



# Analysis of Flagler County Beach Nourishment Survey and MSBU Recommendation for Special Assessment

Presentation to the Flagler County  
Board of County Commissioners

June 10, 2024

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# Project Overview and Approach



# PFM Project Overview - Revised

- Countywide survey undertaken to determine public support for funding beach nourishment:
  - Relies on **Beach Master Plan** to determine costs and protection
  - Components of Value: Protection; Use & Enjoyment; Environment
  - Examined public awareness and funding support
  - MSBU funding alternatives
  - Establish and Document Benefits Received from Beach and Project
  - Propose Special Assessments through MSBU Zones
  - Preliminary assessment revenue estimates – not a final tax roll

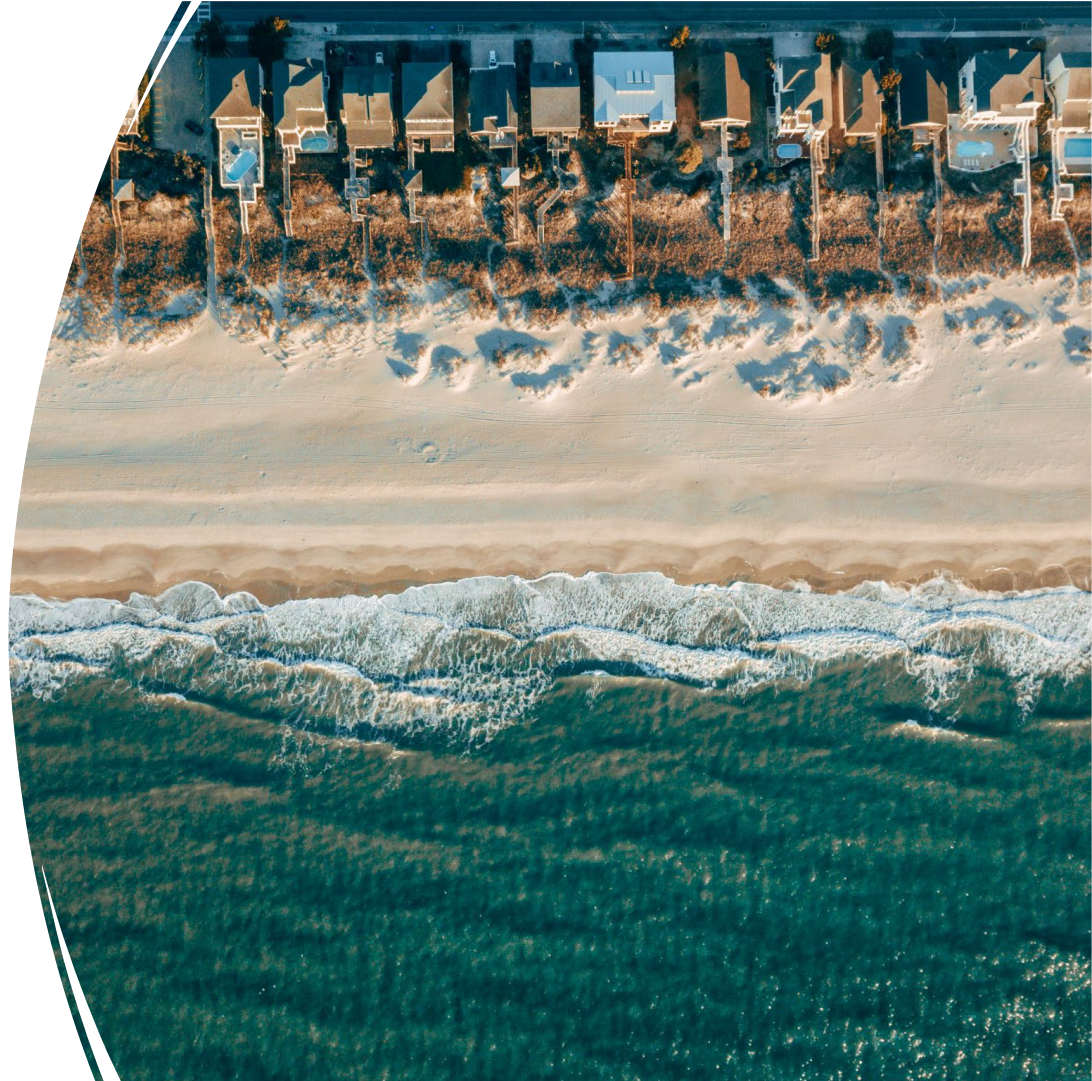


## Survey Feedback – Summary

- More than 1,100 selected comments were received in open ended question – 32.5% of respondents left comments
- Of those leaving a comment 75% were IN FAVOR of the County paying to fix the beach
- Overall, 76% of respondents are willing to have their household pay something to support the Project



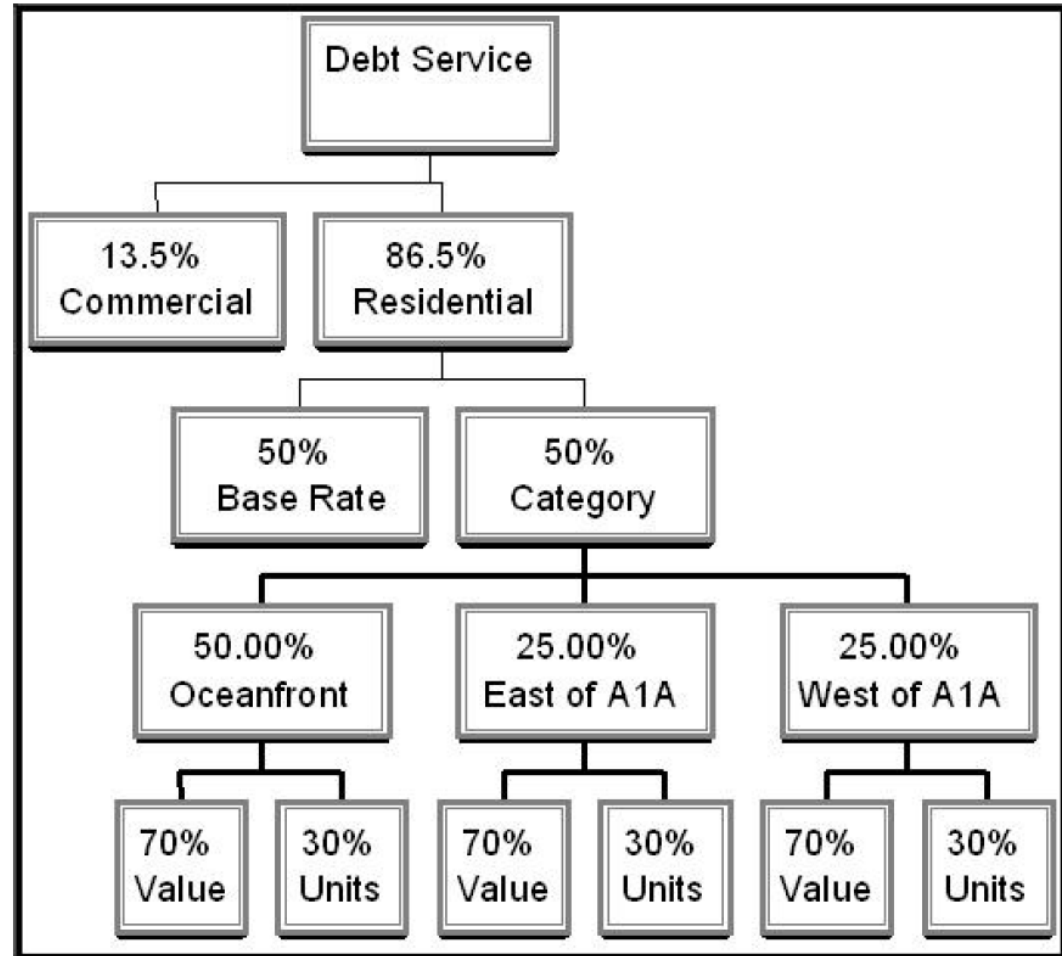
# How do other Coastal Communities Fund Beach Nourishment?





## Amelia Island – Original Valuation Component 1993-2020

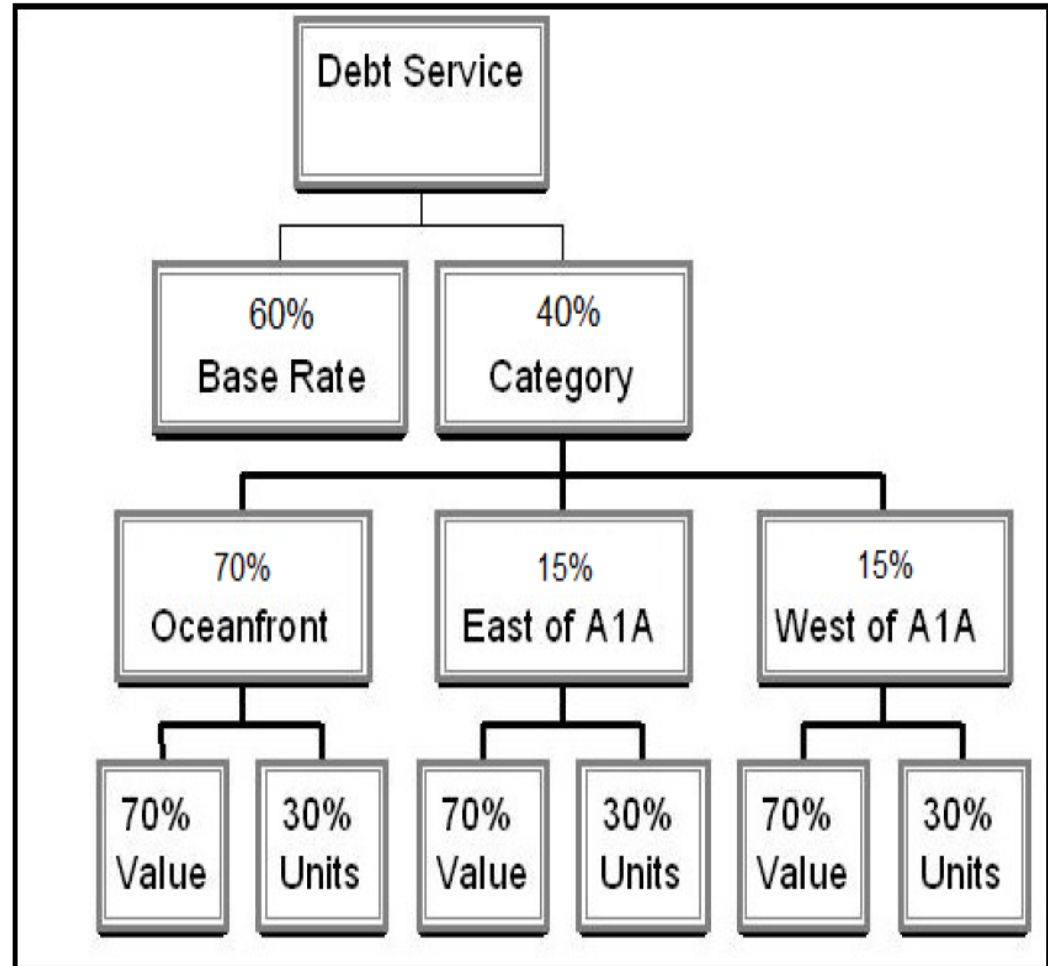
- Segregates commercial
- 50% Base Rate – equivalent across all properties
- Residential based on ERUs: 1 ERU per house
- Remaining “Category” rate split by Neighborhood
- Assessed Value partially determines Assessment by ERU in each neighborhood





# Amelia Island – 2010 and 2021 Revision to Value Component

- Value Component converted from Assessed Value to JUST VALUE in 2010
- Commercial assessed by ERU
- Base Rate now 60%
- Oceanfront Category increased due to value changes and benefits
- Just Value partially determines Assessment by ERU in each neighborhood





## **Charlotte County, FL: Don Pedro - Knight Island Project: \$8,275,800**

- MSBU structure similar to Amelia Island method
- MSBU based on EDU's (Equivalent Dwelling Unit); 1 residential parcel assigned 1 EDU, and 1 EDU for each dwelling unit that can be built
- Commercial properties similar to Amelia Island method
- “Nearshore Benefit Zone” delineated by a shore parallel road– assessment based Beachfront Footage for Condo Common Areas or HOA's, condos assessed by square footage





## Dare County, North Carolina in the Outer Banks has been used as a model for other coastal communities

Over 3.9 million CY of sand along over 11 miles of oceanfront in four adjacent barrier island municipalities: The Town of Duck, Southern Shores, Kitty Hawk and Kill Devil Hills, NC.

Name	Details
Town of Duck, NC	1.7 miles of shoreline \$7.4 Million
Southern Shores, NC	3.8 miles \$11.5 Million
Kitty Hawk, NC	4 miles \$9.6 Million
Kill Devil Hills, NC	2.6 Miles \$6.4 Million

- 42% : All properties in project area of the barrier island Town (base rate) MSD-A (tax rate is \$0.1296)
- 23%: Oceanfront properties in project area, MSD-B (tax rate is \$0.285)
- 21% Town revenue from sales tax
- 14% Dare County



## Other Examples:

- Charlotte County - County-wide MSTU for Manasota Key Beach Renourishment  
MSTU on all unincorporated areas on Manasota Key
- Port St. Lucie South Hutchinson Island Federal Beach Project – 3.3 miles with an MSTU to property owners that will enjoy the primary project benefits
- St. John's County created MSTU in S. Ponte Vedra Beach and Vilano Beach for the USACE project
- Port St. Lucie County also has created an Erosion District that manages the beaches in the County. Zones A-E have scaled ad valorem tax rates based on benefits of beach nourishment project.



# Beach Nourishment Project Costs



# Project Costs<sup>1</sup>

- Equivalent Annual Cost (EAC) is estimated to be from \$9 Million to \$10 Million year
- County share EAC required to qualify for and capture State and Federal matching funds ranges from \$6 Million to \$7 Million, including expanded cost sharing.
- Beaches are critically eroded; infrastructure failures; worsening trends
- State of Florida and USACE funding opportunities **require** cost-sharing from Flagler County. **Project construction will not be possible without local funding.**



# Benefit Analysis



## Benefits to Local Property

- The Benefits Received from Beach and Project may be defined as the project cost itself

*“the power of taxation...must be exercised only for the public necessity or convenience. The budgetary [Project cost] requirements would be the measure of the value or benefit which is to be apportioned among the properties benefited. Thus, the benefit, as defined by the Project cost, is between \$8.8 and \$10.0 million per year<sup>1</sup>.*

- Survey data results clearly demonstrates how benefits are scaled by Zone from east to west
- Propose Special Assessments through MSBU Zones
- Preliminary assessment revenue estimates – not a final tax roll

1. Fire District No. 1 of Polk County v. Jenkins 221 So. 2d 740 (Fla. 1969)



## Benefit Analysis Details

- Supports Property Values
- Coastal Protection
- Improved Recreational Capacity
- Beach Environment and Habitat Protection





## Assessment Methodology

- **Property Value:** Properties with higher market values will pay more.
- **Location on the Barrier Island:** Properties closer to the beach will have higher assessments.
- **Benefit Received:** A flat base rate will be applied to every property for the specific benefits each property receives from the program.





## Assessment Benefit Area

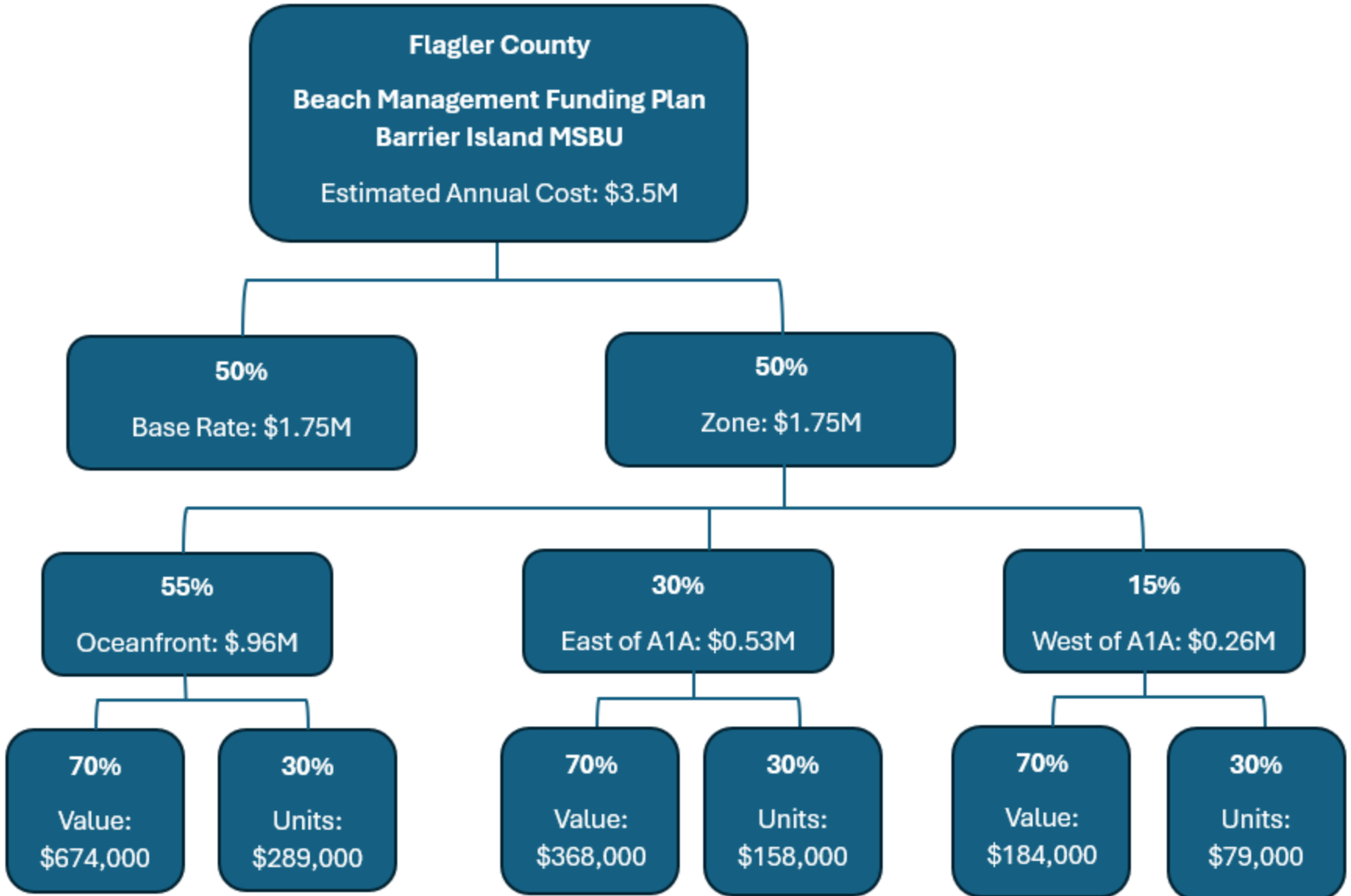
- The assessment benefit area encompasses properties located on the barrier island within three distinct zones, West of A1A, East of A1A, and Oceanfront. Oceanfront is described as those properties that touch or are located East of the Coastal Construction Control Line (CCCL).
- Criteria for inclusion include proximity to the shoreline, property use (residential, commercial, etc.), and benefit received



# Barrier Island Assessment Options



# Flagler County – Barrier Island Assessment with Value Component 55-30-15





# Flagler County – Barrier Island Assessment with Value Component

- Based on JUST VALUE and ERUs
- SF, Condo, SF att., MH, Vacant Res., assessed at 1 ERU/unit and Value as % of Zone Value
- All Commercial and Rental MF assessed by ERU based on average ERU size per Zone and Value as % of Zone Value
- HOA, Golf, vacant commercial 1 ERU per ACRE and Value as % of Zone Value
- Utilities, Schools, Govt, Vac Insti., Parks EXEMPT



# Flagler County – Barrier Island Land Use

property_1	(Multiple Items)	Residential and vacant residential			
Row Labels	Count of prop_id	Sum of JustVal	Sum of legal_acre	verage of heated_ar	ERU size
CCCL	1,555	\$1,170,192,530	565	1,799	<b>2,227</b>
EAST OF A-1-A	3,797	\$2,206,091,612	1,647	1,840	<b>2,133</b>
WEST OF A-1-A	4,488	\$2,109,567,361	1,440	1,603	<b>1,895</b>
<b>Grand Total</b>	<b>9,840</b>	<b>\$5,485,851,503</b>	<b>3,653</b>	<b>1,726</b>	<b>2,038</b>
property_1	(Multiple Items)	Commercial; includes multifamily rental			
Row Labels	Count of prop_id	Sum of JustVal	Sum of legal_acre	Sum of heated_are	mmercial ERU
CCCL	80	\$63,720,931	27	234,295	105
EAST OF A-1-A	87	\$20,920,132	94	165,405	78
WEST OF A-1-A	214	\$72,200,139	134	373,621	197
<b>Grand Total</b>	<b>381</b>	<b>\$156,841,202</b>	<b>255</b>	<b>773,321</b>	<b>380</b>
property_1	(Multiple Items)	HOA ; Golf; Common Area; Vacant Commercial			
Row Labels	Count of prop_id	Sum of JustVal	Sum of legal_acre	verage of heated_ar	vacant ERU
CCCL	75	\$18,081,121	521	188	521
EAST OF A-1-A	199	\$6,556,985	342	166	342
WEST OF A-1-A	138	\$9,838,769	353	106	353
<b>Grand Total</b>	<b>412</b>	<b>\$34,476,875</b>	<b>1,216</b>	<b>150</b>	<b>1,216</b>
SUMMARY of Values and ERUs					
Zone	Count of prop_i	Sum of JustVal	Sum of legal_ac	Count of ERUs	
CCCL	1,710	\$1,251,994,582	1,114	2,181	
EAST OF A-1-A	4,083	\$2,233,568,729	2,083	4,216	
WEST OF A-1-A	4,840	\$2,191,606,269	1,927	5,039	
<b>Grand Total</b>	<b>10,633</b>	<b>\$5,677,169,580</b>	<b>5,124</b>	<b>11,436</b>	



# Flagler County – Barrier Island Assessment with Value Component

	Just Value	ERU	BASE (base alloc / (# units * ERU)	Category Value (70%)	Category Unit (30%)	PROPOSED ASSMT	% of Zone Just Value	Assmt as % of Home Value
OCEAN	\$50,000	1	\$164	\$27	\$145	\$336	0.0040%	0.67%
OCEAN	\$100,000	1	\$164	\$54	\$145	\$363	0.0080%	0.36%
OCEAN	\$150,000	1	\$164	\$81	\$145	\$390	0.0120%	0.26%
OCEAN	\$350,000	1	\$164	\$188	\$145	\$498	0.0280%	0.14%
OCEAN	\$500,000	1	\$164	\$269	\$145	\$579	0.0400%	0.12%
OCEAN	\$750,000	1	\$164	\$404	\$145	\$713	0.0599%	0.10%
OCEAN	\$1,000,000	1	\$164	\$539	\$145	\$848	0.0799%	0.08%
OCEAN	\$3,000,000	1	\$164	\$1,616	\$145	\$1,925	0.2398%	0.06%
OCEAN	\$5,000,000	1	\$164	\$2,693	\$145	\$3,002	0.3997%	0.06%
OCEAN	\$10,000,000	1	\$164	\$5,385	\$145	\$5,695	0.7993%	0.06%
E of A1A	\$50,000	1	\$164	\$8	\$40	\$212	0.0022%	0.42%
E of A1A	\$100,000	1	\$164	\$16	\$40	\$220	0.0045%	0.22%
E of A1A	\$150,000	1	\$164	\$25	\$40	\$229	0.0067%	0.15%
E of A1A	\$350,000	1	\$164	\$58	\$40	\$261	0.0157%	0.07%
E of A1A	\$500,000	1	\$164	\$82	\$40	\$286	0.0224%	0.06%
E of A1A	\$750,000	1	\$164	\$123	\$40	\$327	0.0336%	0.04%
E of A1A	\$1,000,000	1	\$164	\$165	\$40	\$368	0.0448%	0.04%
E of A1A	\$3,000,000	1	\$164	\$494	\$40	\$697	0.1343%	0.02%
E of A1A	\$5,000,000	1	\$164	\$823	\$40	\$1,027	0.2239%	0.02%
E of A1A	\$10,000,000	1	\$164	\$1,645	\$40	\$1,849	0.4477%	0.02%
W of A1A	\$50,000	1	\$164	\$4	\$17	\$185	0.0023%	0.37%
W of A1A	\$100,000	1	\$164	\$8	\$17	\$189	0.0046%	0.19%
W of A1A	\$150,000	1	\$164	\$13	\$17	\$193	0.0068%	0.13%
W of A1A	\$350,000	1	\$164	\$29	\$17	\$210	0.0160%	0.06%
W of A1A	\$500,000	1	\$164	\$42	\$17	\$223	0.0228%	0.04%
W of A1A	\$750,000	1	\$164	\$63	\$17	\$244	0.0342%	0.03%
W of A1A	\$1,000,000	1	\$164	\$84	\$17	\$265	0.0456%	0.03%
W of A1A	\$3,000,000	1	\$164	\$252	\$17	\$432	0.1369%	0.01%
W of A1A	\$5,000,000	1	\$164	\$419	\$17	\$600	0.2282%	0.01%
W of A1A	\$10,000,000	1	\$164	\$839	\$17	\$1,019	0.4565%	0.01%

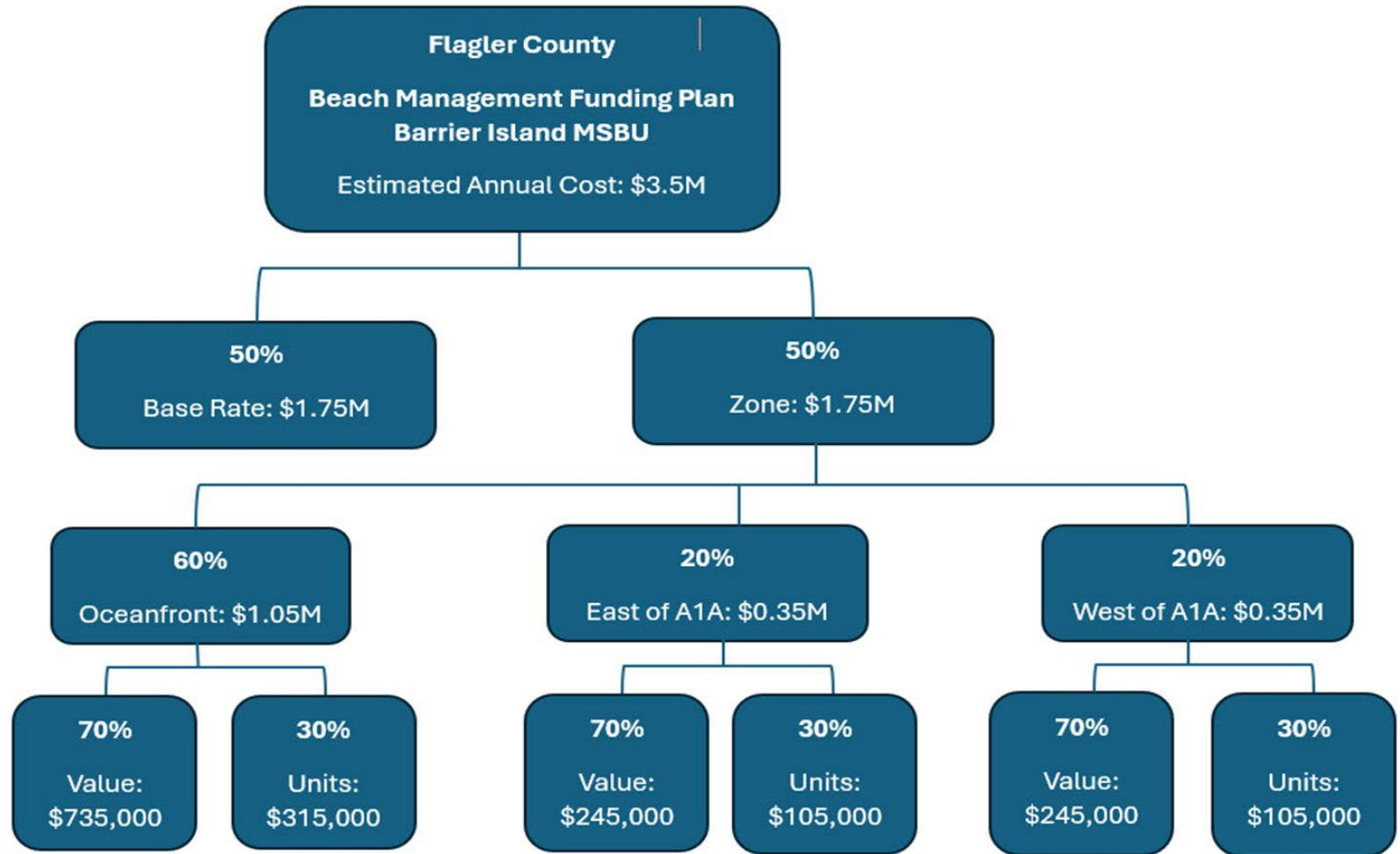


## Flagler County – Barrier Island Assessment with Value Component

- Based on JUST VALUE
- The general basis of the staff proposed Beach Nourishment Assessment is a split between a base rate (standard amount applied to every property owner on the barrier island) which produces half of the property owner assessment collection (\$1,750,000 annually) and a zone cost, which produces the other half of the property owner assessment collection (\$1,750,000 annually).
- The base rate is the calculation of the annual amount needed to collect, divided by the number of properties located within the assessment benefit area.
- The zone cost covers the balance of the collection, or \$1,750,000 annually, which is split between three zones: Oceanfront, East of A1A and West of A1A



# MSBU Approximate Assessment by Zone – Possible Alternative 60-20-20







# MSBU Approximate Assessment by Zone – Possible Alternative 60-20-20

## Total Required by Zones at the Barrier Island

All Zones	Total by Zone	Barrier Island Base Rate	70 % Value	30% Unit	Lots by Zone
Ocean Front	\$ 1,343,370	\$ 293,370	\$ 735,000	\$ 315,000	1,751
East of A1A	\$ 1,006,439	\$ 656,438	\$ 245,000	\$ 105,000	3,918
West of A1A	\$ 1,150,192	\$ 800,191	\$ 245,000	\$ 105,000	4,776
<b>Total</b>	<b>\$ 3,500,000</b>	<b>\$ 1,750,000</b>	<b>\$ 1,225,000</b>	<b>\$ 525,000</b>	<b>10,445</b>

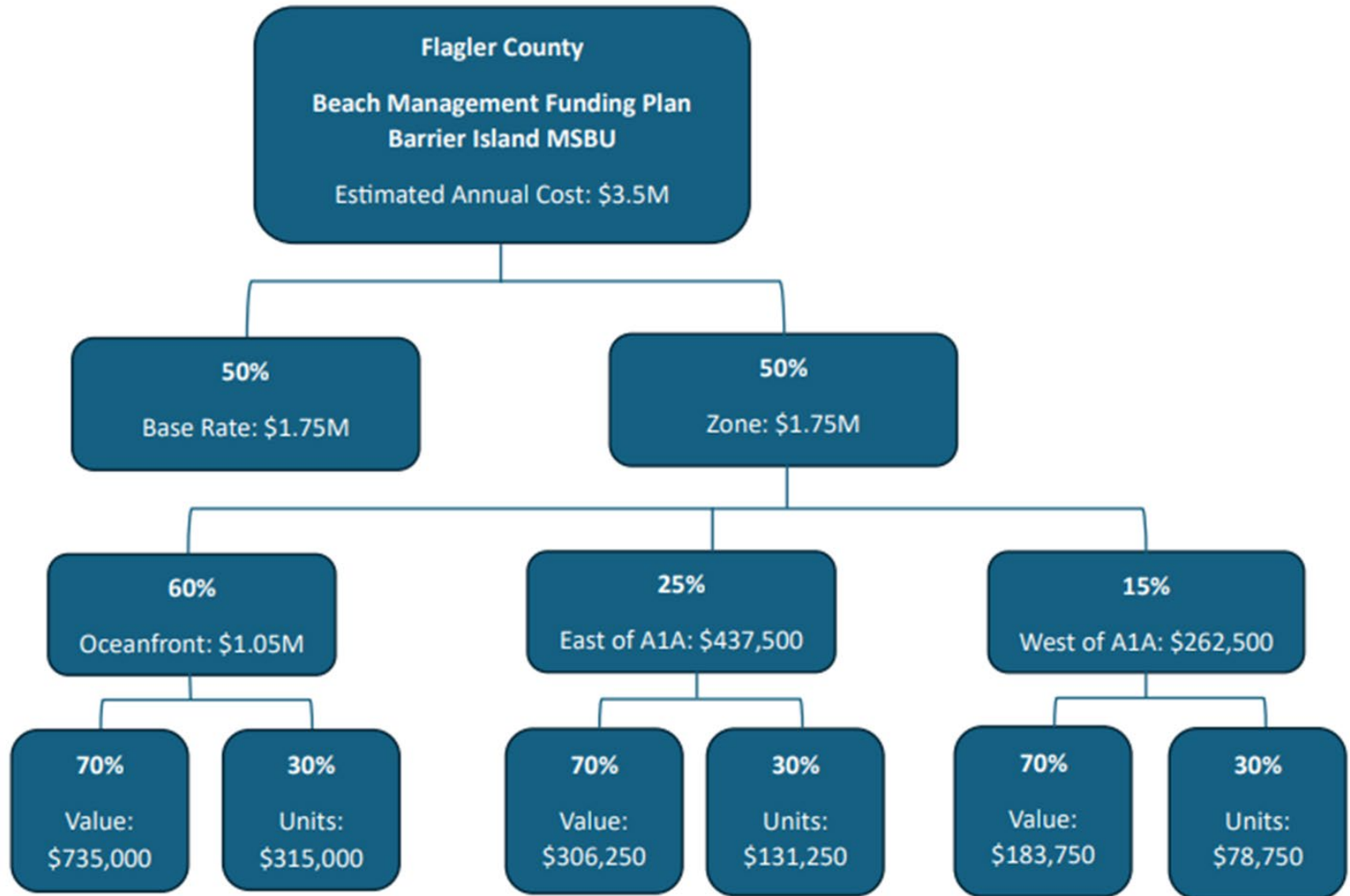
Ocean Front					
Just Values	Ocean Front	Base Rate	70 % Value	30% Unit	Total Aseessment
Highest	\$ 5,280,038	\$ 167.54	\$ 3,004	\$ 179.90	\$ 3,352
Average	\$ 520,538	\$ 167.54	\$ 296	\$ 179.90	\$ 644
Lowest	\$ 1,600	\$ 167.54	\$ 0.91	\$ 179.90	\$ 348

East of A1A					
Just Values	East of A1A	Base Rate	70 % Value	30% Unit	Total Aseessment
Highest	\$ 8,877,502	\$ 167.54	\$ 973.26	\$ 26.80	\$ 1,168
Average	\$ 543,308	\$ 167.54	\$ 59.61	\$ 26.80	\$ 254
Lowest	\$ 720	\$ 167.54	\$ 0.08	\$ 26.80	\$ 194

West of A1A					
Just Values	West of A1A	Base Rate	70 % Value	30% Unit	Total Aseessment
Highest	\$ 8,118,980	\$ 167.54	\$ 899.81	\$ 21.98	\$ 1,089
Average	\$ 450,909	\$ 167.54	\$ 49.98	\$ 21.98	\$ 240
Lowest	\$ 86	\$ 167.54	\$ 0.01	\$ 21.98	\$ 190



# MSBU Approximate Assessment by Zone – Possible Alternative 60-25-15





# MSBU Approximate Assessment by Zone – Possible Alternative 60-25-15

## Total Required by Zones at the Barrier Island

All Zones	Total by Zone	Barrier Island Base Rate	70 % Value	30% Unit	Lots by Zone
Ocean Front	\$ 1,343,370	\$ 293,370	\$ 735,000	\$ 315,000	1,751
East of A1A	\$ 1,093,939	\$ 656,438	\$ 306,250	\$ 131,250	3,918
West of A1A	\$ 1,062,692	\$ 800,191	\$ 183,750	\$ 78,750	4,776
<b>Total</b>	<b>\$ 3,500,000</b>	<b>\$ 1,750,000</b>	<b>\$ 1,225,000</b>	<b>\$ 525,000</b>	<b>10,445</b>

Ocean Front					
Just Values	Ocean Front	Base Rate	70 % Value	30% Unit	Total Asesement
Highest	\$ 5,280,038	\$ 167.54	\$ 3,004	\$ 179.90	\$ 3,352
Average	\$ 520,538	\$ 167.54	\$ 296	\$ 179.90	\$ 644
Lowest	\$ 1,600	\$ 167.54	\$ 0.91	\$ 179.90	\$ 348

East of A1A					
Just Values	East of A1A	Base Rate	70 % Value	30% Unit	Total Asesement
Highest	\$ 8,877,502	\$ 167.54	\$ 1,216.58	\$ 33.50	\$ 1,418
Average	\$ 543,308	\$ 167.54	\$ 74.51	\$ 33.50	\$ 276
Lowest	\$ 720	\$ 167.54	\$ 0.10	\$ 33.50	\$ 201

West of A1A					
Just Values	West of A1A	Base Rate	70 % Value	30% Unit	Total Asesement
Highest	\$ 8,118,980	\$ 167.54	\$ 674.86	\$ 16.49	\$ 859
Average	\$ 450,909	\$ 167.54	\$ 37.48	\$ 16.49	\$ 222
Lowest	\$ 86	\$ 167.54	\$ 0.01	\$ 16.49	\$ 184



## Next Steps

- Finalize Zones: CCL, E-A1A and W-A1A; maps
- Finalize methodology
- Direct Staff How to Proceed
- Legal review re: Rational Nexus Test
- Combined Beach Municipalities Workshop
- Recommend the County notice taxpayers the Maximum assessment based on \$5 million annual benefit received
- Set actual rate based on \$3.5 million annual local revenue needed
- Prepare Ordinance
- Prepare Special Assessment mail notice
- Public reading
- Final Ordinance Approval
- Property Appraiser receives Assessment Formula for Nov 1 Tax Bill

# Questions and Discussion

