



City of Hallandale Beach

# **Three Islands Guardhouse & Traffic-Calming Project Funding Strategy & Implementation Plan**

May 7, 2025





# Today's Agenda

Background  
Funding Paths  
Special Assessment  
Project Budget  
Funding Strategy  
Implementation Timeline  
Action Items  
Looking Ahead  
Q&A



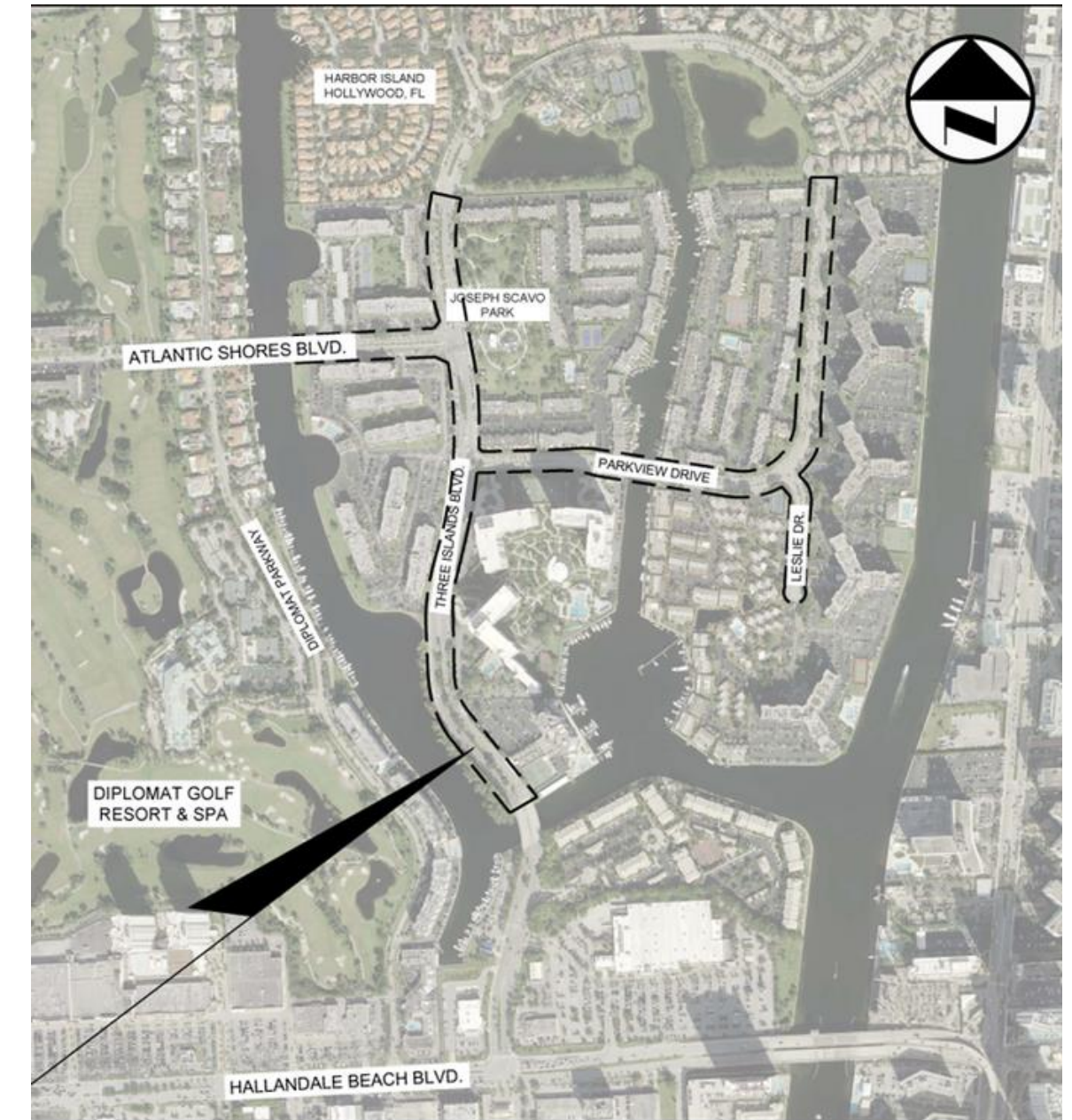
# Background

## Why are we here today?

- To introduce the Three Islands Guardhouses & Traffic-Calming Capital Program
- Secure Commission direction to move forward with a City-imposed special assessment
- Develop a process that can be used for other areas with similar capital programs (e.g. Golden Isles)

## District Snapshot

- Improvement Project is concentrated along Major Access Roadways in Three Islands used by residents of Nearly every building, home or dock.



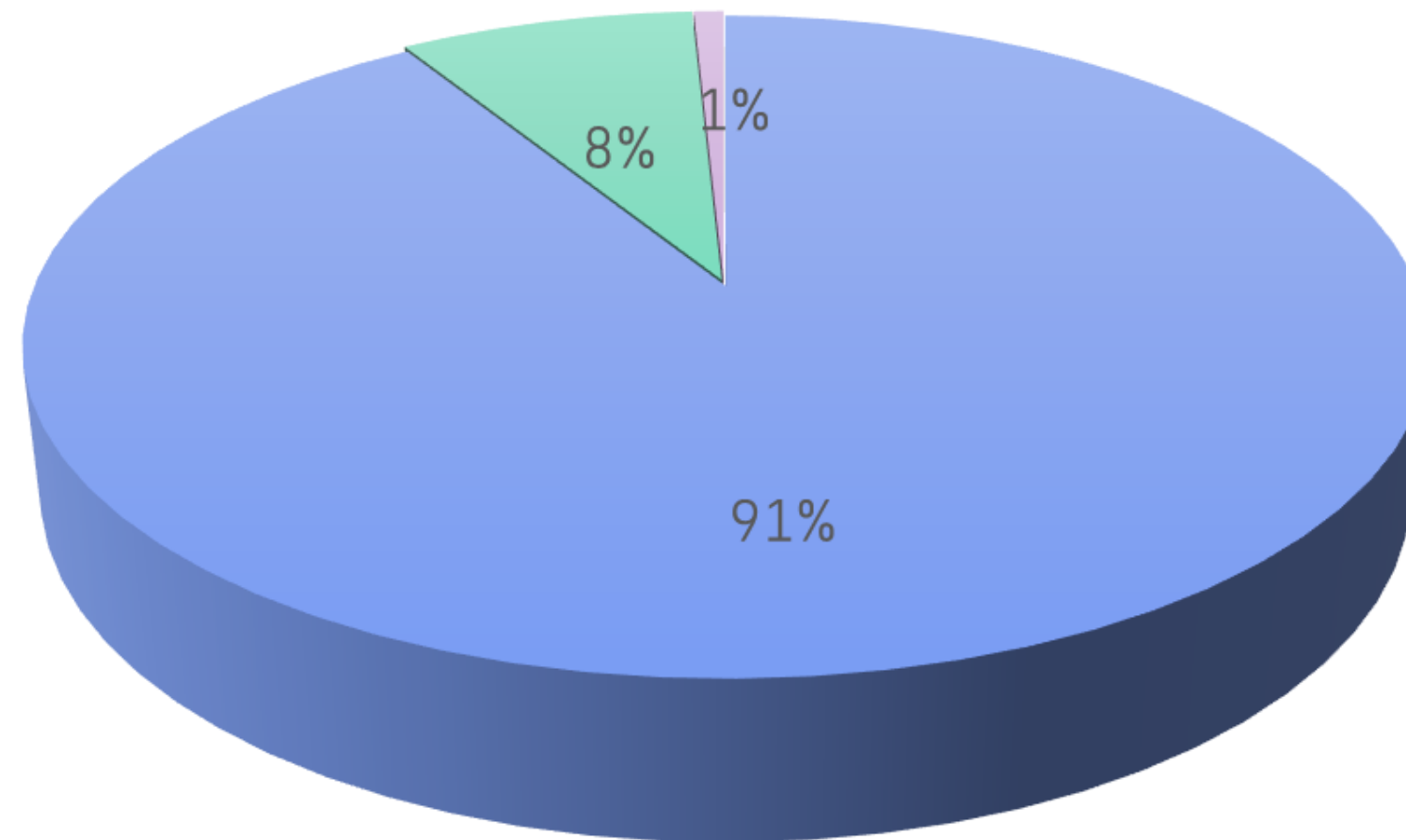
PROJECT LOCATION MAP

NTS

# Background (cont.)

## District Snapshot

- 4,142 Tax Folios, 88 of Which are Tax Exempt or Pay No Taxes Due to Various Homestead Benefits & Another 21 Have No Information (Likely public disclosure exemptions)



■ Condominium ■ Single Family/Townhomes ■ Boat Docks



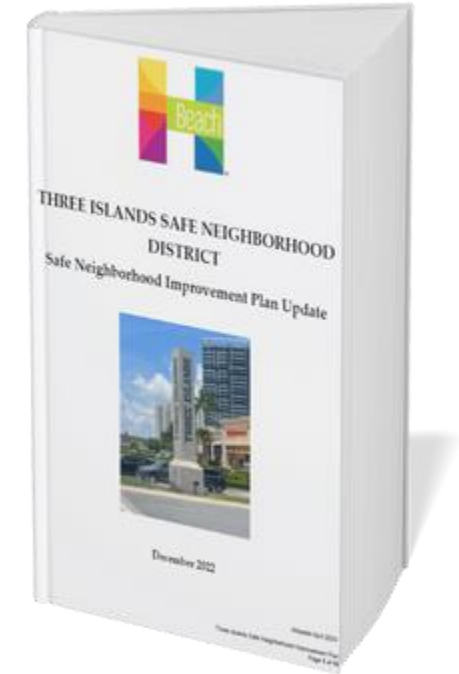


# Background (cont.)

## Project Scope & Cost

Category	What it Covers	Est. Cost	% of Total
Roadway & Traffic-Calming Work	Milling/resurfacing, new curb & gutter, crosswalks, speed tables, pavement markings & signage	\$2,033,629	50%
Lighting, Irrigation & Guardhouse/Signage Upgrades	LED street-light conversions, guardhouse gate replacement, monument & speed-feedback signs, irrigation retrofit	1,525,870	37%
Project Overheads & Traffic Control	Mobilization, insurance/bonds, testing/permits, construction layout, Maintenance-of-Traffic plan	223,046	7%
Landscaping & Bioswales	Trees, palms, shrubs/sod, bioswale planting	140,054	3%
Site Prep / Demolition	Saw-cutting, removal of old asphalt, curb, sidewalk, speed tables, catch-basin cleaning	161,366	3%
<b>Total Estimated Construction Cost</b>		<b>\$4,083,965</b>	<b>100%</b>

# Background (cont.)



## How did we get here?

- **2015 → 2022 — Growing Safety-Capital Dialogue**
  - City Commission, District Board, and Advisory Board hold regular agenda discussions flagging aging guardhouses, roadway deterioration, dim lighting, and speeding as priority safety risks in Three Islands.
- **December 2022 → April 2023 — Improvement Plan Update**
  - Consultants compile fresh data (crime, traffic, infrastructure) and public workshops shape project priorities; Commission formally adopts the updated Safe Neighborhood Improvement Plan in April 2023.
- **April 2023 → September 2023 — Concept Refinement**
  - Advisory Board refines cross-section, lighting and guardhouse concepts; recommends moving the “Guardhouses & Traffic-Calming Project” into detailed design and funding analysis.
- **March 2024 — Cost Established**
  - Engineer issues 100 % construction docs with an Opinion of Probable Cost: \$3.39 million (amount was later updated in October 2024).
- **February 2025 — Funding Strategy Shift**
  - Bond counsel memo advises that a City-imposed special assessment (rather than voter GO debt) is the quickest, referendum-free path to fund the work.
- **April 2025 — Draft Assessment Procedure Ordinance**
  - Legal team circulates ordinance establishing Chapter 197 assessment framework; staff review completed.

# Funding Paths

Below were the three funding paths initially considered:

## **District-Issued Debt / GO-Style Loan**

- Would require voter referendum, lengthy FS Ch. 75 validation process, adds 12-18 months of delay.
- Debt is issued directly by each District.

## **General-Fund Loan**

- Although initially thought as the easiest path to funding, it would require the same voter referendum process above.
- Debt is issued directly by each District.

## **City Special Assessment (Recommended)**

- No referendum and uses general government powers to adopt a special assessment within the project area under FS Ch. 97.3632
- Debt is issued directly by the City.



# Funding Paths (Cont.)

Funding Paths – Pros & Cons at a Glance	
City-Imposed Special Assessment (home-rule, Ch. 197.3632)	District / General-Fund Debt (GO-style loan)(requires voter referendum)
PROS	PROS
No referendum – Commission can act by ordinance/resolution; avoids Art. VII §12 debt vote and Ch. 163 SNID referendum steps.	Full project cash up-front – One financing yields the entire construction budget; no interim use of GF cash.
Faster start-up – Initial & Final Assessment Resolutions can be adopted by June 2025; first installment billed Nov 2025, keeping the construction calendar intact .	Level annual debt service – Predictable repayment schedule once bonds/loan close.
Flexible collections – Year 1 direct bill, then switch to tax roll for FY 27; rates can be adjusted annually (within the noticed cap).	Potentially long amortization – 15-20 yr GO-style terms may lower annual bite per property.
Pay-as-you-go or supports later bank note – Assessment stream can directly repay the General Fund or secure a private-placement loan without another referendum.	Market discipline – Rating & validation processes yield third-party scrutiny of costs/engineering.
Cost borne only by benefiting parcels – Meets “special-benefit / fair-apportionment” test; no City-wide tax impact.	
Lower transaction costs – No bond counsel validation, rating, or disclosure documents unless the City later issues tax-exempt debt.	



# Funding Paths (Cont.)

Funding Paths – Pros & Cons at a Glance	
City-Imposed Special Assessment (home-rule, Ch. 197.3632)	District / General-Fund Debt (GO-style loan)(requires voter referendum)
CONS	CONS
Special-benefit findings required – Must hire methodology consultant; mail & publish notices; public hearing (adds ±\$50–75 k).	Mandatory referendum – Majority voter approval in the SND or City; timing pushes earliest funding to late 2026 or later .
Per-parcel opposition risk – Individual owners can contest benefit/apportionment.	Bond-validation suit – Adds cost and 4-6 months even after a successful vote; any appeal extends delay.
Ongoing admin – Annual rate resolution, roll certification, delinquency monitoring.	Higher issuance costs – Financial advisor, disclosure counsel, rating/insurance fees; estimate +\$150–250 k.
Cash-flow gap – GF fronts design/early construction until first assessments arrive.	Interest-rate exposure – Until election/validation conclude, the market could move.
Collections risk – Non-payment remedied via tax-certificate process, but timing lag.	If vote fails, no project – Restart process with another funding method.
	Counts against legal debt ratios – GO pledge affects City/District debt profile; may require credit-rating review.



# Special Assessment

## Why a Special Assessment?

- **No Referendum Required**
  - City can act by ordinance/resolution; avoids the 12- to 18-month delay (and voter-approval risk) tied to GO-style debt.
- **Keeps the Project on Schedule**
  - Assessment calendar lets construction dollars start flowing right after the budget amendment is finalized by June 18, 2025.
  - Final Assessment Ordinance can be adopted as soon as June 18, 2025; first installment billed November 2025 “in-house”.
- **“Beneficiary-Pays” Principle**
  - Costs are borne only by Three Islands parcels that receive the direct safety and property-value benefit; no City-wide tax impact.
- **Flexible Cash-Flow Options**
  - Assessment stream can (a) repay General Fund advances in Year 1, and/or (b) secure a bank note later—without another public vote.
- **Lower Transaction Costs**
  - No rating or official-statement expenses unless we choose to issue tax-exempt debt later or referendum related costs.
- **Annual Rate Control**
  - Commission can adjust yearly within the noticed cap to match actual bids or add future phases; roll is recertified every August.
- **Proven Florida Mechanism**
  - FS Ch. 197.3632 assessments are used by dozens of cities for road, stormwater, and neighborhood-safety projects—well supported in case law and by the tax-collector system.



# Funding Strategy

## Preliminary Budget Framework

Project Task	Budget	Notes
Estimated Construction Cost	\$4,083,965	
Contingency (10%)	408,397	Estimated Construction Cost is from Oct 2024
Other Costs/Outreach	45,138	
Cost Apportionment Methodology Work	25,000	Required per FL Statute
Financial Advisor	12,500	
Legal Cost	25,000	Debt issuance cost if loan is needed.
<b>Total Project Budget</b>	<b>\$4,600,000</b>	





# Funding Strategy (Cont.)

## Reimbursement & Financing Strategy

- **Budget & Reimbursement Authority Set Up-Front**
  - June 4, 2025: Commission adopts a \$4.6M project budget via budget amendment → progress can start immediately yet leaves room for later debt financing.
- **General Fund = Bridge Lender**
  - Construction draws are advanced from the General Fund beginning FY25, eliminating schedule risk while external funding is still being evaluated.
- **Earn Interest, Not Just Repayment**
  - The advance is booked as an internal loan; Three Islands assessments will repay principal + interest at the City's pooled-investment rate ( $\approx 4\%$  est.), turning the cash outlay into GF investment income.
- **Assessment Repayment Starts Fast**
  - Final Assessment Ordinance (Jun 18, 2025) deems all GF advances reimbursable.
  - Year 1 direct-bill installment mailed Nov 7, 2025 → first repayments hit the General Fund by March 2026. This avoids needing to follow the County and State's internal timelines for TRIM notices.



# Funding Strategy (Cont.)

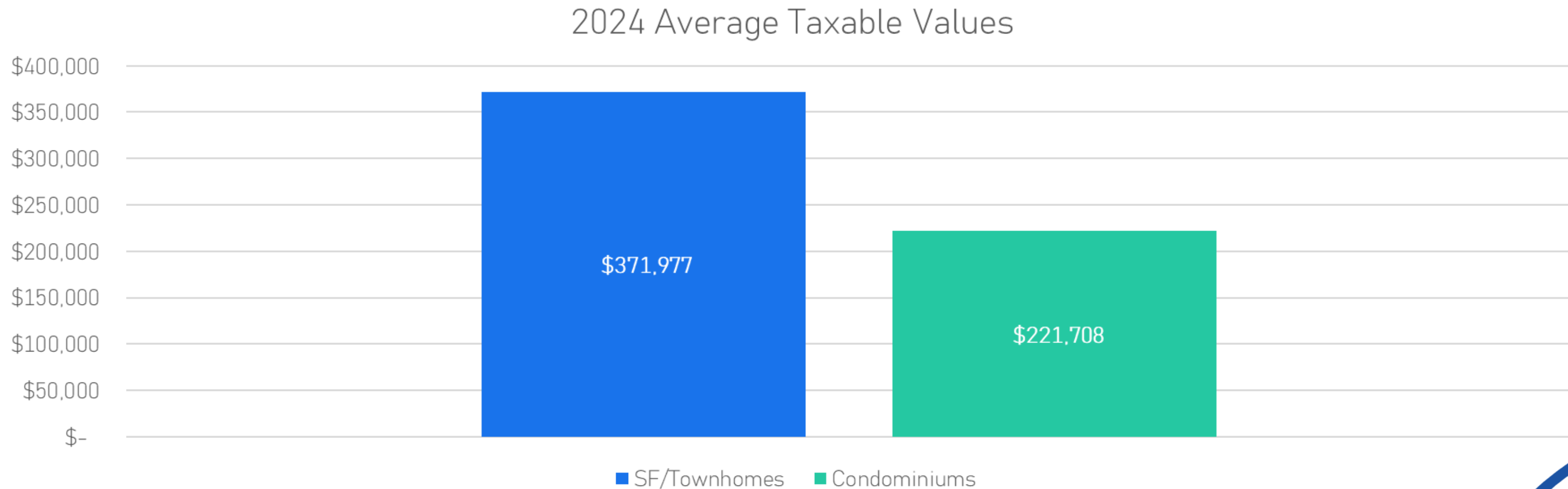
## Reimbursement & Financing Strategy (Cont.)

- **Debt Option Remains on the Table**
  - A bank-note RFP (Sep 5 – Oct 1 2025) will give true-interest-cost quotes. If a tax-exempt note prices below the GF pooled rate, we can close on Oct 24 2025 and reimburse the General Fund in one lump sum—thanks to the Reimbursement Resolution already in place.
- **Decision Trigger – October 2025**
  - Bank rate  $<$  GF rate  $\rightarrow$  execute the loan, repay GF.
  - Bank rate  $\geq$  GF rate  $\rightarrow$  keep pay-as-you-go; assessments continue repaying GF with interest.
- **Resident Rate Stays Stable**
  - The maximum per-parcel assessment established on May 21st is sized to cover either repayment path, so homeowners' costs do not change regardless of which financing option proves cheapest.

# Funding Strategy (Cont.)

## Reimbursement & Financing Strategy (Cont.)

- **Relatively modest priced homeownership housing with the highest taxable value for a unit in the assessment area of just over \$800,000.**

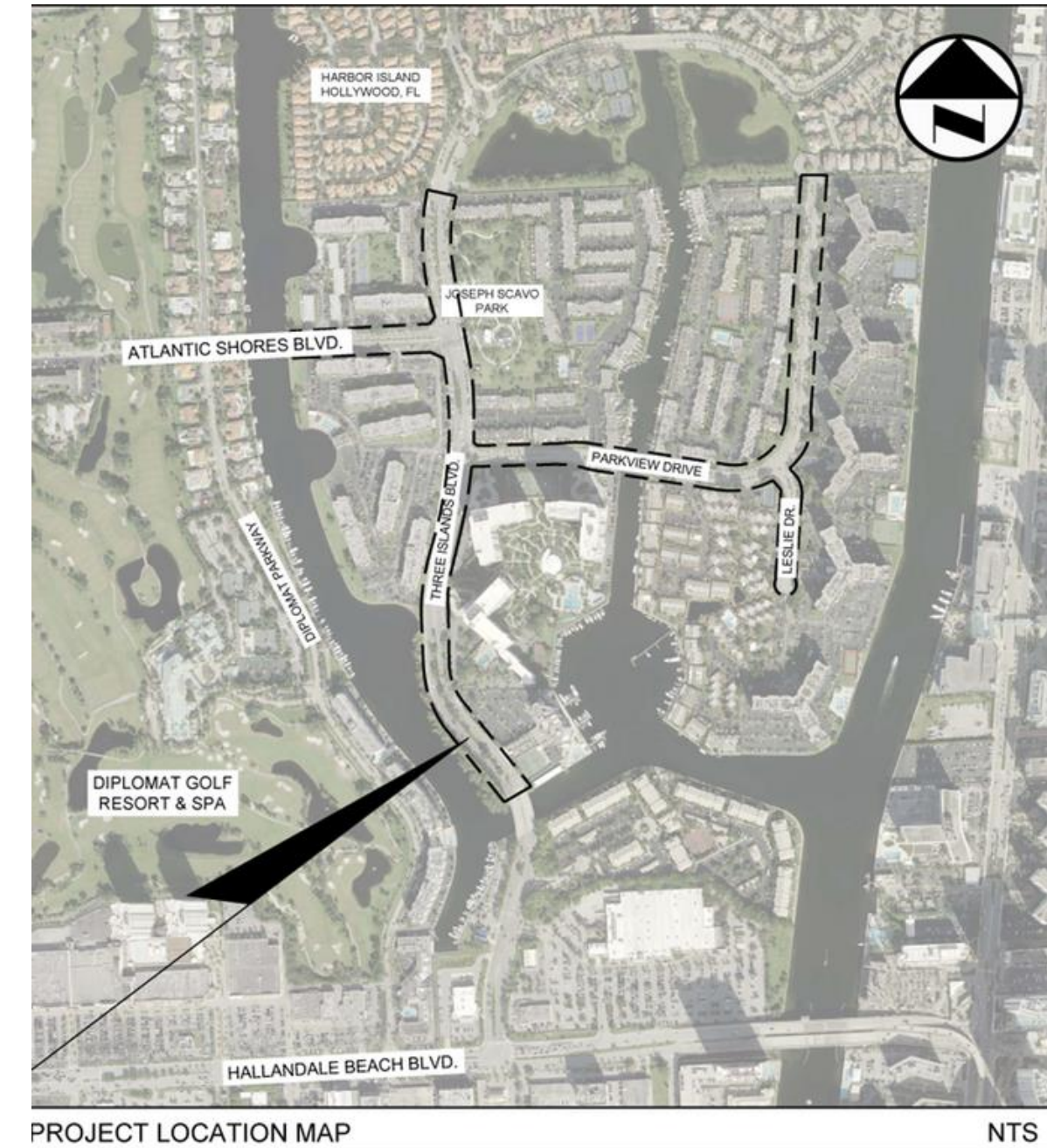




# Funding Strategy (Cont.)

## Reimbursement & Financing Strategy (Cont.)

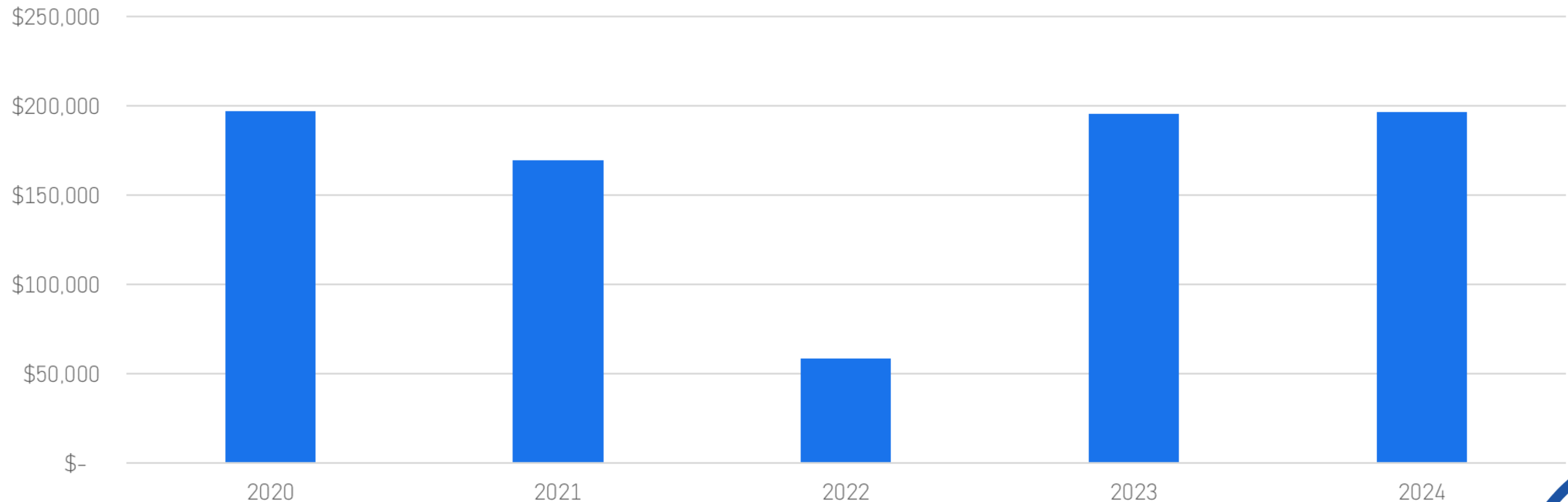
- **Recommended Allocation Methodology**
  - Allocate equally among all taxable property folios potentially except for the small number of parking spaces which have their own folio.
  - Given improvement are to major roadways, all residents and boat owners benefit from improvements in a generally equal manor.
  - Nearly 99 percent of folios are single family, townhome, or condominium units and therefore generally access and use the roadways in common way with a similar level of utilization which would not be the case if there were commercial parcels in the district.



# Funding Strategy (Cont.)

## Reimbursement & Financing Strategy (Cont.)

- Increasing levels of reserve funding over past several years provides opportunity to write down assessment (Fund Balance as of 9/30/2024 was \$1,507,445):





# Funding Strategy (Cont.)

## Reimbursement & Financing Strategy (Cont.)

- **Potential Cost Per Folio/Taxpayer:**
  - \$4.6M capital budget
  - 4,054 folios/taxpayers that appear to be not exempt
  - Special Assessment of approximately \$1,110 per Taxpayer/Folio
  - City financing at 4.0% interest Annually Over 5 Year Payout (4 scenarios)
  - No Contribution from District - Approx. \$250 per year per taxpayer/folio
  - \$0.5 Million Contribution from District Reserves – Approx. \$222 per year per taxpayer/folio
  - \$1.0 Million Contribution from District Reserves – Approx. \$194 per year per taxpayer/folio
  - Recommend allowing prepayment in any year



# Implementation Timeline

## Major Deliverables





# Action Items

## Commission Actions Requested Tonight

- **Assessment Procedure Ordinance – First Reading**
  - Creates the legal framework (FS Ch. 197) for non-ad-valorem collection in Three Islands.


## Next Steps

- **Direct Staff on Next Deliverables**
  - Confirm \$4.6M project scope & benefit methodology
  - Prepare initial assessment resolution
    - Set maximum assessment rates and approves the preliminary roll
  - Schedule the public hearing and authorize mailed / published notices.
  - Amend FY 25 budget to establish a \$4.6M capital project budget
  - Authorize the General Fund to advance costs through transfers
  - Prepare Final Assessment Ordinance and Reimbursement & Financing resolutions
  - Complete mailed notice and newspaper publication
  - Begin procurement steps for construction so that the project is not delayed.



# Looking Ahead

## Golden Isles Safe Neighborhood District (GISND)

- **Phase 1 Design Under Way**
    - Stantec contract covers survey + conceptual design → Commission review by early 2026 (fee \$405K).
  - **Much Larger Build-Out Than Three Islands**
    - 17,600 ft of streets (≈3× length)
    - Seven bridge facelifts, new gateway treatments
    - Full undergrounding of overhead utilities
    - Preliminary construction range: \$15 – \$20 million (to be refined with 30-week cost estimate).
  - **Funding Road-Map – Reuse the Same Toolkit**
    - Assessment Procedure Ordinance – minor boundary edits; leverage May 2025 ordinance.
    - Initial / Final Assessment Resolutions – target spring 2026, after design is complete.
    - General-Fund Advance + Reimbursement Resolution – keeps momentum while financing is evaluated.
    - Decision Point on Bank Note vs. Pay-as-you-go – compare rates Q4 2026; assessments reimburse GF either way.
  - **Tentative timeline to follow at a later date.**
- 



# Questions?

Thank You