



# Infrastructure Task Force (ITF) Status Report

October 10, 2018

# ITF Where We've Been



- Established in March 2017
- Review and advise on the current state of, and needs for, the City's public infrastructure
- Hosted 17 public meetings
- Conducted four District open houses to seek Neighbor input
  - Received positive input from Neighbors on local infrastructure investment
- Provided the City Commission with four interim recommendations:
  1. Water/sewer – eliminate/phase-out Return on Investment (ROI) transfer
  2. Stormwater – revise rate methodology ("trip-based") and commence Master Plan Phase II projects for seven (7) highest priority neighborhoods
  3. Roads/sidewalks/seawalls – establish minimum General Fund revenue sources for the City's CIP
  4. Impact fees – analyze and update City infrastructure fees regularly to capture growth



# ITF Where We Are

- Based upon various master planning studies and reports, the City faces the potential for ***\$3 billion of infrastructure needs over the next 20 years:***

| Infrastructure Item:                          | 20-year Need (Plan):   | Plan Date: | 20-year Need <sup>1</sup> (2018 \$'s) | Currently Approved Source:                       |
|---|------------------------|------------|---------------------------------------|--|
| Water/Sewer <sup>2,3</sup>                    | \$1,419,800,000        | 2016       | \$1,455,400,000                       | Rate payer (CIP and \$200M bond)                 |
| Stormwater <sup>4</sup>                       | \$982,900,000          | 2018       | \$982,900,000                         | Rate payer (CIP)                                 |
| New Facilities (City Hall and Police HQ)      | \$300,000,000          | 2018       | \$300,000,000                         |  |
| Existing Facilities (including Fire Stations) | -                      | -          | -                                     |  |
| Parks   | \$150,000,000          | 2016       | \$150,000,000                         | Park impact fees (partial)                       |
| Roads   | \$50,300,000           | 2018       | \$50,300,000                          | Gas tax (\$820,000 annually) and general capital |
| Bridges                                       | \$35,100,000           | 2014       | \$36,500,000                          | General capital                                  |
| Public Seawalls                               | \$26,100,000           | 2018       | \$26,100,000                          | General capital and stormwater rate payer (CIP)  |
| Sidewalks                                     | \$16,400,000           | 2014       | \$12,500,000                          | General capital (via risk fund)                  |
| <b>TOTALS-</b>                                | <b>\$2,980,600,000</b> |            | <b>\$3,013,700,000</b>                |  |

<sup>1</sup> Inflated costs from planning year (CII) and updated completed/planned projects, as available

<sup>2</sup> Analysis underway by Hazen & Sawyer may identify additional water/sewer needs

<sup>3</sup> The existing rate structure including 5% annual increases (by current Ordinance) projects to cover all/majority of the first ten years of water/sewer needs

<sup>4</sup> A stormwater rate structure revision is underway; increased revenue will be required to cover an initial \$200 million bond and beyond

<sup>5</sup> The totals above do not include all infrastructure components of expected 20-year needs

## Other Master Plans<sup>5</sup>:

- Airport
- Mobility/Complete Streets/Walkability
- Information Technology
- Parking
- Neighborhood Projects
- Canals

**Estimated TOTAL > \$3 Billion**

# ITF Where Are We Going?



- The City Commission will have multiple options to fund the identified needs, including:
  - Increase water/sewer rates – rate study underway (FY 2019 consideration)
  - Increase stormwater rates – rate study underway (FY 2019 consideration)
  - Increase millage rate – each mill equates to \$35.0 million
    - Currently the City has the **fourth lowest** millage rate of all Broward County municipalities, and
    - The **third lowest** millage rate of the 25 largest municipalities in Florida
  - Bonding – revenue or general obligation
  - Special assessments
  - Public-private partnerships
  - Grants – federal and state
  - Loans – state revolving fund

## Other non-City revenues to track:

- Federal/state/county (within their agencies jurisdiction to City benefit)
- Broward County penny sales tax
- Broward County traffic mitigation funds

# ITF Millage Rate Opportunity



- Adopted millage rate FY 2019 = 4.1193
- Value of 1 mill = \$35,017,145
- FY 2019 revenue = \$144,246,125
- Millage rate is 35% less than median of 25 *largest FL cities*
- Millage rate is 31% less than median of *Broward County cities*
- “What-if” scenarios:
  - \$100 million bond = 0.1547 mill (3.8% increase)
    - Assumed \$100 million, 3.5%, 30 years
  - Increase to median of 25 largest FL Cities:
    - 2.1825 millage rate increase (6.3018 total) generates additional annual revenue of **\$76.4 million**
  - Increase to median of Broward County cities:
    - 1.8805 millage rate increase (5.9998) generates additional annual revenue of **\$65.8 million**

| Ranking | Municipality           | FY 2018 Adopted Millage Rate | Population     | County         |
|---------|------------------------|------------------------------|----------------|----------------|
| 1       | Jacksonville           | 11.4419                      | 878,456        | Duval          |
| 2       | Palm Bay               | 8.4500                       | 109,162        | Brevard        |
| 3       | West Palm Beach        | 8.3465                       | 108,896        | Palm Beach     |
| 4       | Miami                  | 8.0300                       | 456,089        | Miami-Dade     |
| 5       | Deltona                | 7.8500                       | 86,290         | Volusia        |
| 6       | Hollywood              | 7.4479                       | 146,155        | Broward        |
| 7       | Miami Gardens          | 6.9363                       | 111,998        | Miami-Dade     |
| 8       | Miramar                | 6.7654                       | 134,037        | Broward        |
| 9       | St. Petersburg         | 6.7550                       | 259,906        | Pinellas       |
| 10      | Cape Coral             | 6.7500                       | 170,474        | Lee            |
| 11      | Orlando                | 6.6500                       | 271,752        | Orange         |
| 12      | Port St. Lucie         | 6.4000                       | 178,091        | St. Lucie      |
| 13      | Hialeah                | 6.3018                       | 233,431        | Miami-Dade     |
| 14      | Miami Beach            | 5.8888                       | 91,026         | Miami-Dade     |
| 15      | Coral Springs          | 5.8732                       | 126,264        | Broward        |
| 16      | Tampa                  | 5.7326                       | 365,124        | Hillsborough   |
| 17      | Pembroke Pines         | 5.6736                       | 161,799        | Broward        |
| 18      | Lakeland               | 5.5644                       | 102,507        | Polk           |
| 19      | Pompano Beach          | 5.4865                       | 107,425        | Broward        |
| 20      | Davie                  | 5.3220                       | 96,830         | Broward        |
| 21      | Clearwater             | 5.1550                       | 112,387        | Pinellas       |
| 22      | Gainesville            | 4.7474                       | 128,612        | Alachua        |
| 23      | <b>Fort Lauderdale</b> | <b>4.1193</b>                | <b>179,063</b> | <b>Broward</b> |
| 24      | Tallahassee            | 4.1000                       | 189,675        | Leon           |
| 25      | Boca Raton             | 3.6788                       | 96,114         | Palm Beach     |
|         | <b>Median</b>          | <b>6.3018</b>                |                |                |
|         | Average                | 6.3787                       |                |                |

As of: June 7, 2018

| Municipality           | Ranking   | FY 2019 Proposed Millage Rate |
|------------------------|-----------|-------------------------------|
| West Park              | 1         | 8.6500                        |
| Lauderdale Lakes       | 2         | 8.6000                        |
| Lauderhill             | 3         | 7.9898                        |
| Hollywood              | 4         | 7.4665                        |
| North Lauderdale       | 5         | 7.4000                        |
| Tamarac                | 6         | 7.2899                        |
| Cooper City            | 7         | 7.1347                        |
| Miramar                | 8         | 7.1172                        |
| Margate                | 9         | 6.5594                        |
| Coconut Creek          | 10        | 6.5378                        |
| Hallandale Beach       | 11        | 6.3191                        |
| Deerfield Beach        | 12        | 6.1267                        |
| Sunrise                | 13        | 6.0543                        |
| Dania Beach            | 14        | 5.9998                        |
| Oakland Park           | 15        | 5.9985                        |
| Wilton Manors          | 16        | 5.9837                        |
| Coral Springs          | 17        | 5.8732                        |
| Pembroke Pines         | 18        | 5.7275                        |
| Davie                  | 19        | 5.6270                        |
| Pompano Beach          | 20        | 5.1361                        |
| Southwest Ranches      | 21        | 4.9890                        |
| Parkland               | 22        | 4.8000                        |
| <b>Fort Lauderdale</b> | <b>23</b> | <b>4.1193</b>                 |
| Lauderdale by the Sea  | 24        | 3.5989                        |
| Lighthouse Point       | 25        | 3.5893                        |
| Weston                 | 26        | 3.3464                        |
| Unincorporated Broward | 27        | 2.3353                        |
| <b>Median</b>          |           | <b>5.9998</b>                 |
| Average                |           | 5.9396                        |

Source: Broward County Property Appraiser's Office

# ITF Utility Rates Opportunity



- Water/sewer rates – rate study underway (FY 2019 consideration)
- Stormwater rates: rate study underway (FY 2019 consideration) with hybrid-model which includes “trip-based” approach

***ITF Summary: there appears to be an opportunity to increase the millage and/or utility rates for local infrastructure investment while remaining competitive in the region.***

**Table 6-12**  
City of Fort Lauderdale Water and Sewer System Monthly Residential Bill Comparison with Other Communities  
*Smallest Residential Service - 5,000 Gallons*

|                                    | Water Total    | Sewer Total    | Total Bill     |
|------------------------------------|----------------|----------------|----------------|
| Davie                              | \$37.35        | \$69.62        | \$106.97       |
| Wilton Manors                      | \$57.15        | \$47.66        | \$104.81       |
| Dania Beach                        | \$35.00        | \$58.82        | \$93.82        |
| Parkland                           | \$52.38        | \$40.30        | \$92.68        |
| Oakland Park                       | \$45.81        | \$43.53        | \$89.34        |
| Sunrise                            | \$38.61        | \$47.19        | \$85.80        |
| Hillsboro Beach                    | \$41.00        | \$43.92        | \$84.92        |
| Hollywood                          | \$26.92        | \$54.28        | \$81.20        |
| North Lauderdale                   | \$32.30        | \$47.25        | \$79.55        |
| Coconut Creek                      | \$41.90        | \$32.24        | \$74.14        |
| Miramar                            | \$29.92        | \$38.13        | \$68.05        |
| Cooper City                        | \$26.75        | \$40.59        | \$67.34        |
| North Springs Improvement District | \$36.09        | \$30.28        | \$66.37        |
| Tamarac                            | \$21.80        | \$42.75        | \$64.55        |
| Broward County                     | \$23.62        | \$40.20        | \$63.81        |
| Lighthouse Point                   | \$23.62        | \$40.20        | \$63.81        |
| <b>Fort Lauderdale</b>             | <b>\$23.59</b> | <b>\$39.52</b> | <b>\$63.11</b> |
| Coral Springs                      | \$21.29        | \$40.53        | \$61.82        |
| Plantation                         | \$22.14        | \$39.53        | \$61.67        |
| Hallandale Beach                   | \$24.36        | \$34.76        | \$59.12        |
| Royal Utility                      | \$26.93        | \$31.41        | \$58.34        |
| Margate                            | \$28.88        | \$29.40        | \$58.28        |
| Lauderhill                         | \$20.37        | \$35.69        | \$56.06        |
| Deerfield Beach                    | \$28.25        | \$24.53        | \$52.78        |
| Pembroke Pines                     | \$24.13        | \$27.93        | \$52.06        |
| Coral Springs Improvement District | \$25.01        | \$25.01        | \$50.02        |
| Pompano Beach                      | \$24.08        | \$25.76        | \$49.84        |
| <b>Average</b>                     | <b>\$31.08</b> | <b>\$39.67</b> | <b>\$70.75</b> |

Notes:  
Monthly water and sewer bills exclude drought rates or other surcharges and utility taxes.  
Source: Stantec Consulting Services Inc prepared in September 2017. Fort Lauderdale FY 2018 rates shown, other municipalities may also adjust rates in FY 2018.



# ITF Next Steps

- What are the Commission's expectations for the ITF moving forward?
  - Monthly meetings are tentatively scheduled through March 2020
  - Input for future focus:
    - Critical infrastructure components
    - Critical revenue opportunities
    - Potential threats (sea level rise, economy, regulatory, other)
- Recommended next Commission/ITF joint workshop in April 2019
- Discussion