



**City Manager's Office**  
**Budget/CIP & Grants Division**

# **Infrastructure Task Force**

## **Funding Sources for Infrastructure**

### **Overview**



**June 26, 2017**



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### Resources for Funding Sources

***Primer on Home Rule & Local Government Revenue Sources***

Author: Nabors, Giblin & Nickerson (Firm)

Publisher: Tallahassee, Fla. :Nabors, Giblin & Nickerson (2011)

***2016 Local Government Financial Information Handbook  
online at:***

**<http://edr.state.fl.us/Content/local-government/reports/lgfih16.pdf>**



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### **Funding Sources**

The intent of this presentation is to provide the Infrastructure Task Force with an overview of potential funding sources that the City of Fort Lauderdale utilizes or may utilize in the future to fund priority infrastructure needs.

*Note: This presentation is not intended to be all-inclusive of funding sources.*



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### **Revenue Sources are limited by State Constitution Article VII**

- No tax shall be levied except in pursuance of law. No state ad valorem taxes shall be levied upon real estate or tangible personal property.
- **All other forms of taxation shall be preempted to the state except as provided by general law.**



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### State Constitution – Home Rule Authority Revenues

Local governments may impose **proprietary fees, regulatory fees, and special assessments** to pay the cost of providing a facility or service or regulating an activity. Florida case law should be used to analyze the validity of any assessment or fee.



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### **General Fund Revenues**

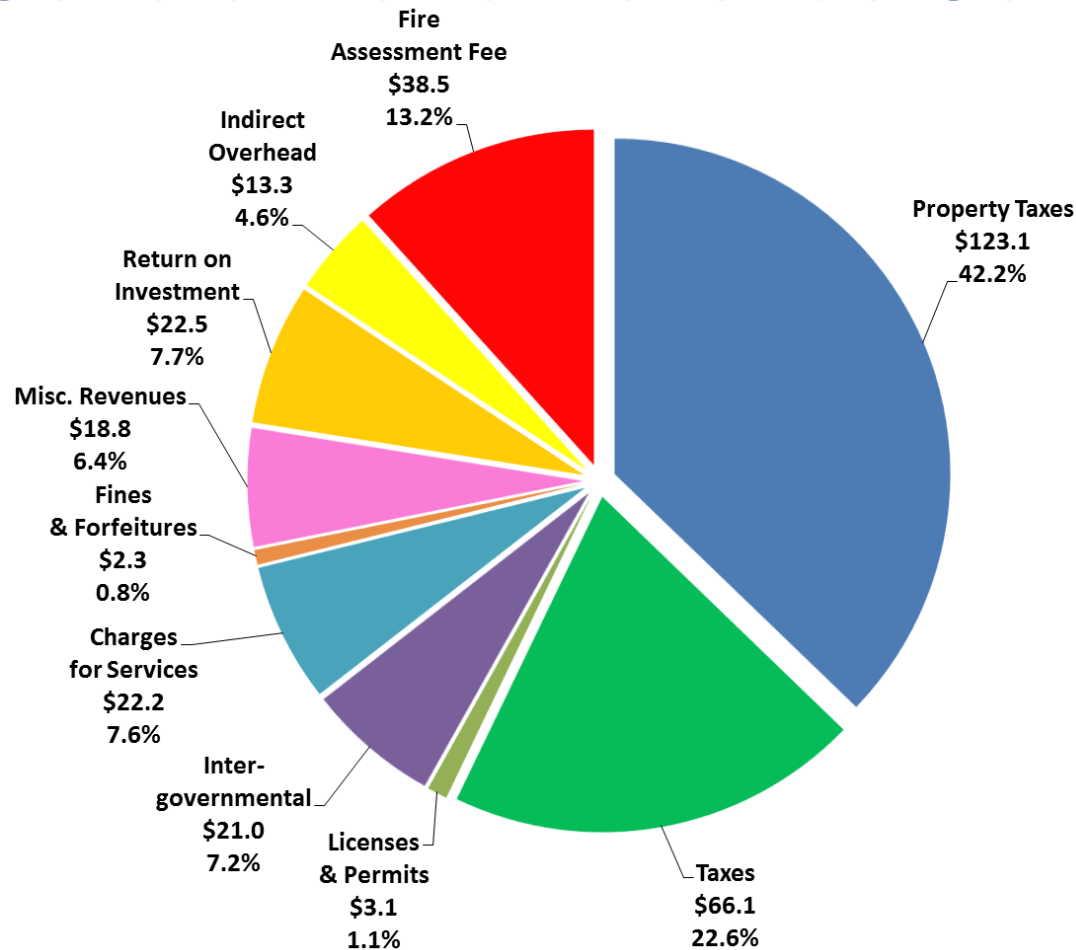
The General Fund is the general operating fund of the City. All general tax revenues, transfers in from other funds (e.g. ROI), and other receipts that are not allocated by law or contractual agreement to another funds are accounted for in this fund.



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### Where General Fund Revenue Comes From





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### General Obligation Bonds

General Obligation (GO) Bonds are “obligations secured by the full faith and credit of a governmental unit or payable from the proceeds of ad valorem taxes of a government unit”.

- ❖ GO Bonds require voter approval
- ❖ The revenue to support the projects is generated through the approval (debt rate is added to property tax bills to generate the required annual debt payments)





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### General Obligation Bond Project Examples

***Fire Bond 2005*** – Financed the cost of improvements and new construction of fire-rescue facilities

***2008 B Bonds*** – Financed the Hort Park purchase and improvements, park improvements, and safety improvements



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### Grants

The City develops a Grants Plan of Action as well as Federal and State Legislative Priorities adopted by the Commission that direct staff's pursuit of grants

Fiscal Year 2016 Grant Award Summary			
Grant Award Status	Number of Grants	Amount Requested	Amount Awarded
Awarded	27	\$5,589,321	\$4,947,189
Pending Notification	19	\$5,850,998	Not Applicable
Not Awarded	7	\$1,316,000	Not Applicable
Total	53	\$12,756,319	\$4,947,189



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### Open Grants – June 2017

Open Grants Summary	
Number of Grants	99
Number On Time	95 (96%)
Number On Budget	95 (96%)
Value of Grants	\$100,025,168
<b>Unspent Balance</b>	<b>\$28,984,829</b>



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### Grants – Example Projects

- ❖ Fire Boat and Police Marine Vessel – Port Security Grant Program through the United States Department of Homeland Security (\$1.2 million grant with \$300 thousand City match)
- ❖ Body Worn Camera Program – United States Department of Justice (\$600 thousand grant with \$600 thousand City match)
- ❖ SE Isles Tidal Valves and Stormwater Upgrades – Florida Department of Environmental Protection (\$700 thousand grant)
- ❖ River Oaks Preserve – Florida Department of Environmental Protection (\$630 thousand grant with \$420 thousand City match)



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### Regulatory Fees

These are fees that may be imposed pursuant to a local government's police powers in the exercise of a sovereign function and shouldn't exceed the regulated activity's cost.

*Examples of regulatory fees the City charges to fund capital improvements to expand the City's capacity to serve neighbors:*

- ❖ Park Impact Fees
- ❖ Water and Sewer Capital Expansion Fees



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### Regulatory Fee Project Examples

#### Park Impact Fees

- ❖ Mills Pond Park - Soccer and Lacrosse Athletic Fields
- ❖ Riverland Park – Land Purchase

#### Water and Sewer Expansion Fees

- ❖ Pump Stations
- ❖ Water Mains



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### Local Government Infrastructure Sales Tax

- ❖ The sales tax may be levied at 0.5 percent or 1 percent of all transactions (depending on how the referendum is structured) to be used for broad categories of capital improvements and infrastructure projects.
- ❖ City of Fort Lauderdale was estimated to receive \$18M per year for 1% under the Half-Cent Sales Tax formula



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# Local Government Infrastructure Sales Tax

### Method One

- ❖ A majority of the Broward County Commissioners enact an ordinance for Local Government Infrastructure Sales Tax
- ❖ The Local Government Infrastructure Sales Tax gets placed on a referendum for the electors of Broward County to vote

### Method Two

- ❖ The Commissions of municipalities that represent a majority of Broward County's population adopt uniform resolutions establishing the rate of Local Government Infrastructure Sales Tax
- ❖ The Local Government Infrastructure Sales Tax gets placed on a referendum for the electors of Broward County to vote

*Note: A ½% infrastructure and ½% transportation surtax was placed on the November 2016 ballot but did not pass*





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### Local Government Infrastructure Sales Tax Project Examples

- ❖ Bicycle, Transit, and Neighborhood Mobility
- ❖ Bridge Structural Repairs and Replacements
- ❖ Recreation and Conservation
- ❖ Public Safety – Police Headquarters Replacement
- ❖ Road Repairs and Replacements
- ❖ Seawall Repairs and Replacements
- ❖ Sidewalk Repairs and Replacements
- ❖ Stormwater Projects
- ❖ See complete spending plan at:  
<http://www.fortlauderdale.gov/departments/city-manager-s-office/budget-cip-and-grants-division/penny-at-work-infrastructure-plan>



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### Special Assessments

Special assessments are used to construct and maintain capital facilities and to fund certain services under the conditions below:

- ❖ Property derives a special benefit from the improvement or service
- ❖ The assessment has been fairly and reasonably apportioned among the properties receiving the benefit



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### **Special Assessment Example**

#### Proposed Canal Dredging Special Assessment

- ❖ If approved, the assessment will be used to pay to fund a program to survey and dredge the City's navigable canals
- ❖ The cost of the service would be apportioned based upon linear feet of property that front a City-owned canal



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### **Special Assessment Bonds**

Revenue Bonds are “bonds that provide for capital improvements and are paid in whole or in part by levying and collecting special assessments on the abutting, adjoining, contiguous, or other specially benefited property”.



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### Proprietary Fees

These fees are primarily charges to users for a privilege, special benefit, or service that the fee payer receives.

The following user charges are included on neighbors utility bills to fund operating and capital improvements:

- ❖ Water and Sewer
- ❖ Wastewater
- ❖ Stormwater
- ❖ Sanitation



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### Revenue Bonds

Revenue Bonds are “obligations of a governmental unit issued to pay the cost of a self-liquidating project or improvements thereof, or combination of one or more projects or improvements thereof, and payable from the earnings of such project and any other special funds authorized to be pledged as additional security therefor”.



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### **Public Private Partnerships (P3)**

A public-private partnership (P3) is a contractual arrangement between a public agency and a private sector entity. Through this agreement, the skills and assets of each sector (public and private) are shared in delivering a service or facility for the use of the general public.

- ❖ Generally requires a dedicated revenue stream or asset
- ❖ Involves sharing of risks and rewards



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### P3 Infrastructure Project Example

#### Las Olas Marina

- ❖ Developer Benefits
  - ❖ Control of a public asset
  - ❖ Revenue stream from rates
- ❖ City Benefits
  - ❖ Land lease and percentage of revenue
  - ❖ New, expanded marina constructed at the developer expense
  - ❖ Elimination of operating and maintenance expenses





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### **Energy Performance Contracts**

- ❖ Contract that requires the guaranteed energy, water and operational savings to be greater than the project cost.
- ❖ The guaranteed energy cost savings are used to fund the projects.



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### **Energy Savings Project Examples**

- ❖ Lighting retrofits (parking garages, athletic fields, etc.)
- ❖ Air conditioner replacements and upgrades
- ❖ Programmable thermostats
- ❖ Replacements of water fixtures to conserve water



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