

# **2023 OPERATIONS AND MAINTENANCE ASSESSMENT METHODOLOGY REPORT**

## **RENAISSANCE COMMUNITY DEVELOPMENT DISTRICT**

**June 19, 2023**

**Prepared for**

**Board of Supervisors  
Renaissance Community Development District**

**Prepared by**

**Real Estate Econometrics, Inc.  
707 Orchid Drive, Suite 100  
Naples, FL 34102  
REE-I.com**

Real Estate Econometrics, Inc.



Planning - Execution - Results

## **1.0 Introduction**

### **1.1 Purpose**

This 2023 Operations and Maintenance Assessment Methodology Report (the “2023 Report”) is being presented as an alternative operations & maintenance assessment methodology to the current methodology at the Renaissance Community Development District (“District”).

The 2023 Report allocates the proposed Fiscal Year 2023 Operations and Maintenance Budget (“2023 Budget”) into benefit measurement categories to allow for the determination of special and peculiar benefits to each property within District boundaries. The 2023 Report allocates the 2023 Budget and future budgets as prescribed unless changes are made to the various product types or budget line items by the District.

The Methodology described herein has two goals: (1) determining the special and peculiar benefits that flow to the properties in the District as a logical connection from the operations and maintenance of the infrastructure systems and facilities constituting enhanced use and increased enjoyment of the property; and (2) apportion the special benefits on a basis that is fair and reasonable.

The Methodology herein sets forth a framework to allocate the budget and apportion the special and peculiar benefits from the 2023 Budget and future budgets funded from and secured by non-ad valorem special assessments (the “Assessments”) imposed and levied on the properties within the District. Any non-ad valorem special assessments imposed on the properties within the District will constitute liens, co-equal with the liens of State, County, municipal and school board taxes, against properties within the boundary of the District that receive special benefits from the District’s budget.

Real Estate Econometrics, Inc. (“Methodology Consultant”), was selected to develop this methodology and has prepared this report, which is designed to conform to the requirements of the Florida Constitution, Chapters 170, 190 and 197, F.S. with respect to the Assessments and is consistent with our understanding of the case law on this subject.

### **1.2 Background**

The District encompasses +/- 507 acres with access off of Daniels Road and frontage to its east along Interstate 75 in Lee County, Florida. The District has 388 residential units and an 18-hole golf course with clubhouse facilities within its boundary and is responsible for the operations and maintenance of the District’s infrastructure including but not limited the storm water management system, lake maintenance, a portion of the irrigation distribution system, landscaping, wetlands maintenance, administrative/community costs and reserves.

Table 1 below outlines the Renaissance development program (“Development Program”) within the District.

**Table 1. Renaissance Land Development Program**

<b>Neighborhood</b>	<b>Product Type</b>	<b>Units</b>
Triana	Coach 4-Plex	130
Villagio	Villa 60'	59
Monteverdi	Executive 75'	52
Vittoria	SF 90'	50
Via Lago	Estate 120'	55
Terabella	SF 140'	40
Golf Course	Golf Course Clubhouse	1
Golf Course 2	Golf Course Playing Area	1
<b>Totals:</b>		<b>388</b>

### 1.3 Use of Specific Numbers within the Tables of the Supplemental Methodology

Great diligence has been used to define the components of the Land Development Program defined in Table 1, the 2023 Budget shown in Appendix A, the budget allocation shown in Table 2, the assessment apportionment in Tables 3 through 5 and the cumulative assessments by product type shown in Table 6. The Land Development Program, the 2023 Budget and the resulting assessment calculation methods are finalized in this report.

## 2.0 Operations and Maintenance Assessment Requirements

### 2.1 Requirements of a Valid Assessment Methodology

Valid special assessments under Florida law have two requirements. First, the properties assessed must receive a special and peculiar benefit as a logical connection from the systems and services constituting maintenance and operations of the District’s capital improvements. The courts recognize the special benefits which flow as a logical connection peculiar to the property as enhanced enjoyment and increased use of the property which in turn may result in decreased insurance premiums, increased value and marketability. Second, the assessments must be fairly and reasonably apportioned in relation to the benefit received by the various properties being assessed.

If these two tests for lienability are determined in a manner that is informed and non-arbitrary by the Board of Supervisors of the District, as a legislative determination, then the special assessments may be levied, imposed and collected as co-equal first liens on the property. Florida courts have found that it is not necessary to calculate benefit with mathematical precision at the time of imposition and levy so long as the levying and imposition process is not arbitrary, capricious, or unfair.

## 2.2 Special and Peculiar Benefit to the Property

The operations and maintenance of District improvements undertaken by the District create both special benefits and general benefits. However, the general benefits to the public at large are incidental in nature and are readily distinguishable from the special and peculiar benefits which flow as a logical connection from the systems, facilities and services to property within the District in order to develop such property and use it for residential and other purposes. Absent the construction or provision of the District's infrastructure, there would be no infrastructure to support development of land within the District and such development would be prohibited by law.

While the general public and property owners outside the District will benefit from the operations and maintenance and provision of District infrastructure, these benefits are incidental to the benefits derived from property within the District which is dependent upon the District's infrastructure to develop the property within such boundaries. This fact alone clearly distinguishes the special and peculiar benefits which District properties receive compared to those properties lying outside of the District's boundaries and establishes that the infrastructure has a nexus to the value and the use and enjoyment of the lands within the District along with the need to operate and maintain the District's infrastructure.

## 2.3 Reasonable and Fair Apportionment of the Duty to Pay

The special and peculiar benefits from the operations and maintenance of the District's infrastructure have been determined and apportioned to each developable unit as provided in this 2023 Report.

The duty to pay the non-ad valorem special assessments is fairly and reasonably allocated because the special and peculiar benefits to the property flowing from the operations and maintenance of the District's infrastructure (and the concomitant responsibility for the funding of the resultant and apportioned District budget) have been allocated to the property according to the reasonable estimates.

Those special and peculiar benefits include enhanced enjoyment and increased use, which may result in such positive consequences as increased value and marketability and decreased insurance premiums and conferred on the land as provided by the operations and maintenance of the District's infrastructure for the reasons set forth above.

Accordingly, no property within the District will be assessed for the payment of any non-ad valorem special assessment pursuant to this 2023 Report in an amount greater than the determined special benefit peculiar to that property and having a nexus to the value of the property or the use and enjoyment thereof.

### **3.0 District Assessment Determination**

#### **3.1 The Assessment Determination Process**

Determining the assessments per product type begins by identifying all of the properties within the District Boundaries that are receiving benefit from the operations and maintenance of the District's capital improvements. The properties receiving benefit were previously identified in Table 1.

The second element in the assessment determination process is allocating the 2023 Budget into benefit determination categories and that will be assessed to the benefitting properties.

The Consultant reviewed the 2023 Budget to ascertain the benefit determination categories. The budget was reviewed line item by line item. There are three (3) categories of benefit measurement used to determine the amount of the line-item expense to be used in the assessment calculations. About 30% of the budget was determined to be shared equally among all product types as administrative costs, 24% allocated to landscaping costs and 46% allocated to water management costs.

The detailed line-item expense determination can be found in Appendix A on page 9.

With the product types identified and the budget allocation defined, the Methodology Consultant next determined the measurement figure by product type for each benefit measurement category.

For budget line items related to the water management system, the Consultant used Lee County Property Appraiser ("Property Appraiser") data to determine the impervious surface of each product type by first taking out all water management items from properties that had those items (lakes/wetlands) as a part of their acreage (like the golf course) to determine the actual number of "uplands" that was contributing run off to the water management system.

Once the water management system acreage was eliminated from the total acreage of a parcel, the Methodology Consultant then used data from the Property Appraiser to determine the amount of impervious and pervious acreage for each property. The total built area as determined by the Property Appraiser was used as the impervious surface area for each property. The second-story square footage as calculated by the Property Appraiser was subtracted from the total built area to determine the total built area impervious footprint. Finally, that net impervious square footage is subtracted from the Property Appraiser's GIS square footage measurement to determine the pervious surface for each property. Engineers have determined that there also is a 20% impervious flow off of pervious lands so that calculation was also included in the total impervious acreage total. For example, the golf course pervious playing area acreage generated a 20% flow into the water management system.

An Equivalent Assessment Unit (“EAU”) measurement was used to determine the benefit received for each parcel within the District for the landscaping and administrative costs.

Each of the residential properties in the District received an EAU of one (1). The golf course clubhouse parcel’s EAUs were calculated by dividing the total square footage of the clubhouse heated area (35,936 Sq. Ft.) by the heated area weighted average of all residential units in the District (3,192 Sq. Ft.). The total EAUs for the clubhouse area is 11.26. The Methodology Consultant also performed the same calculation for the maintenance facility (1,448 Sq. Ft.) divided by the weighted average of all residential units in the District (3,192 Sq. Ft.). The total EAUs for the maintenance facility is 0.45.

The total number of EAUs in the District divided into the landscaping and administrative benefit category was used to determine that benefit. Landscaping budget line items include berm mowing and maintenance, general community landscaping, plant renewal and replacement, grounds and outside maintenance.

Administrative budget line items included in this category were legislative, financial & administrative, legal counsel, security operations, and the Board of Supervisors salaries among other administrative/community services categories.

The field management costs were allocated on a percentage basis among the three benefitting categories based on each benefitting category cost as a percentage of the total O&M budget.

The Methodology Consultant’s experience with many CDD budgets has shown that the landscaping and administrative categories are available for the enjoyment and use for all property owners on an equal basis.

To measure each property’s benefit derived from the Proposed 2023 Budget, the Methodology Consultant has consolidated the budget into the three (3) benefit measurement categories in Table 2 below.

**Table 2. District Total O&M Budget Allocation by Benefit Measurement**

MEASUREMENT	BUDGET
Impervious Acreage (Water Management)	\$339,366
Equal Assessment Unit (Landscaping)	89,997
Equal Assessment Unit (Administration)	142,004
O&M General Total	<b>\$571,367</b>

With the property type benefit measure figures calculated and the budget allocated by benefit measure categories, the next step is to determine the assessment apportionment for each property by the budget’s allocated benefit measurement category.

The first benefit category to be apportioned is the water management benefit assessment. The water management assessment is calculated by taking the percentage of impervious surface from a property appraiser data at 100% and removing that from the gross acreage for each property as edited to remove the lakes/wetlands to obtain the pervious surface which has a 20% flow rate into the water management system according to many engineering studies.

The Methodology Consultant utilized the Property Appraiser data for the golf course to determine the total number of acres that impact the water management system. There are two golf course areas that require the impervious calculations. The first and largest area is the playing surface, which included the maintenance facility. The second area is the clubhouse parcel. The Property Appraiser data includes the total developed area for the maintenance facility and clubhouse area that is impervious. The second story square footage was subtracted from the total developed area to calculate the true impervious footprint for the clubhouse area. The resulting golf course impervious calculation includes 20% of the pervious acreage and 100% of the impervious acreage.

The Methodology Consultant then summed all the properties' pervious and impervious acreage and again divided the individual property's acreage to determine each neighborhood's percentage of the total acreage. The Methodology Consultant summed up the residential percent of the water management budget and recalibrated those percentages to equalize the assessments for the residential properties. The total water management budget category amount was multiplied by each neighborhood's and golf course percentages to determine the apportioned water management assessment for each property. Table 3 below shows those calculations.

**Table 3. District Water Management Budget Assessment Calculation**

Neighborhood	Product Type	Units	Average Unit Size (Sq. Ft.)	Average Lot Size (Sq. Ft.)	ACRES	Water Management Sq. Ft. Per Unit	Total W/M Acres	% W/M BUDGET	Adjusted % W/M BUDGET	W/M BUDGET ALLOCATION
Triana	Coach 4-Plex	130	2,270	5,123	15.29	2,841	8.48	9.30%	22.03%	\$74,762
Villagio	Villa 60'	59	2,590	10,124	13.71	5,715	7.74	8.49%	10.00%	\$33,930
Monteverdi	Executive 75'	52	3,421	13,834	16.51	7,680	9.17	10.06%	8.81%	\$29,905
Vittoria	SF 90'	50	3,877	17,032	19.55	9,312	10.69	11.72%	8.47%	\$28,754
Via Lago	Estate 120'	55	3,720	17,307	21.85	9,279	11.72	12.85%	9.32%	\$31,630
Terabella	SF 140'	40	5,200	25,927	23.81	12,894	11.84	12.99%	6.78%	\$23,004
Golf Course	Golf Course Clubhouse	1	35,936	419,309	9.63	115,461	2.65	2.91%	2.91%	\$9,867
Golf Course 2	Golf Course Playing Area	1	1,448	6,283,748	144.26	1,258,052	28.88	31.68%	31.68%	\$107,514
<b>Totals:</b>		388			264.61		91.16	100.00%	100.00%	\$339,366

The next category to be apportioned to product type is landscaping. The total number of residential properties (386) in the District were each given one (1) EAU and the clubhouse was given 11.26 EAUs and maintenance facility 0.45 EAUs per the calculation explained in paragraph 2 on page 5. The total landscape benefit measurement was multiplied by the percentage of each property EAU to calculate each property's landscape assessment as shown in Table 4 on the next page.

**Table 4. District Landscape Budget Assessment Calculation**

Neighborhood	Product Type	Units	Landscaping EAUs Per Unit	Total EAU	% EAU	LANDSCAPE BUDGET ALLOCATION
Triana	Coach 4-Plex	130	1	130.00	32.69%	\$29,417
Villagio	Villa 60'	59	1	59.00	14.83%	\$13,351
Monteverdi	Executive 75'	52	1	52.00	13.07%	\$11,767
Vittoria	SF 90'	50	1	50.00	12.57%	\$11,314
Via Lago	Estate 120'	55	1	55.00	13.83%	\$12,446
Terabella	SF 140'	40	1	40.00	10.06%	\$9,052
Golf Course	Golf Course Clubhouse	1	11.26	11.26	2.83%	\$2,547
Golf Course 2	Golf Course Playing Area	1	0.45	0.45	0.11%	\$103
<b>Totals:</b>		388		397.71	100.00%	\$89,997

As indicated earlier, the total number of residential properties (386) in the District plus 11.26 EAU for the golf clubhouse and 0.45 EAU for the golf maintenance facility divided into the administrative benefit budget category was used to determine the administrative assessment apportionment for each property. The Methodology Consultant totaled the EAU and divided each property by the total to calculate the percentage of each property's ERU to the total number of District EAU. The total budget for the benefit measurement was multiplied by the percentage of each property EAU to calculate each property's administrative assessment as shown in Table 5 below.

**Table 5. District Overall Administration Budget Assessment Calculation**

Neighborhood	Product Type	Units	Administration EAUs Per Unit	Total EAU	% EAU	ADMINISTRATION BUDGET ALLOCATION
Triana	Coach 4-Plex	130	1	130.00	32.69%	\$46,417
Villagio	Villa 60'	59	1	59.00	14.83%	\$21,066
Monteverdi	Executive 75'	52	1	52.00	13.07%	\$18,567
Vittoria	SF 90'	50	1	50.00	12.57%	\$17,853
Via Lago	Estate 120'	55	1	55.00	13.83%	\$19,638
Terabella	SF 140'	40	1	40.00	10.06%	\$14,282
Golf Course	Golf Course Clubhouse	1	11.26	11.26	2.83%	\$4,020
Golf Course 2	Golf Course Playing Area	1	0.45	0.45	0.11%	\$162
<b>Totals:</b>		388		397.71	100.00%	\$142,004

The Methodology Consultant summed up each property's water management, landscaping and administrative assessments to determine the total operations & maintenance assessment apportionment. Each property within the District has a unique assessment that is indicative of the benefit each property receives from the operations & maintenance budget. Each property's assessment by category and in total is shown in Table 6 on the next page.



**Table 6. Total District Assessment Calculation by Product Type**

Neighborhood	Product Type	Units	W/M BUDGET ALLOCATION	LANDSCAPE BUDGET ALLOCATION	ADMINISTRATION BUDGET ALLOCATION	TOTAL O&M ASSESSMENT BY PRODUCT TYPE	TOTAL O&M ASSESSMENT PER UNIT	CURRENT O&M ASSESSMENT PER UNIT
Triana	Coach 4-Plex	130	\$74,762	\$29,417	\$46,417	\$150,596	\$1,158.43	\$1,158.43
Villagio	Villa 60'	59	\$33,930	\$13,351	\$21,066	\$68,347	\$1,158.43	\$1,158.43
Monteverdi	Executive 75'	52	\$29,905	\$11,767	\$18,567	\$60,238	\$1,158.43	\$1,158.43
Vittoria	SF 90'	50	\$28,754	\$11,314	\$17,853	\$57,922	\$1,158.43	\$1,158.43
Via Lago	Estate 120'	55	\$31,630	\$12,446	\$19,638	\$63,714	\$1,158.43	\$1,158.43
Terabella	SF 140'	40	\$23,004	\$9,052	\$14,282	\$46,337	\$1,158.43	\$1,158.43
Golf Course	Golf Course Clubhouse	1	\$9,867	\$2,547	\$4,020	\$16,434	\$16,434.34	\$0.00
Golf Course 2	Golf Course Playing Area	1	\$107,514	\$103	\$162	\$107,779	\$107,778.55	\$0.00
<b>Totals:</b>		388	\$339,366	\$89,997	\$142,004	\$571,367		

The assessments represent the special and peculiar benefit each property receives as a logical connection from the systems and services constituting maintenance and operations of the District’s capital improvements. The assessments are also fairly and reasonably apportioned in relation to the benefit received by the various properties being assessed s they are measured with mathematical certainty by using professionally acceptable measuring guidelines.

**4.0 Covenant to Pay**

All assessments levied run with the land. The owner of record at the time the annual assessment roll is developed will have the responsibility to make the annual operations and maintenance assessment payments.

**5.0 Methodology Use**

This Methodology Report provides the mathematical calculation to determine the assessment allocation by product type in order to fund the District’s Operations and Maintenance budget each fiscal year. The District’s 2023 Budget was used as an example to show how the budget is apportioned and the assessments allocated for each property. The assessments will change from fiscal year to fiscal year depending on changes to the budget line items and the addition of homes that have yet to be built.

**6.0 Assessment Roll**

The Methodology will provide an assessment roll that lists each property’s assessment within the District once the Renaissance Community Development District adopts the final methodology and determines its final FY 2023-2024 Budget.

## APPENDIX A

### RENAISSANCE COMMUNITY DEVELOPMENT DISTRICT PROPOSED FY 2024 OPERATIONS & MAINTENANCE BUDGET

Expenditures	FY 2024 BUDGET	WATER MANAGEMENT	LANDSCAPING	ADMINISTRATION	TOTAL
Administrative					
001.531002.0000 Arbitrage Reporting	540			540	
001.531012.0000 Dissemination Agent					
001.531013.0000 Engineering	20,000			20,000	
001.531023.0000 Legal Services	25,000			25,000	
001.531027.0000 District Management Services	59,342			59,342	
001.531035.0000 Assessment Roll Processing	420			420	
001.531038.0000 Assessment Administration	8,783			8,783	
001.531042.0000 Tax Collector Fees				0	
001.531045.0000 Trustee Fees	4,148			4,148	
001.531049.0000 Regulatory & Compliance Fees				0	
001.532001.0000 Trust Accounting Services	3,007			3,007	
001.532002.0000 Auditing	4,900			4,900	
001.541006.0000 Postage And Freight	100			100	
001.545002.0000 Insurance -General Liability	10,964			10,964	
001.545007.0000 Insurance -Worker's Compensation	850			850	
001.548002.0000 Legal Advertising	1,650			1,650	
001.549001.0000 Miscellaneous Services	665			665	
001.549009.0000 Bank Charge				0	
001.549070.0000 Assessments -Collection Fees	200			200	
001.549915.0000 Website Hosting & Maintenance	1,260			1,260	
001.554007.0000 Annual District Fee	175			175	
<b>Total Administrative</b>	<b>142,004</b>				
Conservation & Resource Mgmt					
001.534075.0000 Wetland Monitoring					
001.534076.0000 Contracts -Preserves	56,100	56,100			
001.546123.0000 R&M -Preserves	3,240	3,240			
<b>Total Conservation &amp; Resource Mgmt</b>	<b>59,340</b>				
Operations & Maintenance					
001.531016.0000 Field Management	18,900	14,784	4,116		
001.534050.0000 Contracts -Berm Mowing	53,741		53,741		
001.546036.0000 R&M -Landscape	2,000		2,000		
001.546038.0000 R&M -Berm	2,000		2,000		
001.546070.0000 R&M -Renewal & Replacement	2,000		2,000		
001.546070.0000 R&M -Pest Control	10,000		10,000		
001.546074.0000 R&M -Grounds	5,000		5,000		
001.546150.0000 R&M -Outside Maintenance	2,000		2,000		
001.549069.0000 Misc -Hurricane	500		500		
001.549900.0000 Misc -Contingency			0		
<b>Total Operations &amp; Maintenance</b>	<b>96,141</b>				
Irrigation Services					
001.543050.0000 Electricity -Irrigation	6,480		6,480		
001.546052.0000 R&M -Irrigation	2,160		2,160		
<b>Total Irrigation Services</b>	<b>8,640</b>				
Lakes & Ponds					
001.534032.0000 Contracts -Fountains	1,700	1,700			
001.534084.0000 Contracts -Lakes	39,060	39,060			
001.534129.0000 Contracts -Aerators	3,500	3,500			
001.543020.0000 Electricity -Aerators	4,320	4,320			
001.543043.0000 Electricity -Fountains	6,480	6,480			
001.546003.0000 R&M -Aeration	5,400	5,400			
001.546032.0000 R&M -Fountains	7,067	7,067			
001.546042.0000 R&M -Lake	17,560	17,560			
001.546132.0000 R&M -Lake Erosion Repair	174,627	174,627			
001.546019.0000 - Drainage	5,528	5,528			
<b>Total Lakes &amp; Ponds</b>	<b>265,242</b>				
<b>Capital Expenditures &amp; Projects</b>					
001.564043.0000 Capital Outlay -Lakes	0	0			
<b>Total Capital Expenditures &amp; Projects</b>	<b>0</b>				
<b>TOTAL EXPENSES</b>	<b>571,367</b>	<b>339,366</b>	<b>89,997</b>	<b>142,004</b>	<b>\$571,367</b>