North 3 Utilities Extension Project (UEP)
Initial Assessment Resolutions
243-26 Water, 244-26 Wastewater, 245-26 Irrigation
September 28, 2026

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North 3 UEP Outline

1. UEP History
2. North 3 Project Area
3. North 3 Estimated Costs
4. North 3 Assessments
5. North 3 Financing
6. Next Steps

UEP History

1. Utilities Extension Project (UEP)
   a. Extension of water, wastewater and irrigation infrastructure.
   b. Citywide project constructed in phases.
   c. Special Assessments and Water & Sewer Fees fund the project.

2. Availability of Publicly Owned and Maintained Systems
   a. Eliminates need for individual potable water wells and septic systems.
   b. Improves reliability and quality of service.
   c. Environmental benefits.
   d. Expands customer base.

UEP History

Assessments Prepared Pursuant to Home Rule Ordinance

1. Water – Frequency of wells running dry and saltwater intrusion. Special benefit provides access to City's potable water treatment and distribution facilities.

   SFWMD may impose aquifer withdrawal restrictions in the future.

2. Wastewater – Eliminates on-site septic systems, which are not effective in treating sewage in urbanized areas. Special benefit provides access to City's wastewater collection and treatment facilities. Environmental benefits by reducing the nutrients thereby improving water quality over time.

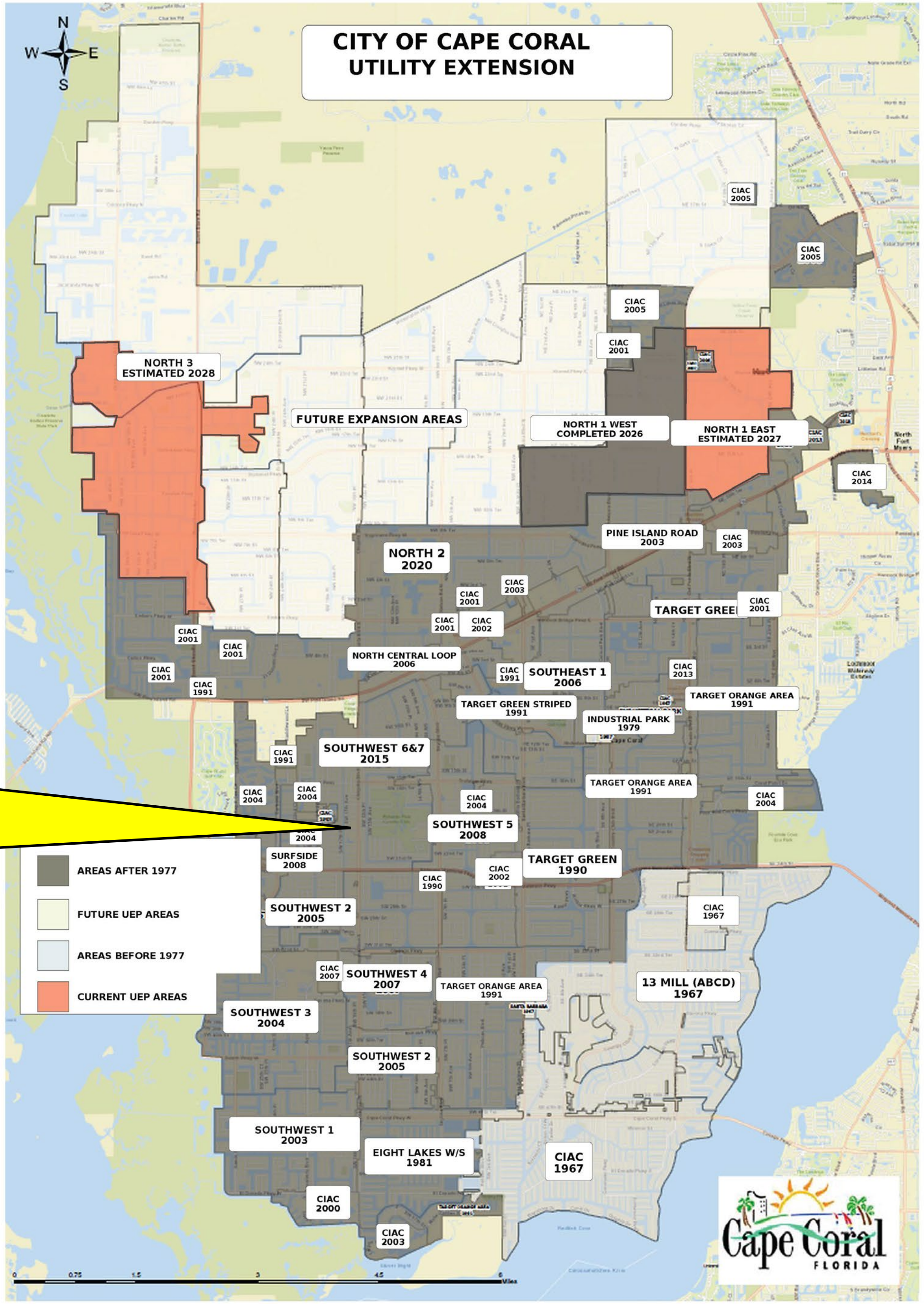
   FDEP may impose on-site septic restrictions in the future.

3. Irrigation – Reduces dependence on fresh water and provides a method for disposal of treated wastewater for irrigation purposes and other non-potable uses.

   SFWMD imposed aquifer withdrawal restrictions.

UEP History

Majority of the construction of water, wastewater and irrigation in the City was paid through UEP assessments.



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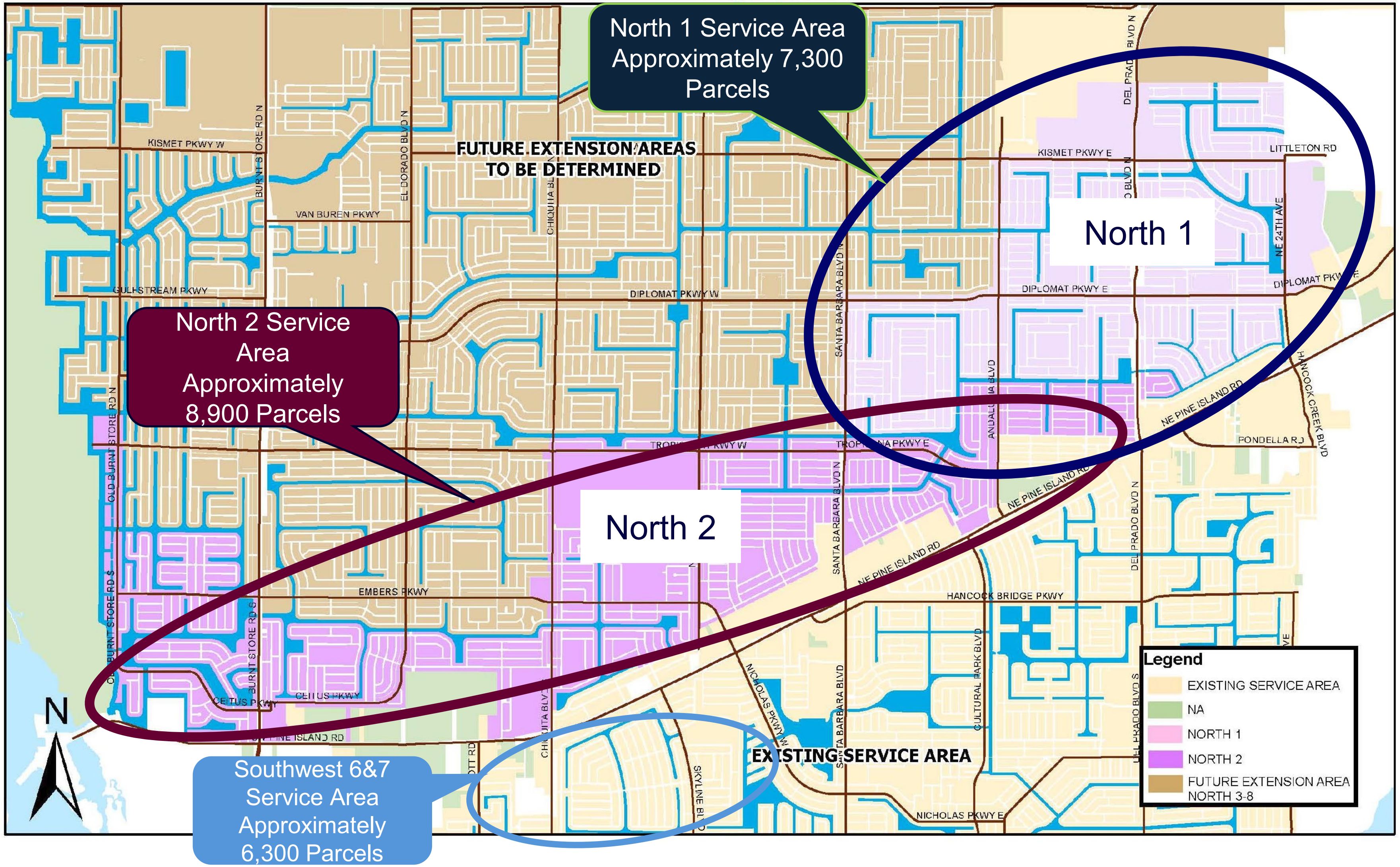
UEP History



SW 6&7, North 2 and North 1 Approved by Council in 2012

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UEP History

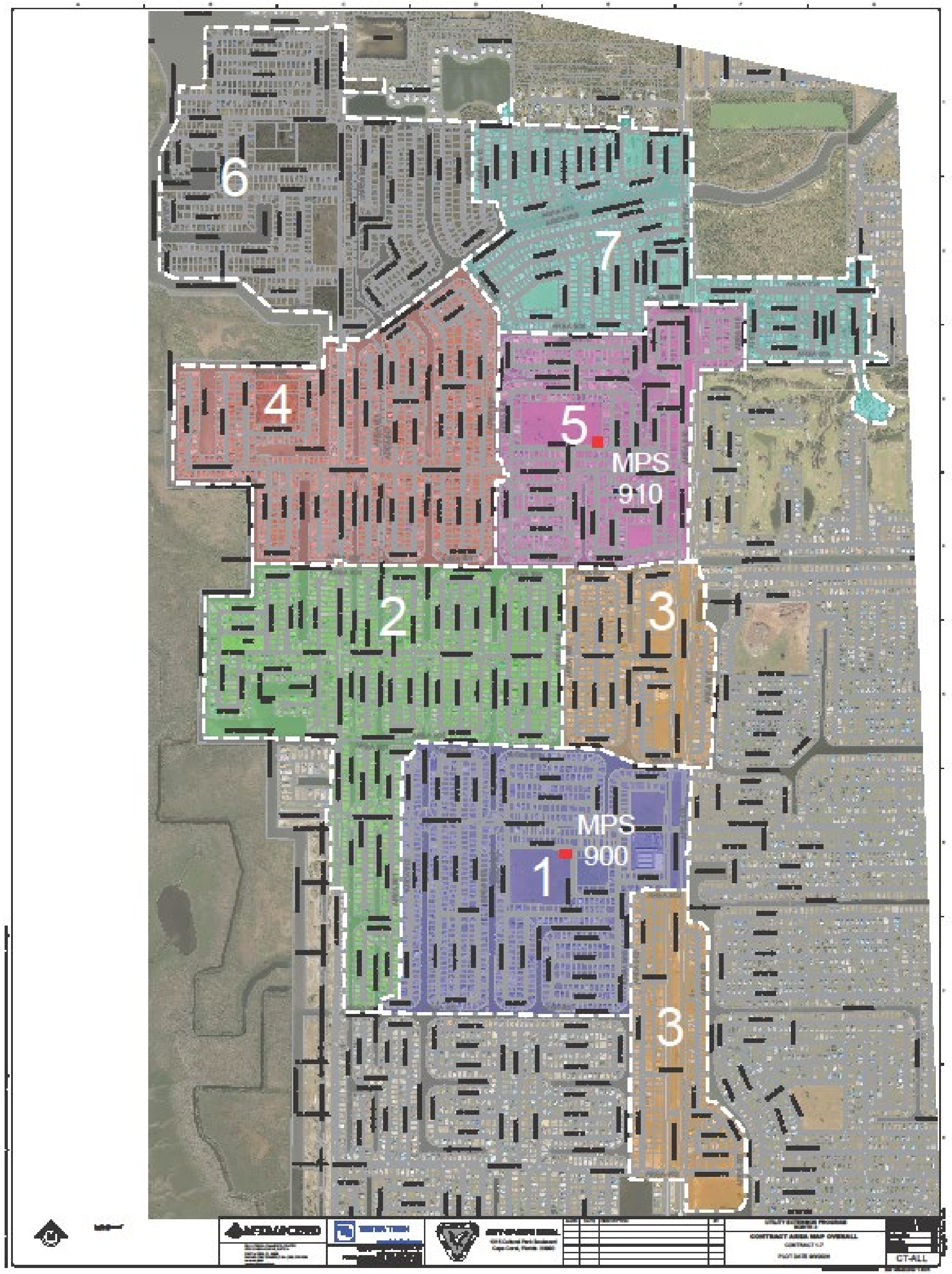
Next Phase - North 3 UEP

1. Adopts same assessment methodology as SW 6&7, North 2, North 1 West and East.
2. Two components:
   a. Line Extension Assessment (SF)
   b. Capital Facility Expansion Charge (CFEC)
3. Assessments paid in full or in annual installments on tax bill. If placed on annual installments, no prepayment penalty.
4. City finances cost of North 3 through bonds which is repaid over time by the assessments and water & sewer fees.

North 3 Project Area

Contracts Areas 1-7

Contract 8 – Master Pump Stations 900 and 910



North 3 Estimated Costs Utilities Construction Bids

Contract #	Road Miles	Apparent Low Bidder	Construction Bid Amount
1	9.2 (Tropicana Pkwy)	Andrew Sitework, LLC	$ 41,561,860.00
2	9.7 (Yucatan Pkwy)	Quality Enterprises USA, Inc.	$ 48,071,239.00
3	7.0 (Old Burnt Store Rd/Gulfstream Pkwy)	Guymann Construction of Florida, Inc.	$ 36,560,941.23
4	8.1 (Old Burnt Store Rd/Gulfstream Pkwy)	Guymann Construction of Florida, Inc.	$ 40,150,026.39
5	7.0 (Gulfstream Pkwy)	Mitchell & Stark Construction	$ 30,879,344.87
6	9.7 (Old Burnt Store Rd/Kismet Pkwy)	TBD	$ 59,221,103.89*
7	8.1 (Kismet Pkwy/Van Burean Pkwy W)	TBD	$ 54,441,065.78*
8 (MPS 900/910)	N/A	Southwest Utility Systems, Inc.	$16,902,485.62
	58.8	**TOTAL**	**$ 327,788,066.78**

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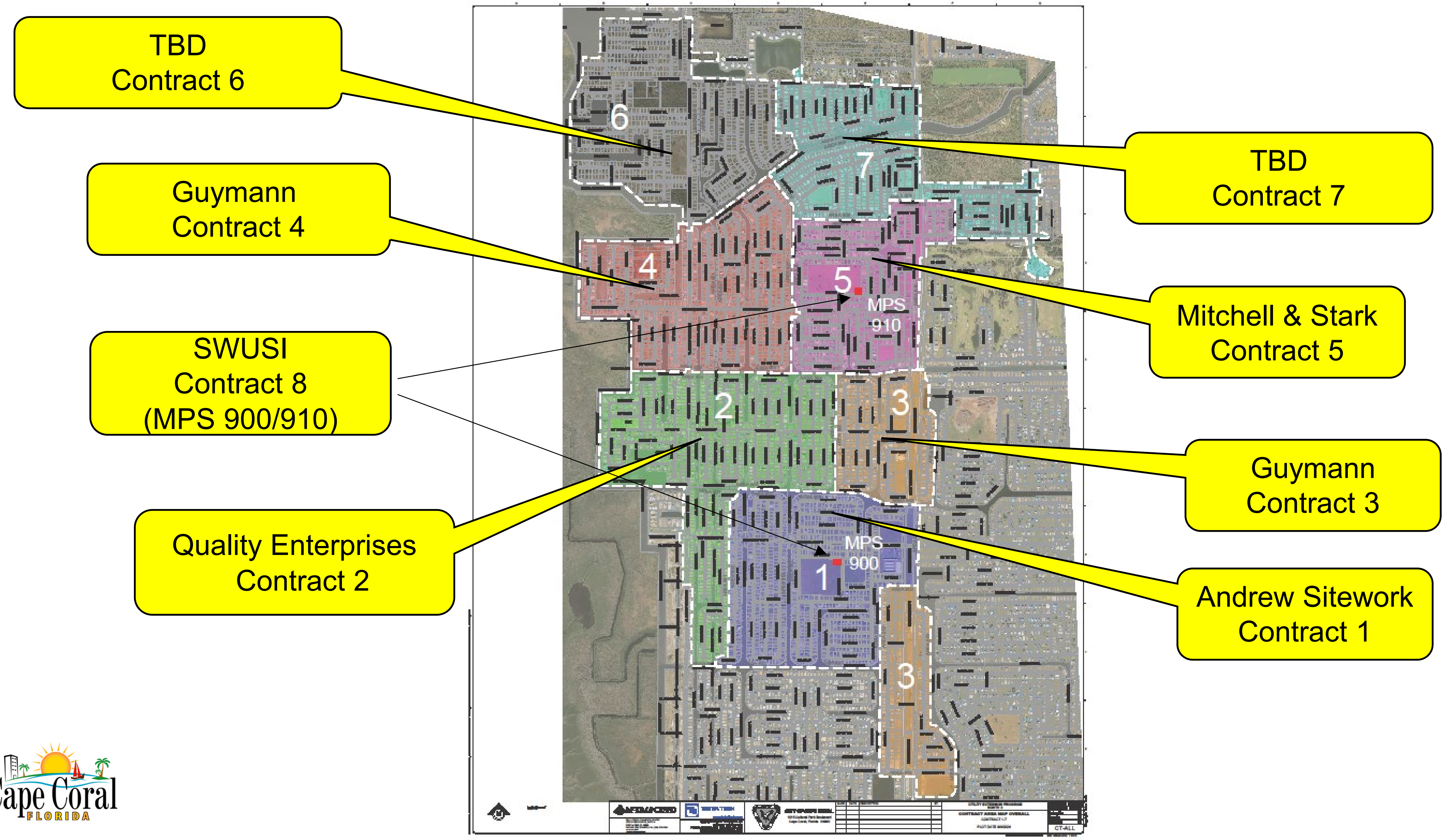
*Current engineering cost estimates, bids still active

North 3 Estimated Costs – UEP Contractors



North 3 Estimated Costs
Project Costs

$ 258.3 M – Utilities Construction

$ 30.1 M – Alternative 5 Road Improvements

$ 16.9 M – Facilities Construction (2 MPS)

<u>$ 22.5 M </u>– Storm Drains, Roads (Roundabouts), Fiber Optics

$ 327.8 M – Total Construction Cost

$ 17.1 M – Construction Contingency

$ 15.0 M – Construction Engineering and Inspection (Est.)

<u>$ 24.2 M </u>– Design, Survey, UEP Admin., etc.

$ 384.1 M – Total Project Cost

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North 3 Estimated Costs Utilities Construction Bids

$ 64.0 M – Water Utilities Construction

$ 141.4 M – Wastewater Utilities Construction

$ 69.7 M – Irrigation Utilities Construction

$ 18.5 M – Storm Drain Replacement

$ 3.4 M – Road Improvements

$ 30.1 M – Alternative 5 Road Improvements

$ 0.7 M – Fiber Optics/Existing Utilities

$ 327.8 M – Total Construction Cost

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North 3 Estimated Costs Funding Sources

$ 179.3 M – Line Extension Assessment (SF)

$ 142.5 M – Capital Facility Expansion Charge (CFEC)

$ 35.5 M – Alternative 5 Road Improvements

$ 4.5 M – Transportation

$ 21.6 M – Stormwater (Debt)

$ 0.7 M – Utilities Fees (Fiber Optics)

$ 384.1 M – Total Project Cost

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North 3 Assessments

1. Same methodology as Southwest 6&7, North 2, North 1 West and North 1 East

2. <u>Line Extension - Land Area (SF)</u> based on Equivalent Parcel (EP) method for water and irrigation distribution mains and wastewater collection mains.

3. <u>Capital Facility Expansion Charge (CFEC)</u> based on Equivalent Residential Unit (ERU) method for treatment and transmission.

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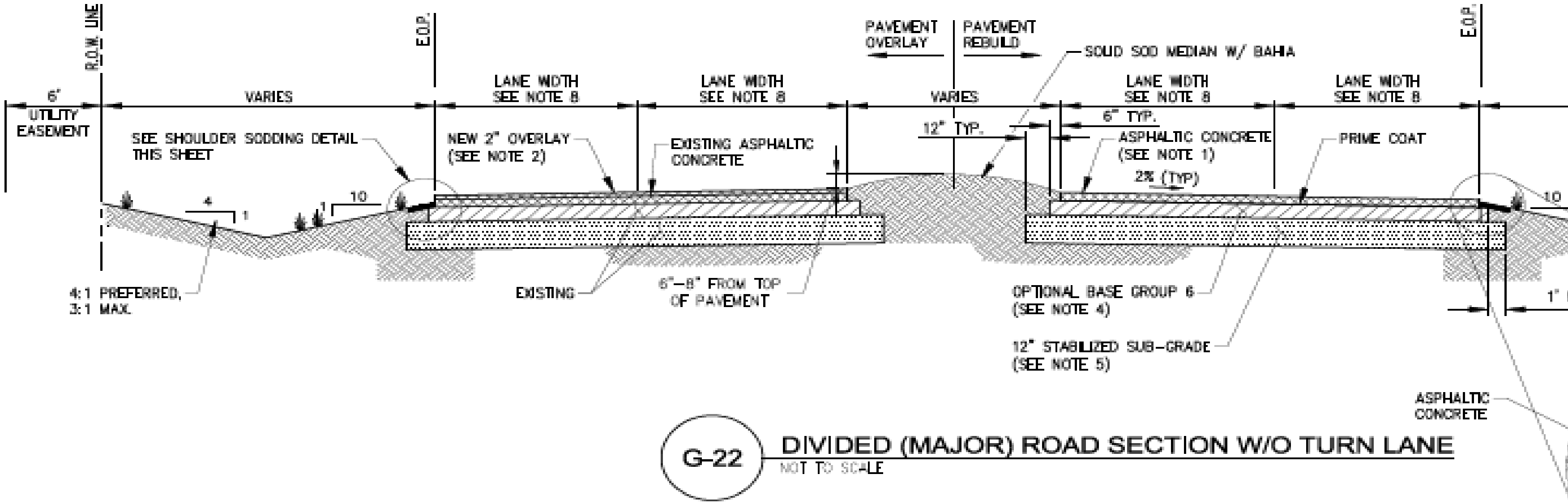
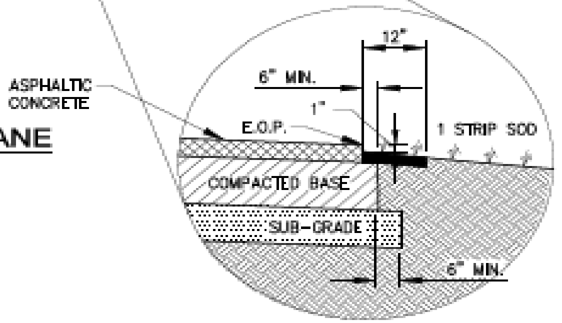
Alternative 5 Road Improvements

The City of Cape Coral is installing Alternative 5 for the applicable North 3 UEP major-road corridors instead of the typical major road section.

Based on requests from residents in the project area, Alternative 5 was presented to City Council for consideration. It differs from the standard UEP approach by allocating more space to roadway and drainage/greenway functions, rather than treating the corridor as an ordinary residential street, while providing enhances multi-modal facilities. Alternative 5 aligns with previous visioning plans for these corridors. Council approved Alternative 5 on December 3, 2025.

Alternative 5 Road Improvements





SHOULDER SODDING DETAIL

NOTES:

1. NEW ROADWAY SECTIONS TO BE CONSTRUCTED IN 2 LIFTS
   2ND LIFT (TOP LAYER) 1" FC9.5
   1ST LIFT 1 ½" SP12.5
2. EXISTING ROADWAY SECTIONS 2 INCH MILLING AND OVERLAY WITH SP9.5 ASPHALTC CONCRETE. SECOND LIFT AND OVERLAY TO BE APPLIED SIX MONTHS AFTER SUBSTANTIAL COMPLETION OR AS APPROVED BY THE CITY.
3. PROVIDE MINIMUM PAVEMENT SEAM OFFSET BETWEEN SUCCESSIVE LIFTS OF 12 INCHES.
4. MINIMUM 8 INCH BASE – OPTIONAL BASE GROUP 6 (LIMEROCK OR SHELLROCK ONLY) – MINIMUM LBR 100 COMPACTED TO 98% AASHTO T–180.
5. MINIMUM 12 INCHES SUB–GRADE – MINIMUM LBR 40 COMPACTED TO 98% AASHTO T–180.
6. COMPACTED BASE TO EXTEND 6 INCHES MINIMUM BEYOND EDGE OF PAVEMENT. SUB–GRADE TO EXTEND A MINIMUM OF 6 INCHES BEYOND THE BASE COURSE.
7. REMIX SUB–GRADE IN AREA OF ASPHALT REMOVAL.
8. FINISHED STRIPING SHALL PROVIDE TEN FOOT LANE WIDTHS (TYP), ELEVEN FOOT LANE WIDTHS IN THE LIMITS OF PROPOSED WIDENING.
9. PAVEMENT MARKINGS SHALL BE PROVIDED IN ACCORDANCE WITH FDOT INDEX 17346 AND 17347.

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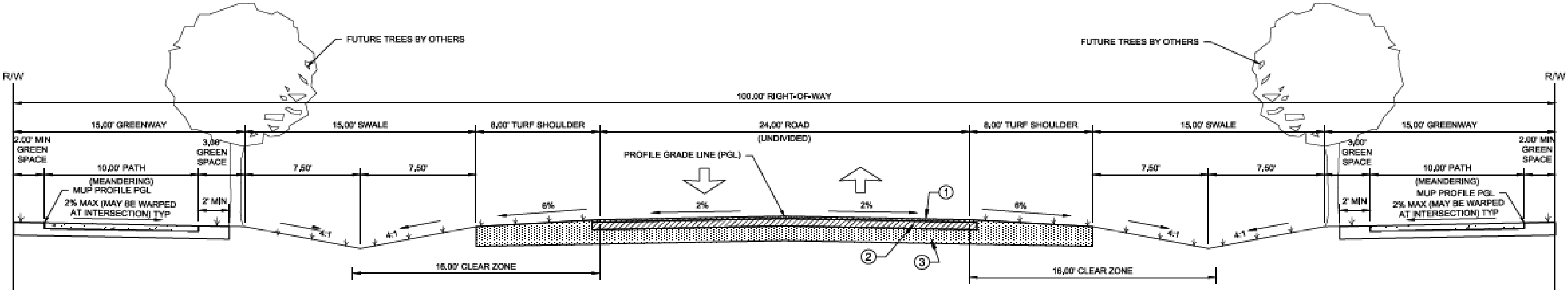
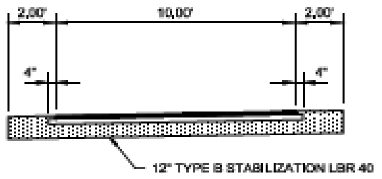
UEP Roadway Typical Section

Alternative 5 Road Improvements



NOTES:

1. PAVEMENT MARKINGS SHALL BE PROVIDED IN ACCORDANCE WITH SECTIONS 706-001 AND 711-001 OF THE FY 2024-25 FDOT STANDARD PLANS. TEMPORARY PAVEMENT MARKINGS SHALL BE PROVIDED AS NECESSARY.



MULTI-USE PATH

OPTIONAL BASE GROUP 1

TYPE SP STRUCTURAL COURSE (TRAFFIC B) (1 ½")

TYPICAL SECTION - GULFSTREAM PKWY

NOT TO SCALE

GULFSTREAM PARKWAY N - FROM WEST OF NW 38TH AVENUE
TO EAST OF BURNT STORE RD
POSTED SPEED = 35 MPH
DESIGN SPEED = 35 MPH
ROADWAY CLASSIFICATION = MAJOR COLLECTOR ROAD

KEY NOTES - PROPOSED PAVEMENT STRUCTURE:

1. 2ND LIFT: 1" TYPE FC-9.5 ASPHALTIC FRICTION COURSE
1ST LIFT: 1.5" TYPE SP-12.5 ASPHALTIC STRUCTURAL COURSE
2. MINIMUM 8" BASE, OPTIONAL BASE GROUP 6
MINIMUM LBR 100, COMPACTED TO 98% AASHTO T-180
3. MINIMUM 12" TYPE B STABILIZED SUBGRADE
MIN. LBR 40, COMPACTED TO 98% AASHTO T-180

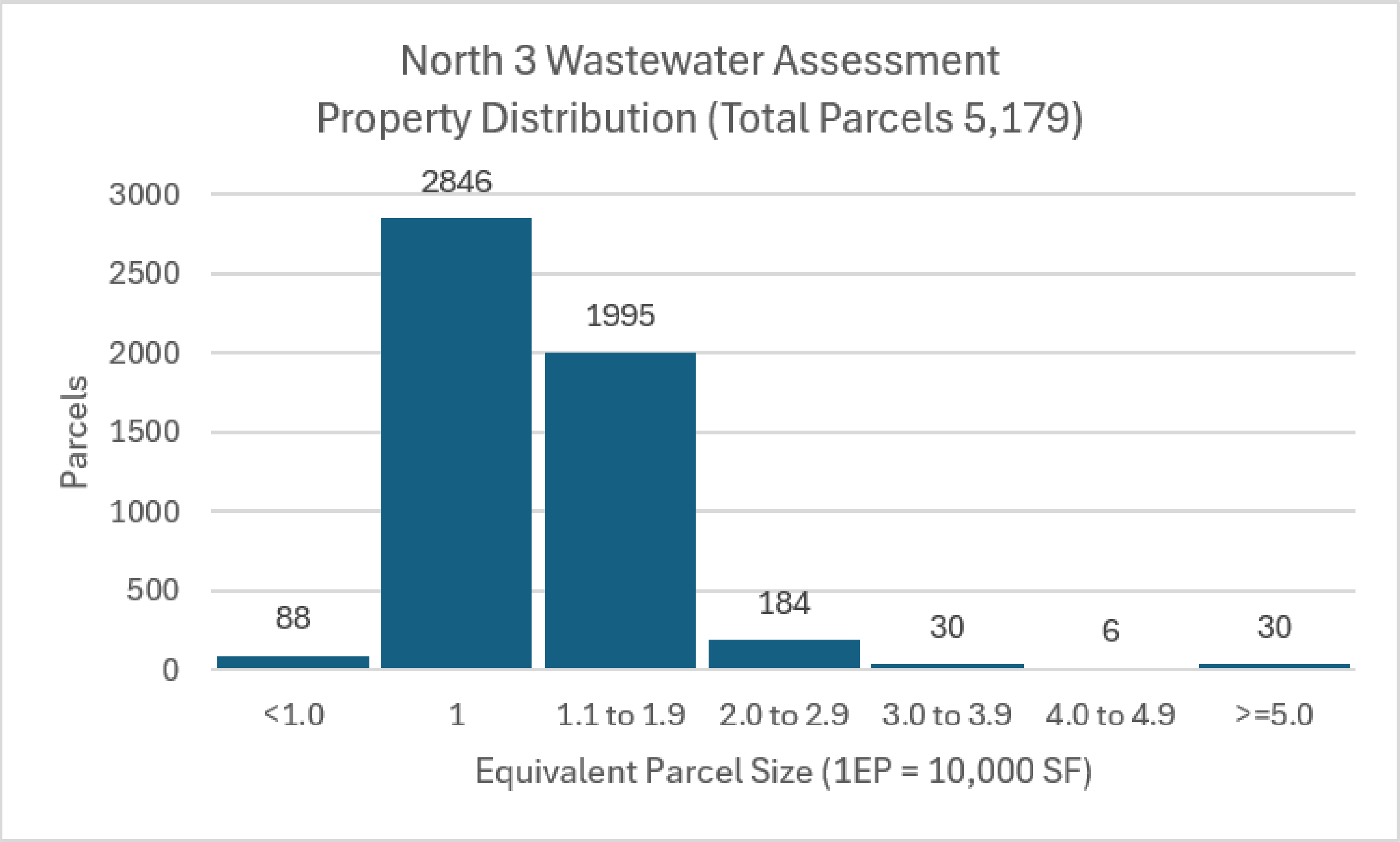
UEP Alternative 5 Roadway Typical Section

North 3 Assessments EP’s vs. Parcels

Equivalent Parcels (EP) (1 EP = 10,000 SF)	Estimated Water	Estimated Wastewater	Estimated Irrigation
Total EP’s	6,668.7	6,668.7	6,633.5

Parcels	Estimated Water	Estimated Wastewater	Estimated Irrigation
Total Parcels	5,179	5,179	5,180

North 3 Assessments - EP’s



Equivalent Parcel Size (1 EP = 10,000 SF)	Percent
<1.0	1.7 %
1.0	55.0 %
1.1 to 1.9	38.5%
2.0 to 2.9	3.5 %
3.0 to 3.9	0.6 %
4.0 to 4.9	0.1 %
>= 5.0	0.6 %
Totals	100 %

North 3 (East of BSR) Assessments Estimated Land Area (SF) and CFEC

Water and Irrigation Distribution and Wastewater Collection	Estimated Water	Estimated Wastewater	Estimated Irrigation	Estimated Total
Land Area Assessment Per 1 EP = 10,000 SF	$6,490	$14,316	$6,114	**$26,920**
Capital Facility Expansion Charge	**Estimated Water**	**Estimated Wastewater**	**Estimated Irrigation**	**Estimated Total**
System Demand Units Per 1 ERU (5/8" meter, receiving all three utilities)	$1,520	$4,188	$2,636	**$8,344**
Totals	$8,010	$18,504	$8,750	**$35,264**

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North 3 (West of BSR) Assessments Estimated Land Area (SF) and CFEC

Water and Irrigation Distribution and Wastewater Collection	Estimated Water	Estimated Wastewater and Road Improvements	Estimated Irrigation	Estimated Total
Land Area Assessment Per 1 EP = 10,000 SF	$6,490	$20,081	$6,114	**$32,685**

Capital Facility Expansion Charge	Estimated Water	Estimated Wastewater	Estimated Irrigation	Estimated Total
System Demand Units Per 1 ERU (5/8" meter, receiving all three utilities)	$1,520	$4,188	$2,636	**$8,344**
Totals	$8,010	$24,269	$8,750	**$41,029**

North 3 Cost Comparison

Average Single Family Initial Prepayment (Per EP)	North 3 (East of BSR)	North 3 (West of BSR)	North 1 East	North 1 West
Water Line	$6,490.00	$6,490.00	$8,221.00	$7,246.00
Wastewater Line	$14,316.00	$20,081.00*	$9,607.00	$13,330.00
Irrigation Line	$6,114.00	$6,114.00	$7,710.00	$6,041.00
Water CFEC	$1,520.00	$1,520.00	$1,106.00	$1,106.00
Wastewater CFEC	$4,188.00	$4,188.00	$3,390.00	$3,390.00
Irrigation CFEC	$2,636.00	$2,636.00	$2,254.00	$2,254.00
Total	**$35,264.00**	**$41,029.00**	**$32,288.00****	**$33,367.00**

*Includes Alternative 5 Roadway Improvements of $5,765.00

**Includes $14.5M in sewer grants; otherwise, assessment would have been $36,293.00

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Note: Grants pending award. Awarded funds to be allocated to assessments as received, which may result in potential assessment reduction.

Plumbers Connection Typical Costs

Description	Estimated Amount (1)
Average Plumbers Connection Costs	$3,000 – $5,000
Department of Health: Septic Abandonment Permit	$100
Water Meter Purchase and Install	$325
Account Deposit	$225

Note: 1. Based on one 5/8" water service.
2. Plumbers Connection to be completed by resident after Notice of Availability (NOA). Costs shown above to be paid directly by resident.

Licensed plumbing contractors must follow the Lee County DOH requirements for Septic System Abandonment .

North 3 Assessments - Exemptions Governmental Parcels

1. City Owned Property

   a. City pays the assessment from any legally available funds

2. County/State/Federal Owned Property

   a. City pays the assessment from any legally available funds
   Ex: County Schools, County Library, etc.

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North 3 Assessments – Exemptions Institutional Properties

Institutional Properties: State Department of Revenue Classification Codes 70-79

70-Vacant Institutional
71-Churches, Temples
72-Private Schools and Colleges
73-Privately Owned Hospitals
74-Homes for the Aged
75-Orphanages, Non-Profit
76-Mortuary, Cemetery, Crematorium
77-Clubs, Lodges, Union Halls
78-Sanitarium, Convalescent, & Rest Home
79-Cultural Org, Facilities

These properties provide services and facilities to their owners, occupants, members, and the general public that otherwise might be requested or required to be provided by the City and thus provide a partial Public Benefit.

North 3 Assessments – Exemptions Institutional Properties

1. The **<u>City will make an annual contribution for each Fiscal Year</u>** a parcel of Institutional Property remains (a) classified as Institutional Property and (b) current on its annual payment of Amortized Assessments.

2. The contribution amount is equal to the difference between the parcel's annual Amortized Assessment determined normally and the parcel's annual Amortized Assessment determined by assigning to each parcel the greater of **<u>two (2) Equivalent Parcels for every three (3) acres of Parcel Area,</u>** or one (1) Equivalent Parcel.

3. **<u>The parcel of Institutional Property will be removed from this annual assessment contribution program in the event a parcel</u>** classified as Institutional Property (I) fails to pay the annual Amortized Assessment and a tax certificate is issued against the real property, or (II) **<u>fails to maintain its status as an Institutional Property.</u>** In such an event, the Parcel Area shall be calculated normally.

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North 3 Assessments – Exemptions Irrigation Prohibited Connections

- Certain parcels are prohibited by the City Code from connecting until other adjacent properties are served by potable water.

- The SF Assessment attributed to such parcels shall be advanced by the City.

- When future connection is permitted, the funds advanced by the City shall be reimbursed.

North 3 Assessments - Exemptions Estimated Land Area (SF) City Pays

Exemption	Estimated Total Assessment Prepay	Estimated Amortized Annual Installment (30 Years)	Total Amortized Repayment (30 Years)
Governmental Parcels	$14,977,716.30	$1,539,206.00	$46,176,180.00
Institutional Properties	N/A*	$829.20	$24,876.00
Irrigation Prohibited Connections	$479,337.60	$49,548.80	$1,486,464.00
Totals	**$15,457,053.90**	**$1,589,584.00**	**$47,687,520.00**

*The City only contributes annually towards the line extension installment for properties that qualify as ‘Institutional’

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North 3 Financing – Payment Options

1. Initial Prepayment Period – 11/3/2026 through 3/31/2027

2. Interim Prepayment Period – 4/1/2027 through 7/31/2027

3. Amortized (Default Method) :
   a. Billed via the tax bill annually for 20, 25 or 30 years (default 30 years). (Payoff anytime without penalty)
   b. First billing to occur in November 2027

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North 3 (East of BSR) Financing – Initial Prepayment

Initial Prepayment 11/3/2026 thru 3/31/2027	Estimated Water	Estimated Wastewater	Estimated Irrigation	Estimated Total
Equivalent Parcel (1 EP = 10,000 SF)	$6,490	$14,316	$6,114	$26,920
CFEC (1 ERU)	$1,520	$4,188	$2,636	$8,344
Totals	**$8,010**	**$18,504**	**$8,750**	**$35,264**

North 3 (West of BSR) Financing – Initial Prepayment

Initial Prepayment 11/3/2026 thru 3/31/2027	Estimated Water	Estimated Wastewater and Road Improvements	Estimated Irrigation	Estimated Total
Equivalent Parcel (1 EP = 10,000 SF)	$6,490	$20,081	$6,114	$32,685
CFEC (1 ERU)	$1,520	$4,188	$2,636	$8,344
Totals	**$8,010**	**$24,269**	**$8,750**	**$41,029**

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North 3 (East of BSR) Financing – Interim Prepayment

Interim Prepayment 4/1/2027 thru 7/31/2027	Estimated Water	Estimated Wastewater	Estimated Irrigation	Estimated Total
Equivalent Parcel (1 EP = 10,000 SF)	$6,540	$14,425	$6,161	$27,126
CFEC (1 ERU)	$1,534	$4,224	$2,659	$8,417
Totals	**$8,074**	**$18,649**	**$8,820**	**$35,543**

North 3 (West of BSR) Financing – Interim Prepayment

Interim Prepayment 4/1/2027 thru 7/31/2027	Estimated Water	Estimated Watewater and Road Improvements	Estimated Irrigation	Estimated Total
Equivalent Parcel (1 EP = 10,000 SF)	$6,540	$20,233	$6,161	$32,934
CFEC (1 ERU)	$1,534	$4,224	$2,659	$8,417
Totals	**$8,074**	**$24,457**	**$8,820**	**$41,351**

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North 3 (East of BSR) Financing – Maximum Annual Payments 20 Year Term

Assessment Amount After 7/31/2027	Estimated Water	Estimated Wastewater	Estimated Irrigation	Estimated Total
Equivalent Parcel (1 EP = 10,000 SF)	$783	$1,713	$739	$3,235
CFEC (1 ERU)	$194	$511	$326	$1,031
Totals	**$977**	**$2,224**	**$1,065**	**$4,266**

***Annual payment includes principal, interest, collection costs and statutory discount recovery costs.**

1. A Hardship Program is available based on income qualification and must qualify annually.

North 3 (West of BSR) Financing – Maximum Annual Payments 20 Year Term

Assessment Amount After 7/31/2027	Estimated Water	Estimated Wastewater and Road Improvements	Estimated Irrigation	Estimated Total
Equivalent Parcel (1 EP = 10,000 SF)	$783	$2,410	$739	$3,932
CFEC (1 ERU)	$194	$511	$326	$1,031
Totals	**$977**	**$2,921**	**$1,065**	**$4,963**

***Annual payment includes principal, interest, collection costs and statutory discount recovery costs.**

1. A Hardship Program is available based on income qualification and must qualify annually.

North 3 (East of BSR) Financing – Maximum Annual Payments 25 Year Term

Assessment Amount After 7/31/2027	Estimated Water	Estimated Wastewater	Estimated Irrigation	Estimated Total
Equivalent Parcel (1 EP = 10,000 SF)	$715	$1,562	$675	$2,952
CFEC (1 ERU)	$178	$467	$298	$943
Totals	**$893**	**$2,029**	**$973**	**$3,895**

***Annual payment includes principal, interest, collection costs and statutory discount recovery costs.**

1. A Hardship Program is available based on income qualification and must qualify annually.

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North 3 (West of BSR) Financing – Maximum Annual Payments 25 Year Term

Assessment Amount After 7/31/2027	Estimated Water	Estimated Wastewater and Road Improvements	Estimated Irrigation	Estimated Total
Equivalent Parcel (1 EP = 10,000 SF)	$715	$2,199	$675	$3,589
CFEC (1 ERU)	$178	$467	$298	$943
Totals	**$893**	**$2,666**	**$973**	**$4,532**

***Annual payment includes principal, interest, collection costs and statutory discount recovery costs.**

1. A Hardship Program is available based on income qualification and must qualify annually.

North 3 (East of BSR) Financing – Maximum Annual Payments 30 Year Term (Default)

Assessment Amount After 7/31/2026	Estimated Water	Estimated Wastewater	Estimated Irrigation	Estimated Total
Equivalent Parcel (1 EP = 10,000 SF)	$670	$1,462	$632	$2,764
CFEC (1 ERU)	$167	$437	$280	$884
Totals	**$837**	**$1,899**	**$912**	**$3,648**

***Annual payment includes principal, interest, collection costs and statutory discount recovery costs.**

1. A Hardship Program is available based on income qualification and must qualify annually.

North 3 (West of BSR) Financing – Maximum Annual Payments 30 Year Term (Default)

Assessment Amount After 7/31/2026	Estimated Water	Estimated Wastewater and Road Improvements	Estimated Irrigation	Estimated Total
Equivalent Parcel (1 EP = 10,000 SF)	$670	$2,058	$632	$3,360
CFEC (1 ERU)	$167	$437	$280	$884
Totals	**$837**	**$2,495**	**$912**	**$4,244**

***Annual payment includes principal, interest, collection costs and statutory discount recovery costs.**

1. A Hardship Program is available based on income qualification and must qualify annually.

North 3 (East of BSR) Financing – Maximum Annual Payments Comparison

Estimated Annual Installment Amounts - All 3 Utilities	20 Year Annual Amount *	25 Year Annual Amount *	30 Year Annual Amount
EP Interest Rate: 6.25%	$3,235	$2,952	$2,764
CFEC Interest Rate: 6.25%	$1,031	$943	$884
Totals	**$4,266**	**$3,895**	**$3,648**

***Annual payment includes principal, interest, collection costs and statutory discount recovery costs.**

1. A Hardship Program is available based on income qualification and must qualify annually.

North 3 (West of BSR) Financing – Maximum Annual Payments Comparison

Estimated Annual Installment Amounts - All 3 Utilities	20 Year Annual Amount *	25 Year Annual Amount *	30 Year Annual Amount
EP Interest Rate: 6.25%	$3,932	$3,589	$3,360
CFEC Interest Rate: 6.25%	$1,031	$943	$884
Totals	**$4,963**	**$4,532**	**$4,244**

***Annual payment includes principal, interest, collection costs and statutory discount recovery costs.**

1. A Hardship Program is available based on income qualification and must qualify annually.

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North 3 Financing – Hardship Program

1. Method of deferral of annual payments
   Applicable to the amortized method only

2. Based upon income qualification

3. Must qualify annually

North 3 Financing – CDBG

Community Development Block Grant (CDBG)

Grants for very low-income families to connect from meter to the home, septic abandonment fee, and the water meter fee.

a. The household must be income qualified

b. The property must be owner occupied

c. The property must be homesteaded

d. The homeowner must be current on monthly mortgage payments

Next Steps

1. October 19, 2026 - Homeowner’s Informational Meeting

2. November 2, 2026
    a. Public Hearing for Final Assessment Resolutions and Assessment Rolls
    b. Resolution to Approve Construction Contracts
    c. Resolution to Approve Construction Engineering & Inspection Contract

1. December 2026 – Notice to Proceed for Construction

Thank you