Boundary** – Which properties will be assigned a cost share?
- ❖ **Benefit Unit** – How are cost shares allocated?
- ❖ **Assessment** – What is the cost share assignment per benefit unit? To the County Park?

Service Scope for Sylvan Lake Aquatic Weed Control

What public services will be funded?

Service Scope

What public services will be funded by assessment?

- ❖ PHASE I – Capital Assessment – Hydrilla & Canal Area
 - One-Time Assessment for a specific expense
 - Financing available to improve affordability

- ❖ PHASE II – Annual Assessment – Ongoing AWC
 - Annual assessment for ongoing public service

Cost

- ❖ PHASE I: How much will it cost to initially treat the hydrilla?
- ❖ PHASE II: To provide ongoing aquatic weed control?

Estimated cost for PHASE I

(Initial hydrilla & canal treatment)

General Cost Components	
Start-Up Hydrilla	\$ 120,000
Start-Up Other (Canal)	\$ 1,800
Application Fee (remittance)	\$ 550
Administration Fee	\$ 3,500
Total Start-Up Cost	\$ 125,850

Estimated Annual Cost for PHASE II

(Ongoing aquatic weed control)

Based on 5-Year *Estimated Average* *

General Cost Components	5 Year Average
General AWC Services (Non-Hydrilla)	\$ 3,600
Hydrilla	\$ 22,800 *
TGC Fish	\$ 1,200
Fish Barrier and Service	\$ 2,040
Sub-Total	\$ 29,640
Administration (County)	\$ 3,500
Total Cost	\$ 33,140

* Includes cost projection for potential large-scale hydrilla treatment in FY21-22

Special Benefit – Seminole County Administrative Code 22.10

How are assessable properties determined?

How are assessable properties determined?

Seminole County Administrative Code Section 22.10J

J. BENEFITING PROPERTY. All benefiting properties will be assessed an equitable cost share of improvements provided to the MSBU. The properties typically receiving benefit and included in assessment calculations for each type of MSBU are as identified below:

(1) Aquatic Weed Control and/or Lake Restoration

- Properties on waterfront with direct access to waterbody.
- Includes all zoning and DOR classifications.
- Community/common area waterfront property may be included as assessable participating property when defining the boundaries of an aquatic weed control or lake restoration MSBU if deemed appropriate by the MSBU Program and Board. Statutory provisions applicable to assessment allocation for common land will apply.

What types of properties are included in the ASSESSMENT boundary for the **Lake Sylvan** MSBU?

- ❖ Lakefront Residential
- ❖ Lakefront Common Element Land
 - Off-lake Associated Right of Use [ROU] of Lakefront Property
- ❖ Off-lake Deeded Right of Use [ROU] of Lakefront Property

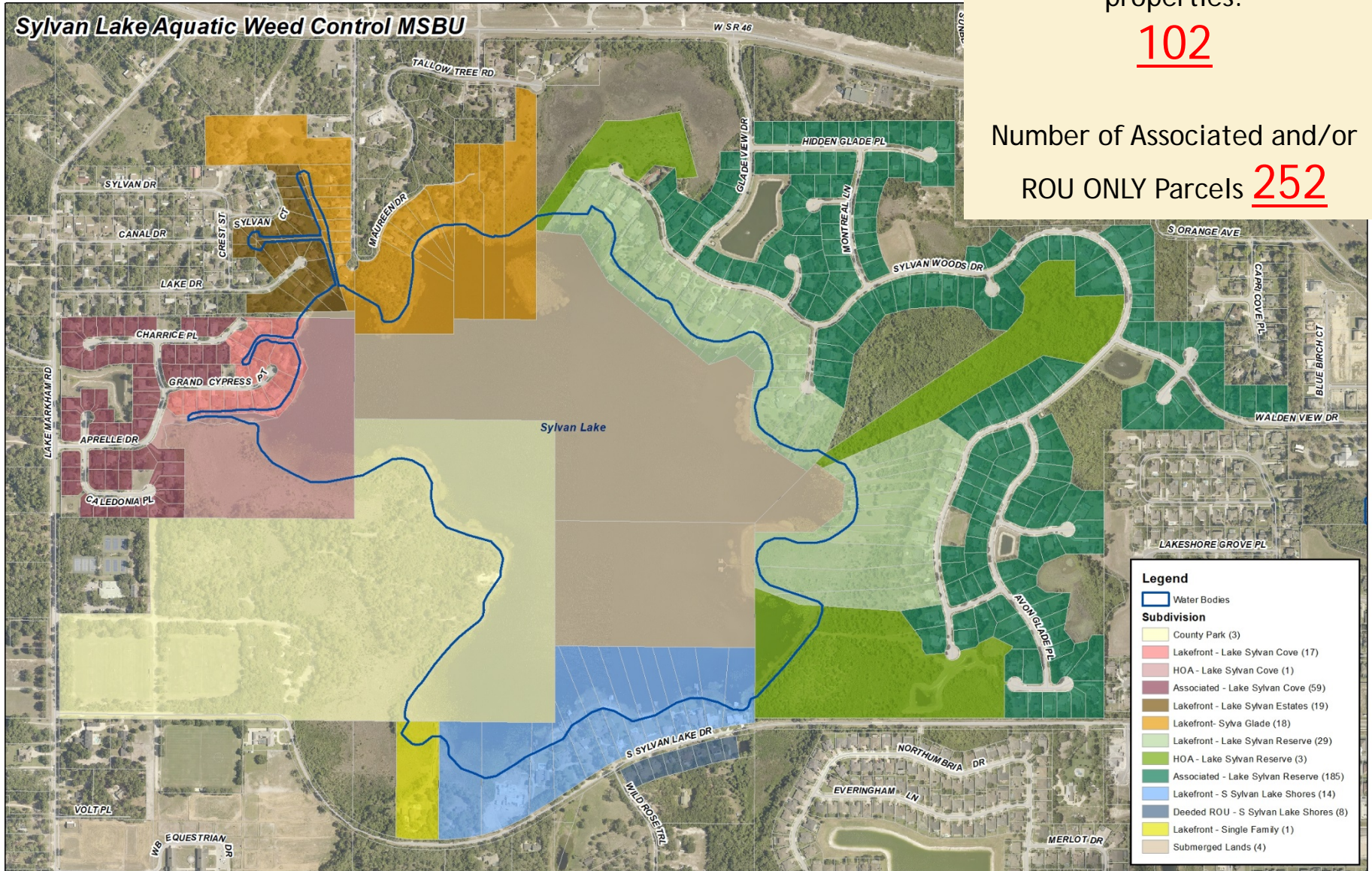
An equivalent cost share percentage is proposed for the County Park and subject to annual budget approvals. By State Statutes governments are excluded from “assessment”.

Assessment Boundary proposed for a Sylvan Lake MSBU

Which properties will be assigned a cost share?

Assessment Boundary

Sylvan Lake Aquatic Weed Control MSBU



Number of waterfront properties:

102

Number of Associated and/or ROU ONLY Parcels 252

Benefit Unit – Cost allocation

How are cost shares allocated to benefit property?

Benefit Unit

How are costs allocated to benefitted property?

Standard Benefit Unit [BU] Methodology

- A. Primary Benefit - Lakefront Property
- B. Secondary Benefit - Right of Use (ROU)

$$\text{\$A} + \text{\$B} = \text{\$ Assessment}$$

Cost Allocation By Benefit Component

- A. Primary Benefit ~93-95%
- B. Secondary Benefit ~5-7%

What about the County Park?

- Florida State Statutes exclude government entities from “assessment”
- *HOWEVER* – A cost allocation comparative to assessment allocation criteria will be designated based on
 - Designated Lakefront Areas for public lakefront passive recreational use
 - ✓ (1) Pavilion Area 2
 - ✓ (2) Dock Area (no dock at this time)
 - ✓ (3) Boardwalk (closed)
 - **Public Visitation** to Lakefront Areas (varies; using visitation reported by Leisure Services Department)

3 “A” Lakefront

300 “B” ROU

- BCC to review annually per standard County budget confirmation process

Equivalent Cost Share = 16% of total Cost

ESTIMATED COST

PHASE I : \$126K

Initial hydrilla & canal treatment

PHASE II: \$ 33K *

Ongoing aquatic weed control - 5YR annual average

Benefit Unit [BU] Methodology

A. Base Benefit - Lakefront

B. Right of Use (ROU)

* Based on 5-YR budget projection. Includes potential large scale treatment of hydrilla in FY21-22. Actual Cost & Assessment rates are dependent on lake and aquatic vegetation conditions, contracted service cost, administrative requirements, and financial status of MSBU fund.

Assessment PH-I & PH-II Summary

[Estimates as of 1/16/19]

CATEGORY	PH-I Assessment	PH-I <i>Installment</i> (4 years)	PH-II Assessment* (A=\$345 B=\$25)	PH-I Installment <i>PLUS</i> PH-II Assessment → \$ YRS 1 - 4
Lakefront Residential [LF-R] A Units: 98 @ 1 ; B Units: 98 @ 1	\$958	\$267	\$370	\$267 + \$370 → \$ 637
Lake Sylvan Cove A Units: 1BU ÷ 76 B Units: 59 Sole ROU via HOA (17 LF ROU)	\$70	\$20	\$30	\$ 20 + \$ 30 → \$ 50
	\$12	\$4	\$5	\$ 4 + \$ 5 → \$ 9
Lake Sylvan Reserve A Units: 3BU ÷ 214 B Units: 185 Sole ROU (29 LF ROU)	\$63	\$18	\$27	\$ 18 + \$ 27 → \$ 45
	\$5	\$2	\$2	\$ 2 + \$ 2 → \$ 4
ROU Only A Units: 0 B Units: 8	\$58	\$17	\$25	\$ 17 + \$ 25 → \$ 42
COUNTY PARK A Units: 3BU B Units: 300	PH-I ~\$20,140		PH-II 5-YR Average ~\$5,300	

PH-II:

- ▶ LF-R Assessment Cap \$485 (Associated equivalent cap \$36)
- ▶ Maximum Allowable annual increase 15%

*PH-II "assessment" includes development of contingency fund

Other County Funding Assistance?

PH-I –\$15,000

Watershed Management Division Contribution

CATEGORY	PH-I Assessment	PH-I WMDiv Contribution \$15K	PH-I Assessment AFTER \$15K
Lake Front Residential	\$958	- \$138	\$820
Lake Sylvan Cove	\$70	- \$9	\$61
Associated w/ROU\$	\$12	- \$1	\$11
Associated wo/ROU\$			
Glades on Sylvan Lake	\$63	- \$9	\$54
Associated w/ROU\$	\$5	- \$1	\$4
Associated wo/ROU\$			
ROU Only	\$58	- \$8	\$50

What happens next?

5 STEP PROCESS

1 Apply	<i>Complete and Submit Application</i>
2 Review	<i>Develop & Confirm Scope</i>
3 Petition	<p>Determine support for creating an MSBU [65% Required to present request to BCC; Filing deadline February 20 to treat Spring 2019. If 65% achieved after 2-20-19, anticipate treatment delay until 2020.]</p> <p>Primary LF Properties: Petition 65% = 67 of 102 (secondary petitions for HOA LF parcels; 65% LSC=50 of 76 and 65% GSL=140 of 214)</p>
4 Create	<p>Public Hearing & Adopt Ordinance [PH no later than March 26 for treatment Spring 2019; otherwise by August 13, 2019.]</p>
5 Implement	<p>Phase I Services: ASAP following Public Hearing; subsequent PH to set PH-I assessment per actual cost by August 13, 2019 for 1st installment to be included Tax Year 2019; otherwise installment will be delayed to next available tax year.</p> <p>Phase II Services: FY19-20 (After October 1, 2019) Initial Assessment: Tax Year 2019 (due by March 31, 2020)</p>

Questions?



MSBU Program

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Thank you for this opportunity to
share the MSBU Program!