



AGENDA MEMORANDUM

City Manager

City Council Regular Meeting Date: June 12, 2025

To: City Council
From: Dana A. Souza, City Manager
Date: June 9, 2025

SUBJECT:

1. Consideration of Resolution 25-024, declaring the intent of the City Council to establish the Wulfert Channel and Dinkins Bayou Area Dredging Assessment District to finance public improvements for maintenance dredging in the Wulfert Channel, Sunset Bay, and Dinkins Bayou. OR
2. Consideration of Resolution 25-024, declaring the intent of the City Council to establish the Wulfert Channel Area Dredging Assessment District to finance public improvements for maintenance dredging in the Wulfert Channel.

BACKGROUND:

At the June 3, 2025, City Council meeting, the City Council considered approving Resolution 25-024, declaring the intent of the City Council to establish the Wulfert Channel and Dinkins Bayou Area Dredging Assessment District (Assessment District) to finance public improvements for maintenance dredging in the Wulfert Channel, Sunset Bay, and Dinkins Bayou. After discussion and public comments, the City Council directed staff to revise Resolution 25-024 to:

- Allow for payment of the estimated Assessment of \$10,636.03 over a period of 5 years instead of 3 years.
- Delete any reference in the Resolution to establish an annual assessment of \$1,200/year, beginning with the 2026 tax year (October 2026), to establish a fund that would pay for future maintenance dredging within the Assessment District.
- Place the revised Resolution on the June 12, 2025, City Council meeting agenda for consideration.

As directed by the City Council, Resolution 25-024, declaring the intent of the City Council to establish the Wulfert Channel and Dinkins Bayou Area Dredging Assessment District, has been amended. Approving the amended Resolution will initiate the requirements of Chapter 170, Florida Statutes (2024) to formally establish the Wulfert Channel and Dinkins Bayou Area Dredging Assessment District. *(Any reference to the Wulfert Channel and Dinkins Bayou Dredging area or Dredging Assessment District includes most of Sunset Bay).*

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Staff has also prepared an alternative Resolution 25-024 that declares the intent of the City Council to establish the Wulfert Channel Area Dredging Assessment District. This draft Resolution restricts maintenance dredging in a reduced area of Wulfert Channel, including only the area within the City's jurisdictional boundaries (excludes dredging in the County waters). Approving the alternative Resolution will initiate the requirements of Chapter 170, Florida Statutes (2024) to formally establish the Wulfert Channel Area Dredging Assessment District. The City has received the USACE permit to dredge the Wulfert Channel area.

Should the City Council approve the alternative version Resolution 25-024, staff meet with property owners of the Dinkins Bayou, Sunset Bay, and Del Saga areas to reduce the maintenance dredging for these areas to the minimum necessary to provide for safe navigation. The City has not received the USACE permit to dredge the Dinkins Bayou area, which includes Dinkins Bayou and Sunset Bay.

Wulfert Channel and Dinkins Bayou Area Dredging Assessment District

Should the City Council wish to establish the Wulfert Channel and Dinkins Bayou Area Dredging Assessment District (Assessment District), and assuming the USACE issues the emergency permit for Dinkins Bayou soon, the City will undertake the Wulfert Channel and Dinkins Bayou maintenance dredging dredge the project areas from Bayside Dredging to dredge all areas shown on the Wulfert Channel and Dinkins Bayou dredging plans. Please note, the dredging area on the Wulfert Channel dredging plans has been reduced since the Jun 3, 2025, City Council meeting. Hans Wilson had independently surveyed the Wulfert Channel area, including the shallow area of concern discussed during public comment at the June 3, City Council meeting. Based on the results of this updated survey (2025), and the desire to only dredge within the City's jurisdictional boundaries, Humiston & Moore Engineers has revised the dredging plans for Wulfert Channel. The referenced dredging plans are included in the agenda packet for this item.

The City has an existing three-year contract with Bayside Dredging for dredging services in the Shell Harbor/Sanibel Estates, and Water Shadows areas. The contract was awarded to Bayside Dredging after a competitive bidding process and the unit cost pricing for dredging the proposed Assessment District is consistent with the awarded contract. Bayside Dredging's proposal is included in the agenda packet for this item.

At this time, the estimated cost to complete the survey, maintenance dredging, and the disposal of dredge material for all project areas is \$2,231,947.50 as shown in the table below. This amount has been revised since the June 3, 2025, City Council meeting. Revised amounts include:

- Costs for survey and plans. (Increase)
- Wulfert dredge quantity/cost (Decrease)
- Dredge material hauling quantity/cost (Decrease)

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Wulfert Channel and Dinkins Bayou Assessment District Dredging Project				
Item	Unit	Unit Cost	Quantity	Cost
Permit Survey/Plans - Wulfert (Revised)	Each	9,065.00	1	9,065.00
Permit Survey/Plans - Dinkins (Revised)	Each	9,182.50	1	9,182.50
Mobilization Wulfert and Dinkins	Each	45,000.00	1	45,000.00
Dredge Survey/Staking - Wulfert	Each	15,000.00	1	15,000.00
Dredge Survey/Staking - Dinkins	Each	40,000.00	1	40,000.00
Dredging - Wulfert (Revised)	CY	100	2,900	290,000.00
Dredging - Dinkins (Revised)	CY	90	2,350	211,500.00
Dredging - Dinkins (Revised)	CY	100	11,190	1,119,000.00
Dredge Material Hauling - To WWWTF - Wulfert/Dinkins (Revised)	CY	15	16,440	246,600.00
Dredge Material Hauling - Off Island - Wulfert/Dinkins (Revised)	CY	15	16,440	246,600.00
Total				2,231,947.50

After discussion at the May 6, 2025, City Council meeting, the City Council provided direction that the City will fund 33.33% of the project cost. Property owners within the established assessment area will be responsible for funding 66.67% of the project cost. The City currently provides funding for dredging projects within the Shell Harbor/Sanibel Estates, and Water Shadows areas by contributing 33.33% of the project cost. The table below illustrates the City's cost, the property owner cost, and the cost per parcel for the Assessment District.

Item	Cost
Total Project cost	\$2,231,947.50
City Share - 33.33%	\$ 743,908.10
Private Property Share - 66.67%	\$1,488,039.40
Cost per parcel – 196 parcels (\$1,488,039.40.36/196)	\$7,592.04

Each parcel within the proposed Assessment Area with an existing dock, mooring space, berthing slip, etc., or that may legally place a dock, mooring space, berthing slip, etc., on the parcel will be subject to paying the annual assessment established by the City Council. There are 196 parcels, both developed and vacant, within the Special Assessment Area that will be subject to the assessment. Any vacant parcels within the proposed Special Assessment Area that do not have development rights will be excluded. A map illustrating the proposed Special Assessment Area is attached to Resolution 24-024.

Wulfert Channel Area Dredging Assessment District

Should the City Council wish to establish the Wulfert Channel Area Dredging Assessment District (Wulfert Assessment District), the City will undertake maintenance dredging in the area shown on the Wulfert Channel dredging plans. Please note, the dredging area on the Wulfert Channel dredging plans has been reduced since the Jun 3, 2025, City Council meeting. Hans Wilson had independently surveyed the Wulfert Channel area, including the

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shallow area of concern discussed during public comment at the June 3, City Council meeting. Based on the results of this updated survey (2025), and the desire to only dredge within the City's jurisdictional boundaries, Humiston & Moore Engineers have revised the dredging plans. The referenced dredging plans are included in the agenda packet for this item.

The City has an existing three-year contract with Bayside Dredging for dredging services in the Shell Harbor/Sanibel Estates, and Water Shadows areas. The contract was awarded to Bayside Dredging after a competitive bidding process and the unit cost pricing for dredging the proposed Wulfert Assessment District is consistent with the awarded contract. Bayside Dredging's proposal is included in the agenda packet for this item.

At this time, the estimated cost to complete the survey, maintenance dredging, and the disposal of dredge material for the project area is \$446,065.00 as shown in the table below.

Revised Wulfert Channel Assessment District Dredging Project				
Item	Unit	Unit Cost	Quantity	Cost
Permit Survey/Plans - Wulfert (Revised)	Each	9,065.00	1	9,065.00
Mobilization	Each	45,000.00	1	45,000.00
Dredge Survey/Staking	Each	15,000.00	1	15,000.00
Dredging - Wulfert (Revised)	CY	100	2,900	290,000.00
Dredge Material Hauling - To WWWTF (Revised)	CY	15	2,900	43,500.00
Dredge Material Hauling - Off Island (Revised)	CY	15	2,900	43,500.00
Total				446,065.00
City Share - 33.33%				148,673.46
Private Property Share - 66.67%				297,391.54
Total				446,065.00

After discussion at the May 6, 2025, City Council meeting, the City Council provided direction that the City will fund 33.33% of the project cost. Property owners within the established assessment area will be responsible for funding 66.67% of the project cost. The City currently provides funding for dredging projects within the Shell Harbor/Sanibel Estates, and Water Shadows areas by contributing 33.33% of the project cost. The table below illustrates the City's cost, the property owner cost, and the cost per parcel for the Assessment District.

Item	Cost
Total Project cost	\$446,065.00
City Share - 33.33%	\$ 148,673.46
Private Property Share - 66.67%	\$297,391.54
Cost per parcel – 196 parcels (\$297,391.54/196)	\$1,517.30

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The dredge quantity may increase if the City's contractor is required to dredge Area 1, as shown on the Dinkins Bayou Dredging Plan in order to have clear access for the transport barge to navigate between Wulfert Channel and the Henderson St. Boat Ramp.

Each parcel within the proposed Wulfert Assessment Area with an existing dock, mooring space, berthing slip, etc., or that may legally place a dock, mooring space, berthing slip, etc., on the parcel will be subject to paying the annual assessment established by the City Council. There are 196 parcels, both developed and vacant, within the Special Assessment Area that will be subject to the assessment. Any vacant parcels within the proposed Special Assessment Area that do not have development rights will be excluded. A map illustrating the proposed Special Assessment Area is attached to Resolution 24-024.

Disposal of Dredge Material

Dredged materials will be loaded on a barge and transported to the Henderson Rd. boat ramp. The material will be transferred to sealed and watertight dump trucks and hauled to the Wulfert Wastewater Treatment Plant (WWTP). Trucks will travel approximately 1.2 miles between the loading area and the WWTP by traveling along Henderson Rd., Dinkins Lake Rd., and Wulfert Rd. Following dewatering, the material will be removed from the WWTP. The final destination of the dredge material is likely to be off island.

Payment of Individual Parcel Assessment

On May 6, 2025, the City Council directed staff to offer options for property owners to pay the assessment through 1-year, 2-year, and 3-year installments. However, at the June 3, 2025, City Council meeting, the City Council directed staff to offer options for property owners to pay the assessment through 1-year, 2-year, 3-year, 4-year, and 5-year installments. The table below illustrates the proposed payment schedule and amounts property owners would be required to pay depending upon the payment schedule selected (by the property owner). For property owners choosing to pay in two or more installments, an interest rate of 4.5% (compounded annually) would be added to the assessment. The City will invoice residents directly for the 2025 project assessment. The payment options for the Wulfert Channel and Dinkins Bayou Area Dredging Assessment District and the Wulfert Channel Area Assessment District are shown below.

Revised Wulfert Channel and Dinkins Bayou Area Dredging Assessment District Payment Options																	
	Assessment	Year 1 Payment	Balance	4.5% interest	Balance	Year 2 Payment	Balance	4.5% interest	Balance	Year 3 Payment	Balance	4.5% interest	Balance	Year 4 Payment	Balance	4.5% interest	Total Payment
Resident Payment Option 1-year Payment	7,592.04	7,592.04	0.00														7,592.04
Resident Payment Option 2-year Payment	7,592.04	3,796.02	3,796.02	170.82	3,966.84	3,966.84	0.00										7,762.86
Resident Payment Option 3-year Payment	7,592.04	2,530.68	5,061.36	227.76	5,289.12	2,644.56	2,644.56	119.01	2,763.57	2,763.57							7,938.81
Resident Payment Option 4-year Payment	7,592.04	1,898.01	5,694.03	256.23	5,950.26	1,983.42	3,966.84	178.51	4,145.35	2,072.67	2,072.67	93.27	2,165.94	2,165.94			8,120.05
Resident Payment Option 5-year Payment	7,592.04	1,518.41	6,073.63	273.31	6,346.95	1,586.74	4,760.21	214.21	4,974.42	1,658.14	3,316.28	149.23	3,465.51	1,732.76	1,732.76	77.97	8,306.77

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Revised Wulfert Channel Area Dredging Assessment District Payment Options																		
	Assessment	Year 1 Payment	Balance	4.5% interest	Balance	Year 2 Payment	Balance	4.5% Interest	Balance	Year 3 Payment	Balance	4.5% Interest	Balance	Year 4 Payment	Balance	4.5% Interest	Year 5 Payment	Total Payment
Resident Payment Option 1-year Payment	1,517.30	1,517.30	0.00															1,517.30
Resident Payment Option - 2-year Payment	1,517.30	758.65	758.65	34.14	792.79	792.79	0.00											1,551.44
Resident Payment Option - 3-year Payment	1,517.30	505.77	1,011.53	45.52	1,057.05	528.53	528.53	23.78	552.31	552.31								1,586.60
Resident Payment Option - 4-year Payment	1,517.30	379.33	1,137.98	51.21	1,189.18	396.39	792.79	35.68	828.46	414.23	414.23	18.64	432.87	432.87				1,622.82
Resident Payment Option - 5-year Payment	1,517.30	303.46	1,213.84	54.62	1,268.46	317.12	951.35	42.81	994.16	331.39	662.77	29.82	692.60	346.30	346.30	15.58	361.88	1,660.14

Process to Establish the Wulfert Channel and Dinkins Bayou Area Dredging Assessment District

Regardless of the assessment district option chosen by the City Council (if any) and, in accordance with Chapter 170, Florida Statutes (2024), the City Council will be asked to formally establish the Special Assessment Area for the preferred district in accordance with the following steps.

1. June 12, 2025, City Council Meeting – Approve Resolution 25-024 declaring the intent of the City Council to establish a Dredging Assessment District to finance public improvements for maintenance dredging in the area selected.
 - a. June 12, 2025 – Approve the budget amendment and contract to perform the dredging work in compliance with USACE permit requirements.
 - b. Following the City Council’s approval of Resolution 25-024, staff will Finalize the preliminary assessment roll.
2. July 15, 2025, City Council Meeting – Approve a Resolution establishing a date for a public hearing to be held and notifying property owners within the proposed Assessment District of the improvements to be undertaken that benefits the property owners within the Assessment District, the cost for the improvements, the amount to be assessed against each property, and the manner property owners will be required to pay the assessment.
 - a. Following the City Council’s approval of the Resolution, staff will:
 - i. Provide 30 days’ written notice of the time and place of the Public Hearing to each property owner to notify property owners within the proposed Assessment District of the improvements to be undertaken that benefit the property owners within the Assessment District, the cost for the improvements, the amount to be assessed against each property, and the manner property owners will be required to pay the assessment.
 - ii. Publish the notice of the Public Hearing and the preliminary assessment roll 30 days in advance of the public hearing. The notice of Public Hearing will be published twice prior to the Public Hearing.
3. August 19, 2025, City Council Meeting –

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- a. Hold the Public Hearing as established by the City Council on July 15, 2025. After the Public Hearing closes, approve a Resolution to levy the proposed special assessments against properties within the proposed Assessment District.
 - b. The City Council, sitting as the Equalization Board, will consider complaints and adjustments in the assessment on property owners and equalize the assessment, if necessary, with a Resolution being used to confirm adjustments, if any.

FUNDING SOURCE: The City's portion of the project cost will be transferred from the General Fund to a project fund by a City Council Budget Amendment.

RECOMMENDED ACTION: Discussion. Consider Motion to approve:

1. Resolution 25-024, declaring the intent of the City Council to establish the Wulfert Channel and Dinkins Bayou Area Dredging Assessment District to finance public improvements for maintenance dredging in the Wulfert Channel, Sunset Bay, and Dinkins Bayou.

OR

2. Resolution 25-024, declaring the intent of the City Council to establish the Wulfert Channel Area Dredging Assessment District to finance public improvements for maintenance dredging in the Wulfert Channel.

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