

City of Pompano Beach UTILITIES ADMINISTRATION

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MEMORANDUM NO. 16-50

DATE:

August 30, 2016

TO:

Mayor and City Commission

Via:

Dennis W. Beach, City Manager

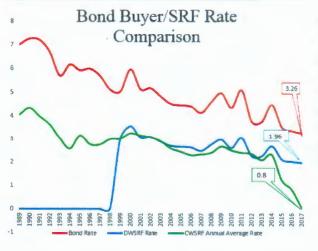
FROM:

A. Randolph Brown, Utilities Director

SUBJECT: State Revolving Loan Fund (SRF) for Avondale Stormwater Project

Based on the City's Stormwater Master Plan, the Avondale Neighborhood was identified as priority drainage basin in need of stormwater system improvements based on the historical flooding problems observed by City staff, the flooding complaints received from residents, and the results from the existing conditions stormwater model. The Avondale Neighborhood is bound by I-95 to the west, SW 3rd Street to the south, Dixie Highway to the east and Atlantic Boulevard to the north. The Avondale Neighborhood typically experiences significant flooding throughout the area during heavy rainfall events. Based on the results of the existing conditions stormwater model along with the observations by City staff, the flooding problem area is centered on SW 4th Avenue along with the adjacent intersecting roadways where most of the critical flooding occurs.

In 2014, the Commission passed a 10 year stormwater rate schedule that increases each year to cover the expenses of the projects from the stormwater masterplan. The rates were set on preliminary cost estimates for the projects in the plan, with the objective of obtaining external financing to complete the construction phase of each project proposed in the master plan. We have selected the State Revolving Loan Fund (SRF) as the most cost effective external financing tool available to complete the project in the near term. The SRF is a fund administered by the Florida Department of Environment Protection for the purpose of providing low-interest loans for investments in water and sanitation infrastructure (e.g., sewage treatment, stormwater management facilities, drinking water treatment), as well as for the implementation of nonpoint source pollution control and estuary protection projects. SRF receives its initial capital from federal grants and state contributions. It then "revolves" through the repayment of principal and the payment of interest on outstanding loans. As you can see from the chart the SRF rates are historically 60% less than the 20 GO Bond indexed rate.



The Avondale project is expect to cost \$3,465,528 and will be financed over the maximum SRF term of 20 Years. The anticipated interest rate of 2.13% (based on 3 year average of the 20 GO Bond index * 60%) show the Maximum Estimated Annual Debt Service to be \$218,669 and the total Interest over life of loan of \$816,741. The construction period will be 9 months. One community outreach meeting was held earlier this year. Another will be held once the contractor is on board for the project.