



NorthPort

FLORIDA





Funding the Future: Wastewater Effluent Pumping Station Options at a Glance

The Utilities Department

Three Options for Consideration

- State Revolving Fund (SRF) via partnership with WVID
- Public Private Partnership (P3) with Florida Development Solutions (FDS)
- Pay as you go via funds within Utilities Capital Improvement Projects





Option 1 – SRF

(State Revolving Fund)

- A State Revolving Fund (SRF) is a financial assistance program managed by the Florida Department of Environmental Protection (FL DEP) to help local governments and utilities fund water infrastructure projects. These programs are sustained by loan repayments, interest earned, state and federal contributions.
- Often projects required to respond to a consent order receive higher consideration for these loans.

Option 1 – SRF (State Revolving Fund through WVID)

PROS

- Spreads the cost of the investment over time via annual payments.
- Low to no interest.
- May include partial principal forgiveness.
- Potentially lower or comparable overall costs than a P3.
- Utilities retains ownership and control of the facility.
- Financing tool already used by other municipalities — familiar and accepted.
- Does not require voter referendum.
- Medium timeline for starting project.

CONS

- Requires thoughtful approach to agreement with developer.
- May still involve interest payments — total cost exceeds principal.
- Additional financial tracking.
- Annual debt service payments must be budgeted and maintained over life of agreement.
- Long-term financial commitment, even if revenues drop.
- Costs more than pay as you go.



Option 1 – SRF (State Revolving Fund)

- Project cost for the City's portion: \$17M
- Interest rates: ~2% (subject to credit rating and market timing)
- Amortization: 20-30 years (to be determined)
- Total project cost approximately \$22 to \$25 Million.*

*These calculations are subject to change due to the duration, interest rate and possible principal forgiveness

Option 2 – P3 (Public-Private Partnership)

P3 is a private sector funding option incorporating lease payments over an agreed upon term.

A P3 conceptual proposal from Florida Development Solutions (FDS) was presented to commission on July 22, 2025.

Finacial overview included in the FDS P3 Proposal:

	15 Year Term – Fully Amortizing	25 Year Term – Fully Amortizing	35 Year Term – Fully Amortizing
Project Cost - Provided	\$17,000,000	\$17,000,000	\$17,000,000
Credit Rating	Aa2	Aa2	Aa2
Implied Interest Rate	4.79%	5.39%	5.50%
Construction/Free Rent Period	24 Months	24 Months	24 Months
Total Project Cost	\$18,450,320	\$18,565,240	\$18,567,220
Initial Lease Term	15 Years	25 Years	35 Years
Starting Base Rent	\$2,155,853	\$1,692,957	\$1,498,195
Annual Escalation	0.00%	0.00%	0.00%
Residual Value	N/A	N/A	N/A
Right of Use Asset/Lease Liability	\$13,555,471	\$15,216,327	\$16,151,788
Balance Sheet Benefit vs Debt Financing	26.53%	18.04%	13.01%
Purchase Option	\$1,000	\$1,000	\$1,000

A \$17 M project financed at 5.50% over 35 years results in a total cost of approximately \$38,660,000.

Option 2 – P3 (Public-Private Partnership)

PROS

- Potential for faster project delivery due to private sector resources.
- Risk-sharing — some operational/financial risk transferred to private partner.
- Reduces public sector management responsibilities during construction and operation.
- Attractive if internal project management capacity is limited.

CONS

- Often results in higher total project cost due to profit margin, interest, and risk premiums.
- Land may be transferred or encumbered — possible “land giveaway” perception.
- Utilities pays back through structured payments over time, tied to rate increases.
- Long-term contractual commitments may limit flexibility for decades.
- Less control over facility operations and standards depending on agreement terms.
- Overall project cost higher than in other options.

Option 3 – Self-Funded (Pay-As-You-Go)

The Effluent Pumping Station and Pipeline project CIP U23EPS is currently fully funded however, funds were transferred from the following:

- Wastewater Treatment Plant Improvement project (U21WWI) - Programmed replacement of critical infrastructure.
- Building Upgrades at the Pan American Wastewater Treatment Plant (U24SBU) - upgrades to provide space for Maintenance staff and storage of critical components for operations.
- Raw Water Intake Structure Rehabilitation (U22WIS) - Rehab on both original water intake structures constructed in 1964 & 1974.
- Myakkahatchee Creek Water Treatment Plant Improvement project (U23WPI) - Programmed replacement of critical infrastructure.



Option 3 – Self-Funded (Pay-As-You-Go)

PROS

- “Pay-as-you-go” model — avoids interest and debt.
- Funds are available.
- Quick project kick-off.
- 100% Design.
- 100% Control of funding.
- Possible project savings.
- Utilities retains full ownership and control of facility and operations.
- Potentially most cost-effective over long term (no finance charges).
- Strong local control and accountability.

CONS

- Requires rate increases — politically sensitive.
- Depletes CIP funds for replacing critical infrastructure.
- Higher upfront-temporary-cost to utility customers compared to spread-out options.
- Public resistance possible to new or increased rates.

Funding Options Comparison

Criteria	SRF (City's Portion)	P3	Self-Funded
Control of Facility	Full	Shared / Limited	Full
Total Project Cost	Moderate	Highest	Lowest (no interest)
Speed to Start	Medium	Medium	Fast
Legal Risk	Low	Moderate	Low
Community Buy-in Needed	Moderate	Moderate	Low
Impact on Rates	Spread out	Spread out (higher total)	Immediate (temporary)
Operational Responsibility	Public	Private or Shared	Public
Estimated Overall Cost	\$22 - \$25M	\$30-\$38 M	\$17M



Questions?