NorthPort
FLORIDA

Funding the Future Transfer Station Options at a Glance

Department of Public Works

Solid Waste Division

Option 1 - Self-Funded

(Non-Ad Valorem Assessments)

Pay-Go financing utilizes current revenues or accumulated cash to fund projects, avoiding debt entirely. This has historically been the primary method by which the City has financed most of its capital projects.

Advantages

- No Interest Cost: Maximizes use of City funds for project costs.
- No Debt Obligation and Lower Financial Risk: No long-term liabilities or market exposure.

Limitations

- Project Delays and Inflation Risk: Project delays caused by the need to accumulate sufficient funds can lead to increased construction costs over time due to inflation.
- Burden on Current Revenues: Could require reallocating funds from existing services, delaying other projects, or increasing taxes or fees to generate sufficient cash flow.
- Revenue Uncertainty: Dependent on stable and surplus-generating budgets.

Option 1 – A, B, and C
(Non-Ad Valorem Assessments)

	A – one year assessed	B – two year assessed	C – one year assessed
Developed Residential Unit	$160	$80	$296
Vacant Residential Parcel	$160	$80	$0
Commercial	$300	$150	$0 **monthly billing*
Total Revenue	**$11,833,032**	**$11,833,032**	**$11,851,840**

Option 1 – Self-Funded A (Non-Ad Valorem Assessments)

PROS	CONS
• "Pay-as-you-go" model — avoids interest and debt. • Solid Waste District retains full ownership and control of facility and operations. • All residential developed PID units and undeveloped PID parcels would be billed a one-time fee of $160, and all commercial properties would be billed an $300 per parcel unit. • No need for new board or legal structuring like with COPS. • Most cost-effective over long term (no finance charges). • Strong local control and accountability.	• Requires immediate rate increases and change to methodology. • May delay project start — depending on revenue collections in FY27. • Need to show ability to fully fund construction by end of FY29. • Market conditions could increase construction costs. • Possible public resistance to new or increased assessments related to the project.

Option 1 – Self-Funded B (Non-Ad Valorem Assessments)

PROS	CONS
• "Pay-as-you-go" model — avoids interest and debt. • Solid Waste District retains full ownership and control of facility and operations. • All residential developed PID units and undeveloped PID parcels would be billed a fee of $80 for 2 consecutive years, and all commercial and undeveloped commercial PID parcels would be billed an $150 for 2 consecutive years. • No need for new board or legal structuring like with COPS. • Most cost-effective over long term (no finance charges). • Strong local control and accountability.	• Requires immediate rate increases and change to methodology. • May delay project start — depends on revenue collections in FY27 and FY28. • Need to show ability to fully fund construction by end of FY30. • Market conditions could increase construction costs. • Revenue subject to change due increase or decrease in assessment rates. • Possible public resistance to new or increased assessments related to the project.

Option 1 – Self-Funded C
(Developed Residential Non-Ad Valorem Assessments)

PROS	CONS
• "Pay-as-you-go" model — avoids interest and debt. • Solid Waste District retains full ownership and control of facility and operations. • All residential developed PID units would be billed a one-time fee of $296 and all commercial properties would be billed through normal monthly invoicing. • No need for new board or legal structuring like with COPS. • Most cost-effective over long term (no finance charges). • Strong local control and accountability.	• Requires immediate rate increases and change to methodology. • May delay project start — depends on revenue collections in FY27. • Need to show ability to fully fund construction by end of FY29. • Market conditions could increase construction costs. • Higher upfront cost to residents compared to Option A and B options. • Possible public resistance to new or increased assessments and commercial monthly billing relate to the project.

See chart provided for funding plan.

Project Schedule

2025

- August: Project kick off and data collection.
- September: Provide General funding plan to Commission at the 09/08 workshop.
- September - November: Preliminary assessment roll updates
- December - January: Internal presentation and report

2026

- January-February: Commission Workshop – Methodology Presentation
- February-March: Solid Waste District Meeting – Final Approval of Methodology
- June: Budget Workshop
- July: Budget Workshop
- July - August: Send out letters to customers notifying them about special hearing and adoption meeting
- September: Resolution meeting to adopt the methodology update
- October: Implement approved rate structure.

Option 2 – COPS

(Certificates of Participation)

Certificates of Participation (COPs) are a form of lease-financing arrangement that allows the City to finance facilities without issuing traditional voter-approved bonds. The City enters a lease-purchase agreement with a financing entity, and investors buy shares in the lease payments. The City makes annual appropriations and gains ownership of the facility once the lease is fully paid. This structure has been widely adopted by Florida school districts.

Advantages

- No Referendum Required: May be pursued without voter approval, allowing the City to proceed more quickly than traditional bond options.
- Maintains Essential Projects: Enables continuation of priority projects, such as the PDHQ, despite referendum results.
- Flexible Structure: Payments can be scheduled to align with available budgetary capacity.
- Widely Used Tool: Frequently utilized by Florida school districts.

Limitations

- Higher Cost of Borrowing: Interest rates are slightly higher than general obligation bond due to non-appropriation risk.
- Complexity: Involves more intricate structuring, requiring a leasing entity, trustees, and legal coordination.
- Asset Encumbrance: The facility is technically owned by the trustee until full repayment.
- Annual Appropriation Requirement: The City must make yearly budget appropriations, creating long-term fiscal obligations

Option 2 – COPS
(Certificates of Participation)

COPs carry higher interest rates than a standard general obligation (GO) bond issuance due to the added risk, and the spread varies based on the market's view of governance risk, the type of project and the measure of its essential purpose. It is reasonable to expect the effective interest rate to fall between the cost of a GO deal and a P3 financing, but several factors will determine how the market prices the additional risks.

Project Delivery Models Considered:

- Traditional Public Approaches: Design-Bid-Build, CM at Risk, Design-Build
- Private Sector Models: Design-Build-Finance, Design-Build-Operate-Maintain, Design-Build-Finance-Operate, Asset Sales

Option 2 – COPS
(Certificates of Participation)

COPS is an alternative funding option incorporating estimated debts service payments over a 25-30 year terms.

	30 year
Project Cost	$14,000,000
Annual Payment	$900,000 - $1,050,000
Interest rates *subject to credit rating and market timing	4.25–5.5%
Overall Project Cost *Depending on interest rate & terms	$27,000,000 - $31,000,000

Option 2 – COPS
(Certificates of Participation)

PROS	CONS
• Spreads the cost of the facility over time via annual payments. • Lower costs than a P3. • Solid Waste District retains ownership and control of the facility. • Financing tool already used by other municipalities — familiar and accepted. • Doesn't require voter referendum (unlike general obligation bonds). • Could start project sooner than self-funding since borrowing accelerates timeline.	• Requires a special board to be created due to North Port being a small special district. • Still involves interest payments — total cost exceeds principal. • Subject to legal vulnerability — easily defeated in court if challenged (relevant Florida case law precedent). • Long-term financial commitment, even if revenues drop.

Option 3 – P3
(Public-Private Partnership)

A Public-Private Partnership (P3) involves partnering with a private sector entity to finance, design, construct, and/or operate a public facility. For example, a developer may fund and construct the police HQ or utility facility, with the City repaying the investment over time through lease or service payments. Some models include performance-based contracts where payments are tied to availability or service outcomes.

Advantages

- Access to Capital & Off-Balance-Sheet Financing: Useful when the City is constrained by Charter debt limitations.
- Risk Transfer and Expertise: Private entities may assume responsibility for construction cost overruns, delays, or maintenance, often with higher efficiency.
- Timely Project Delivery: Projects can move forward quickly through private sector mobilization.
- Budget Predictability: Payments can be linked to facility performance and availability, incentivizing results.

Limitations

- Higher Long-Term Cost: The City pays a premium over time due to private sector return requirements.
- Complex Negotiations: Agreements are legally and financially intricate.
- Reduced Flexibility: Long-term contracts limit the City's ability to unilaterally change service levels or facility use.
- Public Control Concerns: Requires strong accountability to ensure public interest is safeguarded.

Option 3 – P3
(Public-Private Partnership)

P3 is a private sector funding option incorporating lease payments over a 30-year term.

	15 year	25 year	35 year
Project Cost	$14,000,000	$14,000,000	$14,000,000
Annual Payment	$1,819,114	$1,429,988	$1,266,409
Total Project Cost	$15,245,940	$15,343,300	$15,345,110
Overall Project Cost	$27,286,710	$35,749,700	$44,324,315

- P3 conceptual proposal was presented to commission on July 22, 2025, File ID 25-2508.

Option 3 – P3
(Public-Private Partnership)

PROS	CONS
• 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.	• 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. • Solid Waste District pays back through structured payments over time, typically tied to rate increases. • Long-term contractual commitments may limit flexibility for decades. • Less control over facility operations, equipment, and standards depending on agreement terms.

Transfer Station Funding Options Comparison

Criteria	COPS	P3	Self-Funded A (developed, vacant, commercial)	Self-Funded B (developed, vacant, commercial)	Self-Funded C (developed only)
Control of Facility	Full	Shared / Limited	Full	Full	Full
Total Project Cost	Moderate *(includes interest)*	Highest *(interest + private cost)*	Lowest	Lowest	Lowest
Speed to Start	Medium	Fast	Fast	Slow	Fast
Legal Risk	High *(challengeable)*	Moderate	Low	Low	Low
Community Buy-in Needed	Moderate	Low	High	High	Highest
Impact on Rates	Spread out	Spread out *(higher total)*	Immediate *(one-time fee)*	Spread out *(two-time fee)*	Immediate *(one-time fee)*
Operational Responsibility	Public	Private or Shared	Public	Public	Public
Overall Project Cost	High	High	Low	Moderate	Low

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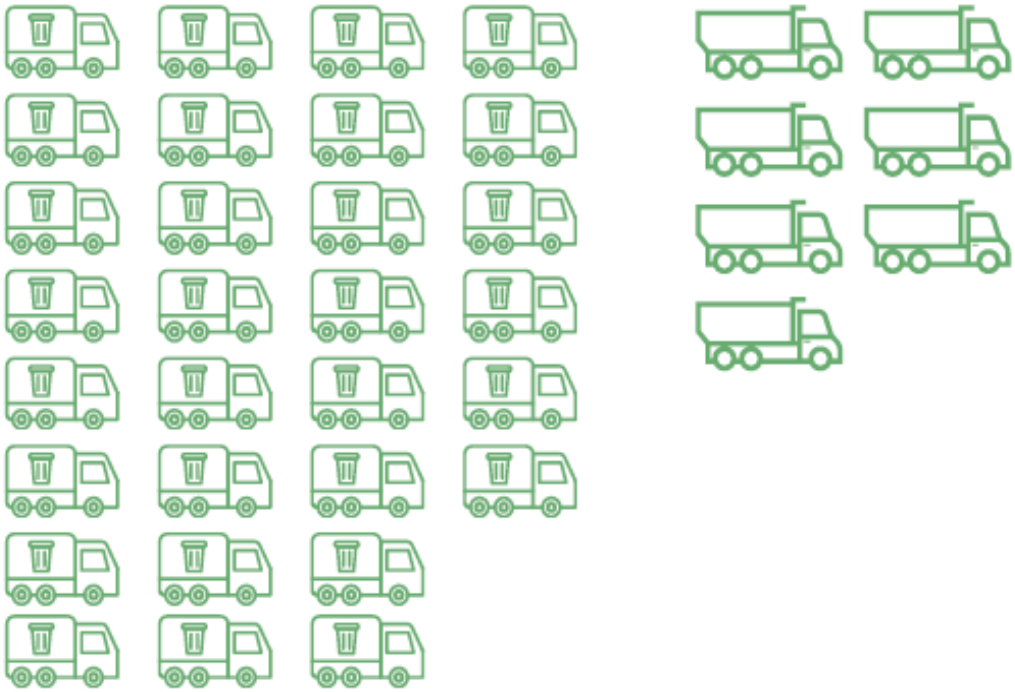
Solid Waste Transfer Station

A transfer station is NOT a landfill. Think of it like carpooling for waste. Garbage trucks collect trash throughout the city, then head to a transfer station rather than the landfill. At the transfer station, the waste is loaded into larger transport trucks that carry it to the landfill. This method saves time and fuel for city staff, reduces vehicle wear and tear, and cuts down on CO2 emissions.

Current number of trucks being used **without a transfer station**

VS

Number of trucks used **with a new transfer station**



Future Costs With and Without Transfer Station

Cumulative Cost: 2025 to 2030	Staffing	Fuel	Truck Maintenance	New Equipment Needed	Total Cost
Without a Transfer Station	$3,497,520	$2,252,250	$6,300,000	$4,500,000	$16,549,770
With a Transfer Station	$1,174,164	$1,174,164	$1,122,000	$675,000	$3,503,839

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Questions?