

**Minutes
of the
Regular Meeting of the
Captiva Erosion Prevention District**

South Seas Island Resort, Carrot/ Florida Cone Room
September 27, 2018@ 3:00 P.M.

Commissioners Present: Dave Jensen, Chair; Mike Mullins, Vice Chair; Harry Kaiser, Secretary; Bob Walter, Treasurer.

Commissioners Absent (excused): Michael Lanigan.

Staff Present: Damon Grant, Administrator; Carolyn Weaver, Assistant to the Administrator; Hans Wilson, Hans Wilson and Associates; Dr. William Strenge; Dr. Gary Jackson; Nancy Stroud, Lewis, Stroud & Deutsch, PL (via telephone); Dave Swigler, APTIM (via telephone).

1. Call to Order

Chairman Jensen called the meeting to order at 3:00 P. M.

2. Roll Call

The Chair called the roll and the results are outlined above.

3. Approval of August 15, 2018 Regular Meeting Minutes

Commissioner Kaiser moved and Commissioner Mullins seconded the motion to approve the August 15, 2018 Regular Board Meeting minutes. The motion passed unanimously.

4. Approval of September 13, 2018 Tentative Budget Hearing Minutes

Commissioner Kaiser moved and Commissioner Mullins seconded the motion to approve the September 13, 2018 Tentative Budget Hearing minutes. The motion passed unanimously.

5. Public to be Heard

There were no comments from the public.

6. Financial Report

a) Budget Performance Ending August 31, 2018

The financials were reviewed as distributed. Commissioner Walter reported a decline in parking revenues due to lack of people at the beach.

7. Old Business

a) APTIM 2021 Project Cost Reduction Scenarios - Final Report

Damon Grant reported that this was distributed in its final form, no longer a draft. There was no discussion.

b) Presentation and Adoption of Tentative Apportionment for Proposed 2021 Beach Renourishment Project - Dr. Strenge

Dr. William Strenge reviewed the attached PowerPoint presentation, explaining how he came to the figures for each table.

Table 1: Annual Benefits of the 2020-21 Beach Renourishment Project show s the benefit of storm protection and recreation. Dr. Strong explained that the first line of property gets the benefit of storm protection, not the 2nd or 3rd lines. Storm protection is broken out by zones; recreation is by classifications provided by the Lee County Property Appraiser.

Table 2: Annual Benefits to Private Property Owners on Captiva shows only the benefits to private property owners, by classification. These classes include Single-Family, Condominiums, Multi-Family< 10, and Commercial Properties. Dr. Gary Jackson explained that the assessments will be apportioned for storm (by zone) and for recreation (by class.)

Table 3: Annual Private Property Storm Protection Benefits by Beach Zone breaks down the private property for storm protection benefits, using Lee County's classifications of Upper South Seas, Lower South Seas, Village, Tween Waters Road, Upper Gold Coast and High Erosion Gold Coast.

Table 4: Annual Recreational Benefits Received by Captiva Private Properties by Type of Property are broken into four categories that see benefits; Single Family, Condominiums/ Apartments , Multi -Family<10 and Commercial.

Table 5: Annual Benefits Received by Captiva Private Properties by Type of Property combines both Storm Protection and Recreation in one table, showing the benefit and percentage share by zone and classification.

Table 6: Calculation of Basic Millage by Type of Property shares the benefits from Table 3 and Table 4 together. The benefits refer to a single year (the average year) and the costs cover the 10-year life of the project.

At this point, Rick Foster (a member of the audience) asked for an example of a \$500,000 condominium in the Upper South Seas zone. Commissioner Mullins explained that once the cost has been obtained (right now we are using \$15,000,000 as a figure), a letter will be sent to each property owner with the tentative millage rate for their home. He continued to explain that the renourishment has been estimated at \$36,000,000 and was cut to \$30,000,000; it will have funds from Lee County, the State of Florida, and CEPD. Only the remaining amount will be included in the estimate letter. Additionally, the assessment would be amortized over 8-10 years. Mr. Foster thanked Commissioner Mullins for the explanation. Commissioner Kaiser reiterated we don't know what the cost will be until the jobs are bid and completed. All figures now are tentative. Commissioner Mullins further explained that between now and November we will settle on the tentative amount.

The next 7 slides explain adjustments that could be made to the basic millage rates.

Adjustments to Storm Protection Assessments: The Village Zone. The Village Zone includes Sunset Captiva development, which has 7 houses that make up the first line for storm protection. There is a beachfront parcel that is designated as a common element by Lee County Property Appraiser. In previous years, only the 7 houses were assessed; Dr. Stronge suggests that we could tax the entire ownership, because of the common element. This would increase the just value of the zone, and reduce the storm protection millage rate. The Commissioners discussed this issue at length; Damon Grant clarified the reasoning is that the common elements are private interest, not public.

Adjustments to Storm Protection Assessments: The Upper Gold Coast Zone. There is a privately owned (Captiva Gulf Way Improvement Associations) 40-ft right of way parcel that has not previously been assessed. It is a beach access parcel for those people in the association. The Lee County Property Appraiser believes the property value is increased, which raises their taxes. The consensus of the CEPD Commissioners disagree; they discussed treating it more like the Village Zone development. Also discussed was assessing the Association and letting them decide how to divide it among the members.

Adjustments to Recreation Assessments: Multi-Family < 10. There are 68 MF<10 properties on Captiva; 26 of which are homesteads. Dr. Strange discussed treating them like condominiums. After discussion between the Commissioners, it was decided they would be better treated as Single-Family, because they are not permitted to rent any portion of their dwellings as condominiums are.

Adjustments to Recreation Assessments: Condominium Homestead Properties. There are 538 condominium properties on Captiva, of which 32 have homesteads. Dr. Strange reported that traditionally, the CEPD Board gave a discount to the homestead condominium properties because they generate less beach use. The discount was to be the same as the Single-Family millage rate, but could be to the Single-Family homestead rate, discussed next.

Adjustments to Recreation Assessments: Single Family Homestead Properties. Dr. Strange reported that a mail survey of single-family properties with homesteads was done, hearing from 38 of the 60 owners. He suggested a 35% rate reduction. Commissioner Mullins stated he'd rather have one rate for all the multi-family<10, single family, and single-family homestead.

Adjustments to Recreation Assessments: Non-Residential and Non-Commercial Properties (two slides). Dr. Strange discussed the 15 institutional properties, the 9 government-owned parcels, and the 15 miscellaneous properties. The Commissioners and Dr. Strange discussed these properties in detail. The Rauschenberg properties (11 of the institutional properties) are used by visiting artists, who most likely use the beach, which means they should pay recreational assessments regardless of their institutional status. Additionally, the Civic Association has a house behind the library which houses attendees who go to the beach.

CEPD has attempted to collect from Lee County on their beach parcels. The County Grant to the renourishment project covers these assessments. The Commissioners requested Dr. Strange obtain the facts as to the Federal, State and Captiva Fire Control District having previously paid assessments.

The 15 miscellaneous properties were discussed by Dr. Strange. Only the 3 utility parcels were assessed last year (Island Water Association and United Telephone).

Commissioner Mullins moved that Dr. Strange create two models; one without these suggested adjustments and one with the adjustments, so we can see the differences. Commissioner Kaiser seconded the motion. Minimum discussion was held by the Commissioners. The motion was unanimously passed.

Commissioner Mullins moved the tentative cost be figured at \$18 million instead of \$15 million so that it is more realistic. Commissioner Walter seconded the motion. Discussion was held, with Damon Grant explaining how the rate of \$12-18 million was decided upon at

the last meeting, based on the engineering estimates. This motion was unanimously passed .

c) Updated Beach Cleanup Efforts

Tabled until we reconvene.

8. New Business

a) Approval of Resolution 2018-14 Capital Projects Budget

Commissioner Mullins moved and Commissioner Walter seconded the motion to approve Resolution 2018-14 Capital Projects Budget. The motion passed unanimously .

Commissioner Jensen suspended the meeting at 5:01 PM and reconvened at 5:12 PM.

7. c) Updated Beach Cleanup Efforts

Damon Grant reported we continue to facilitate with Lee County Parks and Recreation as needed for beach cleanup. Commissioner Jensen commented on the great job done, and Commissioner Walter commented the efforts have been great, and continue to be needed as once the beaches are clean a few days later they need it again.

8. New Business

b) Review and Direction for 2018-2019

a. History of CEPD

Commissioner Jensen suggested this be dropped; Commissioner Mullins disagreed. Damon Grant briefly updated that John Bralove is tasked with this as a special project; he believes it is worthwhile, with a before and after that would show the differences. This will also include the Project Education Plan being created to support the referendum, which educates on what CEPD does, what the benefit is, what the differences are of the beach before and after. A document will be created that can be included with the assessment letter to property owners. Commissioner Walter remarked the documents he saw that showed the difference between the beach before the renourishments and now, and what a strong impact it had on him, not having lived here prior.

Nancy Stroud was consulted about the legalities of continuing with this project. She stated that she hasn't heard anything that would be inappropriate or in conflict. The laws have recently released us to educate and advocate (not suggest), as long as the information is factual.

The Commissioners agreed and advised Mr. Grant to proceed, requesting a budget for costs to approve the project. Mr. Grant will bring an update to the October Board meeting on October 10th.

b. Vendor Agreement Renewals

i. Data Storage - Junopi

Damon Grant share the CEPD office had a virus that infected our computers. Thanks to Junopi for getting us up and running within hours, and for their great support. Commissioner Walter requested two or three options for companies to handle data storage and backup for CEPD. Commissioner Jensen tabled the

vendor agreements until the October 10 Board meeting.

c. Special Projects

These were tabled to be added to the October 10 Board meeting.

9. Public to be Heard

There were no comments from the public.

10. Commissioner Comments

Commissioner Mullins discussed an email distributed to the Commissioners: a Joint Petition to Challenge Proposed Rule, wherein the Town of Fort Myers Beach and the City of Cape Coral jointly file the Petition challenging the validity of the South Florida Water Management District's proposed amendments to Rule 40E-8.221(2), Florida Administrative Code (the "Proposed Rule"). A copy of the Joint Petition in its entirety is attached to these minutes. He asked Nancy Stroud how CEPD can support this action.

Ms. Stroud stated that we have three options. The first is to join as petitioners by becoming a full partner in the action. She believes this is a stretch for CEPD. The second is to pass a resolution to express moral and political support. The third would be to become a friend of the court, which includes hiring an attorney with the purpose of supporting and supplementing arguments of the parties. She is not certain that CEPD has the knowledge for this option.

When Commissioner Mullins asked to read this so there could be a resolution, Tiffany Repecki from the Breeze Newspaper reported she just finished an article where Lee County Board Commissioner Larry Kiker is bringing this up at the County Board meeting Tuesday. It was decided to wait for the results from that meeting.

Adjourn

There being no further business, the Chair adjourned the meeting at 5:32 P. M.