

DATE: April 25, 2017

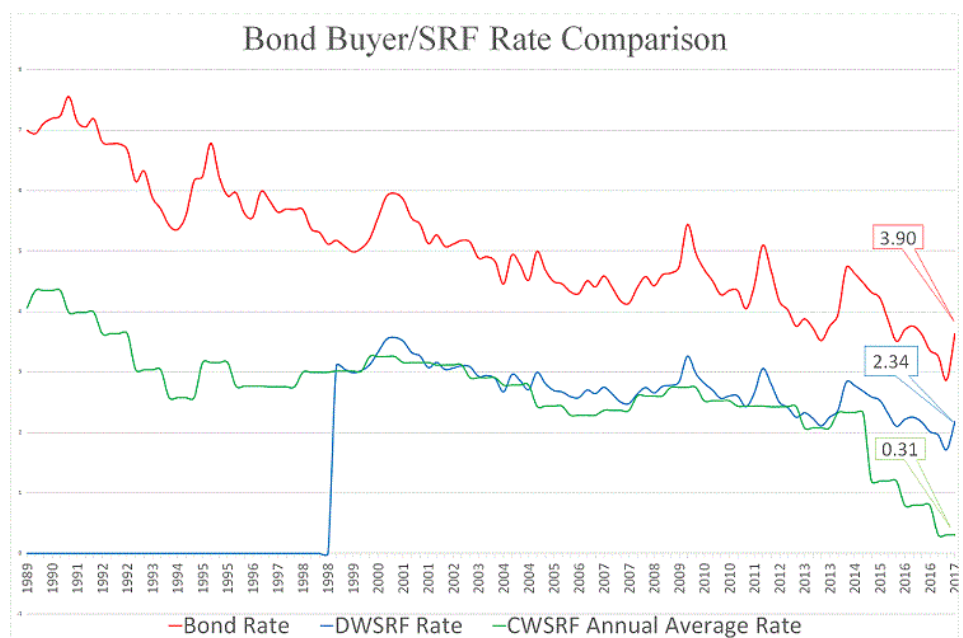
TO: A. Randolph Brown, Utilities Director

FROM: Alessandra Delfico, PE CFM

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

Based on the City's Stormwater Master Plan, the Esquire Lake 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 project was ranked number five of the twenty-five projects identified. The Esquire Lake Neighborhood is bound by NW 6th Street to the south, NW 27th Avenue to the west, Powerline Road to the east and Martin Luther King Boulevard to the north. The Esquire Lake 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 more concentrated in the northern half of the project instead of the southern half.

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





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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 Clean Water State Revolving Fund (CWSRF) average annual interest rate is rate is .31% for 2017. It is determined by using the Bond Buyer 20-Bond GO Index average market rate as a starting point and the CWSRF program provides a subsidy which allows the City to pay a significant lower interest rate. There is however a 2% loan servicing fee which would be \$64,606 based on the amount we are expected to finance.

The Esquire Lake project is expect to cost \$ 3,230,287 and will be financed over the maximum SRF term of 20 Years. The construction period will be 9 months. One community outreach meeting was held in September of 2015. Another will be held once the contractor is on board for the project.