



CITY OF FORT LAUDERDALE
City Commission Agenda Memo
REGULAR MEETING

#23-0597

TO: Honorable Mayor & Members of the
Fort Lauderdale City Commission

FROM: Greg Chavarria, City Manager

DATE: September 19, 2023

TITLE: Resolution Approving and Authorizing the Execution of the Water and Infrastructure Finance and Innovation Act (WIFIA) Loan Agreement with the United States Environmental Protection Agency (EPA) for Stormwater Improvement Projects in Seven City Neighborhoods: River Oaks, Dorsey Riverbend, Durrs, Progresso Village, Victoria Park, Melrose Manors, and Southeast Isles - (**Commission Districts 1, 2, 3 and 4**)

Recommendation

Staff recommends that the City Commission adopt a Resolution approving and authorizing the execution of the Water and Infrastructure Finance and Innovation Act (WIFIA) Loan Agreement with the United States Environmental Protection Agency (EPA) to finance a portion of the cost of construction of stormwater improvements in seven (7) City neighborhoods: River Oaks, Dorsey Riverbend, Durrs, Progresso Village, Victoria Park, Melrose Manors, and Southeast Isles.

Background

On April 19, 2016, the City initiated the Stormwater Master Plan Modeling and Design Implementation Program, designed to resolve chronic flooding in several neighborhoods including: River Oaks, Dorsey Riverbend, Durrs, Progresso Village, Victoria Park, Edgewood, and Southeast Isles. The seven (7) targeted neighborhoods suffer major flooding due to rainfall and/or high tides. The existing stormwater infrastructure in these areas is either nonexistent, undersized or in excess of fifty (50) years old, which is well beyond its operational lifespan. Although the Edgewood stormwater improvements were originally considered for WIFIA funding, it was later determined that the Edgewood projects did not meet eligibility for WIFIA financing and, therefore, have been replaced by projects in the Melrose Manor neighborhood.

Several of the neighborhoods were impacted by the flash flooding that occurred on April 12, 2023, further highlighting the necessity of stormwater improvements. The proposed stormwater improvements will install all new infrastructure to address the water quality and quantity needs of these areas. The improvements will minimize recurring flooding incidents/severity and promote an adaptable and resilient coastal community for the future.

Total construction costs are estimated at \$244,885,772, of which up to \$119,994,028 (49%) (the “WIFIA Loan”) can be financed through the WIFIA program. The WIFIA program accelerates investment in our nation’s water infrastructure by providing long-term, low-cost supplemental loans for regionally and nationally significant projects. The City submitted a letter of interest to the EPA and was one (1) of fifty-five (55) municipalities nationally that received an invitation to submit a WIFIA application. On February 16, 2021, the City Commission adopted Resolution 21-30 authorizing the City Manager to submit the WIFIA application (CAM #21-0176).

The remaining project costs, including all stormwater improvements for the Edgewood neighborhood, will be funded with proceeds of the City’s Stormwater Utility System Special Assessment Revenue Bonds and grant monies already received or to be received by the City. On June 6, 2023, the City Commission adopted Resolution No. 23-112, authorizing the issuance of Stormwater Utility System Special Assessment Revenue Bonds, Series 2023A, in an amount not to exceed \$210,000,000 (CAM #23-0116). As a result of the WIFIA Loan, the principal amount of the Series 2023A Bonds issued by the City was reduced to \$88,485,000.

Resource Impact

There will be a positive fiscal impact to the City of \$119,994,028.

Funds available as of September 7, 2023					
ACCOUNT NUMBER	COST CENTER NAME (Program)	CHARACTER/ ACCOUNTT NAME	AMENDED BUDGET (Character)	AVAILABLE BALANCE (Character)	AMOUNT
10-473-000-000-384-001-SAB2023A	Stormwater Bonds Construction Fund	Other Sources/Bond Proceeds	\$196,967,102	\$0	\$119,994,028
TOTAL AMOUNT ►					\$119,994,028

Strategic Connections

This item is a *2022 Top Commission Priority*, advancing the Infrastructure and Resilience initiative.

This item is a *Press Play Fort Lauderdale 2024 Strategic Plan*, specifically advancing:

- The Infrastructure Focus Area
- Goal 1: Build a sustainable and resilient community.
- Objective: Reduce flooding and adapt to sea level rise

- The Internal Support Focus Area
- Goal 8: Build a leading government organization that manages all resources wisely and sustainably.

- Objective: Maintain financial integrity through sound budgeting practices, prudent fiscal management, cost effective operations, and long-term financial planning

This item advances the *Fast Forward Fort Lauderdale 2035* Vision Plan: We Are Ready, and We Are United.

This item advances the *Advance Fort Lauderdale 2040* Comprehensive Plan, specifically advancing:

- The Infrastructure Focus Area
- The Climate Change Element
- Goal 2: Achieve a climate-resilient community through the protection and adaptation of public infrastructure, services, and natural resources from adverse climate change impacts.

Attachments

Exhibit 1 - WIFIA Term Sheet

Exhibit 2 - WIFIA Loan Agreement

Exhibit 3 - Resolution

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