



*REVISED December 4, 2017* | PBUMC Activity Center

# Proposals for County Disposal of IIDC land

# FINAL DISPOSITION

A vote was held at the annual homeowners meeting of Innerarity Island Association on December 4, 2017 at 6pm at the Perdido Bay United Methodist Church Activity Center.

A quorum was present as verified by Ethridge Property Management.

***Option A to conserve all interior Seascape lots and the East end Innerarity Circle lots was overwhelmingly approved for recommendation to the county as course of action.***

Homeowners understood that this comes at an increase to the MSBU for water and sewer. Only the outlier lots will be sold by the county to offset the sewer upgrade costs.

***Next Step:*** IIA to form a committee to recommend to the county the exact use of the land – bike/walking paths, golf cart paths, retention pond, etc.



# AGENDA

Objective

Context

Background

Where are we now

Option A

Option B

Discussion

Vote

# OBJECTIVE

*Define FINAL proposal agreed upon by a majority of island residents for the disposition of IIDC land acquired by the county to be presented to the Escambia County Board of County Commissioners*

# CONTEXT

**ALL** calculations in this document are **estimates and hypothetical situations** to show positive or negative impact.

**NO** proposal has been voted on or approved by the IIA BOD

Escambia County is in **NO WAY bound** to any or all of a proposal made by the IIA HOA.

# BACKGROUND

IIDC abandoned water and sewer service West of the Causeway on Innerarity Point Road on January 27, 2014. As required by law, Escambia County (EC) became the owner/operator of the utility.

The EC Board of County Commissioners (BOCC) requested ECUA take over ownership and maintenance of the IIDC system. That request was denied based on a current-state assessment of the system (the Ken Horne engineering report).

ECUA and the BOCC worked together to determine a reasonable baseline for upgrades to the systems.

ECBOCC won a court case to secure assets under the IIDC tax records. IIDC provided receipts and paper trails that show a loan against the property was used to maintain and operate the systems. The county settled on buying out IIDC for \$770,000 in January 2017.

# WHERE ARE WE NOW - SYSTEM UPGRADES

***Water system upgrades are nearly complete on the island*** at a cost of roughly \$1,000,000. Any costs remaining after grant money and ECUA funding is applied will be shared between the IIA, Russell Bayou, and the Innerarity Townhomes

***Sewer upgrade work is the early stages.*** Sewer upgrades and costs will primarily impact IIA residents. The systems in Russell Bayou and the Innerarity Townhomes are MUCH newer and closer to meeting current codes as recorded in the Ken Horne study.

Costs for water and sewer upgrades will be passed on to residents based on their use of the service through a municipal services bond unit (MSBU).

- *A resident on water and sewer will have a higher MSBU than a resident on N.Shore Dr. who remains on septic.*

# WHERE ARE WE NOW — COUNTY LAND

**Update:** October auction of outlier lots did not receive bids on any property. County had priced lots at a 30-35% premium. Will re-evaluate pricing and demand and attempt to resell lots. Lots have 0% interest loan, county does not want to 'fire sale' lots and negatively impact current lot values or prices on the island.

**Update:** All land previously designated wasteland under IIDC taxing, has been given to the Conservation Trust for Florida (West end of island and land near Russel Bayou)

County Commissioner Doug Underhill has worked closely with residents throughout this process via the HOA Board of Directors and has attended BoD meetings. He has asked the HOA to provide a proposal for the disposition of the land the county has acquired from the IIDC settlement.

BOCC would like to sell the land to recoup at least the \$770,000 purchase price.

Initial county estimates value the land at \$2,000,000 dependent upon how the land is preserved, divided and sold



# WHERE ARE WE NOW — ISLAND AS A WHOLE

Total Lots ~ 484

Improved Lots — 193 *(does not include those under construction currently)*

Vacant Lots — 291

- County-owned Lots on paved roads — 85
- County-owned Lots on undeveloped roads, NOT paying dues or voting — 32 *(interior Seascape and Innerarity Cir east end)*
- Privately owned lots on paved roads — 174 *(includes 4 Adams Homes & 4 Flynn Properties)*

Lots currently under home construction/major remodel/land clearing — 20

*\*All figures updated through 11/30/2017*

# COUNTY-OWNED LOTS - DETAILS

Road	Total Lots/Homes	Dues Paying	County Owned
Red Cedar St	61	Yes	6
Shores Cir	3	Yes	0
Innerarity Cir	38	Yes	0
Innerarity Cir (No Road)	17	NO	17
N Shore Dr	44	Yes	0
N Shore Way	37	Yes	3
N Shore Ct	12	Yes	2
N Shore Ln	10	Yes	5
N Shore Cove	7	Yes	1
N Shore Rd	76	Yes	4
Egret Cir	6	Yes	0
Blue Heron Cir	8	Yes	0
Innerarity Point Road	68	Yes	2
Seascape St	26	Yes	19
Seascape Dr	8	Yes	7
Seascape Ln	17	Yes	17
Seascape Ct	9	Yes	9
Seascape Cir	10	Yes	10
Seascape Cove	7	NO	7
Seascape Way	8	NO	8

## COMPETING GOALS

- Off-set the costs of water and sewer upgrades and therefore lower the MSBU for residents
- Maintain the desired landscape and culture of the island, as defined by current residents

*All costs are estimations*

## WHERE ARE WE NOW — THE COSTS & GRANTS

<b>Line Item</b>	<b>ESTIMATED Amount</b>
System mtc. with Gulf Breeze, Water system upgrades	\$ (1,000,000.00)
Grant from State (2015)	\$ 1,000,000.00
Buy-out of IIDC Land (secured with 0.9% loan from DEP)	\$ (770,000.00)
<b>Sale of County/IIDC Land</b>	<b>\$ TBD</b>
ESTIMATED Cost of Sewer Upgrades (water in previous grant)	\$ (3,320,000.00)
2017 HB 3991-00 grant from state	\$ 500,000.00

*The still varying factor that will impact the final MSBU cost per resident is the amount of revenue from the sale of the County/IIDC land.*

*All costs are estimations*

## OPTION A – MORE CONSERVATION

- Yellow and Orange lots (spread through-out island) to be sold individually on the open market at fair market value

- **All other land to conservation:**

Seascape Way (8 lots)

Seascape Cove (7 lots)

East end of Innerarity Circle (17 lots)

N Shore Way (3 lots)

**Seascape St (19 lots)**

Seascape Dr (7 lots)

Seascape Ln (17 lots)

Seascape Ct (9 lots)

Seascape Cir (10 lots)



**All costs are estimations**

\*MSBU is applied per lot each year for ten years on annual property taxes.

# OPTION A – MORE CONSERVATION

	Sale Price	MSBU/ year
High Sale	\$1,375,000	\$537
Low Sale	\$962,500	\$647
Net-out	\$770,000	\$699

High sale is based on the county lot valuations when listed for auction

Low sale is a 30% discount on valuations of outlier lots

Results in 375 MSBU lots



*All costs are estimations*

## OPTION B – SELL SEASCAPE ST.

- Yellow and Orange lots (spread through-out island) to be sold individually on the open market at fair market value
- Seascape St. (19 lots) to be sold individually on the open market
- **All other land to conservation:**
  - Seascape Way (8 lots)
  - Seascape Cove (7 lots)
  - East end of Innerarity Circle (17 lots)
  - N Shore Way (3 lots)
  - Seascape Dr (7 lots)
  - Seascape Ln (17 lots)
  - Seascape Ct (9 lots)
  - Seascape Cir (10 lots)



**All costs are estimations**

*\*MSBU is applied per lot each year for ten years on annual property taxes.*

## OPTION B – SELL SEASCAPE ST.

	Sale Price	MSBU/ year
High Sale	\$1,875,000	\$385
Low Sale	\$1,462,500	\$489
Net-out	\$770,000	\$665

High sale is based on the county lot valuations when listed for auction

Low sale is a 30% discount on valuations of outlier lots

Results in 394 MSBU lots





# COST COMPARISON

	High Sale MSBU	Low Sale MSBU
<b>Option A – Sell no additional land;</b> Conserve all Seascape lots and Innerarity Circle lots	\$537	\$647
<b>Option B – Sell Seascape St. lots;</b> Conserve interior Seascape non-paved, low-lying Seascape and Innerarity Circle	\$385	\$489
Sell all buildable land; conserve only interior Seascape non-paved and Innerarity Circle	\$238	\$331

**Lot Valuations for calculations:**

Outlier Lots (30% discount on auction pricing)	\$962,500
All Seascape combined	\$1,085,000
Seascape Dr, Ln, Ct, Cir	\$480,000
Seascape St	\$500,000
Seascape Cove and Seascape Way (7,000 each)	\$105,000
Innerarity Circle	\$90,000

# DISCUSSION

- Impacts to the island density post-build: traffic, less greenspace, street wear and tear
- Flood run-off impacts
- Land value driven by elevations – lots on North side of Seascap are very low and were all fully covered in water during Ivan
- Green-space for island wild-life
- Single builder influence on the island and HOA
- Seascap low-lying section roads will need to be paved if land is sold at a cost to the HOA; any MSBU savings will likely be offset by cost to pave roads.
- More lots = lower MSBU