

# Urban Core Redevelopment Area Wastewater Collection Master Plan Funding Alternatives

Presentation to:  
Regional Utilities Committee  
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# Urban Core Redevelopment Area Wastewater Master plan

- Presentation to CRA December 18, 2006
  - Engineering Analysis
  - Cost Estimates
  - Preliminary Funding Alternatives
- Referred to RUC
  - Make Funding Recommendations

# Presentation Outline

- **Review**
- **Funding Alternatives**
- **Funding Recommendations**

## Review

### Reasons for Master Plan

- Urban Core wastewater collection system
  - Gravity collection system
  - Functions well - Reliable
  - Capacity for current demands & future projects that are currently proposed
  - FUTURE redevelopment in CRAs may require major upgrades to trunk sewers
  - Gravity Trunk sewers expensive to upgrade
    - Costs may be disproportionately borne
    - Potential impediment to redevelopment under current policy

**Current Use  
Parking Lot**



**WW Flow = 0 gpd**

**Adjacent  
Densities**



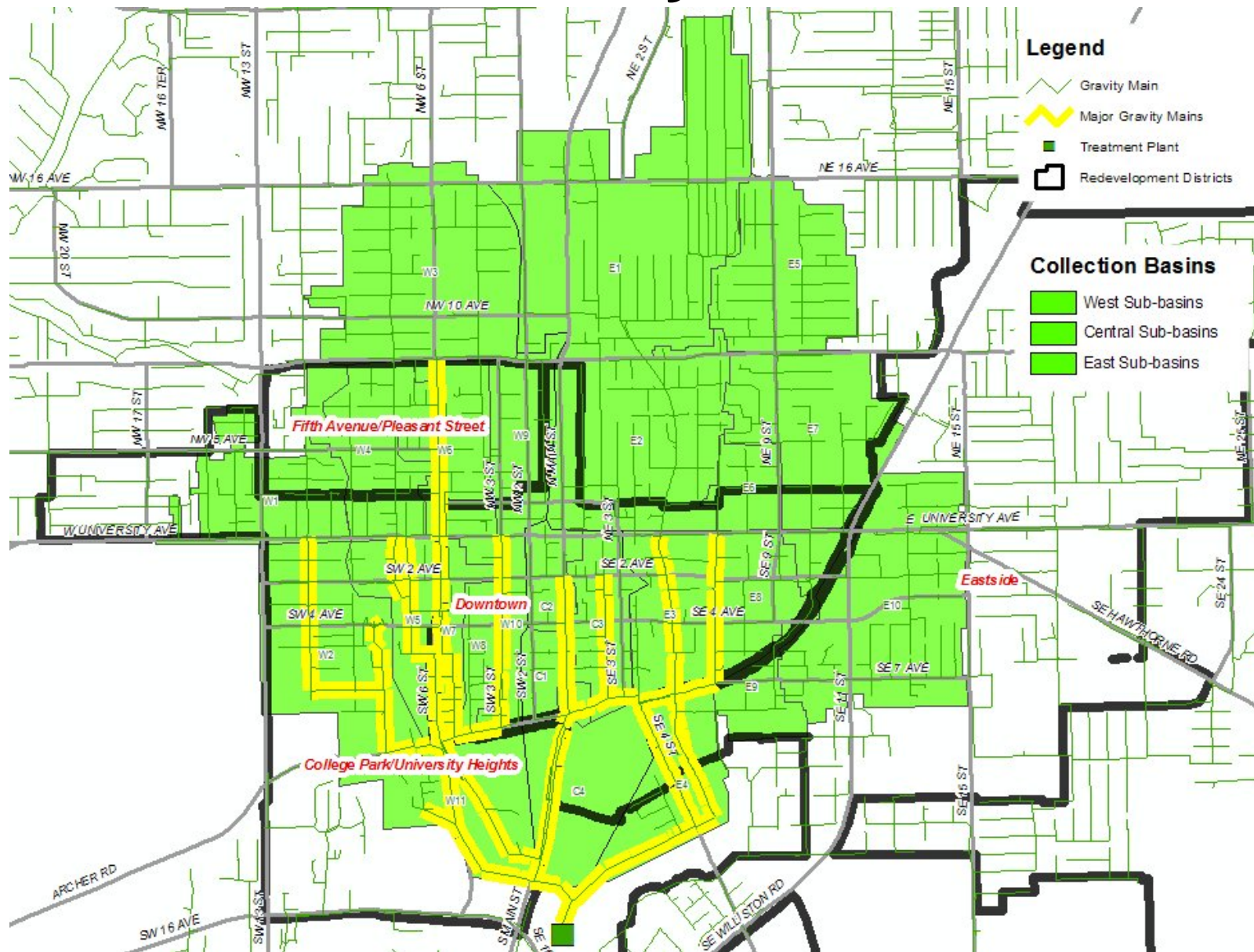
**WW Flow ~ 5000 gpd**

**Proposed  
Gainesville Greens**

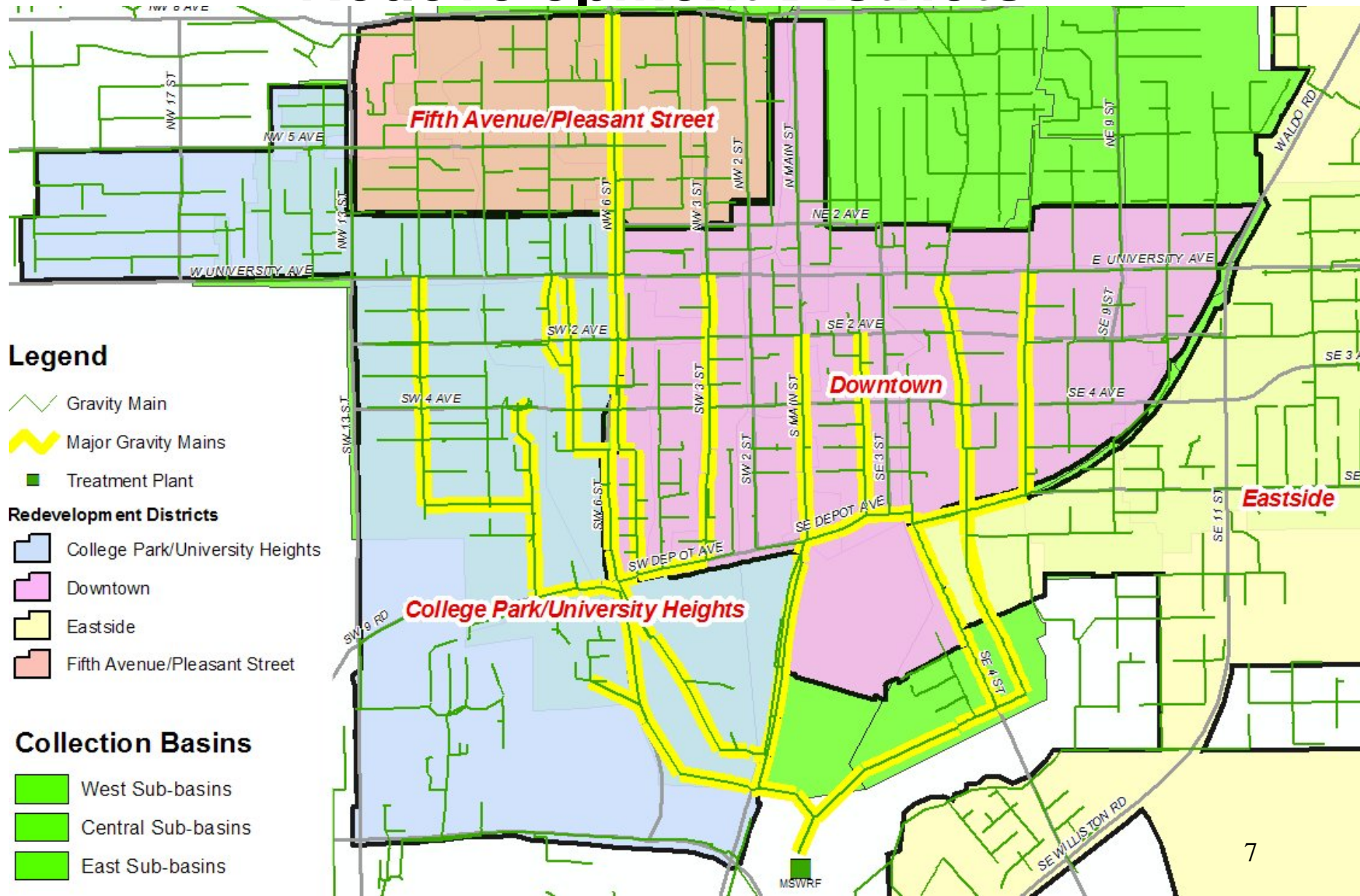


**WW Flow = 144,000 gpd**

# Urban Core Gravity Collection Area



# Redevelopment Districts



# Urban Core Redevelopment Wastewater Master Plan Objectives

1. Determine existing capacities
2. Project where and when future growth will occur
3. Determine available capacity for future growth
4. Identify improvements & estimated costs
- 5. Develop funding mechanism to pay for improvements**
- 6. Implement funding policies**



# Improvements to Support Potential Projects (5-20 years)

Proposed Gravity Main Upgrades : System Improvements, 5-Year, 10-Year

1 inch equals 300 feet



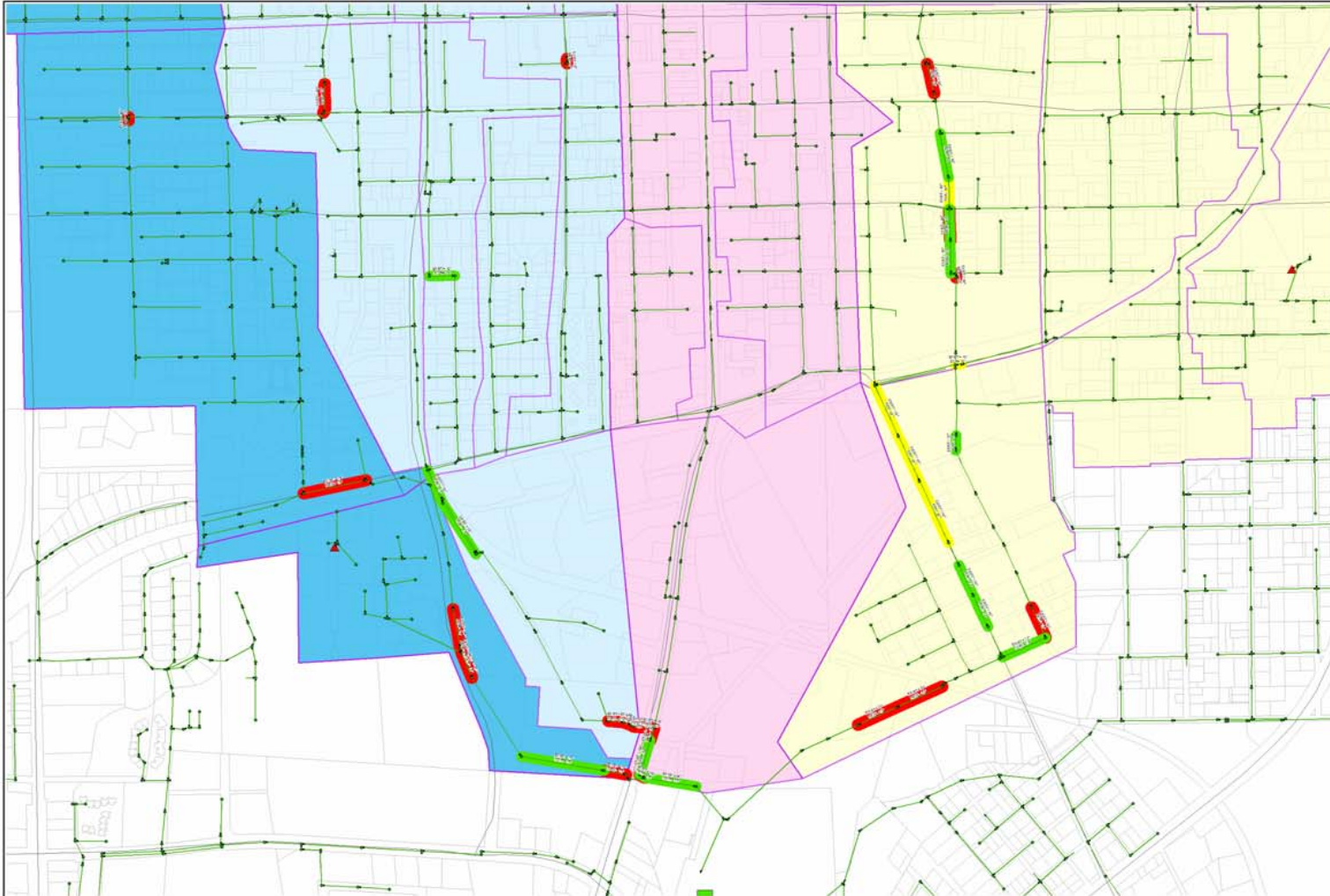
**Legend**

- Lift Station
- Treatment Plant
- Manhole
- Gravity Main**
- Active Gravity
- Aband.Gravity
- System Improvements
- Gravity Upgrades 5YR
- Gravity Upgrades 10YR

**Collection Areas**

- West Sub-basins\_2
- West Sub-basins
- Central Sub-basins
- East Sub-basins

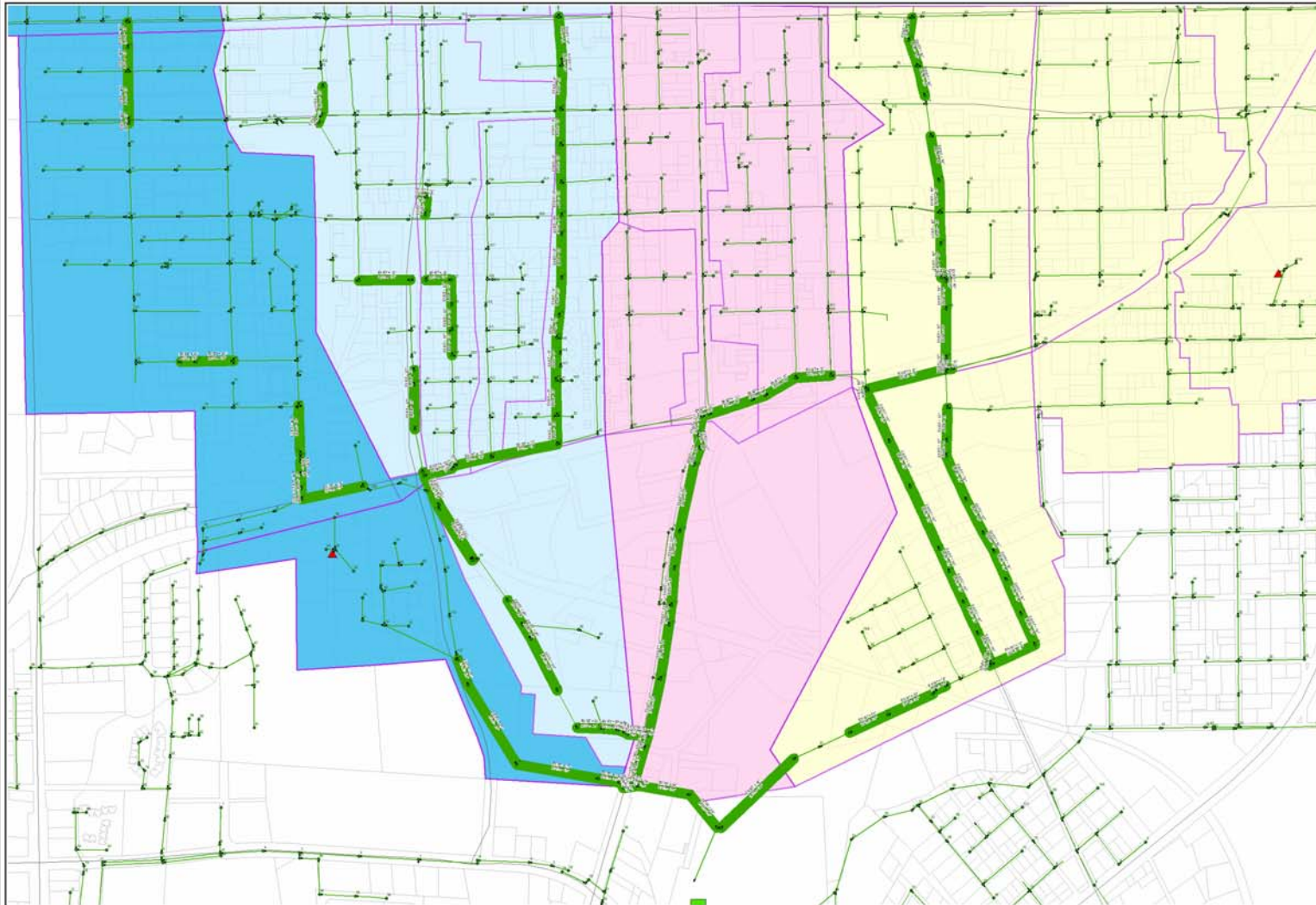
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# Improvements to Support Potential Buildout (40+ years)

Proposed Gravity Main Upgrades : Buildout

1 inch equals 300 feet



**Legend**

- ▲ Lift Station
- Treatment Plant
- Manhole
- Gravity Main**
- Active Gravity
- - - Aband. Gravity
- Gravity Upgrades Buildout

**Collection Areas**

- West Sub-basins\_2
- West Sub-basins
- Central Sub-basins
- East Sub-basins

# Categories of Improvements

Category	Description
<p><b>System Improvements (Current Policy)</b></p>	<p><b>R&amp;R (Correction of Existing Problems)</b></p>
<p><b>System Improvements (Proposed in Urban Core)</b></p>	<p><b>Existing Urban Core Sewer Slopes Causing Capacity Constraints Will Be Addressed as System Improvements Because They are located in CRA</b></p>
<p><b>Oversizing</b></p>	<p><b>Cost Efficient Investment to Accommodate Future Development</b></p>
<p><b>Development Triggered Trunk Capacity Upgrades</b></p>	<p><b>Major Downstream Upgrades to Accommodate Development</b></p>
<p><b>Local Collector Upgrades</b></p>	<p><b>Local Collector Upgrades and Extensions to Accommodate Development</b></p>

# Funding Alternatives Evaluated

- Existing Policy
- Levelized Connection Charges
- TIF
- Other Incremental Funding Sources
  - Connection Charge GFT
  - GFT of water & sewer rates
  - Utility Tax on Water & Sewer

# Funding Alternatives Evaluation

- Detailed Financial Model
  - “Aggressive” & “Moderate (50%)” Growth Forecasts
  - Inflation 4% (3-6%)
  - Blended Cost of Capital 7.5% (6.5-8.5%)
  - Avg Incremental Tax Value \$150k (\$100k-\$200k)

# Proposed Levelized Connection Charge

- **Current Policy:**
  - No Lift Station or Force Main Connection charges in Urban core area
- **Proposed Levelized Connection Charge**
  - All New Connections pay same charge
  - Additional GRU revenue ~ \$273/ERU
  - GRU pay portion (40%) of cost of capacity improvement projects

# Projected ERUs & Costs w/ Levelized Connection Charge (LCC) Funding

## *Aggressive Forecast*

Year (1)	Cumulative Increase in ERUs (2)	Total Trunk Cap Upgrade Cost (3)	GRU Oversizing (Existing Policy) (4)	Proposed GRU System Improvements (5)	Trunk Cap Upgrade cost Net Oversive & Syst Improv (6)	Proposed LCC Portion of Net Trunk Cap Upgrade Cost (7)	Developers' Cost (8)
5	3,120	\$3,650,000	\$1,030,000	\$2,190,000	\$420,000	\$170,000	\$250,000
10	4,810	\$5,600,000	\$1,430,000	\$0	\$4,170,000	\$1,670,000	\$2,500,000
15	6,500	\$2,810,000	\$710,000	\$0	\$2,100,000	\$840,000	\$1,260,000
20	8,180	\$3,410,000	\$860,000	\$0	\$2,550,000	\$1,020,000	\$1,530,000
40 (bldout)	14,730	\$7,480,000	\$1,890,000	\$0	\$5,590,000	\$2,240,000	\$3,350,000
20 yr Total	8,180	\$15,470,000	\$4,030,000	\$2,190,000	\$9,240,000	\$3,700,000	\$5,540,000

# Proposed Policy Changes in Urban Core to Promote Redevelopment

	GRU Portion*		Developer Portion*		Total*
Existing Policy (Oversize Only)	\$4,030,000	26%	\$11,440,000	74%	\$15,470,000
Proposed System Improvements (Functional/less than ideal)	\$6,220,000	40%	\$9,250,000	60%	\$15,470,000
Proposed System Improvements+LCC**	\$9,920,000	64%	\$5,550,000	36%	\$15,470,000

\*20 yr total costs

\*\*LCC = \$3.7 M (40% of \$9.25M)



# Recommendations

1. Due to the desire for development in and around the urban core, GRU amend existing policy for those wastewater projects in the urban core to use general ratepayer funds to address downtown sewer slopes that cause capacity constraints. In other areas these type projects will continue to be 100% developer funded.
2. Direct the City Attorney to prepare and the City Clerk to advertise an ordinance to implement the levelized connection charges. Staff estimates that this will cover about 40% of the remaining developer costs; therefore GRU will be responsible for this portion.

# Recommendations (cont'd)

3. The remaining 60% will be the responsibility of the developer. In the interest of promoting development in and around the urban core, the City Commission, in conjunction with the CRA, may choose to buy down these costs further on a project-by-project basis (using sources other than ratepayer funds or general connection charges)

Thank you!