



Sewer Cost Sharing Fund

Establishment, Eligibility, and Guidelines

Establishment of the Fund and the Method of Sustained Funding

*To promote growth of the City of Florence, a Sewer Cost Sharing Fund, hereafter referred to as the “Fund”, has been established by resolution of the City Council to provide **cost sharing funds for sewer extensions only into areas that can be legally annexed** into the corporate limits of the City of Florence, Alabama, subject to such areas being deemed as eligible for funding through established guidelines. Such Fund shall be established with initial funds being contributed in an equal amount from the Water/Wastewater Department and the City of Florence General Fund, hereafter referred to as the “Department” and “General Fund”.*

In addition to the initial funds contributed, continued funding shall be contributed equally by each, the Department and the General Fund as follows:

- In addition to the monthly in-lieu of tax payment normally paid by the Department to the General Fund, the Department shall separately contribute directly to the Fund an additional amount equal to 20% of the monthly in-lieu of tax payment paid to the General Fund by the Department.*
- Upon receipt of the monthly in-lieu of tax payment made by the Department to the General Fund, the General Fund shall transfer an amount equal to 20% of the in-lieu of tax payment received to the Fund.*

For the overall stability of the Fund and to allow the Fund to increase above the initial funds contributed by each (Department and General Fund), the City Chief Accountant/Treasurer may restrict distributions from the Fund for a period from the date the City Council adopted a resolution establishing the Fund.

The following guidelines and criteria for Commercial, Industrial, and Residential Development must be followed and met to receive assistance from the Fund:

Commercial or Industrial Development Projects – Guidelines & Criteria

- a) *Eligible commercial projects that receive funding must be revenue producing (sale of products) subject to City of Florence sales tax.*
- b) *Eligible industrial projects that receive funding must produce significant jobs and have a positive economic impact for the City of Florence. The proposed number of new jobs generated and financial impact projections must be provided.*
- c) *Cost sharing funds cannot be used for the sewer collection lines within any development project.*
- d) *Any sewer extension project may be rejected due to insufficient capacity or line size downstream of a proposed project.*
- e) *Premises requiring connection to City sewer system must adjoin the City of Florence corporate limits and be annexed into the corporate limits prior to any sewer extension or connection being made to the City sewer system.*
- f) *Distributions from the Fund are only reimbursement payments to the applicant. Under no circumstances are funds distributed before expenditures are made, or without submitted paid invoices or proof of expenditure as may be required.*
- g) *Any evidence of fraud, deception, or misuse of funds will result in an immediate demand for repayment to the Fund and potential civil or criminal action against the applicant.*
- h) *Funds will not be reimbursed from the Fund if all sewer lines installed by the developer's contractor have not been inspected by the Department and all documentation has not been received including TV logs, pressure tests, and any other test as required to be performed.*
- i) *Sewer lines and appurtenances installed must be warranted by the developer's contractor for a period of one year from the date of completion. In addition, surety in the amount of no less than 1.5 times the **total** project cost is required for all projects and such coverage maintained until released at the end of the warranty period when the extension is accepted by the Department.*
- j) *Eligible **Commercial or Industrial** sewer extension projects will be funded from the Fund at 50% of the project cost not to exceed \$250,000.*
 - a. Exception
 - i. *The Council, by resolution, may exceed the \$250,000 maximum distribution up to \$1,000,000 under the following conditions:*
 - 1. *The cost for a sewer extension by the developer is equal to or exceeds \$2,000,000*

2. *The distribution does not lower the Fund balance below \$1,000,000*
 3. *The proposed project is projected to produce a significant positive measurable financial impact to the City as determined by the City Chief Accountant / Treasurer.*
- k) *To allow the Fund to replenish, distributions will cease when the balance drops to \$1,000,000. Distributions will continue at such time the balance increases to a balance equal to the Fund's balance when it was established, or a balance higher if approved by the Council.*
 - l) *All sewer projects are subject to all City of Florence regulations, ordinances, and policies for permitting, submission of plans, departmental reviews, and approval.*
 - m) *At such time all conditions and criteria has been satisfied, including the one-year warranty period, the Department will accept the sewer extension as a public line and General Fund will reimburse the developer for eligible expenditures subject to the disbursement limits.*
 - n) *These guidelines may be amended at any time with City Council approval by resolution.*
 - o) *Application process:*
 - a. *Submit an application to the Water/Wastewater Department with all attachments requested.*
 - b. *Water Department will review for sewer availability and capacity.*
 - c. *Application will be circulated for review and comments to the Building Department, Planning Department, City Engineering, and Business Development.*
 - d. *Projects deemed eligible and approved will be submitted to the City Council for consideration.*
 - e. *Approved funding will be reimbursed to the applicant when all requirements have been met and proof of expenditures are provided.*

Residential Development Projects – Guidelines & Criteria

- a) *Eligible Residential Subdivisions must be approved platted subdivisions that have the approval of the Planning Commission and may be a development with single family homes or multi-family housing development such an apartment complex.*
- b) *Cost sharing funds cannot be used for the sewer collection lines within any development project.*

- c) *Any sewer extension project may be rejected due to insufficient capacity or line size downstream of a proposed project.*
- d) *Premises requiring connection to City sewer system must adjoin the City of Florence corporate limits and be annexed into the corporate limits prior to any sewer extension or connection being made to the City sewer system.*
- e) *Sewer extensions to provide access to a residential development will be designed by the Department consulting engineer and installed by a qualified contractor obtained by the City Department subject to the City adopted policies and State of Alabama Purchasing and Public Works laws.*
- f) *The City and developer will enter into a contract whereas the developer will be responsible for all engineering and construction costs less any approved cost sharing funds that will be paid from the Fund to the Department. Surety for the developer's payment due to the City must be provided in an amount of no less than 1.5 times the **total** project cost.*
- g) *Eligible **Residential** sewer extension projects will be funded from the Fund at 50% of the project cost not to exceed \$50,000.*
- h) *To allow the Fund to replenish, distributions will cease when the balance drops to \$1,000,000. Distributions will continue at such time the balance increases to a balance equal to the Fund's balance when it was established, or a balance higher if approved by the Council.*
- i) *These guidelines may be amended at any time with City Council approval by resolution.*
- j) *Application process:*
 - a. *Submit an application to the Water/Wastewater Department with all attachments requested.*
 - b. *Water Department will review for sewer availability and capacity.*
 - c. *Application will be circulated for review and comments to the Building Department, Planning Department, City Engineering, and Business Development.*
 - d. *Projects deemed eligible and approved will be submitted to the City Council for consideration in the form of a contract between the developer and City Water/Wastewater Department.*



SEWER COST SHARING APPLICATION

Return to:
Florence Water/Wastewater Department
P.O. Box 1023
Florence, AL 35631-1023

Applicant Information

Name

Street Address

City, State & Zip

Phone

Project Information

Include parcel ID, and business, industry, or residential project to be served by the proposed sewer line extension.

Distribution

Water/Sewer Engineering

Building Department

Planning Department

City Engineering

Business Development

Departmental Reviews

(Official Use Only)

Water/Sewer Eligible Non-Eligible

Include
comments to
justify or
reason(s) for
rejection

Reviewed By:

Building Dept. Eligible Non-Eligible

Include
comments to
justify or
reason(s) for
rejection

Reviewed By:

**Planning
Dept.** Eligible Non-Eligible

Include
comments to
justify or
reason(s) for
rejection

Reviewed By:

Recommend funding to the City Council

Water/Wastewater Manager**Date:**

Mayor**Date:**