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August 26, 2004

**VIA ELECTRONIC TRANSMISSION**

Francine L. Ramaglia  
Director of Administrative and Finance Services  
Village of Wellington  
14000 Greenbriar Blvd.  
Wellington, Florida 33414

**Re: Village of Wellington (Village) Neighborhood Parks Capital and Maintenance Costs (Work Order No. 04-02)**

Dear Francine:

The Village of Wellington (Village) has engaged Nabors, Giblin & Nickerson, P.A. (NG&N) pursuant to the existing Retainer Agreement between NG&N and the Village to provide specialized services in the review of proposed programs to fund various capital costs and maintenance services including:

- Basin A and B Drainage Projects (Work Order No. 04-01)
- Neighborhood Parks capital and maintenance costs (Work Order No. 04-02)
- Privately-owned golf course acquisition (Work Order 04-03)
- Neighborhood Wall capital costs (Work Order 04-04)

NG&N has subcontracted with Government Services Group, Inc. (GSG) to assist in the analysis of these programs. GSG specializes in government finance and taxation issues by working with cities, counties, special districts and state agencies to develop unique funding and service delivery solutions for critical infrastructure and service needs.

This document is the memorandum summarizing the findings and recommendations regarding the Village's neighborhood parks program (Memorandum), which is one of the project deliverables specified in the scope of services that is incorporated in Work Order No. 04-02.

The primary questions posed to the NG&N and GSG project team as related to this project are: (1) Since the neighborhood parks were constructed with Acme

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Improvement District assessments, can the Village use Acme Improvement District assessments to fund the Neighborhood Park Improvement/Renovation Program? (2) If so, is the "85-10-5" benefit apportionment methodology previously used by the Acme Improvement District for the provision of parks and recreational improvements appropriate for the funding of the Neighborhood Park Improvement/Renovation Program?

**PROJECT  
BACKGROUND**

The Acme Improvement District was originally created in 1953 as the Acme Drainage District. The original purpose of the Acme Drainage District, as provided in Chapter 28557, Laws of Florida (1953), was to reclaim and drain lands within the district and to protect district lands from the effects of water by means of the construction and maintenance of canals, ditches, levees, dikes, pumping plants and other drainage works and improvements in order to make the district lands available for settlement and agriculture.

Subsequently, the Acme Improvement District's purpose and related powers were expanded by the Florida Legislature to allow for the provision of roads, water and wastewater services, recreation areas and facilities, pest control, street lighting and other essential services and facilities. See e.g. Chapter 70-856, Laws of Florida (1970). Specifically with regard to neighborhood parks, the Acme Improvement District now has broad authority to provide parks and recreational facilities and to maintain and improve those assets. Chapter 2003-330, Laws of Florida (2003), which is the most recent codification of all the special acts concerning the Acme Improvement District, grants the following specific powers to the district:

Provide parks, preserves, playgrounds, recreation areas, and facilities and programs in the same manner and to the same extent as is provided by Section 125.01(1)(f), Florida Statutes, which includes the authority to provide for the construction, operation, and maintenance of such parks, preserves, playgrounds, recreation areas, and facilities, and programs through the district's maintenance taxes and user fees and such other legally available revenues; provide recreation and playground equipment; employ supervisory personnel; organize and sponsor community and athletic teams and events; provide liability insurance to cover such projects; lease parks, preserves, playgrounds, recreation areas and facilities; and provide any other programs and elements of parks, preserves, playgrounds, recreation areas, and facilities, the enumeration of the same not being exclusive.

Laws of Florida, Chap. 2003-330 §(B)(1)(2003) (emphasis added). This specific authority was originally granted to the Acme Improvement District in Chapter 91-371, Laws of Florida (1991).

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On March 28, 1996, the Village of Wellington was incorporated and the Acme Improvement District was made into a dependent district of the Village of Wellington. Accordingly, pursuant to a plain reading interpretation of the Acme Improvement District's special act authority, the Village may provide for parks and recreational facilities by invoking the Acme Improvement District's special act authority. Alternatively, the Village may also provide parks and recreational facilities pursuant to the Village's own home rule powers as conferred by Article VIII, section 2, Florida Constitution, and implemented in Chapter 166, Florida Statutes.

Historically, the Acme Improvement District has provided parks and recreational facilities to residents within the district prior to the formation of the Village of Wellington. For example, the "Acme Improvement District Water Management Plan" from May 1994 states that as part of the original Wellington PUD and the Acme Improvement District, "park sites, recreation parcels and other open space reserve areas were dedicated to the public or the Acme Improvement District." These original parcels have all since been developed for such use and maintained by the Acme Improvement District and then the Village of Wellington respectively.

In accordance with the district's charter and Chapter 298, Florida Statutes, in 1994 the Board of Supervisors for the Acme Improvement District proposed, and then recommended, a special assessment levy upon "each and every" assessable unit within the District up to \$20 per unit annually for the purpose of providing "staffing and administration for recreational programs for the landowners of the district." These assessments formed the initial basis of funding for the district's first recreation and parks programming and facilities.

The initial recreation and parks projects consisted of the 19 park sites listed in Table 4 of this report. These projects were followed by the Pierson Park Community Sports Complex, a Civic Center, and a multipurpose trail for jogging and horseback riding. The Sports Complex consisted of numerous sports fields, a playground, restrooms and tennis, basketball, racquetball and roller hockey courts. Site improvements included landscaping, signage, irrigation, lighting, sewer, parking, roadways, storm drainage and earthwork projects. The total cost (1994) was approximately \$7.2 million, including a contingency amount and all associated professional fees. Since these original projects, the district has acquired, constructed, and improved a variety of neighborhood parks within the Village.

For assessment calculation purposes for all of these projects, the Acme Improvement District developed what is now called the "85-10-5" methodology. First, the Acme Improvement District divided all of its properties into three distinct Benefit Units on the basis of dwelling unit density and lot size, population density and its proximity to the proposed facilities. Then, a Benefit Unit ratio was calculated for each service area and a "relative benefit calculation" was determined. This was based on a ratio of benefit for each area in comparison to the relative overall benefit district wide.

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This methodology, which is provided for in the district's charter and Chapter 298, Florida Statutes, allowed the Acme Improvement District to take a project that benefits the entire district and determine how much of the project cost should be recovered from each specific benefit area. The District identified three Benefit Units – A, B, and C. For each Benefit Unit, the total number of acres, lots, population, and dwelling units was determined. The average lot size, population per acre (current and projected), and dwelling units per acre (current and projected) was determined for each.

Since Benefit Unit A contained the most acreage, population and dwelling units, the Benefit Unit ratio for Units B and C were calculated relative to the characteristics of Unit A. So, Unit A was assigned a "relative benefit" of 1:1, B was assigned 1:5 and C was assigned 1:2.

These "relative benefit" calculations are then converted into a ratio and "relative benefit ratio" is calculated. Table 1 contains all of the elements of the Relative Benefit Calculation.

**Table 1**

Benefit Unit	Relative Benefit	Ratio	Relative Benefit Ratio
A	1:1	1	<b>0.59</b>
B	1:5	0.2	<b>0.12</b>
C	1:2	0.5	<b>0.29</b>
Total		1.7	1.00

The Relative Benefit Ratio was then applied to the number of "Tax Units" in each district to determine the number of weighted tax units for each district. The number of weighted units per district as a percentage of the total number of weighted tax units Village-wide was then used to assign an overall percentage that could then be applied to all future Village-wide projects to determine the amount of cost to be recovered from that specific benefit unit, referred to as the "weighted tax rate" for that geographic area. Table 2 contains these calculations.

**Table 2**

Benefit Unit	A	B	C	Total
Relative Benefit (from Table III)	0.59	0.12	0.29	
Tax Units (1994 Data)	14,139	8,071	1,644	23,854
Weighted Units	8,342	969	477	9,787
% of Total Weighted Tax Units	85%	10%	5%	100%

Based on the preceding information, rates for a District/Village wide recreation project (cost = \$500,000) would be calculated as follows. First the cost of the project would be divided between the Benefit Units based on each Benefit Unit's percentage of "total weighted tax units." For the example of a \$500,000 project, Benefit Unit A would have to recover 85% of the cost (\$425,000), Benefit Unit B would have to recover 10% of the cost (\$50,000), and Benefit Unit C would have to recover 5% of the cost (\$25,000).

Next, for each Benefit Unit, the rate calculation would be based on the cost attributable to each Benefit Unit divided by the number of taxable units within each Benefit Unit. This amount would then be multiplied by the relative benefit for each Benefit Unit. For example, the rate for Benefit Unit B would be calculated as follows: \$500,000 x 10% = \$50,000. \$50,000 divided by 8,071 (# of Tax Units) = \$6.20 factored by the Relative Benefit ratio of 1:5 = \$31.00 rate per tax unit.

**DESCRIPTION OF  
 PROPOSED  
 PROJECTS**

In June of 2001, the Village of Wellington's Parks & Recreation Advisory Board voted to adopt and implement the Village's Neighborhood Parks Improvement Plan. The Advisory Board gave a timeline of eight years to adopt the plan and acknowledged this plan's impact on the Village's overall Capital Improvements Plan ("CIP"). The Village Council also adopted the plan and incorporated the improvements into the Village-wide CIP.

Table 3 identifies the annual budgeted amounts as specified in the Village's CIP for Fiscal Years 2004-2005 through 2008-2009.

**Table 3**

<b>Village of Wellington</b>	
<b>CIP Fiscal Year 2004 - 2005 through 2008 - 2009</b>	
<b>Parks and Recreation Section</b>	
<b>Neighborhood Park Program</b>	
<b>Fiscal Year</b>	<b>Budgeted Amount</b>
2004-05	\$350,000
2005-06	\$315,000
2006-07	\$320,000
2007-08	\$270,000
2008-09	\$320,000
<b>Total</b>	<b>\$1,575,000</b>

The Village's Recreation and Open Space element of its Comprehensive Plan from 2000, defines a district park as 18 to 150 acres in size and of benefit to the entire community. The plan defines a community park as 5 to 20 acres in size and of service to "more than one neighborhood." A neighborhood park is defined as "generally less than 10 acres in size and provide(s) improvements designed to service the localized needs of surrounding neighborhoods." The plan also delineates a fourth category of park land as "open space reserve" land.

Neighborhood parks are the focus of this analysis. Currently the Village has 19 neighborhood parks that comprise approximately 31 acres. A complete list can be found in Table 4.

**Table 4**

Park Name	Neighborhood	Acreage	Amenities
Azure	Sugar Pond Manor	4.85	Basketball Court (full court) 2 Picnic Shelters Play Structure
Primrose	Sugar Pond Manor	2.51	Basketball Court (full court) 2 Picnic Shelters 2 Handicapped Play Structures Play Structure
Summerwood	Eastwood	2.49	Pavilion Play Structure Picnic Tables w/ BBQ
Brampton Cove	Greenview Shores	2.38	Pavilion Play Structure
Field of Dreams	South Shore	1.5	Basketball Court (full court) Play Structure
Little Blue	South Shore	1.4	Lighted Skateboard Park Lighted Basketball Court (full court) Roller hockey rink (lighted) Bathrooms
Foresteria	Sugar Pond Manor	2.32	Basketball Court (full court) 2 Pavilions Play Structure
Yarmouth	Greenview Shores	1.92	Play Structure
Farmington	Greenview Shores	1.89	Basketball Court (full court) Pavilion Play Structure
Aero Club	Aero Club	1.31	None - proposed Botanical Garden
Block Island	South Shore	1.59	Play Structure

Park Name	Neighborhood	Acreeage	Amenities
Amesbury	Greenview Shores	1.12	Play Structure Shelter
Margate	Greenview Shores	1.13	Basketball Court (full court) Play Structure Gazebo
Staimford	Greenview Shores	1.08	Play Structure Pavilion
Forest Hill #1	South Shore	1.03	Boat ramp Shelter
Dorchester Park	Greenview Shores	0.95	Play Structure Pavilion
Berkshire Tot Lot	Pinewood	0.27	Play Structure
Mystic Way	South Shore	0.19	Play Structure
Essex Park #1	South Shore	0.59	Play Structure

In addition to these 19 sites, the Village also has a set of 10 projects (9 are renovation/improvement projects) that are due to commence over the next five years. More specific information regarding the estimated cost to specific park sites and the fiscal year each is set to be built/renovated is shown in Table 5.

Table 5

Fiscal Year	Park Name	Priority Ranking	Estimated Cost	CIP Fiscal Year Budget	Difference w/ CIP
2004-05	Greenbriar	1	\$350,000		
<b>Total</b>			<b>\$350,000</b>	<b>\$350,000</b>	<b>\$0</b>
2005-06	Primrose	1	\$225,000		
	Field of Dreams	1	\$90,000		
<b>Total</b>			<b>\$315,000</b>	<b>\$315,000</b>	<b>\$0</b>
2006-07	Summerwood Circle	1	\$175,000		
	Block Island	1	\$145,000		
<b>Total</b>			<b>\$320,000</b>	<b>\$320,000</b>	<b>\$0</b>
2007-08	Staimford	2	\$120,000		
	Berkshire	2	\$94,000		
	Forest Hill (boat ramp)	2	\$56,000		
<b>Total</b>			<b>\$270,000</b>	<b>\$270,000</b>	<b>\$0</b>

Fiscal Year	Park Name	Priority Ranking	Estimated Cost	CIP Fiscal Year Budget	Difference w/ CIP
2008-09	Azure	2	\$190,000		
	Farmington	2	\$130,000		
<b>Total</b>			<b>\$320,000</b>	<b>\$320,000</b>	<b>\$0</b>
<b>Overall Total</b>			<b>\$1,575,000</b>	<b>\$1,575,000</b>	<b>\$0</b>

The following is a list of the specific improvements contemplated at each park listed in Table 5:

Greenbriar:

- New/replace signs
- Replace site furniture – benches and trash receptacles
- Provide concrete pads for all site furniture
- Provide picnic shelters
- Provide picnic tables
- Provide new and accessible play equipment
- Remove all unnecessary fencing
- Remove bocce courts
- Develop landscape concept at entrance with palms, shrubs and groundcover
- Provide plastic edging material to clearly define limits of volleyball courts
- Provide bike racks
- Provide internal sidewalks for accessibility

Primrose:

- New/replace signs
- Replace site furniture – benches, trash receptacles, bike racks, picnic tables and picnic shelters
- Provide concrete pads for all site furniture
- Provide new and accessible play equipment
- Provide internal sidewalks for accessibility
- Develop landscape and hardscape concept with accent trees, palms, shrubs and groundcover

Field of Dreams:

- New/replace signs
- Replace site furniture – benches, trash receptacles, bike racks, picnic tables and picnic shelters

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- Provide concrete pads for all site furniture
- Provide new and accessible play equipment
- Provide bike racks
- Provide internal sidewalks for accessibility
- Define entrance along Forest Hill Blvd with landscape and hardscape concept with accent trees, palms, shrubs and groundcover

Summerwood Circle:

- New/replace signs
- Replace site furniture – benches, trash receptacles, bike racks, picnic tables and picnic shelters
- Provide concrete pads for all site furniture
- Provide new and accessible play equipment
- Provide internal sidewalks for accessibility
- Develop landscape and hardscape concept with accent trees, palms, shrubs and groundcover

Block Island:

- New/replace signs
- Replace site furniture – benches, trash receptacles, bike racks, picnic tables and picnic shelters
- Provide concrete pads for all site furniture
- Provide new and accessible play equipment
- Provide internal sidewalks for accessibility
- Develop landscape and hardscape concept with accent trees, palms, shrubs and groundcover

Staimford:

- New/replace signs
- Replace site furniture – benches, trash receptacles, bike racks, picnic tables and picnic shelters
- Provide concrete pads for all site furniture
- Provide new and accessible play equipment
- Provide internal sidewalks for accessibility
- Develop landscape and hardscape concept with accent trees, palms, shrubs and groundcover

Berkshire:

- New/replace signs

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- Replace site furniture – benches, trash receptacles, bike racks, picnic tables and picnic shelters
- Provide concrete pads for all site furniture
- Provide new and accessible play equipment
- Provide internal sidewalks for accessibility
- Develop landscape and hardscape concept with accent trees, palms, shrubs and groundcover
- Remove ficus trees and rocks

#### Forest Hill

- New/replace signs
- Replace site furniture – benches, trash receptacles, bike racks, picnic tables and picnic shelters
- Provide concrete pads for all site furniture
- Provide new and accessible play equipment
- Provide internal sidewalks for accessibility
- Develop landscape and hardscape concept with accent trees, palms, shrubs and groundcover

#### Azure:

- New/replace signs
- Replace site furniture – benches, trash receptacles, bike racks, picnic tables and picnic shelters
- Provide concrete pads for all site furniture
- Provide new and accessible play equipment
- Provide internal sidewalks for accessibility
- Develop landscape and hardscape concept with accent trees, palms, shrubs, groundcover and buffer wall enclosure
- Repaint buffer screen wall enclosure at front of park

#### Farmington:

- New/replace signs
- Replace site furniture – benches, trash receptacles, bike racks, picnic tables and picnic shelters
- Provide concrete pads for all site furniture
- Provide new and accessible play equipment
- Provide bike racks
- Provide internal sidewalks for accessibility
- Clearly define park entrances through landscape and hardscape with shrubs and groundcover

<b>ANALYSIS</b>
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As was stated above, based upon a plain meaning interpretation of the Acme Improvement District's authority as granted by special act, the Village has the power to fund the Neighborhood Parks Improvement Plan through assessments imposed by the Acme Improvement District. The authority granted to the district in Chapter 2003-330, Laws of Florida, is broad enough to encompass the range of renovation, maintenance and improvement activities planned in the Neighborhood Parks Improvement Program over the next 5 years, as outlined above. Additionally, the Acme Improvement District has the statutory authority to levy assessments for both capital and maintenance needs pursuant to Chapter 298, Florida Statutes. If the Village elected to use the Acme Improvement District for the Neighborhood Parks Improvement Plan, the Village would need to amend its current Water Control Plan pursuant to the procedures provided in Chapter 298, Florida Statutes, to include these projects and the appropriate benefit methodology therein.

While the Village has the authority to use the Acme Improvement District to provide the Neighborhood Parks Improvement Plan, there are multiple issues associated with utilizing the original "85-10-5" methodology to calculate assessments for park sites.

First, the methodology as outlined in the Acme Improvement District Water Control Plan pertains to Village or District wide assessments. It is the understanding of the project team that the investments in the park system that are anticipated in the Village's CIP projections are all neighborhood parks as this is how they are identified and categorized in the Village's Parks and Recreation element of the comprehensive plan. It also appears that the improvements contemplated in the 5-year Neighborhood Parks Improvement Plan are isolated at 10 of the 19 existing neighborhood parks. Further, it does not appear that all areas within the Village are provided with neighborhood park amenities. Accordingly, the benefits provided to property through the provision of the improvements and renovations included in the Neighborhood Parks Improvement Plan may not necessarily abound district wide.

Second, pursuant to the "85-10-5" methodology, it appears that all lands within the district would be assessed to fund the Neighborhood Parks Improvement Plan, however, assessments should only be charged to properties which benefit from the renovations and improvements in that plan. The Village's neighborhood park system is used, for the most part, by individuals rather than businesses or other non-residential land uses. In most instances assessments for park and recreational facilities should be charged only to residential property uses because the dominant stream of benefits redounds to residential property and, typically, there is insufficient data to objectively allocate the value of the benefit of a neighborhood park system to non-residential property.

Third, each neighborhood park improvement would need to be evaluated in terms of its immediate benefit to the properties within the neighborhood in which it is located versus its community-wide benefit. Some of the amenities at these parks are for items such as

basketball courts, tennis courts and boat ramps that citizens living outside of the neighborhood in which the park is located may use due to their unique nature. Based on this assumption, some parks may qualify for 100% neighborhood funding while others should only be partially funded via assessments from the neighborhoods.

Fourth, the "85-10-5" methodology and the statistics utilized to form the allocations of "benefit" to each parcel or lot do not provide a clear benefit nexus to tie the benefit of park facilities to Village-wide properties and certainly will not qualify as a viable mechanism to determine benefit within individual neighborhoods. Of the four criteria utilized in this methodology, only proximity to the proposed facility would serve as a valid proxy to tie the benefit of a park facility to individual properties within the Village. The other criteria, dwelling unit density, lot size, and population density do not provide a clear nexus to the availability of park facilities. In terms of determining future assessment rates, it is the proximity element that is the most vague of all of the elements in the original Acme district methodology.

<p><b>FINDINGS &amp; RECOMMENDATIONS</b></p>
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GSG and NG&N find that, while the Village through the Acme Improvement District has the statutory authority to provide and fund the contemplated park and recreation improvements and renovations, the "85-10-5" assessment methodology as detailed in the Acme Improvement District documentation does not provide a sound comprehensive basis for the creation of a neighborhood park assessment program.

As described in the analysis section, this finding is based on the fact that the "85-10-5" methodology does not appear to provide the flexibility needed to isolate the benefits provided to different geographic areas and different property uses. Additionally, the "85-10-5" methodology does not provide a reasonable benefit nexus in terms of the location and use of the facilities; rather it relies on population density and growth factors which are not pertinent in determining a viable assessment rate per residential parcel or lot for park and recreation purposes.

Additionally, the park projects as detailed in the City's Neighborhood Park Improvement/Renovation program would require additional site specific analysis to determine the amount of neighborhood benefit versus Village-wide benefit since some locations provide unique services and/or facilities that benefit the entire community such as a botanical garden, a boat ramp and some sports specific infrastructure, such as tennis and basketball courts. GSG and NG&N recommend that the Village initiate a site-by-site analysis of park projects to determine the specific cost of each project, the Village's anticipated funding mechanism and related financing terms to determine a cost and time line for the capital portion each project. Then, an analysis of each park site's function should be evaluated to determine neighborhood versus Village-wide benefit.

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Each neighborhood would then need to be evaluated to determine the best basis for assessing individual lots and parcels which should include an analysis of the Palm Beach County Property Appraiser's database and any local zoning regulations pertaining to the permitted construction standards for each lot, such as lot size restrictions and the process for future combinations and splits of existing lots. Maintenance service levels, a cost analysis and connection service schedules to specific sites would have to be evaluated separately as well.

In closing, the project team finds that assessments offer a valid and viable funding source to provide these facilities and improvements, but that the methodology as outlined in the Acme Improvement District documentation, is not recommended for the Village's Neighborhood Park Improvement Program. While it may be possible to construct an appropriate assessment methodology pursuant to the provisions of Chapter 298, Florida Statutes, which governs the Acme Improvement District, it may be more advantageous to the Village to proceed with a home rule special assessment program.

We look forward to working with the Village of Wellington in implementing these recommendations. If you or any other Village officials have any questions, please contact me.

Sincerely,



Heather J. Encinosa  
NG&N



Camille P. Tharpe  
GSG