

# Stormwater Utility Fee

## Finance, Implementation and Public Outreach Plan

September 24, 2019



# Project Team

- Chad Butzow, Public Works
- Sia Mollanazar, Public Works
- Tom Gerstenberger, Public Works
- Myra Prater, Public Works
- Charlie Hunsicker, Parks and Natural Resources
- Rob Brown, Parks and Natural Resources
- Greg Blanchard, Parks and Natural Resources
- Scott Browning, Parks and Natural Resources
- Nicholas Azzara, Information Outreach
- Jeff Eger, HDR
- Dan Suarez, HDR
- Michele Brennan, HDR
- Henry Thomas, PRMG
- John Osborne, County Admin.
- Jan Brewer, Financial Management
- Mike Gore, Utilities



# BCC Direction

9/17/19 BCC Worksession

Proceed with bringing back potential Stormwater Utility Fee

Agreed upon points:

- Non-Ad Valorem Assessment (Annual Tax Bill) instead of monthly utility bill
- Enhanced Level of Service instead of Existing Level of Service
- Concerns with impact to taxpayers, low-income residents



# Today's Goals

1. Finance Plan - Board considerations of implementation and finance options for Stormwater Utility Fee
2. Public Outreach Plan - Board authorization of public outreach & education plan of action
3. Implementation Plan - Review of overall process to implement stormwater fee



# Today's Goals

- 1. Finance Plan - Board considerations of implementation and finance options for Stormwater Utility Fee**
2. Public Outreach Plan - Board authorization of public outreach & education plan of action
3. Implementation Plan - Review of overall process to implement stormwater fee



# Expected Levels of Service

Task	Existing Annual Interval (Years)	Proposed Annual Interval (Years)
canal cleaning	14.9	7
ditch cleaning	20.7	10
pond spraying	1.2	1.2
pipe cleaning	17.3	6.5
inlet cleaning	9.4	4.5
street sweeping	0.2	0.1
<b>Total Cost</b>	<b>\$13,671,772*</b>	<b>\$7,436,030**</b>

\*inclusive of ~\$2.5M CIP funding

\*\*requires initial equipment purchases: \$8,960,000

# Current Funding Levels by Revenue Sources Based on 2019 Budget

- Solid Waste Fund (460) - \$9,601,339
- Gas Tax Fund (101,199) - \$3,004,628
- Phosphate Mining Fees (120) - \$594,662
- General Fund (001) - \$471,143
- **Total Amount Funded - \$13,671,772\***

\*inclusive of ~\$2.5M CIP funding

**This represents the EXISTING Level of Service**



# Enhanced Level of Service

This represents the ENHANCED Level of Service - - additional tasks and increases in frequency of maintenance activities.

Cost of Stormwater Program Enhancements	
Maintenance Activities	\$3,444,515
Water Quality	\$991,515
Capital (Pipe Replacement/Lining) (~3miles)	\$2,000,000
Watershed studies acceleration	\$500,000
Outfall Cleaning Program	\$500,000
<b>Total Annual Costs</b>	<b>\$7,436,030</b>
<i>Plus Initial Equipment Purchases: \$8,960,000</i>	





# Finance Plan

- Why not lower Solid Waste fees for citizens simultaneously?
- Solid Waste Funding source for stormwater comes from the following:
  - Service Fee
  - Franchise Fee
  - Tipping Fee
- Multiple and complex agreements with existing contractors, etc.
- Would not provide equal financial parity of benefit across land use types / solid waste generators
- Proposed - maintain these funding sources for Existing Level of Service for Stormwater program for the immediate future
  - Solid Waste, Gas Tax, Phosphate, General Fund Revenue



# Finance Plan

- Establish Stormwater Utility Fee as funding source on tax rolls
- New fee would be dedicated to the Enhanced Level of Service in Unincorporated County
- New fee can be phased in to reduce impact
- New fee provides a rational nexus between the fees paid and services received
- A specific fee improves transparency of stormwater program



# Finance Plan - Options

- **OPTION 1** - Enhanced Level of Service portion of the program (and all cost in excess of 2019 funding levels)
  - \$4.85/month = \$58.16/year per ERU
  - Does not fund capital betterment projects
- **OPTION 2** - Enhanced Level of Service with replacing half the solid waste contribution, to build a betterment project fund
  - \$7.34/ month = \$88.10/year per ERU
  - Up to \$5.1M annual for capital betterment projects
- **OPTION 3** – Other alternative from Board
- **OPTION 4** – No Stormwater Utility Fee



# Expected Levels of Service

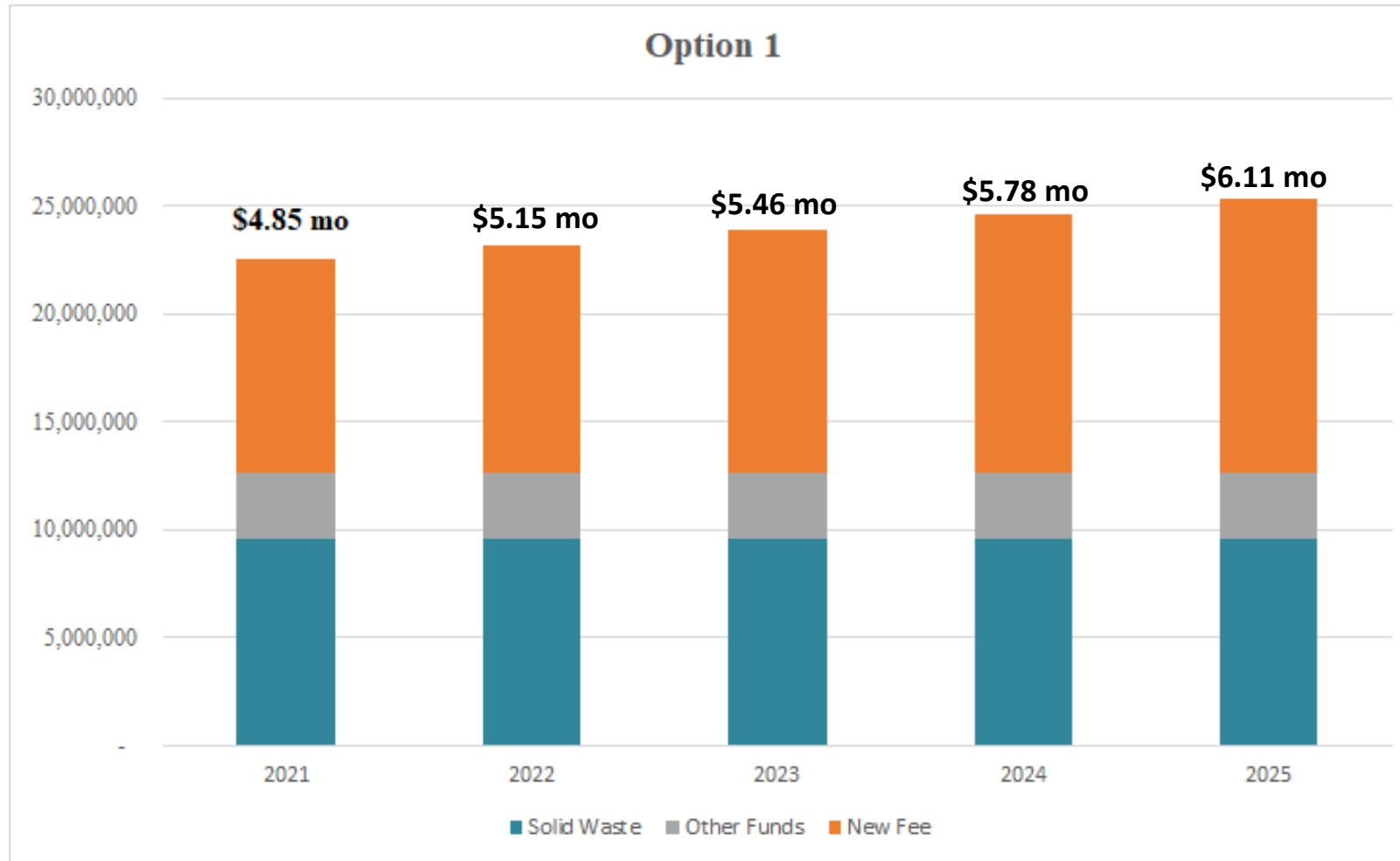
	Option 1	Option 2
Task	Existing Annual Interval (Years)	Proposed Annual Interval (Years)
canal cleaning	14.9	7
ditch cleaning	20.7	10
pond spraying	1.2	1.2
pipe cleaning	17.3	6.5
inlet cleaning	9.4	4.5
street sweeping	0.2	0.1
<b>Option Costs</b>	<b>\$13,671,772*</b>	<b>\$7,436,030**</b>

\*inclusive of ~\$2.5M CIP funding

\*\*requires initial equipment purchases: \$8,960,000

# Enhanced LOS - Option 1

## Enhanced maintenance but no betterment funds



# Enhance LOS - Option 1

- What would **Option 1 (ERU = \$4.85/mo or \$58.16/year)** mean initially to the following:
- Single family residential
- Multi-family residential
- Non-residential



# Enhance LOS - Option 1

- What would **Option 1 (ERU = \$4.85/mo or \$58.16/year)** mean initially to the following:
- **Single family residential**
  - 0-2,462 sf = \$ 2.91/mo \$ 34.92/year
  - 2,463 – 4,072 = \$ 4.85/mo \$ 58.20/year
  - 4,073-6,000 = \$ 7.76/mo \$ 93.12/year
  - 6,001 + = \$14.07/mo \$168.78/year
- Multi-family residential
- Non-residential



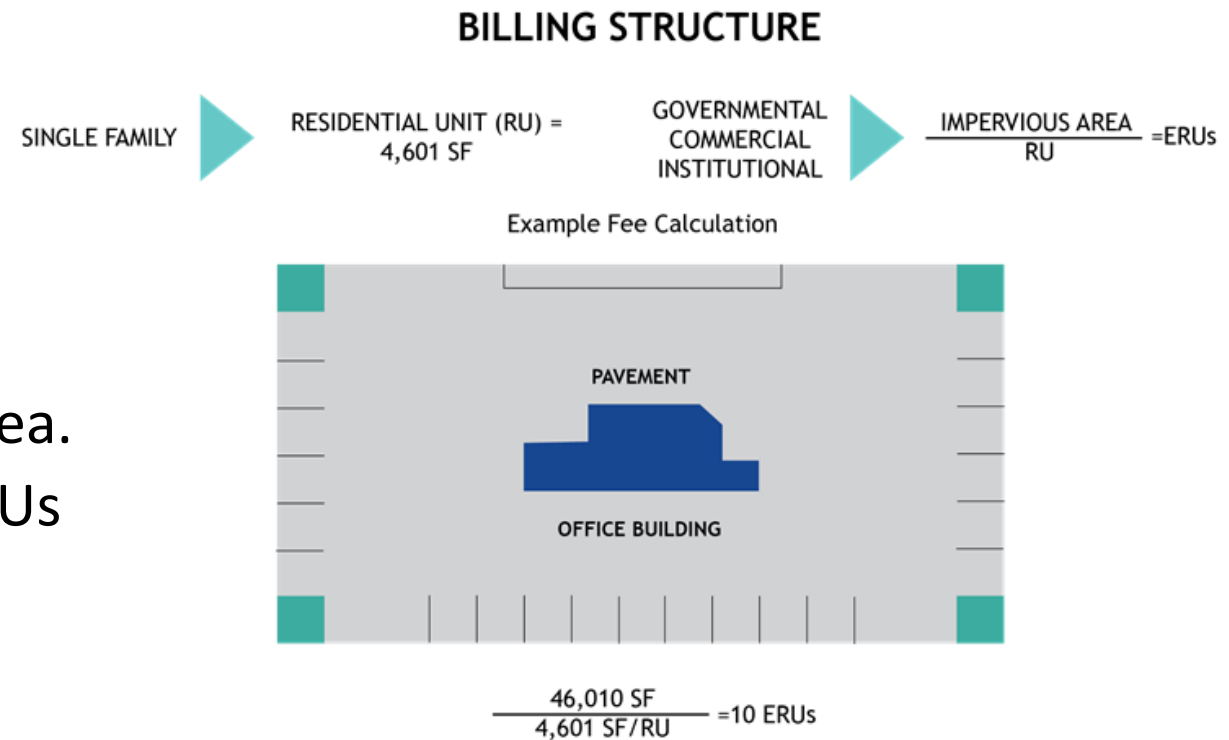
# Enhance LOS - Option 1

- What would **Option 1 (ERU = \$4.85/mo or \$58.16/year)** mean initially to the following:
- Single family residential
- **Multi-family residential**
  - Following based on preliminary calculations for multi-family residential
  - Average of duplex, apartments, mobile home parks, condos, etc. = 0.6 ERUs
  - 0.6 ERUs x \$4.85/mo = \$2.91/mo    \$34.92/year
- Non-residential



# Enhance LOS - Option 1

- What would **Option 1 (ERU = \$4.85/mo or \$58.16/year)** mean initially to the following:
- Single family residential
- Multi-family residential
- **Non-residential**
  - Parcels billed on actual impervious area.
  - $\text{Impervious Area} / 4,601 \text{ SF/RU} = x \text{ ERUs}$



# Enhance LOS - Option 1

- What would **Option 1 (ERU = \$4.85/mo or \$58.16/year)** mean initially to the following:
  - Single family residential
  - Multi-family residential
  - **Non-residential**
    - Parcels billed on actual measured impervious area.
    - Impervious Area / 4,601 SF/RU = x ERUs
      - **Shopping Center** (30.14 ac. site w/10.2 ac. impervious) = 97.0 ERUs  
= \$470.54/mo \$5,646.52/year
      - Mega Flex-Space Industrial
      - Fast Food
      - Hotel

# Enhance LOS - Option 1

- What would **Option 1 (ERU = \$4.85/mo or \$58.16/year)** mean initially to the following:
  - Single family residential
  - Multi-family residential
  - **Non-residential**
    - Parcels billed on actual measured impervious area.
    - Impervious Area / 4,601 SF/RU = x ERUs
      - Shopping Center
      - **Mega Flex-Space Industrial** (280 ac. site w/194 ac. impervious) = 1,837 ERUs  
= \$8,907.98/mo \$106,895.72/year
      - Fast Food
      - Hotel

# Enhance LOS - Option 1

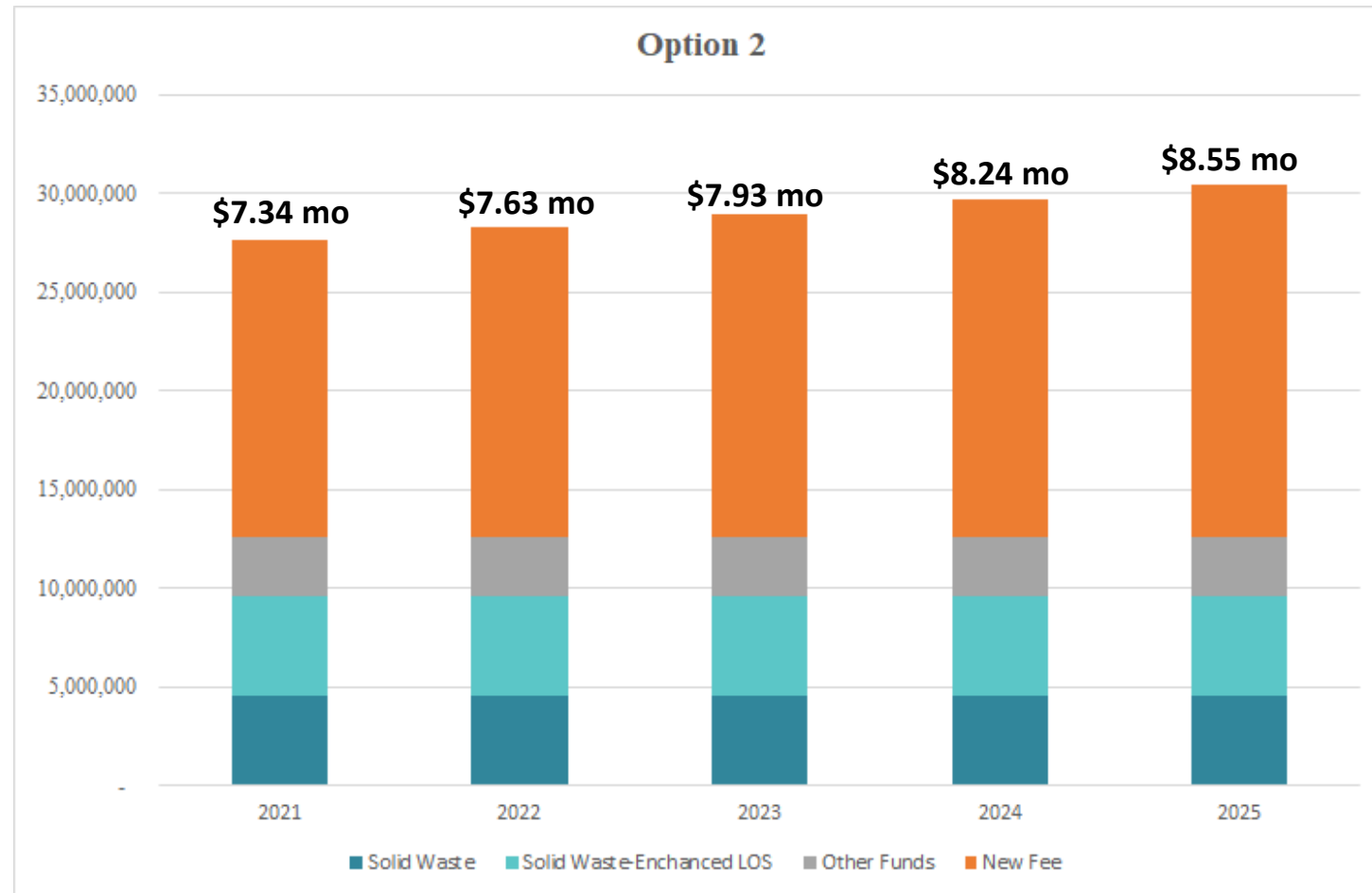
- What would **Option 1 (ERU = \$4.85/mo or \$58.16/year)** mean initially to the following:
  - Single family residential
  - Multi-family residential
  - **Non-residential**
    - Parcels billed on actual measured impervious area.
    - Impervious Area / 4,601 SF/RU = x ERUs
      - Shopping Center
      - Mega Flex-Space Industrial
      - **Fast Food** (31,663 sf site w/20,713 sf impervious) = 4.5 ERUs = \$21.83/mo \$261.90/year
      - Hotel

# Enhance LOS - Option 1

- What would **Option 1 (ERU = \$4.85/mo or \$58.16/year)** mean initially to the following:
  - Single family residential
  - Multi-family residential
  - **Non-residential**
    - Parcels billed on actual measured impervious area.
    - Impervious Area / 4,601 SF/RU = x ERUs
      - Shopping Center
      - Flex-Space Industrial
      - Fast Food
      - **Hotel** (6 ac. site w/4.05 ac. impervious) = 38.3 ERUs = \$185.97/mo \$2,231.59/year

# Enhanced LOS - Option 2

## Builds Capital for Improvement Projects



# Enhance LOS - Option 2

- What would **Option 2 (ERU = \$7.34/mo or \$88.10/year)** mean initially to the following:
- Single family residential
- Multi-family residential
- Non-residential



# Enhance LOS - Option 2

- What would **Option 2 (ERU = \$7.34/mo or \$88.10/year)** mean initially to the following:
- **Single family residential**
  - 0-2,462 sf = \$ 4.40/mo \$ 52.85/year
  - 2,463 – 4,072 = \$ 7.34/mo \$ 88.10/year
  - 4,073-6,000 = \$11.74/mo \$140.93/year
  - 6,001 + = \$21.29/mo \$255.43/year
- Multi-family residential
- Non-residential





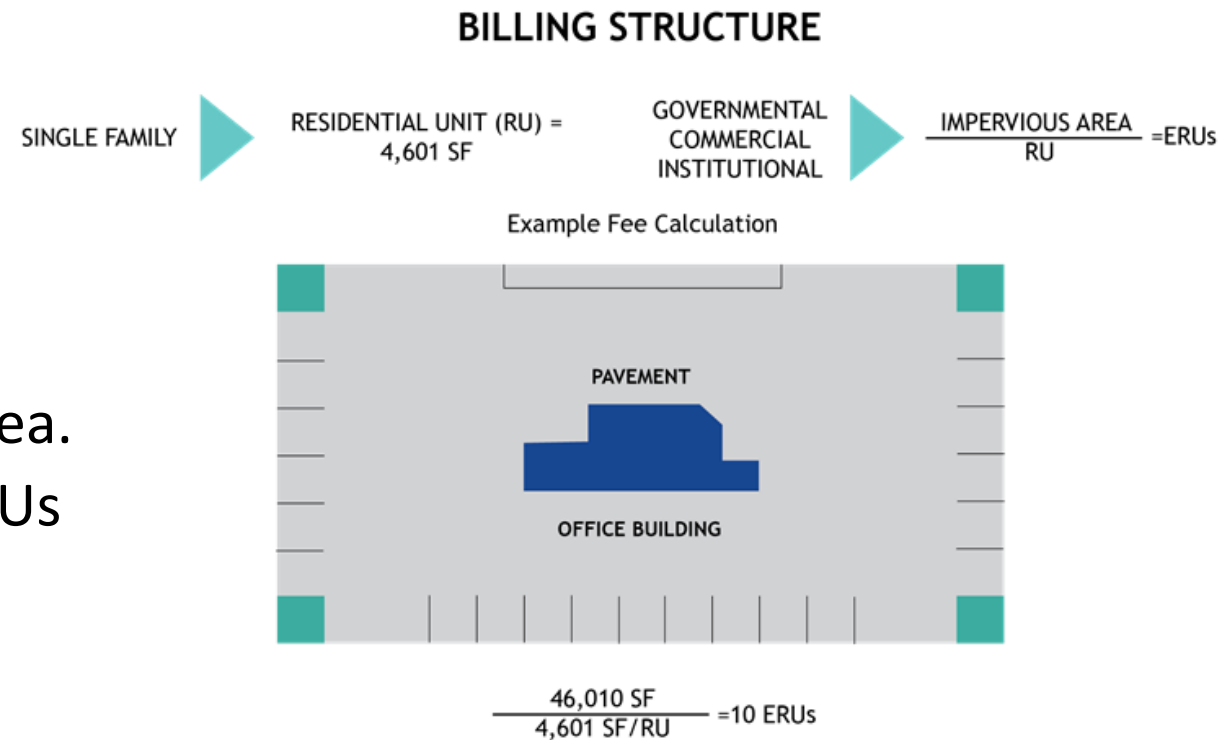
# Enhance LOS - Option 2

- What would **Option 2 (ERU = \$7.34/mo or \$88.10/year)** mean initially to the following:
- Single family residential
- **Multi-family residential**
  - Following based on preliminary calculations for multi-family residential
  - Average of duplex, apartments, mobile home parks, condos, etc. = 0.6 ERUs
  - 0.6 ERUs x \$7.34/mo = \$4.40/mo    \$52.85/year
- Non-residential



# Enhance LOS - Option 2

- What would **Option 2 (ERU = \$7.34/mo or \$88.10/year)** mean initially to the following:
- Single family residential
- Multi-family residential
- **Non-residential**
  - Parcels billed on actual impervious area.
  - $\text{Impervious Area} / 4,601 \text{ SF/RU} = x \text{ ERUs}$



# Enhance LOS - Option 2

- What would **Option 2 (ERU = \$7.34/mo or \$88.10/year)** mean initially to the following:
  - Single family residential
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  - **Non-residential**
    - Parcels billed on actual measured impervious area.
    - Impervious Area / 4,601 SF/RU = x ERUs
      - **Shopping Center** (30.14 ac. site w/10.2 ac. impervious) = 97.0 ERUs  
= \$711.98/mo \$8,543.76/year
      - Mega Flex-Space Industrial
      - Fast Food
      - Hotel

# Enhance LOS - Option 2

- What would **Option 2 (ERU = \$7.34/mo or \$88.10/year)** mean initially to the following:
- Single family residential
- Multi-family residential
- **Non-residential**
  - Parcels billed on actual measured impervious area.
  - Impervious Area / 4,601 SF/RU = x ERUs
    - Shopping Center
    - **Mega Flex-Space Industrial** (280 ac. site w/194 ac. impervious) = 1,837 ERUs  
= \$13,483.58/mo \$161,802.96/year
    - Fast Food
    - Hotel

# Enhance LOS - Option 2

- What would **Option 2 (ERU = \$7.34/mo or \$88.10/year)** mean initially to the following:
  - Single family residential
  - Multi-family residential
  - **Non-residential**
    - Parcels billed on actual measured impervious area.
    - Impervious Area / 4,601 SF/RU = x ERUs
      - Shopping Center
      - Mega Flex-Space Industrial
      - **Fast Food** (31,663 sf site w/20,713 sf impervious) = 4.5 ERUs = \$33.03/mo \$396.36/year
      - Hotel

# Enhance LOS - Option 2

- What would **Option 2 (ERU = \$7.34/mo or \$88.10/year)** mean initially to the following:
  - Single family residential
  - Multi-family residential
  - **Non-residential**
    - Parcels billed on actual measured impervious area.
    - Impervious Area / 4,601 SF/RU = x ERUs
      - Shopping Center
      - Flex-Space Industrial
      - Fast Food
      - **Hotel** (6 ac. site w/4.05 ac. impervious) = 38.3 ERUs = \$281.12/mo \$3,373.46/year

# Finance Plan - Staff Recommendations

- **Staff recommends Option 2**
- Additional maintenance necessary, but major stormwater improvement projects require *significant* capital funds
- Examples of capital costs of project improvements/alternatives recommended from Pearce Drain/Gap Creek studies:
  - Alt 1. Tallevast Road Regional Storage and Drainage Improvements: \$9.4 Million
  - Alt 2. Whitfield Avenue Regional Storage and Drainage Improvements: \$10.8 Million
  - Alt 3. Center Lake Stormwater Pump Station and Floodwall: \$10.0 Million
  - Alt 4. Gravity Diversion to Braden River: \$10.9 Million
  - Alt 5. 39<sup>th</sup> Street East Regional Storage and Drainage Improvements. \$2.3 Million
  - Alt 6. Dolomite Lakes Gravity Diversion to Sarasota Bay. \$13.2 Million
  - Alt. 7. Channel Widening (10 ft): \$6.5 Million
  - Alt 8. Centre Lake Buyout and Mitigation: \$35.5 Million
  - Alt 9. Channel Widening (50 ft): \$41.8 Million
  - Alt 10. Pump Diversion at 63<sup>rd</sup> to Braden River \$26.8 Million
  - Alt 11. Dolomite Lakes Pumped to Sarasota Bay \$22.7 Million
  - Alt 12. Tallevast Road Reservoir \$77.5 Million



# Finance Plan - Staff Recommendations

- Board consider adoption in 2020 of fee to cover expenses for Enhanced Level of Service
- Continue Existing Level of Service until 2021
- Won't collect via new fee until 2021
- Implement hardship program for low-income residents
  - Income qualified
  - Reminder - smaller <2,462 s.f. homes would be 0.6 ERU
    - Option 1  $\$4.85/\text{month} \times 0.6 \text{ ERU} = \$2.91/\text{month}$  or  $\$34.92/\text{year}$
    - Option 2  $\$7.34/\text{month} \times 0.6 \text{ ERU} = \$4.40/\text{month}$  or  $\$52.85/\text{year}$





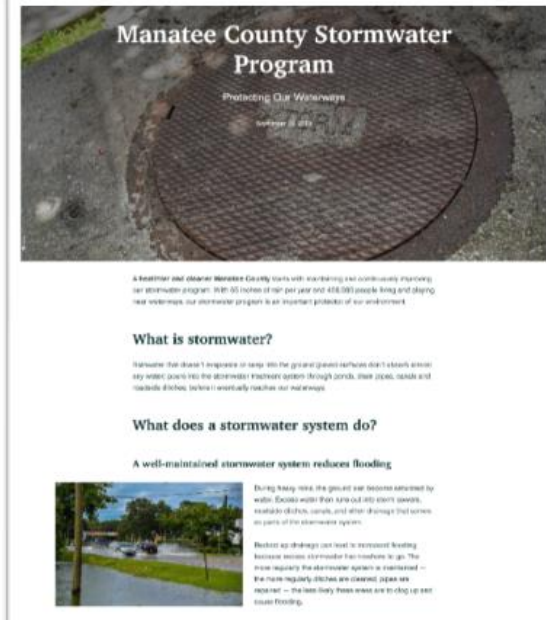
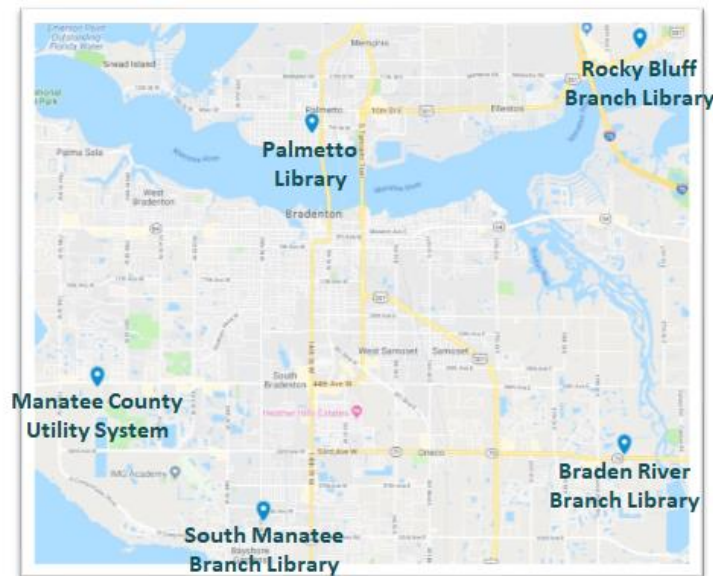
# Today's Goals

1. Finance Plan - Board considerations of implementation and finance options for Stormwater Utility Fee
2. **Public Outreach Plan – Board authorization of public outreach & education plan of action**
3. Implementation Plan - Review of overall process to implement stormwater fee



# Public Outreach - Staff Recommendation

- **Five (5) Meetings and Online opportunity to:**
  - **Gain** understanding of County's stormwater system
  - **Learn** how proposed dedicated funding will be used
  - **Receive** information on proposed methodology
- Stakeholders
  - Residents (homeowners/renters)
  - Homeowner Associations
  - Business Community
  - Environmental Groups
  - Non-Profits
  - Faith-Based Community
  - Others?

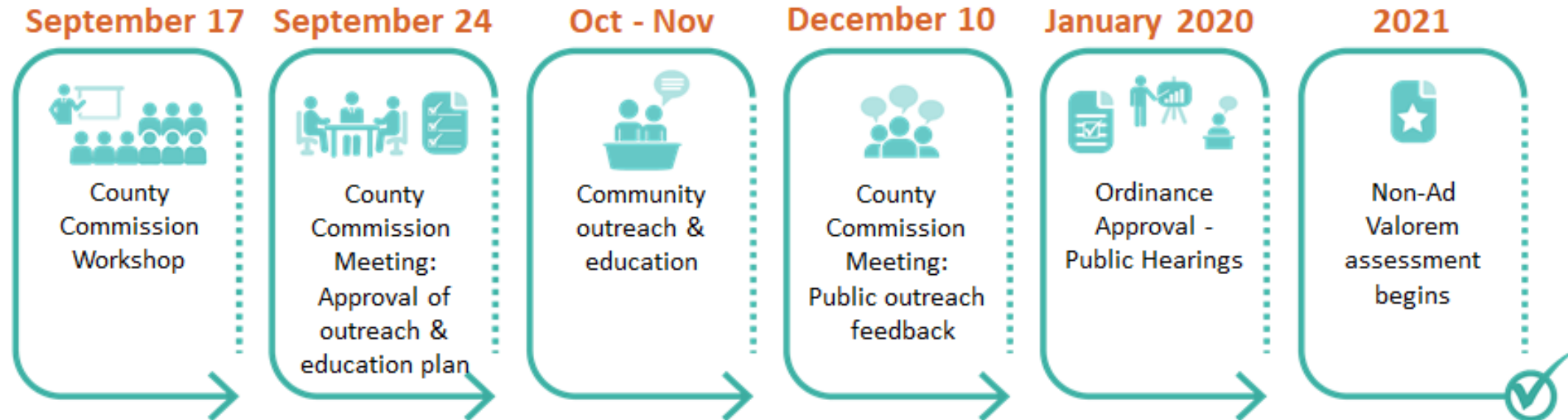


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# Implementation Plan



January 2020 – State the intent to use the assessment method of collection

NLT August 2020 - establish the roll of assessments

September 2020 - certify the roll of assessments

# Request

- Approval of Option 2 Enhanced Stormwater Utility Fee for Unincorporated Manatee County (ERU = \$7.34/month or \$88.10/year) to increase maintenance intervals and provide funding for necessary capital projects.
- Approval to move forward with public outreach campaign
- Approval of overall Implementation Plan for Stormwater Utility Fee
- Approval of Non-Ad Valorem Assessment (Annual Tax Bill) method instead of monthly utility bill
- Approval to create a hardship program for low-income residents
- Approval to direct County Attorney's Office to begin development of the ordinance and related documents to authorize the County to adopt the fee.
- Questions?