



# Proposed Stormwater Management Fee: Staff Recommended Framework

September 20, 2016

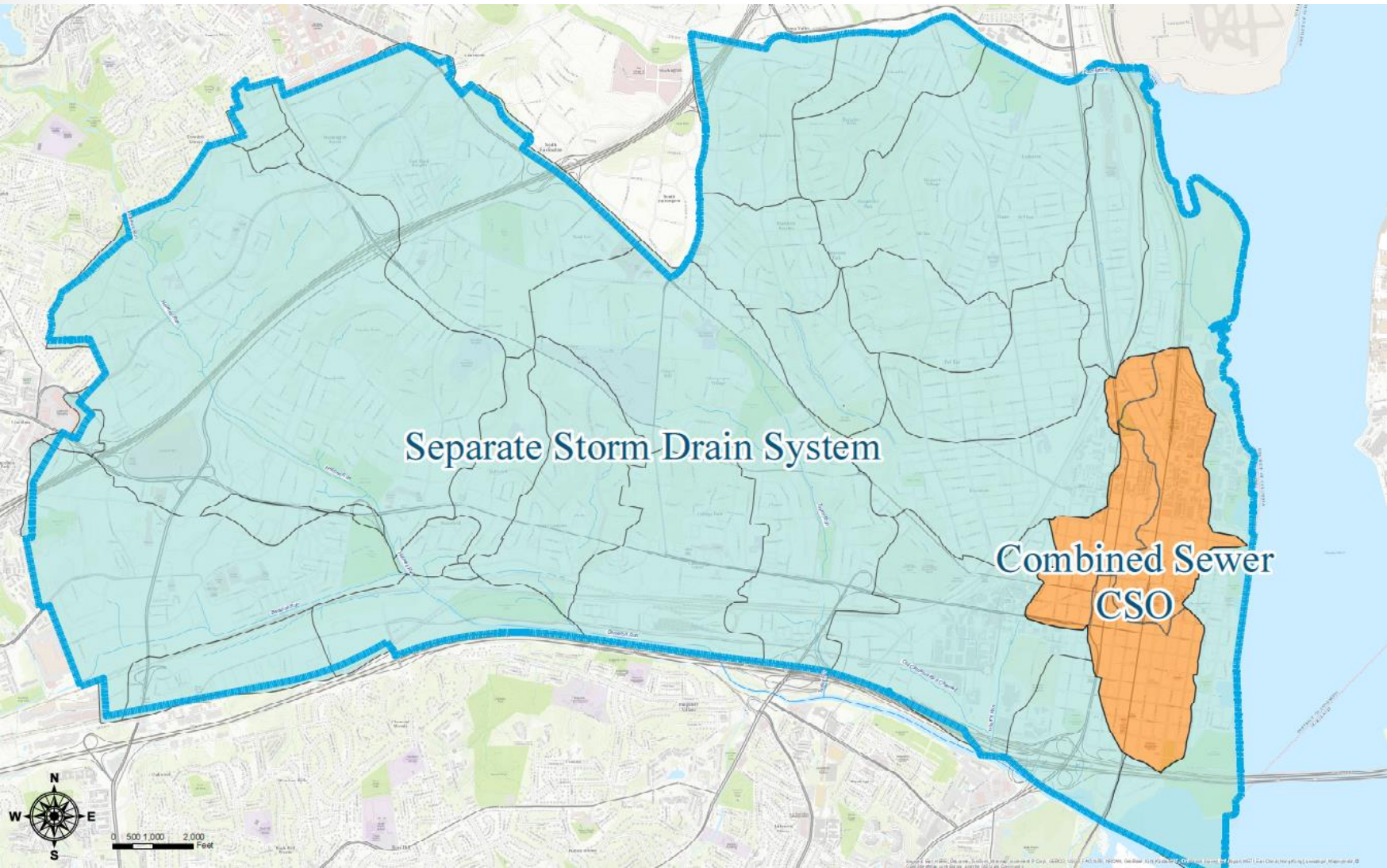
ECO-CITY  ALEXANDRIA

# Why Are We Here?

*Respond to state and federal mandates in equitable, fiscally responsible manner.*

- Update on Stormwater Enterprise Fund progress based on FY2017 guidance
  - Alternative funding to meet increasing cost of stormwater mandates
  - Increased General Fund pressure
- May free up General Fund support for other programs/projects
- Seeking feedback on staff recommendations and approach

# Separate Sewer vs. Combined Sewer





# What is Stormwater Runoff?



ECO-CITY ALEXANDRIA

Only **Rain** Down the Storm Drain!





# City's Stormwater Program Timeline

- 1970s – Stormwater detention required
- 1992 – Chesapeake Bay Act: required stormwater treatment
- 2003 – City's first Municipal Separate Storm Sewer System (MS4) permit
- December 2010: Chesapeake Bay TMDL (Total Maximum Daily Load)
  - Set nutrient and sediment 'pollution budget' or 'clean up mandates'
- July 2013: Chesapeake Bay TMDL clean up mandates enforced in MS4 permit

# City's Stormwater Management Program

- Stormwater Quality
- Flooding Protection and Drainage
- Chesapeake Bay TMDL Cleanup Mandates





# Stormwater Management Program



*Catch basin cleaning, Prince Street*



*BMP Inspection, Fire Station 206*



*Plan Review*



*Channel maintenance, Cameron Run*



# Chesapeake Bay TMDL Cleanup Mandates

- Will require nearly  $\frac{1}{4}$  of the City to be retrofitted for stormwater treatment

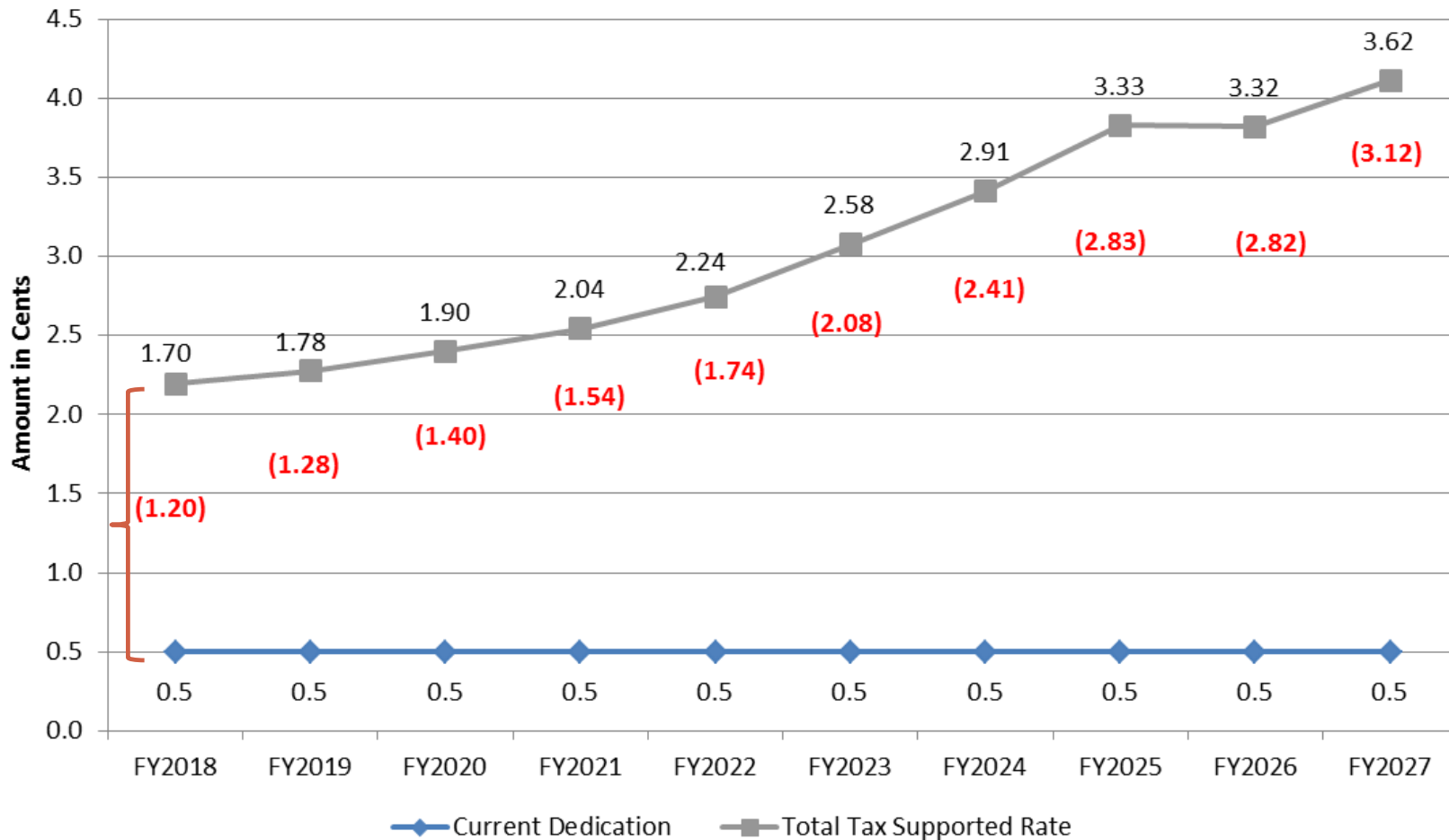
<b><i>MS4 Permit Cycle</i></b>	<b>Portion of Total Reductions</b>	<b>Approx. Acres</b>
Phase I (2013 - 2018)	5%	120 - 130
Phase II (2018 - 2023)	35%	660
Phase III (2023 - 2028)	60%	1,450
<b>Total All Phases</b>	<b>100%</b>	<b>2,140</b>





# Estimated Tax Rate Impact

## Estimated Stormwater Expenditures in Tax Rate Equivalent\*



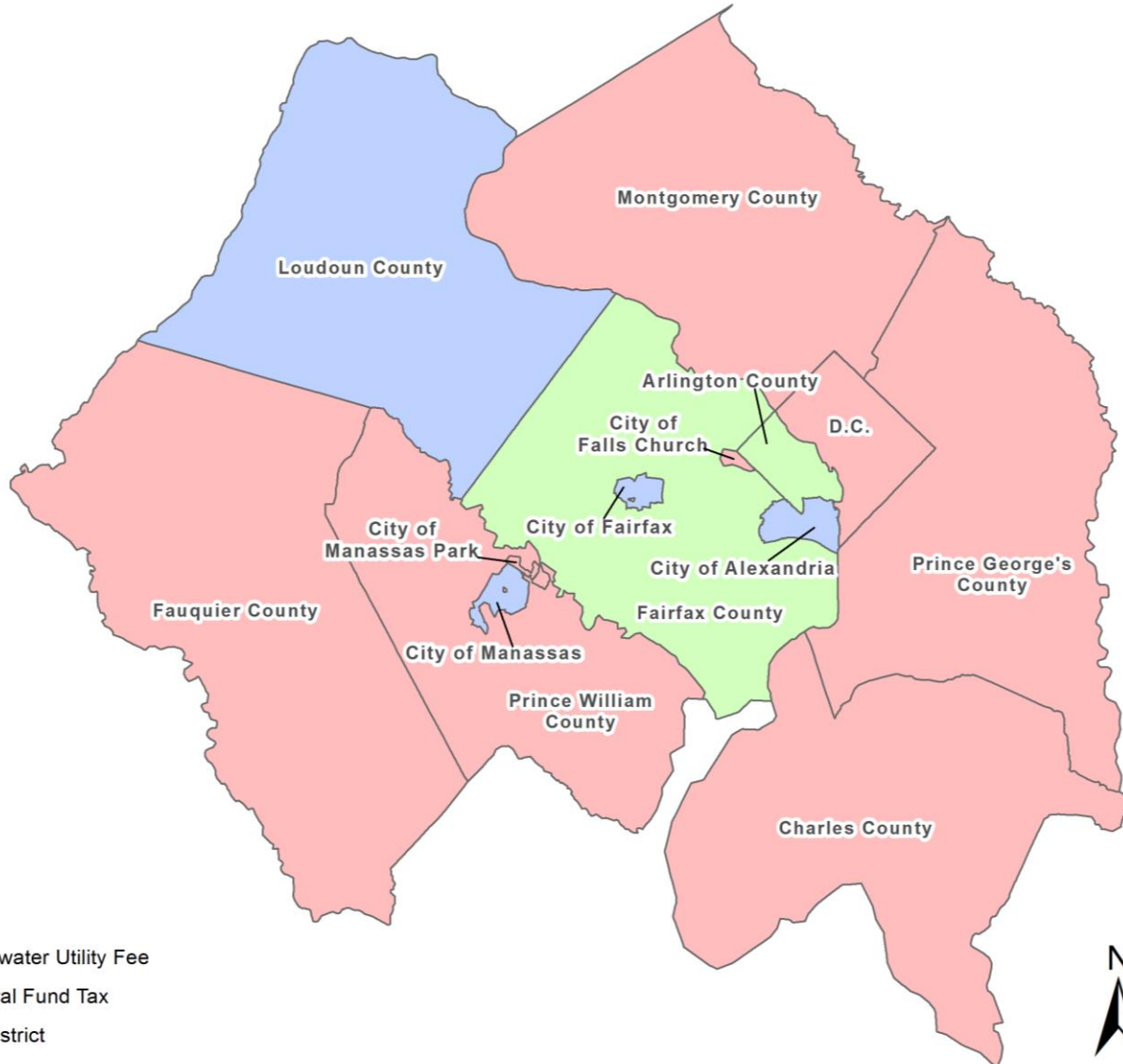


# Projected Stormwater CIP as Percentage of Debt




	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
<b>Total Public Improvement Bonds Issuance (millions \$)</b>	111.4	79.0	89.3	72.4	106.0	82.1	74.2	64.5	55.1
<b>Stormwater Portion of Issuance (millions \$)</b>	1.6	2.1	2.8	2.8	3.3	3.3	4.8	4.7	4.7
<b>Stormwater % of Issuance</b>	1.5%	2.6%	3.1%	3.9%	3.1%	4.0%	6.4%	7.3%	8.6%



# Regional Stormwater Funding



## Legend

-  Stormwater Utility Fee
-  General Fund Tax
-  Tax District





# Stormwater Utility Basics

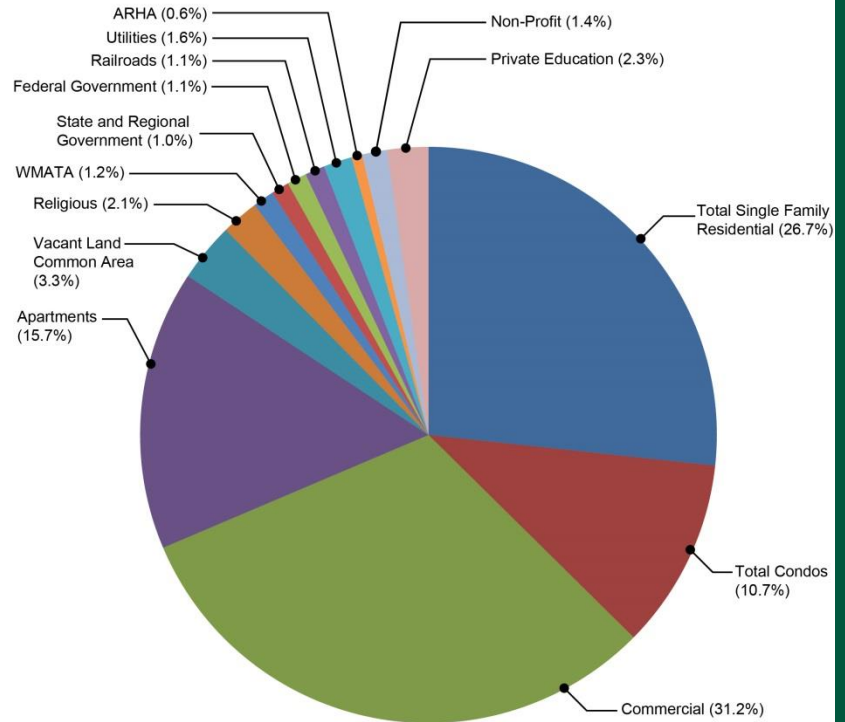
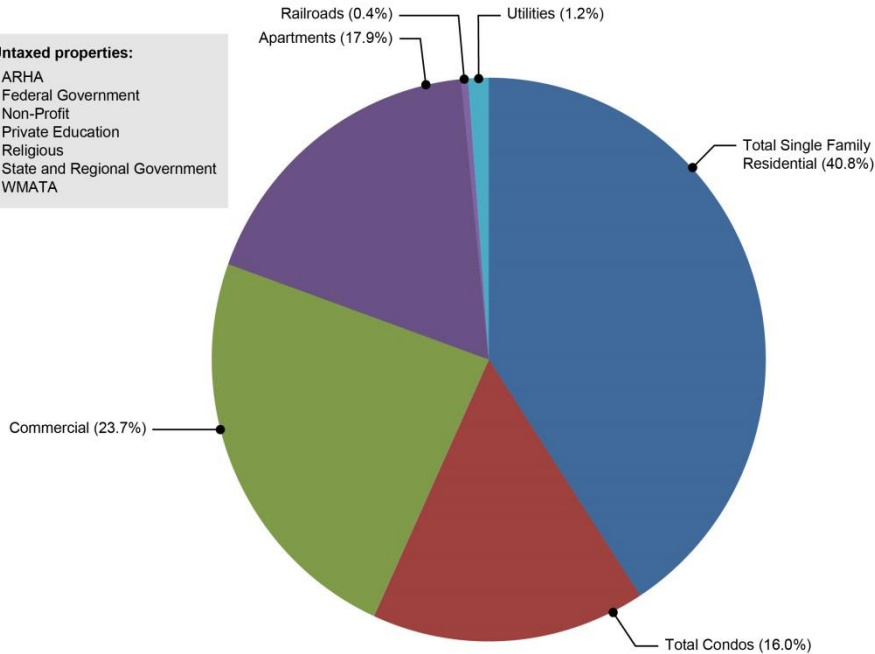
- Virginia enabling legislation – 1992
  - Fee for service, not a tax
  - Dedicated funding source
  - Based on a property's impervious area
  - Revenue can only be used for stormwater
  - Consistent with Eco-City goals
- 
- **Stable**
  - **Adequate**
  - **Flexible**
  - **Equitable**

# Tax Rate vs. Impervious Contribution

## Tax Rate Distribution

## Impervious Area Distribution

**Untaxed properties:**  
 ARHA  
 Federal Government  
 Non-Profit  
 Private Education  
 Religious  
 State and Regional Government  
 WMATA

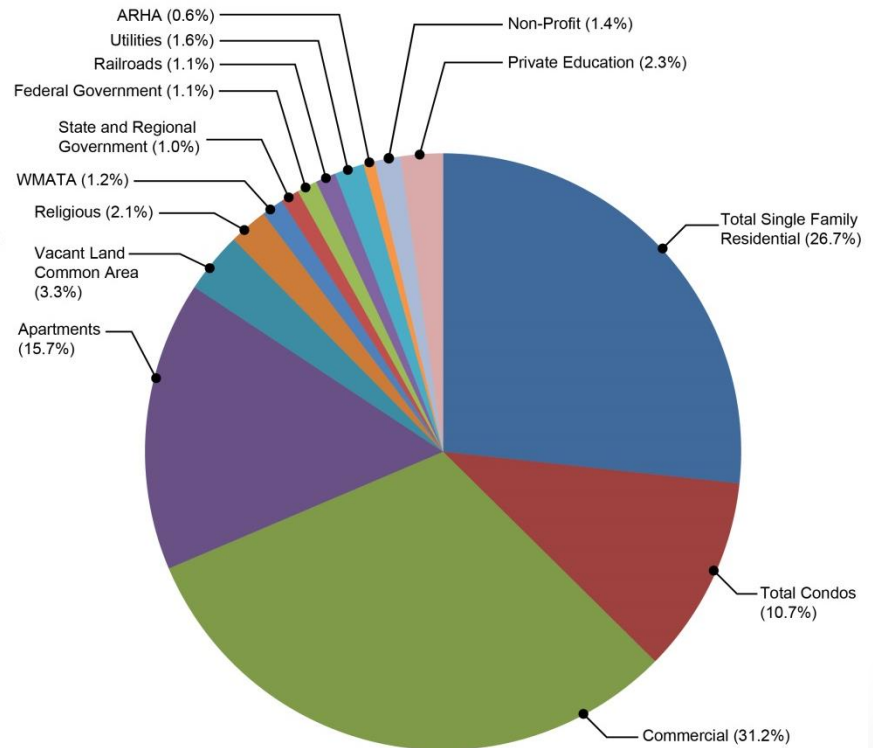
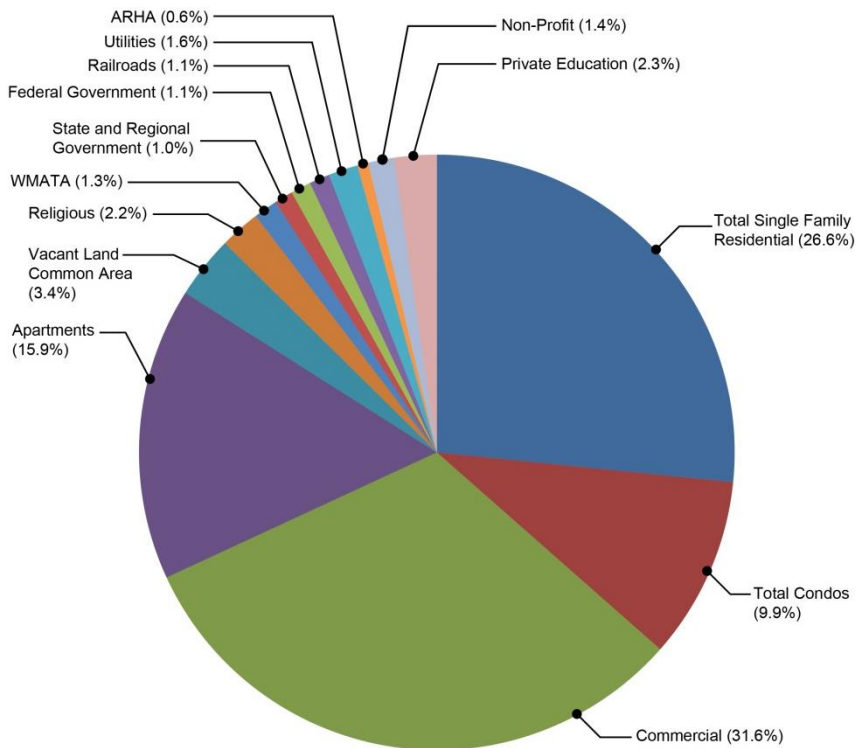




# Stormwater Fee and Impervious Area Distribution

## ERU Distribution

## Impervious Area Distribution



# Focus of Staff Recommendations

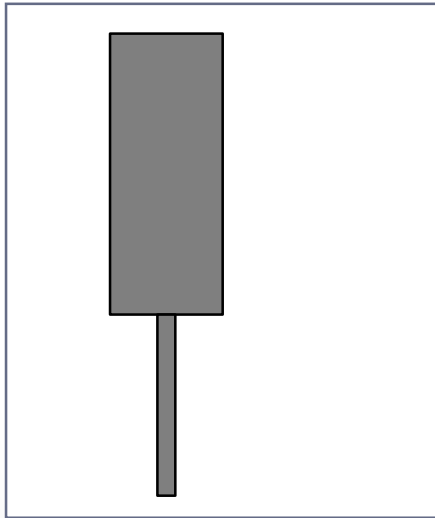
- Council directed staff to create draft framework
- Capture stormwater program costs
- Create equitable stormwater funding
- Minimize administrative cost
- Maximize understandability

## Proposed Fee Framework

- Fee Structure
- Billing Method
- Fee Reduction / Credit Policy

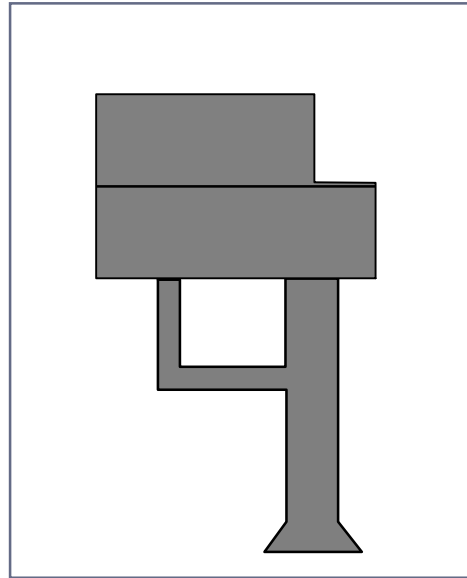
# Recommended Fee Structure: Single Family Tiered

Townhouse



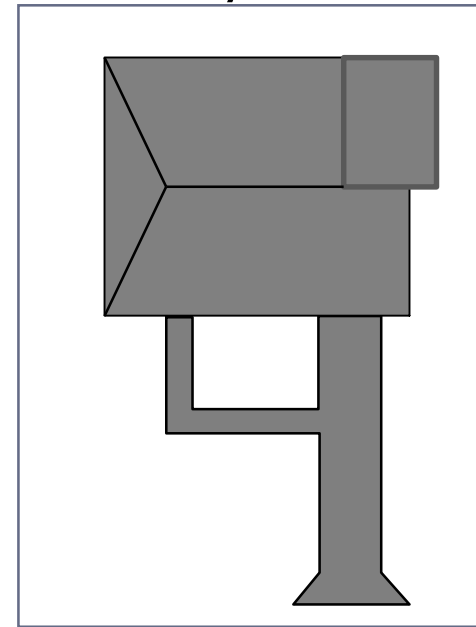
0.42 ERU = Single Family Attached and Semi-Detached

Typical Single Family Home



1 ERU = Single Family Detached

Large Single Family Home



1.67 ERU Single Family Detached > 2,800 s.f.

Proposed 1 Equivalent Residential Unit (ERU) = 2,062 s.f.



# Preliminary Fee Estimates

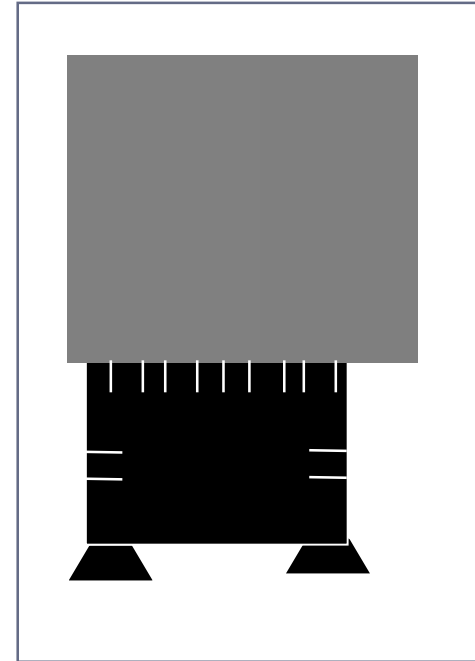
Tier	Property Type	ERU Portion (1 ERU= 2,062 sf)	Est. Rate Range (yr.)	Est. Rate Range (mo.)
1	Condos	0.28	\$35-\$40	\$3
2	Townhome	0.42	\$50-\$60	\$4-\$5
3	Typical Single Family Home	1	\$120-\$145	\$10-\$12
4	Large Single Family Home	1.67	\$200-\$242	\$18-\$20

- Based on impervious footprint, not interior square footage
- Preliminary estimate will be further refined
- Billing Method recommendation: incorporate into the real estate bill

# Proposed Non-Residential Sample Fee Calculation

*Calculate variable fee:*

- Building and parking lot impervious area = 6,168 s.f.
- 1 ERU = 2,062 s.f.
- Total ERUs =  $6,168 / 2,062 = 3$
- 3 x \$120 to \$145 per yr. = \$360 to \$435 per year or \$30 to \$37 per month



Impervious Area  
= 6,168 s.f.



# Tax Rate Equivalent vs. Proposed SWU Range of Rates

## Non-Residential (Annual)

Sample Property Description	Assessed Value (\$millions)	Impervious Areas (ft <sup>2</sup> )	Funds to SWM from Real Estate Tax	SWU Fee (at \$120)	SWU Fee (at \$145)
Large Apartment Building Complex	\$140.00	962,831	\$27,050	\$56,033	\$67,706
Small Apartment Building Complex	\$17.52	106,521	\$3,386	\$6,199	\$7,491
Restaurant and Parking Lot	\$1.25	5,588	\$242	\$325	\$393
Small Retail Building Complex	\$8.49	38,231	\$1,641	\$2,225	\$2,688
Large Retail Building Complex	\$69.83	84,886	\$13,493	\$4,940	\$5,969
Restaurant	\$2.75	2,184	\$532	\$127	\$154
Business	\$1.47	2,754	\$284	\$160	\$194
Commercial Building with Parking Lot	\$0.88	12,673	\$169	\$737	\$891





# Tax Rate Equivalent vs. Proposed SWU Range of Rates

## Non-Profit and Religious (Annual)

Sample Property Description	Imp. Area (ft <sup>2</sup> )	SWU Fee (at \$120)	SWU Fee (at \$145)
Private School	877,756	\$51,082	\$61,724
Railroad	1,291,285	\$75,148	\$90,803
Large Church	222,032	\$12,921	\$15,613
Non-Profit Organization	4,079	\$237	\$287
Private School	115,196	\$6,704	\$8,101
Church	34,166	\$1,988	\$2,403
Church	19,599	\$1,141	\$1,378
Non-Profit Organization	5,800	\$338	\$408
Non-Profit Organization	174,573	\$10,159	\$12,276
WMATA Metro Station	97,579	\$5,679	\$6,862
State Government Building	63,957	\$3,722	\$4,497
Federal Government Building	85,940	\$5,001	\$6,043



# Proposed Fee Reduction / Credit Policy

- Staff recommends two phases
- Phase 1 (Non-Residential)
  - Stormwater quality facility best management practices (BMPs)
  - Stormwater quantity flood control facilities
  - Non-structural BMPs
- Phase 2
  - Menu of Single-Family (Residential) BMPs
  - Voluntary BMPs per design standards

# Next Steps

