



**New Smyrna Beach**  
**... UTILITIES ...**

## **Commission Workshop**

February 8, 2023

# Agenda Items

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- Western Complex Site Development Discussion Site A Survey
- Solar Study Results
- Budget Discussion



**New Smyrna Beach**  
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**POND**

## **Western Complex Development Discussion**

February 8<sup>th</sup>, 2023

# Western Complex Site Development Discussion

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- Site A Survey
  - Proposed Site Plan
  - Wetlands Impact
  - Building Plans
- Site B Survey
  - Proposed Site Plan
  - Wetlands Impact
- Land Value Analysis
- Western Utilities Site Master Plan
- Existing Building Market Value Analysis
- Estimated Project Costs
- Questions/Next Steps

# Consultants

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Architects | Engineers | Planners

Civil Engineering | Surveying

Environmental Engineering

Land Value Analysis

Legal Representation



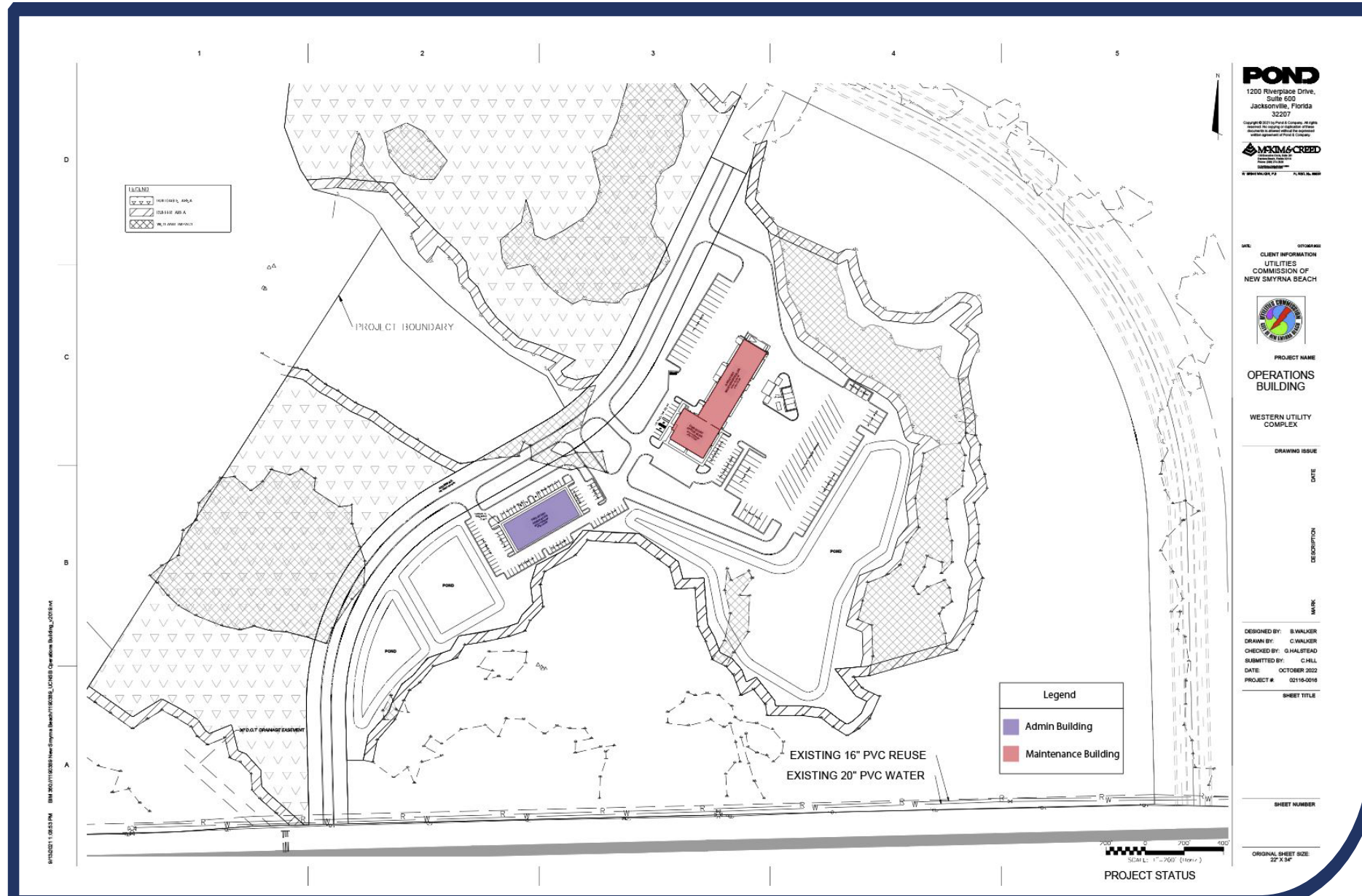
# Site A Survey



- New Survey Area for proposed Multi-Use Site: Fleet/ Field OPS Building and New Admin Building
- Larger Uplands Area
- Route 44 Access to Site for Public Use
- Keeps back of site areas more secure for Existing Electrical Sub-Station and Water Treatment Plant

# Conceptual Site Plan A - South

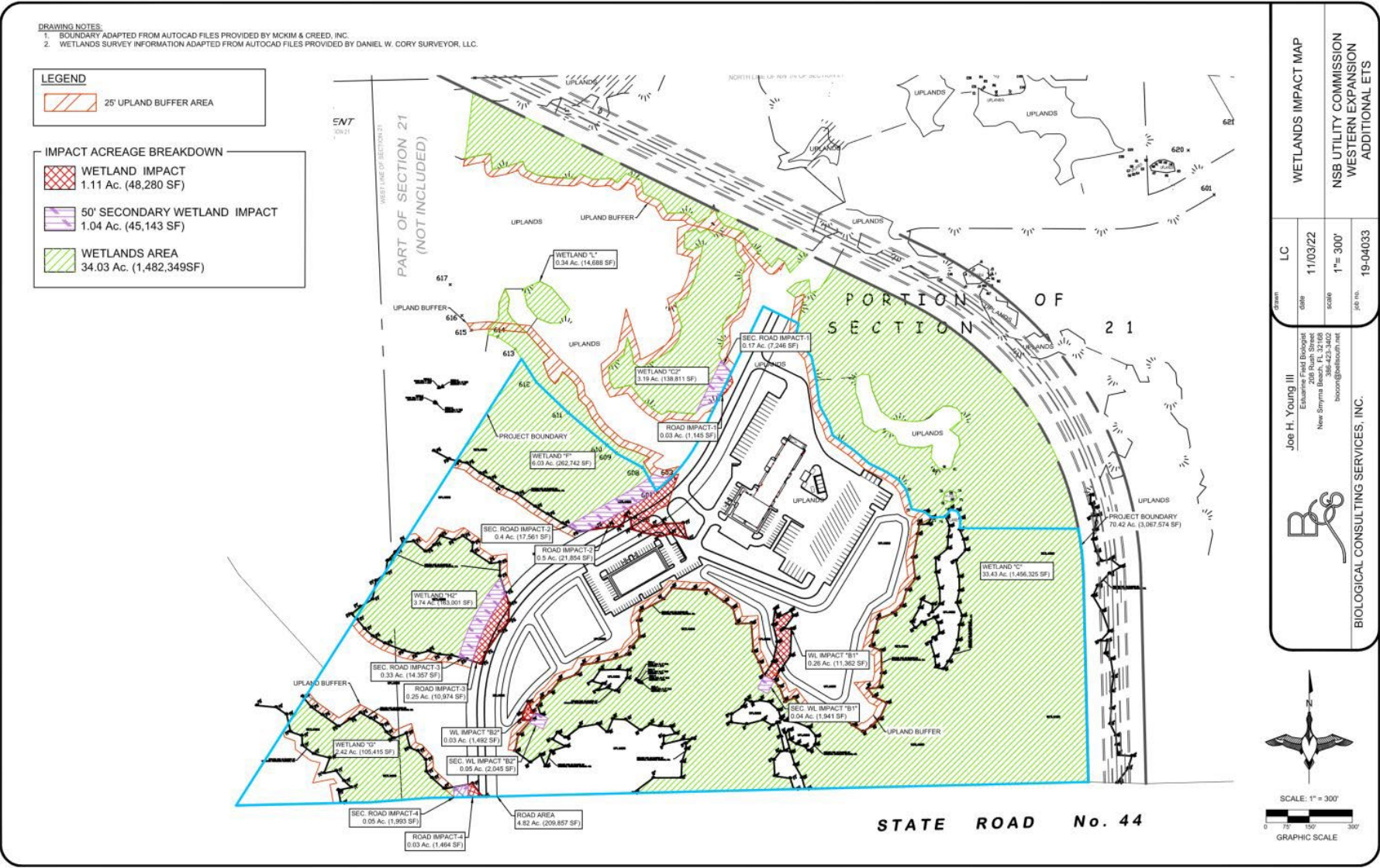
- New Fleet/ Field OPS Building
- New Administration Building
- Meets all parking requirement
- Public access to new Admin. Building from Route 44
- Potential Future connection to Williamson Blvd Extension
- Minimal Environmental impacts





# Wetland Impact At Site A

- Only 1.11 Acres of Wetlands are impacted



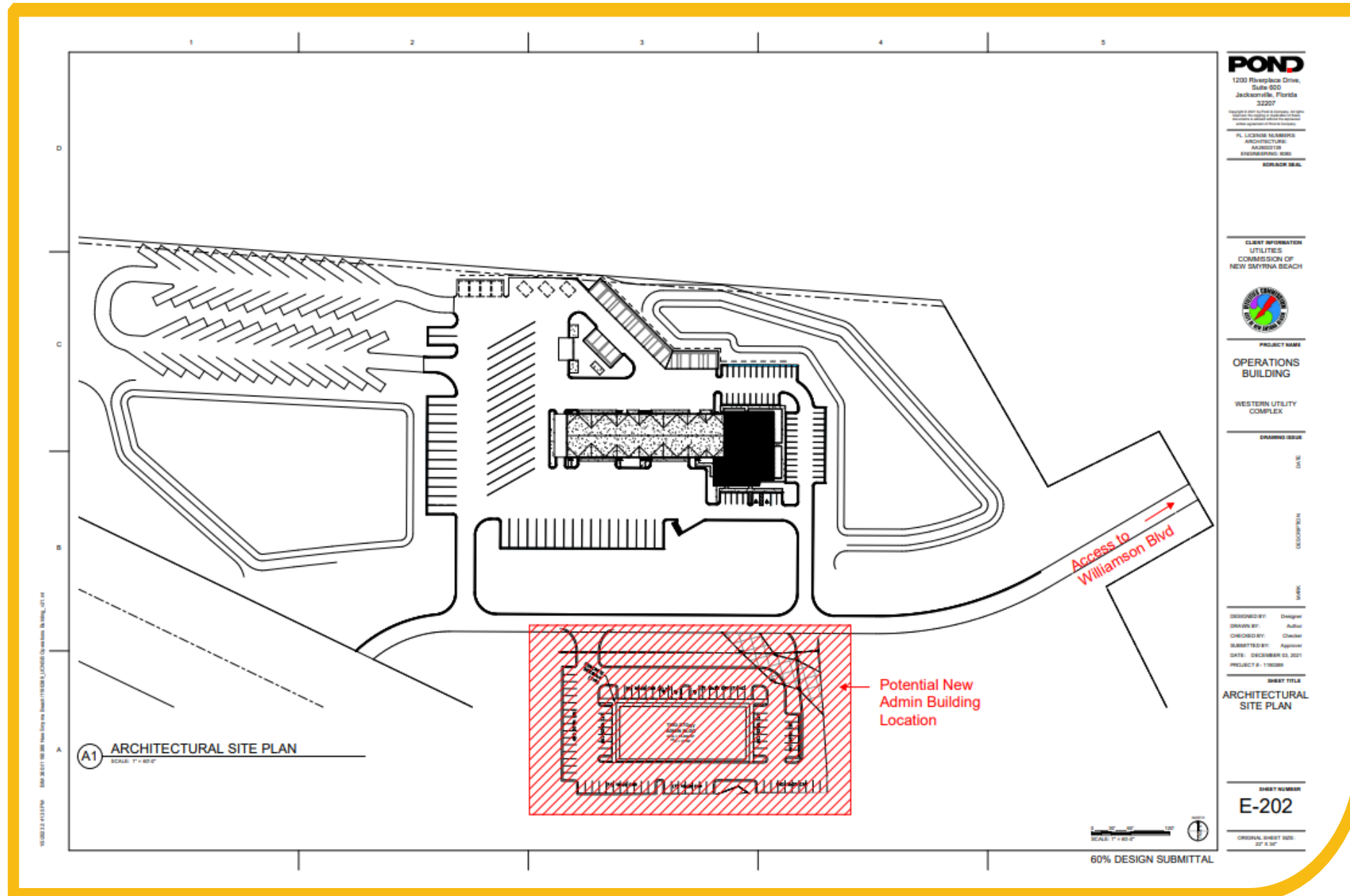


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# Site B Plan

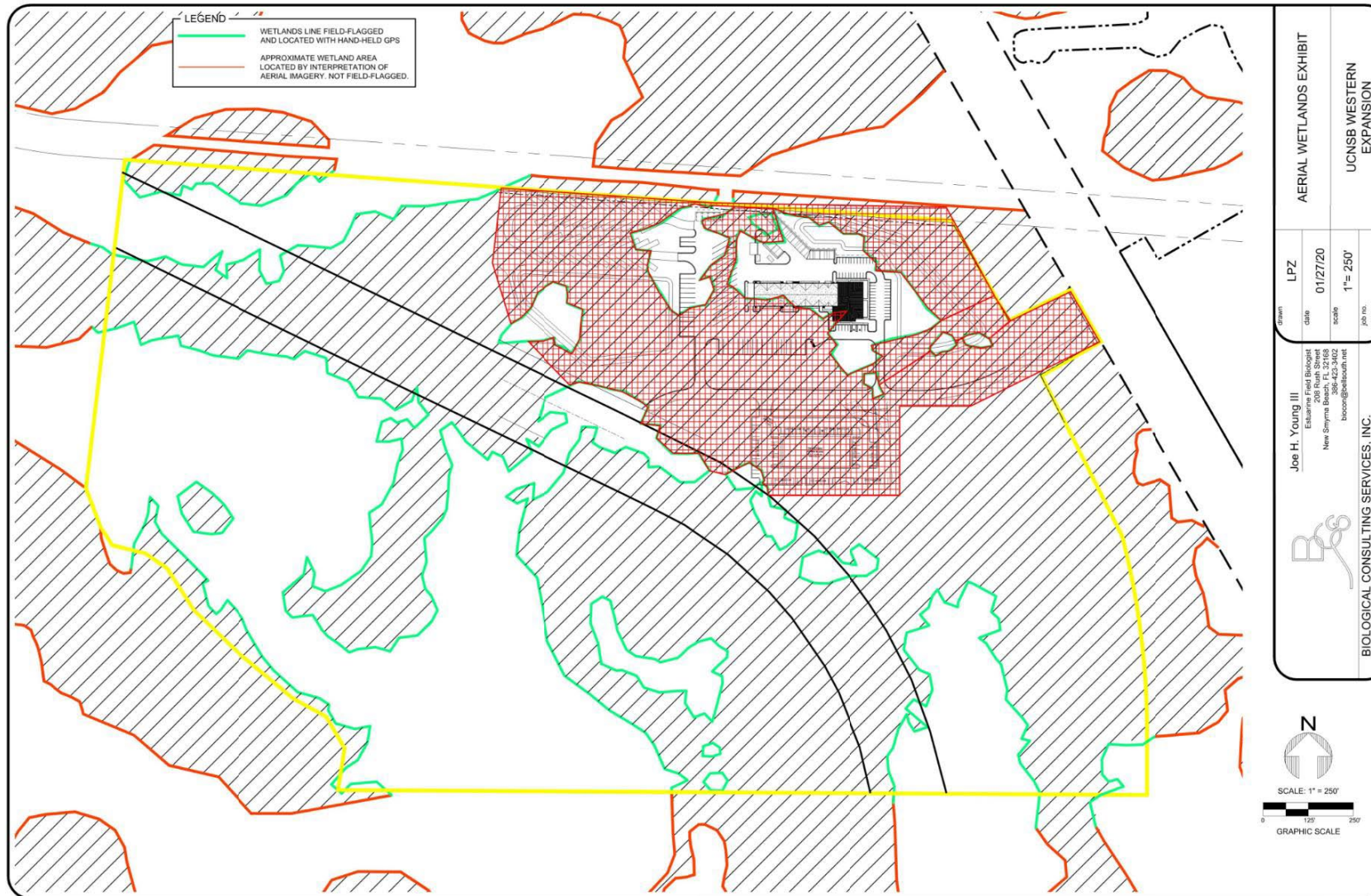
- New Fleet / Field Ops Building
- Potential location for new Admin Building
- Meets parking requirements
- Public access would have to access beyond the Existing Electrical Sub-Station / Secure Area
- Large Wetlands Impact area



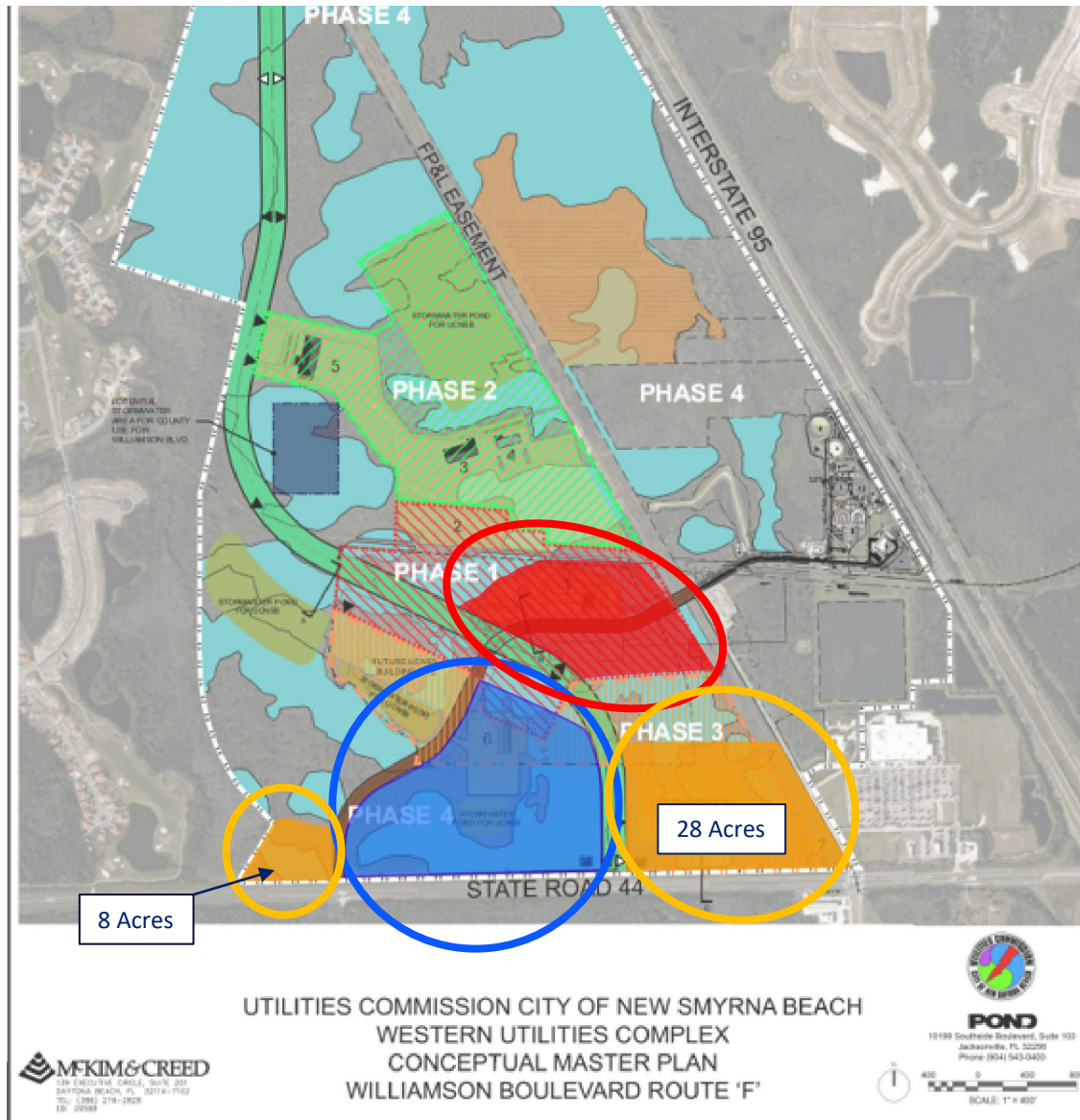


## Wetland Impact at Site B

- +/- 20 Acres of Wetland Impacts



# Master Plan



- Phase I – Site A  
Proposed Site Location  
for New Administration  
Building and Fleet/ Field  
OPS Building
- Phase II – Future Build  
location
- Alternate Use – includes  
800 ft and 1600 ft of  
sellable frontage road  
property (8 Acres and 28  
Acres, respectively).



# RT 44 Frontage Property Valuation



- Estimated Value (2019) - \$284,021 per acre
  - 47 Acres - \$13.35 M
- Estimate Value (2023) - \$213,483 per acre
  - 8 Acres - \$ 1.71 M
  - 28 Acres - \$ 5.98 M

*Western Utility Complex Development Land Valuation Consultant Recommendation: The analysis of vacant land transactions from 2018-2022 indicate that there is no explicit price premium associated with frontage lead sales along major roadways through Volusia County. In addition, according to the Client's engineering consultant, it's recommended that development of frontage lands along SR 44 for the fleet management and office facilities represent the most efficient development with respect to overall buildout of the Client's Western Utility Complex. Based on the information provided to date, while the Client has the opportunity to develop on a couple sites within its Western Utility Complex, preserving frontage lands for future sales should not necessarily be prioritized above mindful and efficient development of the Western Utility Complex.*





# Market Value of Existing Property

## Executive Summary

- The Utilities Commission New Smyrna Beach ("UCNSB" and/or "Client") continues to evaluate the development of its Western Utility Complex at its 900 +/- acre site located at the NW corner of I-95 and SR 44. As part of that evaluation process, the Client is determining the best use of its Central Office Building ("COB") at 200 Canal Street, New Smyrna Beach, Florida. The Client retained PFM Group Consulting LLC ("PFM Group") to provide a valuation analysis of the COB site.
- PFM Group estimates the current market value of the Central Office Building at \$4.3 million, which is \$145.01 per square foot of RBA. Table E1 summarizes the findings. Due to age of the building and necessary renovations, PFM Group is not comfortable estimating an actual sales/transaction price given the lack of specific information associated with the structure that could be gathered via an inspection. The application of this estimated value provides guidance and context regarding the Client's development of its Western Utility Complex.

Table E1. COB Summary of Market Value

Description	Sale \$	Sale\$/RBA
Est. Value (via Cap Rate)	\$4,029,035	\$112.42
Est. Value (via Sales Comps)	\$4,599,477	\$194.37
Avg. Est. Value	\$4,314,256	\$145.01
CoStar - 5-Mile Radius (avg sale price \$/sqft)*		\$137.00
CoStar - New Smyrna Beach (avg sale price \$/sqft)*		\$142.00
CoStar - Volusia Co (avg sale price \$/sqft)*		\$143.00

Source: PFM Group Consulting LLC  
\*Source: CoStar



- Renovations to the Existing Administration Building: \$6 - \$8 Million Budgetary Estimate

# Summary of Estimated Cost

## Site A

	Description	Building Cost	Site Cost	Total Cost
New Western Utilities Site				
1	New Admin Building	\$8,745,369	\$5,318,451	\$14,072,820
2	New Fleet OPS Building	\$9,781,947	\$14,154,345	\$23,936,293
3	Environmental Impacts			\$139,200
4	Construction Contingency 5%			\$2,584,769
	Total			\$40,733,082

## Site B

	Description	Building Cost	Site Cost	Total Cost
New Western Utilities Site				
1	New Admin Building	\$8,745,369	\$5,318,451	\$14,072,820
2	New Fleet OPS Building	\$9,781,947	\$14,154,345	\$23,936,293
3	Environmental Impacts			\$3,000,000
4	Construction Contingency 5%			\$2,584,769
	Total			\$43,593,882

# Observations

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Pond recommends moving forward with Site A for several reasons:

- Less Wetlands disturbance cost because more Upland area at this site location .
- Better public access for the New Administration Building .
- Site B lends itself better to potential future growth, such as the New Reverse Osmosis Plant for its adjacency to the existing Water Treatment Facility.
- Site A still leaves over 2,000 linear feet of SR 44 frontage property for future sale or development.

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# QUESTIONS ?



# **New Smyrna Beach** **... UTILITIES ...**

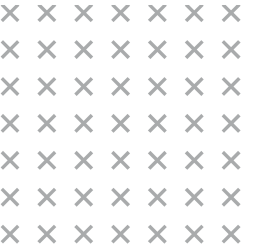
## **Solar**

February 8<sup>th</sup>, 2023



# UCNSB Solar Feasibility Study Results

02/03/2023



# Executive Summary

# Phase I & II Summary



## Net Buildable Areas

- Land Parcel - ~36.7 Acres; NBA of 10.5 MWAC
- Water Parcel - ~20 Acres; NBA of 5.7 MWAC floating
- Additional land available in wetlands or low-lying areas



## Permitting

- Generation over 75MW kicks off a more stringent and lengthy permitting process



## Transmission Capacity

- Smyrna Sub showed 292.7MW of capacity before transmission thermal overloads identified



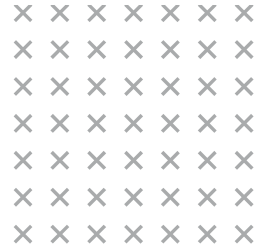
## Economics

- Adding a solar project appears to be economic for NSB
- FMPA's solar PPA option appears to be the most economic choice (approximately \$1.26 M cheaper than an NSB owned project)



## Size v. Load

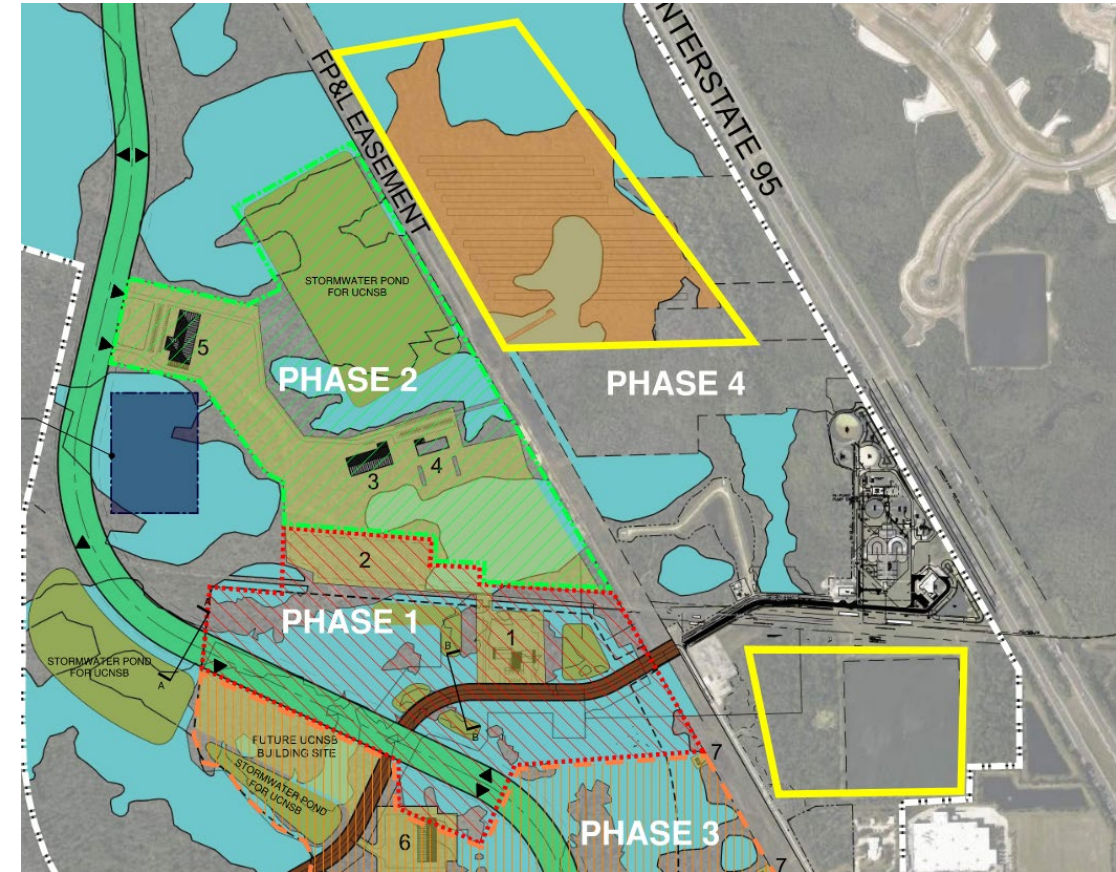
- NSB's energy need appears to support approximately 33 MW of solar in addition to currently planned solar projects / PPA's



# Phase I: Objectives & Assumptions

# Phase 1 – Project Sizing Analysis

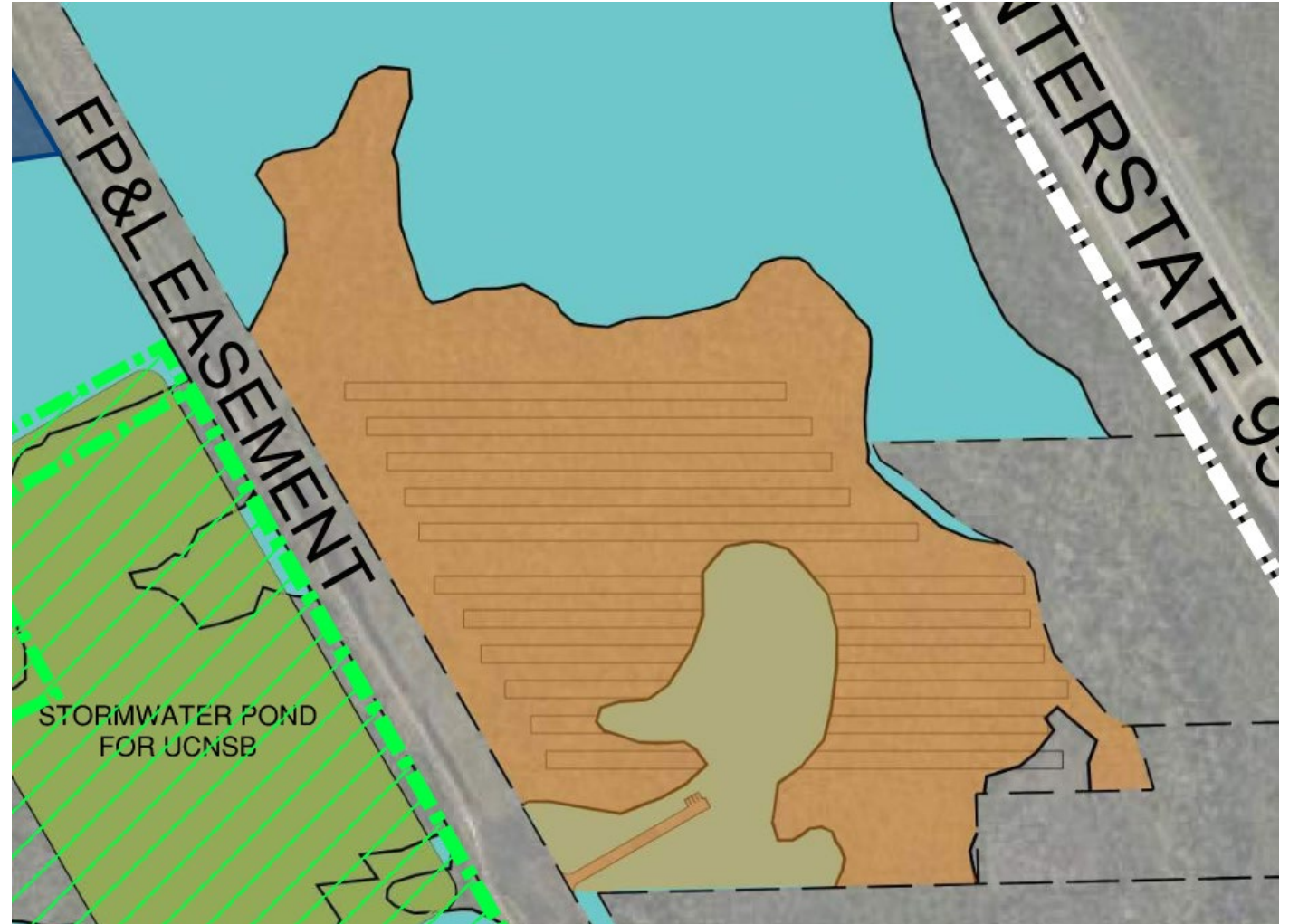
- Land Assessment
  - Development of the Net Buildable Area (NBA)
    - Reviewed County/City Land Use, Setbacks, Land Constraints etc.
    - Develop Upper Estimated MW injection based on the NBA
- Two locations were identified to develop the NBA
  - Land Parcel - ~36.7 Acres
  - Water Parcel - ~20 Acres





# Phase 1 – Project Sizing Analysis

- Land Parcel
  - 36.7 ACRES
  - NBA = 6.7 MWAC for single-axis tracking panels
  - NBA = 10.5 MWAC for fixed tilt panels



# Phase 1 – Project Sizing Analysis

- Water Parcel
  - ~12 acres expanded to ~20 acres
  - NBA – 5.7 MWAC for floating panels



# Phase II: Objectives



Maximize solar build such that it does not exceed the minimum load threshold that if exceeded, would require balancing services and expenses (~33 MW)

01



Evaluate Self-Build and PPA options for solar project of size determined in Step 1 (~33 MW)

02



Evaluate participating in a larger FMPPA joint solar project (~75 MW) at share size equal to project size determined in Step 1 (~33 MW)

03

# Project Pricing – 2025

	NSB Owned *	PPA *	FMPA Project
MW	33	33	33
Ownership	NSBU	PPA	FMPA
WACC	6%	8%	6%
Term / Life	25	25	25**
Cost / MWh	\$41.48	\$48.77	\$40.00



Calculations show that the lowest cost solar project is participation in the FMPA project at \$40/MWh

\* Assumes NSBU provides land. Excludes NREL's cost of land. PPA pricing with NREL land cost equals \$49.59/MWh.

\*\* 20-year PPA with an assumed 5-year extension.

# FPL Contract Pricing v. Project Pricing

	Annual Pricing for FPL Variable Costs v. Project Pricing (\$/MWh)									
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
<b>FPL Non-Fuel</b>	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00
<b>FPL Fuel</b>	\$ 31.88	\$ 30.53	\$ 32.23	\$ 33.73	\$ 35.28	\$ 36.64	\$ 37.96	\$ 39.99	\$ 42.23	\$ 43.03
<b>Total Variable</b>	\$ 34.88	\$ 33.53	\$ 35.23	\$ 36.73	\$ 38.28	\$ 39.64	\$ 40.96	\$ 42.99	\$ 45.23	\$ 46.03
<b>FMPA Phase II</b>	\$ 35.00	\$ 35.00	\$ 35.00	\$ 35.00	\$ 35.00	\$ 35.00	\$ 35.00	\$ 35.00	\$ 35.00	\$ 35.00
<b>FMPA PPA</b>	\$ 40.00	\$ 40.00	\$ 40.00	\$ 40.00	\$ 40.00	\$ 40.00	\$ 40.00	\$ 40.00	\$ 40.00	\$ 40.00
<b>NSBU Owned</b>	\$ 41.48	\$ 41.48	\$ 41.48	\$ 41.48	\$ 41.48	\$ 41.48	\$ 41.48	\$ 41.48	\$ 41.48	\$ 41.48
<b>PPA</b>	\$ 48.77	\$ 48.77	\$ 48.77	\$ 48.77	\$ 48.77	\$ 48.77	\$ 48.77	\$ 48.77	\$ 48.77	\$ 48.77

- The FPL contract is expected to be more expensive than the FMPA Phase II project starting in 2027
- The potential solar project appears to be cheaper than the FPL contract starting in 2031 for the FMPA PPA option and 2032 for the NSBU Ownership option



# Total Cost of Portfolio (2023 – 2050)

	2023\$*	Difference (\$)
Base	\$513,223,002	\$0
FMPA	\$495,480,757	(\$17,742,245)
NSB Owned	\$496,743,398	(\$16,479,604)
PPA	\$502,946,479	(\$10,276,523)

\* NPV through 2050 discounted annually at 8%

## Observation # 1

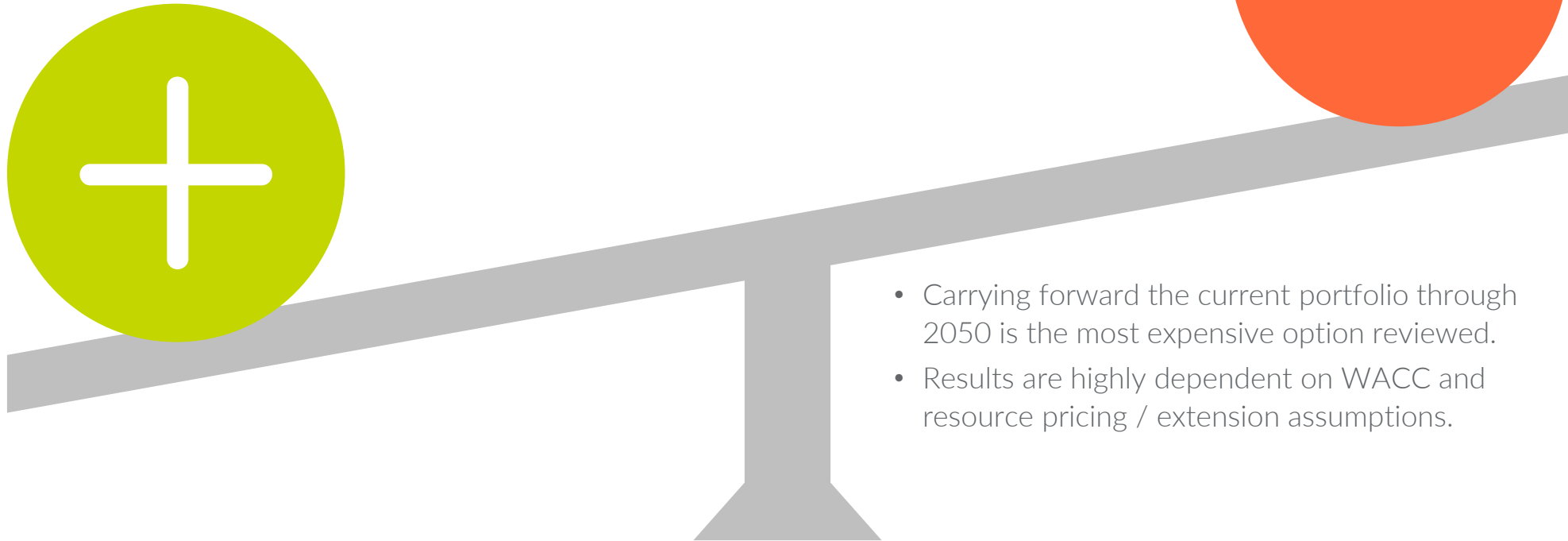
Participating in an FMPA project is expected to be the most economical, ~\$1.26 M cheaper than an NSB owned project

## Observation # 2

Participating in an FMPA project is expected to be approximately \$17.7 M cheaper than carrying forward the base portfolio to 2050

# Conclusions

- The addition of a solar project to NSB's portfolio appears to be economic (FMPA PPA or NSB Owned project cases).
- NSB's system currently can handle approximately 33 MW of solar, in addition to currently planned solar projects / PPA's without a large amount of excess energy being created.
- Of the scenarios studied, participating in a large, utility scale FMPA project appears to be the lowest cost option.



- Carrying forward the current portfolio through 2050 is the most expensive option reviewed.
- Results are highly dependent on WACC and resource pricing / extension assumptions.



**New Smyrna Beach**  
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## **Budget and Finance**

February 8<sup>th</sup>, 2023

# FY24 – FY33 Capital Budget Impacts

- FY23 – FY32 Capital Budget totaled \$194.2M
  - **The 10-Year (FY23 - FY32) budget included Modernization Plan (Electric and Water) projects at much lower overall project estimates. As we prepare for the FY24 – FY33 capital budget, the overall 10-year capital will increase to reflect the updated costs estimates for the following projects:**
    - AMI Budget \$13.5M, Revised Estimate \$23.0M, increase of \$9.5M
    - Glencoe WTP Pellet Softening Budget \$10.0M, Revised Estimate \$18.0M, increase of \$5.0M
    - Transmission Grid Reliability Budget \$5.0M, Revised Estimate \$16.0M, increase of \$11.0M
    - **Estimated increase ~\$28.0M**
- A new Western Utility Complex (WUC) Central Office Building (COB)/Fleet/Facilities building is currently estimated at **\$40.0M - \$43.0M**
  - **The new HQ and related facilities are NOT in the FY23 – FY32 Budget**

# FY24 – FY33 Capital Budget Impacts

- The 2020 bond financing to fund capital projects was \$65M. There is approximately \$31.2M remaining which will last another 1 ½ years.
- The plan was to secure additional bond financing ~\$50.0M for the existing increased Modernization Project Costs and related projects
- IF a new headquarters building is also approved, NSBU will have to secure an **additional bond financing round JUST for BUILDINGS**
- Prior to a final decision, priorities must be discussed and a strategic direction chosen



# Next Steps

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- NSBU Commission Feedback
- Joint Commission Workshop – April 2023
- Present Final Recommendation and Budget Submittal – June 2023

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# Back Up Slides

## Proposed Concept Plan New Administration Building

- Approximately 30,000SF
- 2 stories with optional future 3<sup>rd</sup> floor

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## Proposed Fleet / Field OPS Building

- Approximately 25,600SF



# PFM

## Western Utility Complex Development Recommendations

The analysis of vacant land transactions from 2018-2022 indicate that there is no explicit price premium associated with frontage lead sales along major roadways through Volusia County. In addition, according to the Client's engineering consultant, it's recommended that development of frontage lands along SR 44 for the fleet management and office facilities represent the most efficient development with respect to overall buildout of the Client's Western Utility Complex. Based on the information provided to date, while the Client has the opportunity to develop on a couple sites within its Western Utility Complex, preserving frontage lands for future sales should not necessarily be prioritized above mindful and efficient development of the Western Utility Complex.



	Frontage		Non-Frontage	
	Average \$/Acre	Count of Sales	Average \$/Acre	Count of Sales
Agriculture	\$42,000	54	\$101,103	411
2018	\$56,370	9	\$204,102	140
2019	\$16,448	9	\$65,131	73
2020	\$36,247	9	\$44,474	95
2021	\$47,645	27	\$36,699	98
2022			\$80,595	5
Commercial	\$213,483	13	\$200,460	55
2018	\$577,628	1	\$252,047	4
2019	\$13,385	1	\$150,137	6
2020	\$22,256	2	\$105,890	7
2021	\$85,507	4	\$237,186	20
2022	\$335,200	5	\$201,742	18
Industrial	\$89,719	4	\$53,532	16
2018	\$29,080	1	\$36,155	1
2019	\$153,470	1	\$41,413	2
2020			\$17,592	2
2021	\$88,162	2	\$43,922	6
2022			\$87,764	5
Residential	\$27,280	43	\$41,482	436
2018	\$13,682	5	\$54,216	38
2019	\$12,634	5	\$246,643	40
2020	\$36,082	6	\$24,802	59
2021	\$35,073	15	\$39,499	150
2022	\$24,907	12	\$45,449	149
Timberland	\$42,741	21	\$76,316	95
2018	\$49,040	3	\$47,378	10
2019	\$22,278	2	\$28,571	16
2020	\$35,886	8	\$28,128	18
2021	\$52,348	8	\$136,671	36
2022			\$229,386	1
Total	\$46,823	135	27745	1013