



Town of Cutler Bay

Town Hall
10720 Caribbean Blvd
Cutler Bay, FL 33189

Memorandum

File #: Item # 2021-7, **Version:** 1

Memorandum

To: Honorable Members of the Town Council

From: Mayor Tim Meerbott

Date: January 20, 2021

Re: **Urging the Florida Legislature to expand the qualifying improvements financed through Property Assessed Clean Energy (PACE) programs to include conversion from septic tanks to sewer systems and other sewage treatment improvements.**

REQUEST

A RESOLUTION OF THE MAYOR AND TOWN COUNCIL OF THE TOWN OF CUTLER BAY, FLORIDA, URGING THE FLORIDA LEGISLATURE TO EXPAND THE QUALIFYING IMPROVEMENTS THAT MAY BE FINANCED THROUGH PROPERTY ASSESSED CLEAN ENERGY PROGRAMS TO INCLUDE CONVERSION FROM SEPTIC TANKS TO SEWER SYSTEMS AND OTHER SEWAGE TREATMENT IMPROVEMENTS; PRELIMINARILY IDENTIFYING THIS ISSUE AS A STATE LEGISLATIVE PRIORITY FOR THE 2021 SESSION; PROVIDING FOR TRANSMITTAL; AND PROVIDING FOR AN EFFECTIVE DATE.

BACKGROUND AND ANALYSIS

The Town of Cutler Bay (the "Town") was influential in the creation of Section 163.08, Florida Statutes, authorizing counties, municipalities and certain separate local government entities to establish and administer financing programs, commonly known as Property Assessed Clean Energy (PACE) Programs ("PACE Programs"). PACE programs provide property owners the up-front financing for energy conservation and efficiency, renewable energy, and wind resistance improvements ("Qualifying Improvements"), and the funding is repaid through voluntary special assessments, sometimes referred to as non-ad valorem assessments, levied upon the improved property pursuant to financing agreements between the property owner and the local government.

In November 2018, the Miami-Dade County Board of County Commissioners (BCC) received a report from County Mayor Carlos A. Gimenez, prepared in response to a request from the BCC via Resolution No. R-911-16, which had directed the County Mayor to study various issues related to septic systems, and prepare a report with recommendations for the BCC, together with ideas on how to facilitate the conversion of properties from septic systems to the sewer system. Within Miami-Dade County, numerous properties are served by septic tanks and are not connected to the County's sanitary sewer system. The November 2018 report studied the importance of converting properties in Miami-Dade County from septic tanks to sewer systems, and included estimates of high costs associated with various aspects of the conversion.

Currently, sewage treatment improvements (such as the conversion of properties from septic tanks to sewer systems) are not eligible for PACE financing because they are not listed as qualifying improvements in Section 163.08. This Section could be amended to expand the list of qualifying improvements to also include sewage treatment improvement together with the associated fees or charges to connect to said sewerage system.

It is my opinion that adding these sewage treatment improvements to the PACE list of qualifying improvements would provide additional options for property owners to finance such sewage treatment improvements, and the availability of PACE financing may help some property owners who are unable to access other financing. Furthermore, facilitating such sewage treatment improvements through PACE financing may increase the number of property owners who make such

improvements to their property, and the corresponding reduction in older septic tank systems may result in significant benefits to water quality, particularly in Biscayne Bay.

RECOMMENDATION

It is recommended that the Town Council adopt the attached Resolution, which urges the Florida Legislature to expand the qualifying improvements financed through Property Assessed Clean Energy (PACE) programs to include conversion from septic tanks to sewer systems and other sewage treatment improvements. Furthermore, urging the Florida Legislature to preliminarily identify this item as a state legislative priority for the 2021 session.