

## Get Ready for the Roadway Improvement Project

The last issue of the Buzz discussed the project to re-do the roadways within the District. This special Buzz issue is:

- to restate the reasons for this project,
- to bring you up to date on our progress,
- to advise you of the financial impact to you and the community, and
- to notify you of the “official”/legal letter that you will receive this week, advising you of the upcoming public hearing for this project

Given the need for this project and the tough economic times, the most important issue for all of our residents is undoubtedly, “How will this affect me financially?” We are pleased to tell you that through exhaustive analysis of financing options and careful management of our annual operating budgets, **the roadway project will NOT increase our overall annual assessment.** This will be discussed in more detail in this document and can be explained further at the public hearing.

### Reasons for the Project

The roadways are currently about 20-plus years old. That age is at or beyond the end of the projected lifetime for asphalt roadways. Our roadways show varying needs for attention, including preventive maintenance (to prevent the road from deteriorating further), repair (patching of fixing current problems with the road) and/or restoration (replacement of a road). When Coral Bay was first built, the developer submitted and approved plans for the formation of a Special District. One of the requirements of that special district was that Coral Bay itself would be responsible for the maintenance of such aspects of its facilities as the roadways. Therefore, the responsibility for the roadways is now ours.

### What Has Been Done Over the Past Year

The Board recognized that this is the single largest known project left for the District. Therefore, the Board initiated a number of analysis projects to determine the extent of the roadway maintenance required, the choices for resolving the problems with the roadways, and how the project could be financed.

To determine the extent of damage and the resolution choices, the District Engineer reviewed past engineering reports, including one done in 1996 and an updated one done by the previous District Engineering firm in early 2010. The District Engineer’s process revealed/confirmed that quite a number of areas in the community had extensive deterioration, and most of the other areas were in various stages of deterioration.

The District Engineer and Management also spoke to the City of Margate to discuss what processes and techniques the City was using, and why. Our District Engineer then contacted the City’s contracted consultant (a roadway engineering specialist) to discuss less costly

approaches that had been used on other projects, as an alternative to repaving . The consultant provided us with his recommendations regarding those non-traditional, alternative approaches that could be used in Coral Bay and a list of sites to visit where those techniques had been implemented. The sites visited used the alternative repair approach within the past few years, but the treated portions of the roads were an uneven black color, displayed permanent light-color tire tread wearing, and stood out against the gray untreated parts ... in a word, “unsightly” ... and would have to be treated again in a few years. The Board concluded that the negatives associated with these alternative approaches far outweighed the lower initial cost. In the end, the Board concluded that the best option, given that attractive financing could be found, was to repave (mill and overlay) all the roadways within the District.

Our District Manager handled the investigation and analysis of the financing for the project. An analysis of our current reserve position concluded that the District would not have to finance the entire amount necessary to fund the cost of the project. The Board felt that in this tough economic climate, we did not want to create a burden for our residents by having an additional special assessment to fund the balance needed for the project, and therefore directed management to find alternative financing sources. Management spent a few months attempting to secure a loan source from traditional financial institutions, and found that there were no banks willing to lend the money at a favorable rate and term combination that could be managed within the current District budget and level of assessment. One of the advantages of being a CDD is that we are able to issue tax exempt bonds as a funding source ... and that is exactly what our Management has recommended. Management has found an investment banking firm that is willing to give the District an attractive fixed rate and term and has guaranteed to hold that offer for the next few months only ... time for us to complete all of the legal requirements to borrow and obtain the money.

### **The Financial Impact**

As said previously, the Board has been able to fit the payments into the budget. You will not be receiving any request for any additional funds for this project; it has already been incorporated into the current fiscal year’s assessment amount as set forth on the tax notice from Broward County. As you can see, the District annual assessment is the same as last year’s amount. The annual assessment will continue to be part of the annual budget until the bond is paid in full in 15 years.

### **Letter you will be receiving**

Florida State Law requires the District to have a public hearing where residents are invited to come and voice any questions, concerns, and opinions. That hearing is scheduled for the evening of February 16, 2012. To satisfy the legal requirement for notice of this meeting, you will be receiving a letter from our District Manager this week. That letter will include the details of the date, time and place of the public hearing should you choose to attend.

In conclusion, the Board wishes you all a happy and healthy new year and hopes that this document will explain the thorough process that the Board, District Management, the District Engineer, and the District Attorney have used to ensure that this project will be done in a manner that is best for Coral Bay and with the greatest consideration for our residents. If you have any questions or comments prior to the public hearing, please call the District Management Office, GMS South Florida, at 954-721-8681 extension 208.

Coral Bay CDD Board of Supervisors