

# **STORMWATER UTILITY FEE FEASIBILITY STUDY**

**(RESPONSES TO QUESTIONS RAISED AT THE  
9-26-2011 COMMITTEE OF THE WHOLE MEETING)**



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## **KEY CONCERNS**

- Make tiered system more equitable?
- Assistance for low income residents?
- Promote sustainable stormwater management?
- Credit and incentive program?
- Include public right-of-way in fee?
- General revenue fund relief?
- Equity issue for properties located close to waterways?
- Other?

## URBANA TIERED APPROACH OPTION

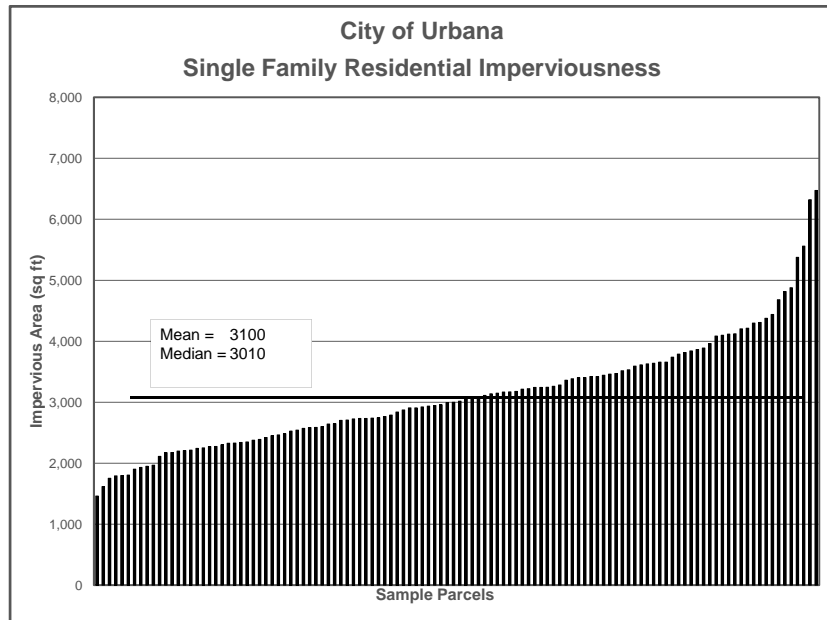
| Tier No. | Tier Size<br>Impervious<br>Area ft^2 | Percent of<br>Properties | Estimated<br>Number of<br>Properties | Monthly Rate:<br>Upper End |
|----------|--------------------------------------|--------------------------|--------------------------------------|----------------------------|
| Tier 1   | 0 to 4500                            | 92.5%                    | 7,342                                | \$4.75                     |
| Tier 2   | 4500 to 6000                         | 4.2%                     | 333                                  | \$8.75                     |
| Tier 3   | 6000 and up                          | 3.3%                     | 262                                  | \$12.15                    |

The tiered approach would result in \$17,000 to \$18,000 in additional implementation phase costs to determine impervious areas for the residential parcels

## TIERED OPTION DISCUSSION POINTS

- Urbana's statistical distribution curve of residential properties is very flat making adding additional tier levels difficult. See Exhibit A.
- The proposed tiered system is similar to Champaign's rate system helping maintain consistency between the cities. See Exhibit B.
- Additional tiered levels will add cost to the implementation phase of the project. Requires expanded measurement of imperious areas for 7,900 properties. See Exhibit C.
- Additional tiered levels will require more staff time to update and maintain the master billing database.

## EXHIBIT A



## EXHIBIT B CHAMPAIGN TIERED RATES

| Tier No. | Tier Size<br>Impervious<br>Area ft <sup>2</sup> | Monthly Rate:<br>Upper End |
|----------|---|----------------------------|
| Tier 1   | 0 to 6000                                       | \$4.94                     |
| Tier 2   | 6000 to 8000                                    | \$10.55                    |
| Tier 3   | 8000 and up                                     | \$13.64                    |

## EXHIBIT C

| Land Use          | No. of<br>Parcels | Gross Area         | Impervious |                    | Billing<br>Units |
|-------------------|-------------------|--------------------|------------|--------------------|------------------|
|                   |                   |                    | %          | Area               |                  |
| Single Family     | 7,483             | 69,433,600         |            | 23,332,000         | 7,483            |
| Duplex            | 454               | 3,932,400          |            | 1,415,600          | 454              |
| Multi-Family      | 447               | 13,200,100         | 51%        | 8,283,300          | 2,672            |
| Condo             | 246               | 1,546,400          | 43%        | 664,900            | 214              |
| Industrial        | 37                | 10,527,100         | 68%        | 7,126,100          | 2,299            |
| Commercial        | 739               | 40,360,100         | 71%        | 28,630,800         | 9,236            |
| Churches          | 111               | 3,746,300          | 53%        | 1,996,600          | 644              |
| Government        | 253               | 47,127,800         | 45%        | 21,316,100         | 6,876            |
| University        | 213               | 25,207,000         | 39%        | 9,733,100          | 3,140            |
| Misc              | 47                | 11,748,700         | 53%        | 751,400            | 242              |
| Agriculture       | 56                | 46,216,900         | 1%         | 554,600            | 179              |
| <b>Total Area</b> | <b>10,086</b>     | <b>273,046,400</b> |            | <b>103,804,500</b> | <b>33,439</b>    |

*Approximate Areas* in Square Feet

## ASSISTANCE FOR LOW INCOME RESIDENTS DISCUSSION POINTS

- **Recommend setting aside a portion of the \$811,000 in savings to the General Revenue fund to assist low income residents with payment of the utility fee.**
- **Recommend having Community Development administer the utility fee payment assistance program.**
- **Cannot incorporate income levels into utility fee or it will be considered a tax. Utility fee must be based on a measurable parameter related to stormwater.**
- **Because an enterprise fund is proposed for the utility fee all revenues collected must be used for stormwater management expenses. Cannot use funds for utility fee bill assistance program.**

## **PROMOTING SUSTAINABLE STORMWATER MANAGEMENT DISCUSSION POINTS**

- **New stormwater master plan will provide basis for including sustainable stormwater management best practices in City capital improvement projects.**
- **Credit and incentive program encourages sustainable stormwater management on private properties.**
- **Stormwater utility fee provides a funding mechanism for sustainable stormwater management. Without the utility fee there are insufficient funds to implement sustainable stormwater management. Stormwater utility fees can be raised in future to support additional sustainable stormwater management practices.**

## **INCENTIVE AND CREDIT PROGRAM DISCUSSION POINTS**

- **Stormwater utility feasibility study recommended incentive and credit programs.**
- **\$30,000 budgeted for residential incentive/credit programs**
- **\$50,000 budgeted for non-residential incentive/credit programs.**
- **Need to develop additional details on the incentive/credit programs. Seeking to retain AMEC to develop incentive/credit program details. See example from Champaign in Exhibit D.**

**EXHIBIT D  
CHAMPAIGN INCENTIVE/CREDIT  
PROGRAM**

| Description  | Single Family and Duplex Properties | Non-Residential Properties |
|--|-------------------------------------|----------------------------|
| Rain Barrel  | \$25 - Incentive                    | \$25 - Incentive           |
| Rain Garden  | \$250 - Incentive                   | \$250 - Incentive          |
| Rate Reduction – Detention Basin                           | \$250 - Incentive                   | 15 % -Credit               |
| Volume Reduction – Green Roof, Cistern, Permeable Pavement | \$250 - Incentive                   | 15 % -Credit               |
| Water Quality– Bioswale                                    | \$250 - Incentive                   | 10 % -Credit               |

**INCLUDE PUBLIC R.O.W IN FEE  
DISCUSSION POINTS**

- **Would increase City’s utility fee while reducing all other rate payers. Would reduce savings to General Revenue Fund.**
- **Would not increase total amount of stormwater utility fees collected. Total fee revenue stays at \$1.7 million.**
- **Council has adopted a sustainability plan and Public Works Department is implementing more sustainable stormwater practices. Funding is presently the biggest hurdle in implementing more sustainable stormwater practices.**

## **GENERAL REVENUE FUND RELIEF DISCUSSION POINTS**

- **Council will ultimately decide how \$811,000 in savings to the General Revenue fund generated by the stormwater utility fee is utilized.**
- **City Staff recommend that those funds are allocated to the Capital Improvements budget to fund infrastructure needs including street reconstruction, street resurfacing, bike lanes, sidewalk reconstruction, street lighting, and bridge repairs.**

## **PROPERTY EQUITY DISCUSSION POINTS**

- **The stormwater utility fee funds public stormwater infrastructure that benefits the common good of the entire community.**
- **Entire community benefits from use of streets made passable during rain events via stormwater infrastructure.**
- **Entire community benefits from reduced incidents of flooding and the property damage or potential loss of life associated with flooding.**
- **Entire community benefits from improved water quality in local creeks and streams.**

**QUESTIONS?**