

Fort Lauderdale, FL

Stormwater Rate Study

Fee Work Session

December 2, 2019

# Core Elements of the Study



## Revenue Requirements

- Operations & Maintenance
- Renewal and Replacement
- Master Plan CIP

## Cost Allocation

- Units of Service
- Effective Imp. Area
- Trip Generation

## Fee Structure

- Identify Structures
- Customer Impacts

## Method of Billing

- Utility Bill
- Tax Assessment

# Project Timeline

2016

- Stormwater fee study analysis completed, and initial results presented.
- Trip generation and fee zones introduced as potential fee structures.

2017

- Refined version of fees presented to City Commission, which considered a hybrid approach between trip generation and the current structure.
- **City of Fort Lauderdale Infrastructure Task Force Committee**- Recommended the City Commission consider adopting a new stormwater rate methodology based upon the trip generation cost apportionment and to consider using the bond validation process immediately thereafter to validate the methodology.

2018

- **Budget Advisory Board**-Recommended that the City Commission change the methodology used for stormwater charges from using impervious surface to a trip generation model.
- City Commission provided direction to investigate hybrid structure further.
- Significant challenges arose regarding the ability to charge an updated fee using current billing data.

2019

Revenue Requirements

# Near Term Needs of the Stormwater Utility

The Utility delivers service through three key areas:

- Operations and Maintenance (O&M) **\$11.5M** — **Funded**
- Renewal and Replacement Capital Projects **\$4M** — **Funded**
- Phase 1 Master Plan Capital Projects **\$200M** — **Unfunded**
  - *Edgewood*
  - *River Oak*
  - *Dorsey Riverbend*
  - *Durrs Area*
  - *Progresso*
  - *Victoria Park*
  - *Southeast Isles*

**Goal:** Ensure the Stormwater Utility has the resources needed to invest in and maintain the stormwater system that protects the City.

# Diagnostic Scenario

FAMS-XL

FT. LAUDERDALE STORMWATER



CALC SAVE CTRL LAST OVR

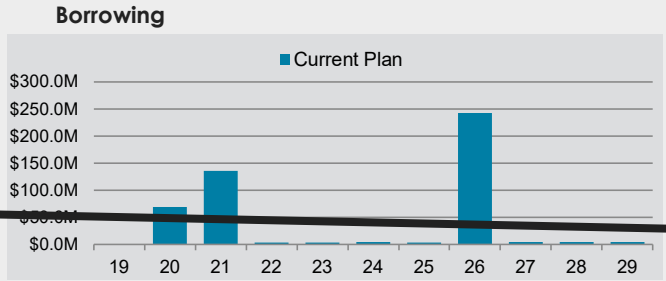
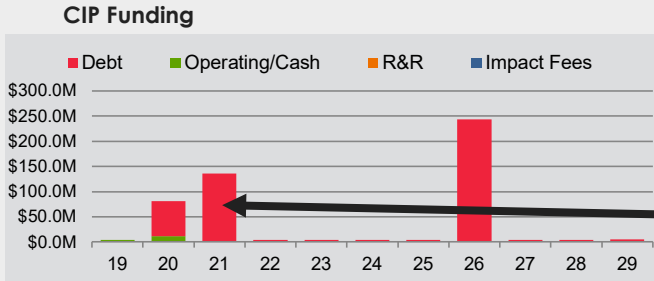
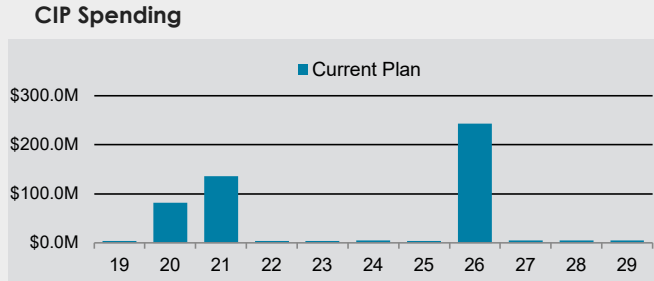
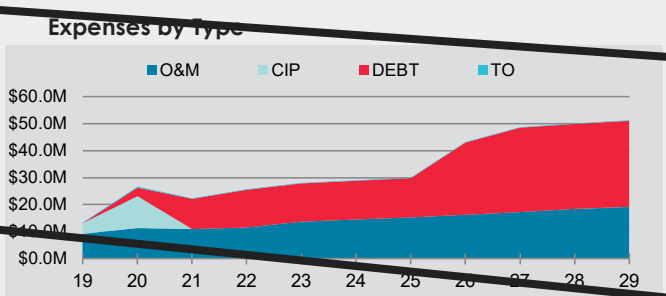
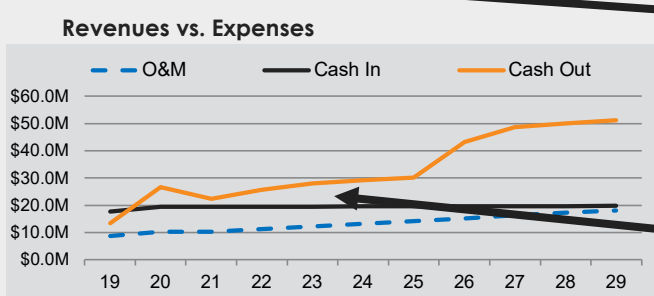
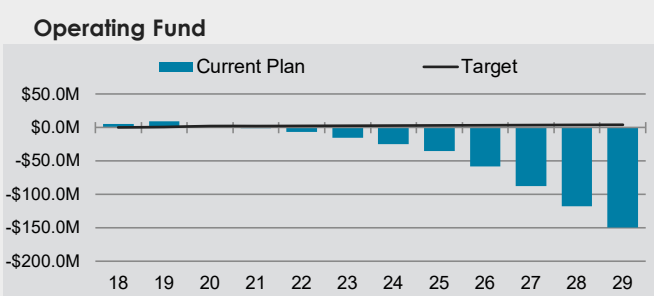
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2023	FY 2028
Stormwater Revenue Plan	0.00%	16.67%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	16.67%	16.67%
Senior-Lien DSC	0.00	2.86	0.82	0.60	0.52	0.44	0.37	0.17	0.11	0.07	0.05		

Current Revenue Level

Impaired Coverage

Deficit Spending

Debt Financing



# Required Revenue Adjustments

FAMS-XL

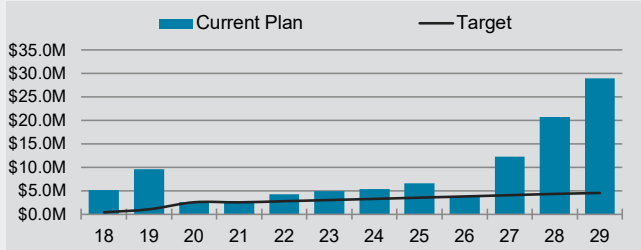
FT. LAUDERDALE STORMWATER



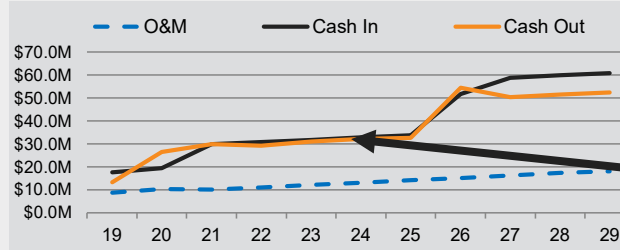
CALC SAVE CTRL LAST OVR

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2023	FY 2028
Stormwater Revenue Plan	0.00%	16.67%	54.00%	3.02%	2.91%	2.87%	2.79%	53.01%	37.68%	3.02%	1.83%	90.49%	345.12%
Senior-Lien DSC	0.00	2.86	1.82	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	Scenario Manager	

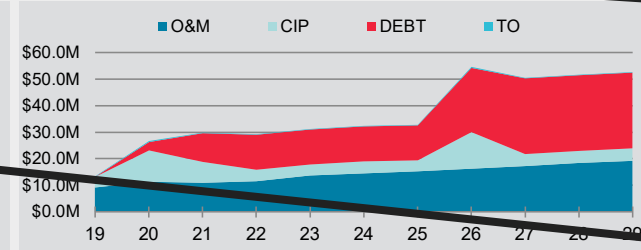
Operating Fund



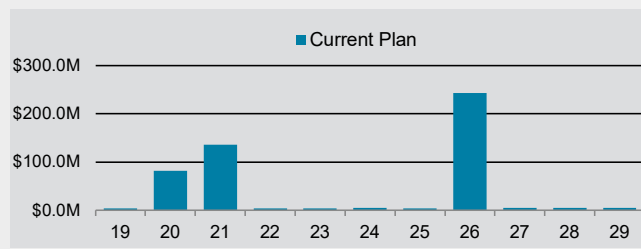
Revenues vs. Expenses



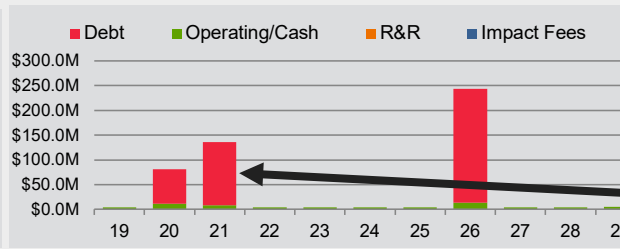
Expenses by Type



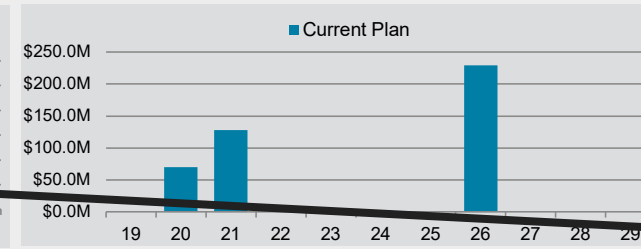
CIP Spending



CIP Funding



Borrowing



54% More Revenue Required

Proper Coverage

Balanced Cash Flow

Debt Financing

Cost Allocation



# Options for Stormwater Cost Allocations

Recovery Basis

## Method for Measured Units on Parcel

Taxable Value

Dwelling Units

Gross Area

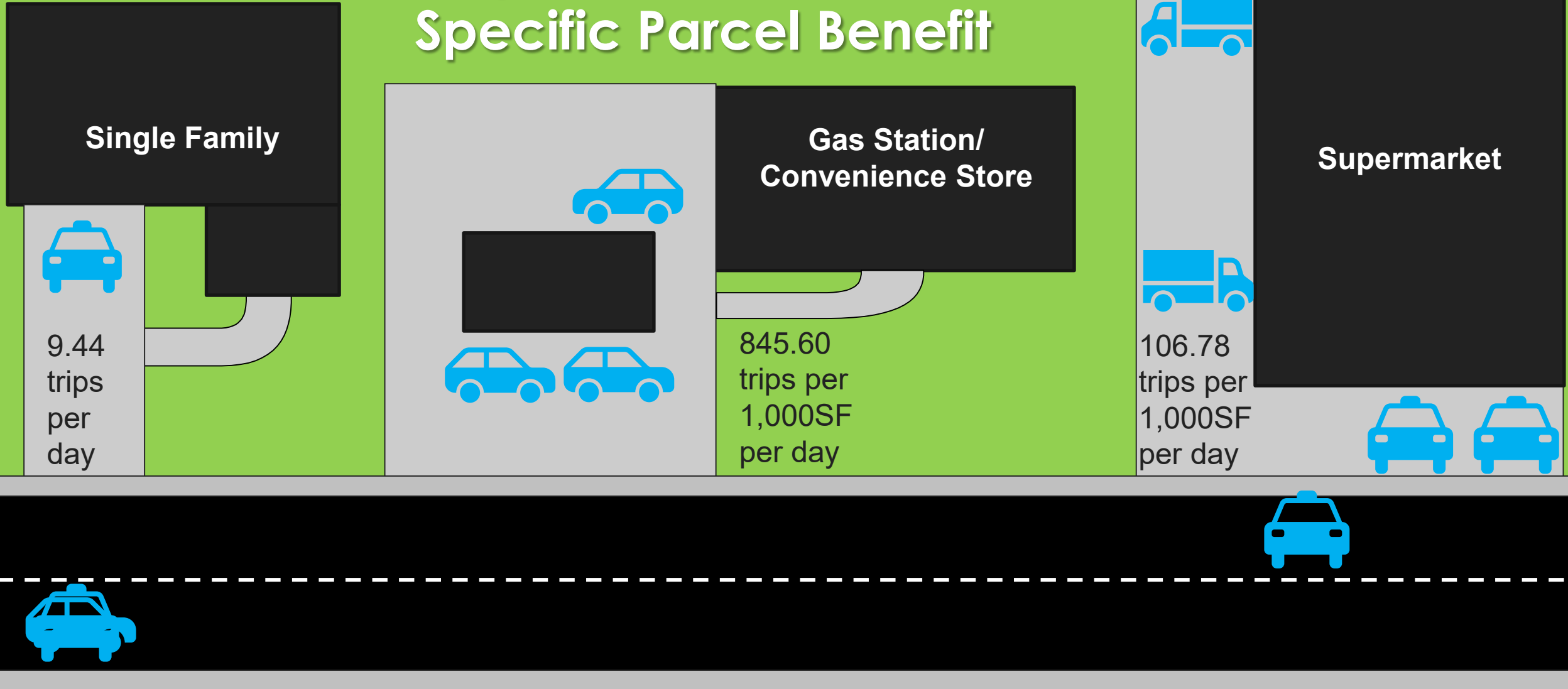
Pervious Area

Impervious Area

Trip Generation



# ITE Trip Generation Rates & Specific Parcel Benefit

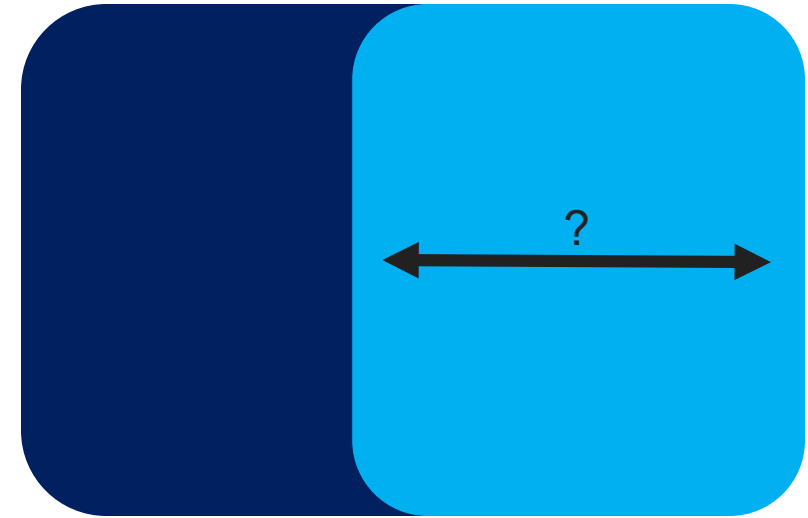


# The Hybrid Model

Current Fee Structure (Effective Impervious)

Trip Generation

Revenue Requirement Split



Objective and Metric Based Split

**Key Requirements:**

- Updated Billing Units
- Creation of New Billing File
- Defensible Spilt of Cost
  - Quality vs. Quantity

Cost of Service Analysis

Quality

Quantity

# Cost Allocation

Recovery Basis

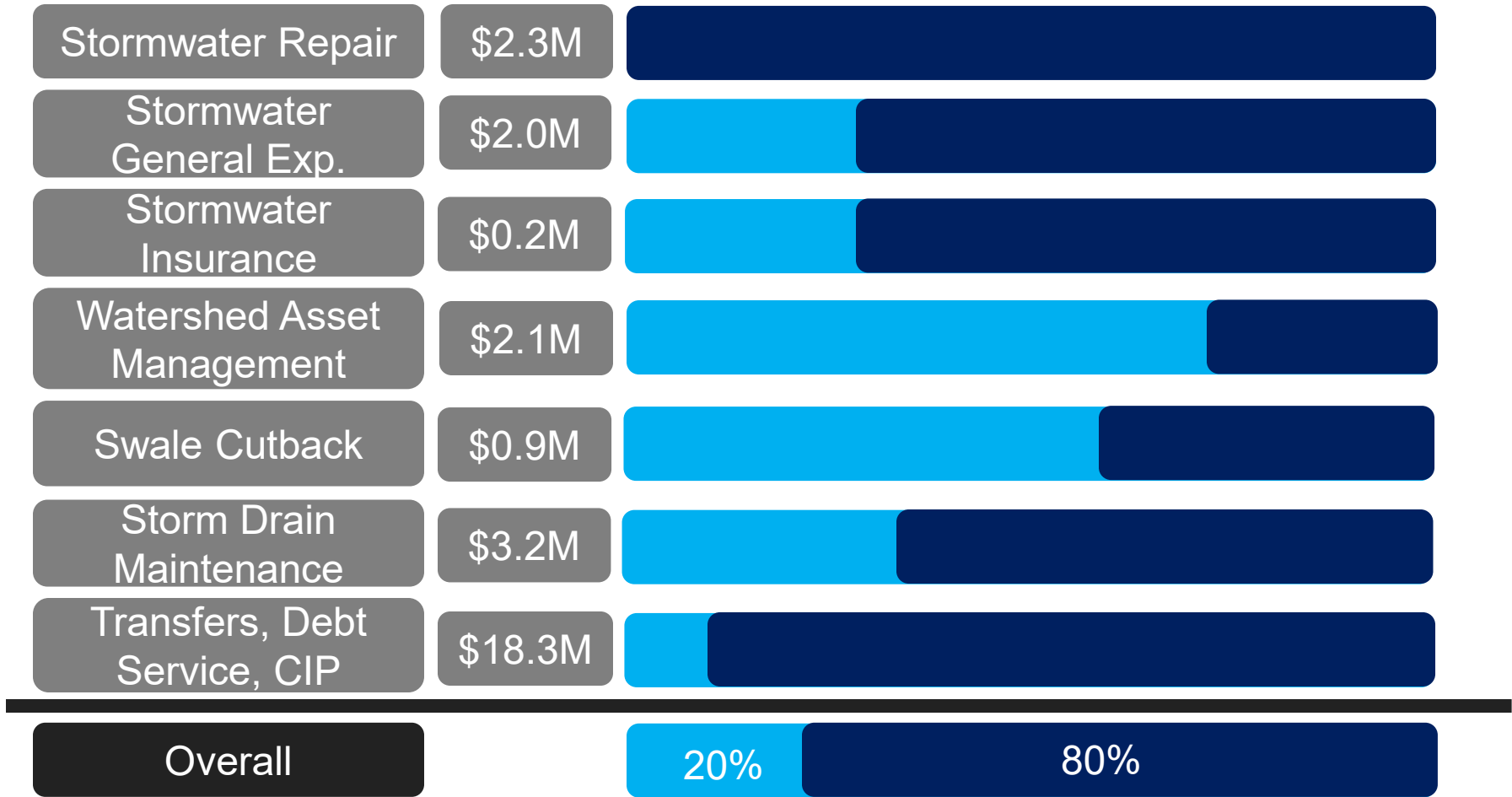
FY 2021 Expenses \$29M

Trips

Current Structure

Quality

Quantity



Fee Structure

Updated Fees

Revenue Requirement FY 21 \$31.3M

Current Structure \$25.1M

Single Family

Dwelling Units

\$219.01

Improved

Acre

\$2,276.11

Vacant

Acre

\$567.77

Trip Structure \$6.2M

\$4.17 Per Trip



Trip Generation Per Parcel

63 Trip Generation Types

Trips

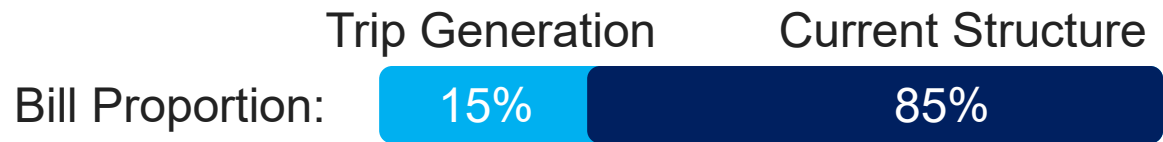
Current

Unique Bill By Parcel

### Single Family Home (1 Dwelling Unit)

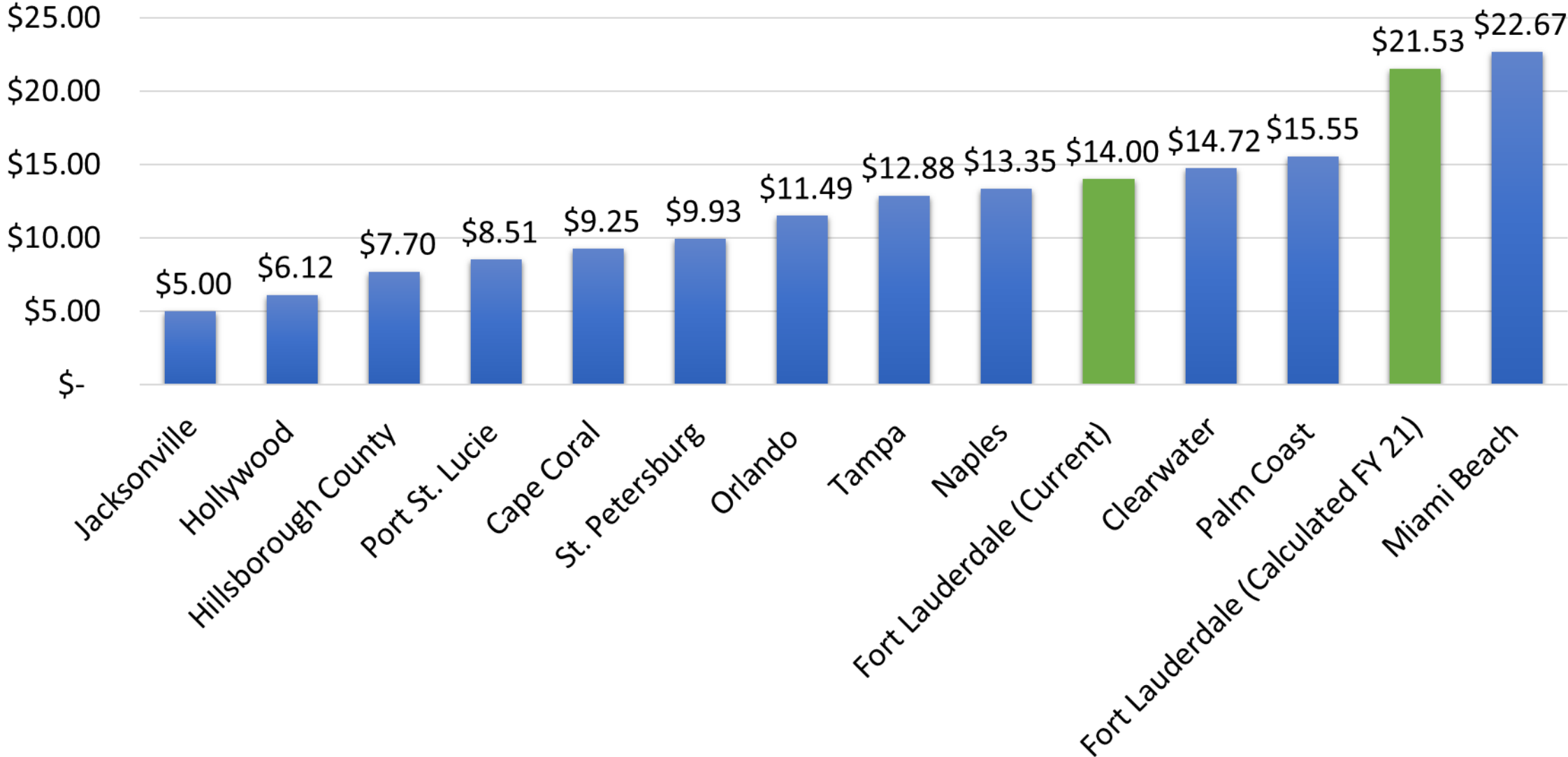


	Annual	Monthly
Current:	\$168.00	\$14.00
Calculated:	\$258.37	\$21.53
Change:	\$90.37	\$7.53



# Single Family Fee Survey

Updated Fees





### Condo Example (Dwelling Unit)



**110 Units**

**Current:**

\$42.55

\$3.55

**Calculated:**

\$75.75

\$6.31

**Change:**

\$33.20

\$2.76

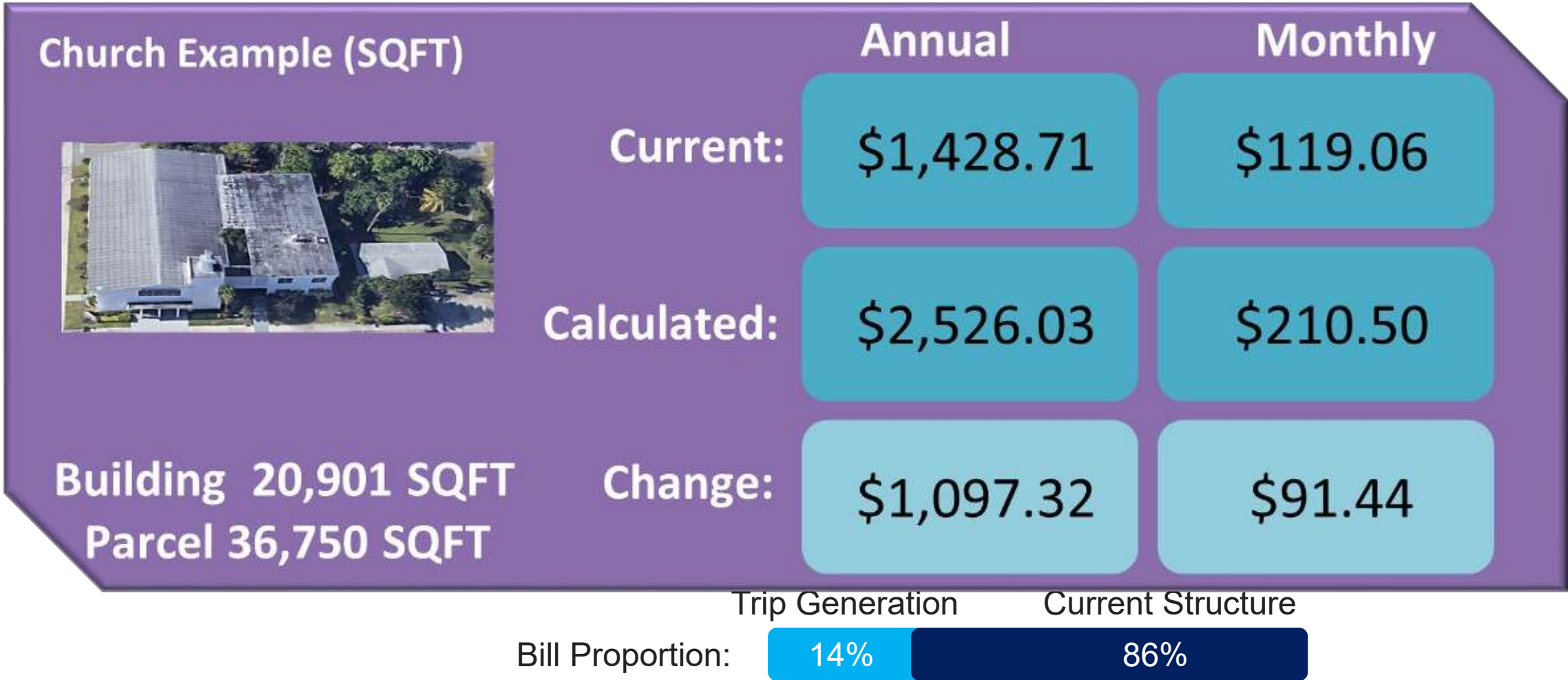
Trip Generation

Current Structure

Bill Proportion:

14%

86%

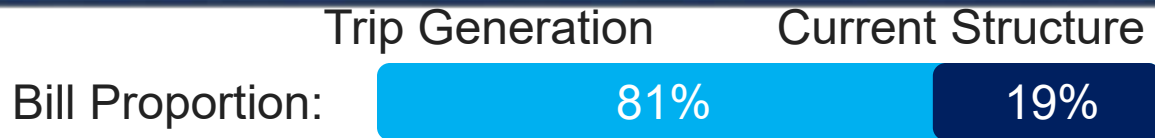


### Commercial Example (SQFT)



**Building 120,158 SQFT**  
**Parcel 82,526 SQFT**

	Annual	Monthly
<b>Current:</b>	\$3,208.30	\$267.36
<b>Calculated:</b>	\$22,503.23	\$1,875.27
<b>Change:</b>	\$19,294.94	\$1,607.91



## Steps to Finalize Fees

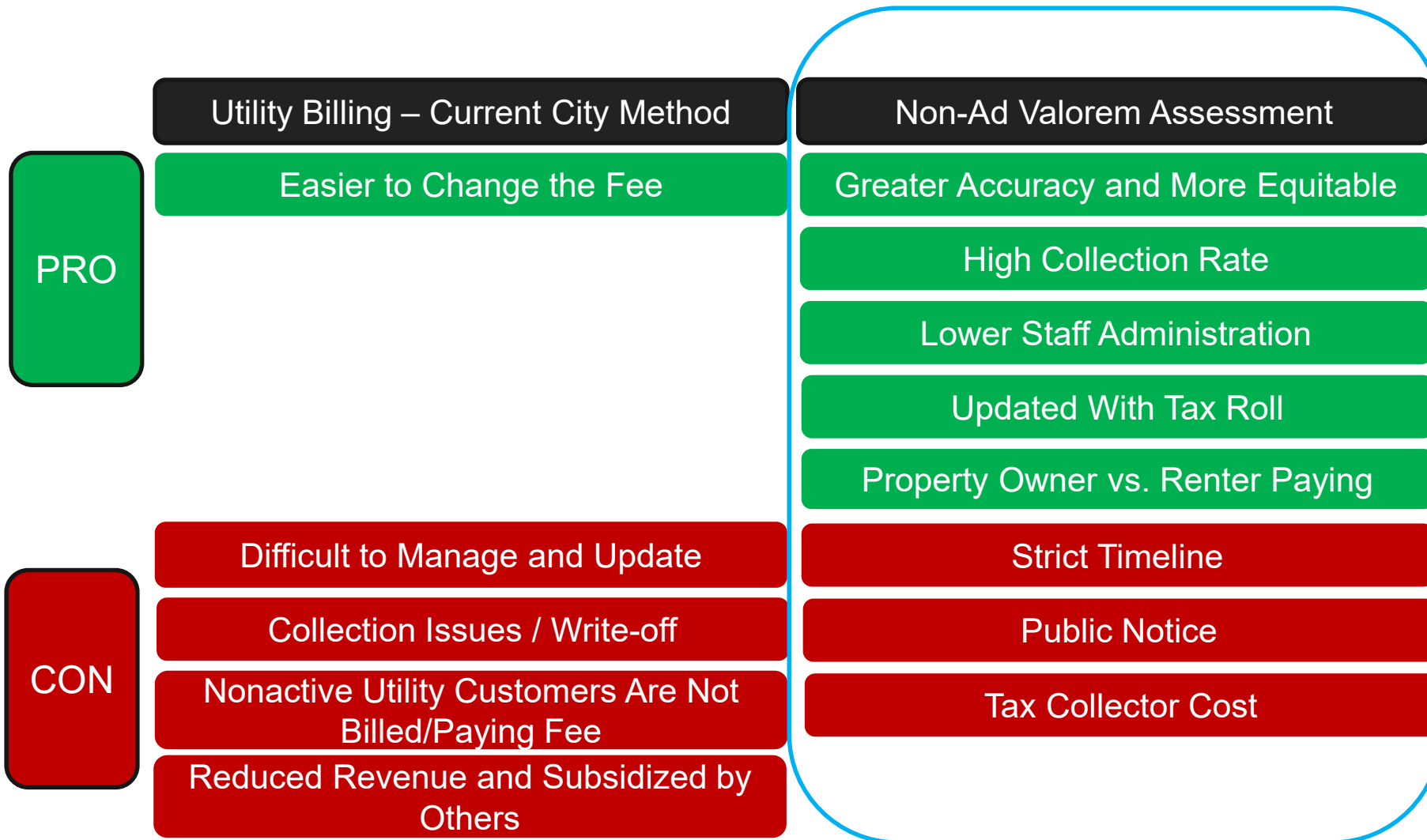
- Finalization of the plan of finance
  - Coverage target
  - Exact debt service for the \$200M
- Updated tax roll for FY 2021
  - Land uses
  - Parcel Specific Billing Units

Method of Billing

# Stormwater Revenue Collection Method

Method of Collection

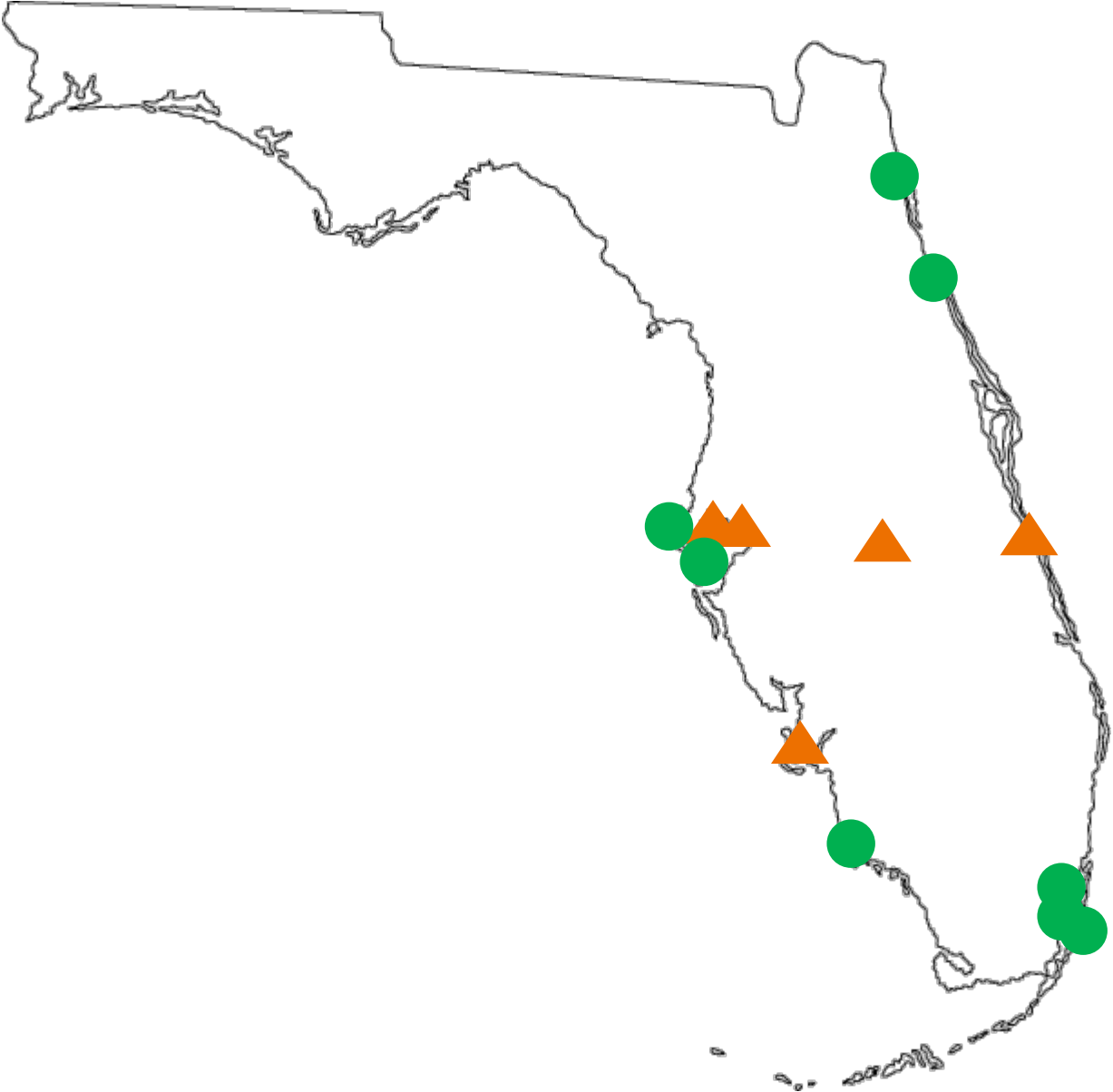
Recommended



# Comparable Municipal Survey

Method of Collection

Utility	Assessment ▲	Utility Bill ●
Fort Lauderdale		X
Tampa	X	
St. Petersburg		X
Miami Beach		X
Palm Coast		X
City of Jacksonville		X
Hollywood		X
Cape Coral	X	
Hillsborough County	X	
Port St. Lucie	X	
Orlando	X	
Clearwater		X
Naples		X





Additional Questions/Discussion



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