

Frequently Asked Questions

Q: Has there been a referendum on the Gulf of Mexico Undergrounding Project?

A: Yes, on November 3, 2015 a referendum was held on Longboat Key. All registered voters were eligible to vote. 62% of voters approved the borrowing of \$25,250,000 for placing all electric, telephone, cable lines underground and installing fiber optic along Gulf of Mexico Drive. Now the Town is in the process of implementing that project and establishing the special assessment (also known as “non ad valorem special assessment”) amount for each parcel in the Town.

Q: What was the methodology for establishing the special assessments for the Gulf of Mexico Project?

A: The following LINK takes you to the special assessment methodology report prepared by Willdan Financial Services describing the benefit and cost allocation method associated with the GMD project.

Q: Why am I getting an assessment for the Gulf of Mexico Drive Project when I don't live on Gulf of Mexico Drive?

A: As each parcel in the Town depends on Gulf of Mexico Drive, as the main thoroughfare to and from the Key, all parcels located within Town limits benefit from the Project. Most properties receive their electric from GMD feeder lines. Therefore, any improvements in safety and reliability of these lines is a benefit to all properties.

Q: Why am I getting an assessment for the Gulf of Mexico Drive Project when I already live in an Undergrounded area? Why should I be charged for any Aesthetics EBU's when I am already undergrounded?

A: Gulf of Mexico Drive is the main thoroughfare through the Town and vehicular traffic must access and traverse it in order to enter and exit properties within the Town limits. As each parcel in the Town depends on Gulf of Mexico Drive for ingress and egress to and from the key, all parcels located within the Town limits will benefit from the Project with the undergrounding backbone system and main trunk lines along Gulf of Mexico Drive, Binnacle Drive, and Broadway Street. In as much as there is no alternate route to travel up and down the Key, Fire Rescue and Public Safety responders have a critical requirement to be able to utilize this thoroughfare to protect the life and property of the community.

An analogy that can be used to help explain this is looking at the entrance to a subdivision. If you take an entrance to a subdivision that is decorated and well landscaped, it adds value to all parcels within that subdivision. In a similar manner, with Gulf of Mexico drive undergrounded it will add value to all parcels within the Town.

Q: If I don't think my assessment is correct who do I contact?

A: If you think there is an error in your assessment contact Town Hall at 941-316-1999.

Q: If I want to pay my assessment up front instead of on my annual tax bill how do I do that?

A: Notices will be sent to all property owners with amounts and instructions for the various payment options.

Q: What is the benefit of paying my entire assessment up front instead of paying it over thirty (30) years?

A: The Town intends to issue bonds to finance the project. The Town will incur financing costs when it issues the bonds, similar to closing costs for a residential mortgage. The annual debt service payments for the bonds will include principal and interest (estimated at 6% annually). Each yearly installment of the assessment will therefore include an interest component and also annual collection and administration expenses. By paying the assessment in full before bonds are issued, property owners can avoid paying a pro rata share of the bond issuance costs as well as annual interest and collection and administration expenses.

Q: If I decide to pay my assessment over thirty (30) years and I decide to sell my home, will the buyer hold me responsible for the assessment and require me to give credit to the buyer at the closing?

A: Unless the seller and purchaser agree to an alternative arrangement, the purchaser of the home will continue making the annual assessment payment for the duration of the thirty year term.

Q: If I decide to pay my assessment over thirty (30) years and I decide to sell my home, will the Town require me to pay the assessment in full?

A: No, the assessment will not be accelerated (i.e. it does not become due and payable in full) if the property is sold during the thirty year term.

Q: How many taxpayers on Longboat Key have the same amount of assessment as mine?

A:

Assessment	Total Parcels
\$0	181
\$2,400-\$2,500	7696
\$2,500-\$2,600	824
\$2,600-\$2,700	375
\$2,700-\$2,800	502
\$2,800-\$3,100	293
\$3,100-\$5,500	118
Greater than \$5,500.....	49

Q: When the Town is ready to issue bonds, how will I be able to purchase some of these bonds for my own portfolio?

A: When a senior managing underwriter is selected early next year, retail investors/Town residents can contact the underwriter or their brokers and express interest to purchase the Town's bonds. Before the sale of bonds the Town will publish an official statement which would list the underwriter(s) and details of the transaction. When the Town is ready to sell the bonds in the primary market it will issue a priority of orders which will give Town residents preference to purchase/allocated the bonds in a retail order period before the bonds are offered to institutions.

Q: Is there another undergrounding project being considered by the Town?

A: Yes. The Town Commission is considering a project to underground all remaining overhead lines in the neighborhoods and side streets and installing fiber optic lines throughout the Town.

Q: Where can I find more information about the Neighborhood project construction and schedule?

A: Information will be posted on the Town website when the schedule is developed. The new schedule would provide for executing both the GMD Project and the Neighborhood Project as one construction project.

Q: When will the GMD Project start and how long will the construction take?

A: The survey and design is anticipated to take a year through 2016, construction would start early 2017 and would take 3 years for the GMD Project. Combining the GMD and Neighborhoods/Side Street Projects would take longer.

Q: Will the overhead utility service on my property serving my house be undergrounded by the project?

A: Yes, the undergrounding is currently planned to take place all the way to your house. If your existing service line to your house is overhead or is not a reusable underground service, it will be replaced as part of these two projects.

Q: Is this non-ad valorem special assessment funding method commonly used for this type project?

A: This method has been used in many Florida communities which have determined that it represents a fair and reasonable approach to equitably allocate costs relative to the benefits provided.

Q: Will those properties who have already paid to have underground facilities installed receive any consideration for their payments.

A: Yes, where the facilities have previously been installed underground and no changes are required, these projects provide a lesser degree of benefit to the property and therefore, the assessment for those properties would be less.

Q: Will the underground wires and pipes be installed by digging trenches?

A: These projects are typically constructed utilizing horizontal boring equipment to install the facilities and generally only require a pit at intervals of around four hundred feet or where the pipes are to be connected. The only open trenches would typically be at the pit intervals, unique areas or those required to install the service lines to the buildings. These are typically dug by hand to minimize disturbing the property and/or owner's landscaping.

Q: How long would my service be interrupted to accomplish the conversion to the underground facilities.

A: Typically, the underground facilities are fully installed and made operational prior to your service being interrupted for the conversion. The loss of service is typically less than four hours and is coordinated with each property owner in advance.

Q: If I have a radial underground FPL line and an underground type transformer, why do I need additional work on my property?

A: FPL standards for underground areas require that all underground high voltage cables have a backup source so that service can be restored quickly if a cable fails. This requires us to extend the underground cable to a backup source thereby enabling the restoration of power to all transformers without having to replace the failed cable.

Q: My property is vacant. Why am I considered an overhead service?

A: You would not be considered to have an overhead service, but you would be classified as an overhead property. Your property would benefit relative to aesthetics and safety. However, since you have no service connections, you would not receive a specific property benefit for reliability improvements. Specific Property Safety and Aesthetics benefits relate to the property's proximity to overhead lines. Specific Property Reliability benefits relate to the replacement of service connections.

Q: Would the projects be constructed as one large project or in phases.

A: Typically the project would be completed in phases to allow for quicker underground installation and overhead line removal within a designated area. The utility companies (FPL, Comcast, Verizon) will not remove the overhead lines and poles until the underground work is complete for a given scope of work. Therefore, the work is typically broken into phases.

Q: Will the GMD project include the main line between Binnacle Point Drive and North Spanish Drive.

A: Yes, this is one of four main FPL feeder routes. This is the only main feeder that is overhead before reaching the GMD trunk lines.

Q: Why would we install a Fiber Optic backbone system?

A: This backbone system offers many opportunities for improved communications for the community. Experts confirm that installing these fiber optic backbone facilities in conjunction with the undergrounding project will decrease the cost by approximately eighty percent of the typical fiber installation cost when performed as a standalone project. The installation of the fiber would avail the Town to a variety of opportunities ranging from improved governmental/emergency communications to improved cellular reception to community Wi-Fi.

Q: How can we increase the light levels on GMD and comply with the turtle restrictions?

A: By installing turtle friendly light fixtures. Those fixtures control the emission of light so that it is directed to the area on the ground where the illumination is needed, but is constructed so that the light source cannot be seen when viewed from a distance. Typically, the light source is recessed into the fixture in a way to provide effective illumination of the target area without allowing light to spill over outside the target area. These designs provide superior light distribution and turtle protection in comparison to the aftermarket shields currently in place on our street lights. This will maybe work for the time being but once we have a better idea on what we are able to place with respect to lights we will need to modify the response.

Q: Are the underground cables and connections to be installed, suitable to be installed in wet locations or suitable to be continuously under water?

A: Yes. The cables are frequently installed below the water table.

They are approved for those wet locations. Water can actually improve the dissipation of heat and improve the cable's performance. The connections made in the below grade splice boxes are also rated for under water locations. Splice boxes at higher elevations often fill with water during heavy rains. These cables and splice connections are designed to be sealed against water intrusion and to operate under water.

Q: Are the buried cables just laid in open trenches and covered with soil.

A: No. Many years ago FPL moved to installing cables inside conduits. The shift from direct-buried-cable systems to cable-in-conduit systems drastically reduced the outages caused by hard objects piercing the cable insulation. The typical installation method used today to install the conduits is directional boring (also called horizontal drilling). Two small pits are dug about 400 feet apart typically, and a steel rod is pushed into the ground from one pit to the next. The rod is guided by a plate on the end that can be rotated to turn the rod up, down, or sideways as needed. An electronic tracking device tells the operator exactly where the end of the rod is at any time. Upon the steel rod arriving at the pit 400 feet away, conduits are attached to the steel rod and pulled back to the first pit.

Q: How water tolerant are the above ground FPL boxes, transformers and switches that the underground cables are connected to.

A: The new above ground switches now being installed by FPL are sealed and will continue to operate under water. In addition they have stainless steel cabinets that resist corrosion and will provide many years of reliable service. The ground mounted transformers also now have stainless steel cabinets. These cabinets have sealed connections for the high voltage cables, and water resistant connections for the low voltage connections. Water levels typically need to be very high to cover the low voltage connections and cause the fuse in the transformer to blow. Once the water recedes, these fuses can easily be replaced. However, the incidence of these fuses blowing is rare.

Q: What results have other Towns/Cities/Local governments reported relative to outages after the FPL facilities have been relocated underground.

A: The Town of Jupiter Island on the east coast of Florida reported that they had experienced no interruptions on the island since the underground conversion was completed December of 2009. They have power monitors located around the island due to pre-conversion outages and they closely monitor the new system. The mayor of Jupiter Inlet Colony stated in a meeting with the Palm Beach Undergrounding Taskforce on Tuesday, July 7, 2015, that since the completion of their conversion in 2010, they have experienced one interruption that lasted less than a minute. Trees, animals, and salt contamination were the primary causes of outages and all have been eliminated.