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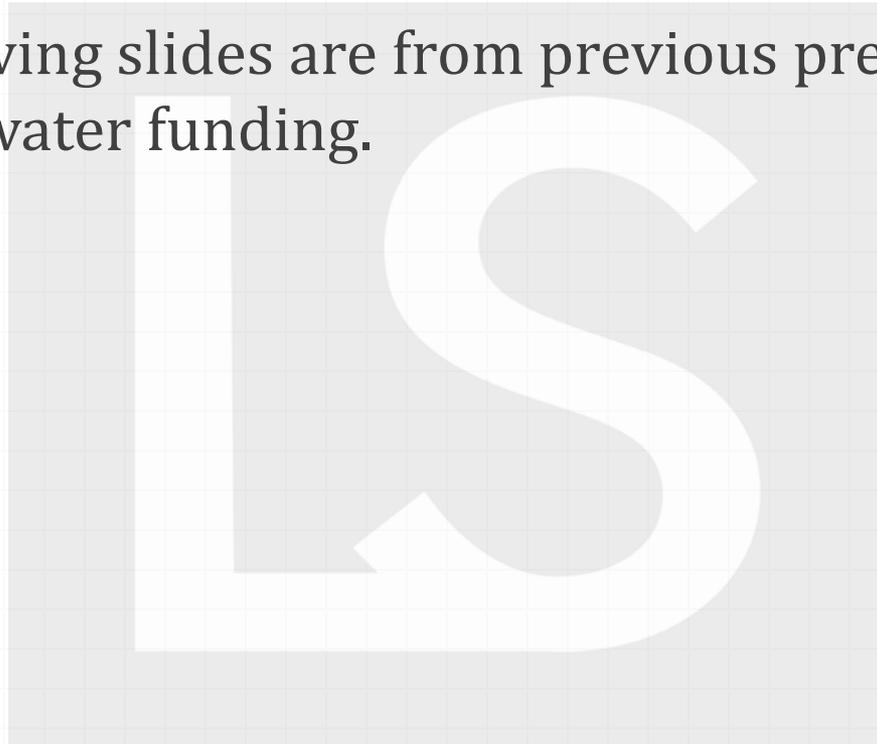
# Stormwater Funding

Public Works Committee

October 10, 2016

# Funding Options

- o The following slides are from previous presentations on stormwater funding.



# Potential Revenues

SOURCE	TYPE	CURRENT LEVEL	ADDITIONAL AMOUNT AVAILABLE	INCREMENTS/ MAXIMUM	STACKABLE	Voter Approval Required	REVENUE PER UNIT/ TOTAL ADDITIONAL REVENUE
PARKS AND STORM WATER TAX	Sales	1/4 cent	1/4 cent	1/8 or 1/4	No	Yes	1/8 cent: \$1,750,000
							1/4 cent: \$3,500,000
							1/2 cent: \$7,000,000
CAPITAL IMPROVEMENTS TAX	Sales	1/2 cent	Any	1/8, 1/4, 3/8 or 1/2 cent	Yes	Yes	1/8 cent: \$1,750,000
							1/4 cent: \$3,500,000
							3/8 cent: \$5,250,000
							1/2/cent: \$7,000,000
GENERAL SALES TAX	Sales	1.0 cent		1/2, 7/8 or 1.0 cent	Yes	Yes	1/2/cent: \$7,000,000
							7/8 cent: 12,250,000
							1.0 cent: \$14,000,000
USE TAX	Sales	2.25 cents		Same as Current Sales Taxes		Yes	\$961,786
GENERAL PROPERTY TAX LEVY	Property	92 cents	8 cents	\$1.00 Max	Yes	Yes	Approx. \$179,200 per cent; \$1,433,600 for 8 cents
DEBT SERVICE PROPERTY TAX LEVY	Property	0.4697 cents	Up to 20% of Assessed Value	20% of Assessed Value , (AV)	Yes	Yes	Approx. \$179,200 per cent; \$1,433,600 for 8 cents
Stormwater Utility	User fee	N/A	Voter Approval		Yes	Yes	To be Determined, TBD

# Legal Debt Information

- o Applicable to property taxes
- o Max. debt limit allowed
  - o 10% of Assessed Valuation, (AV) \$330M
  - o Current total net debt applicable to the limit \$52.7M
  - o Legal debt margin \$277M
- o Total indebtedness cannot not exceed 20% of AV
- o Currently \$52.7M is serviced w/ 47 cent per \$100 of AV
- o Each 1 cent tax levied yields \$179,200 in bonding capacity
- o 16.7598 cents yields \$3M in bonding capacity, **w/ a tax increase** of \$64/year on a \$200,000 property

# Implementation Schedule

- o For Property Tax and/or Sales Tax implementation
- o Once City Council would opt for one of these funding mechanisms a public vote would be the primary activity.
  - o Public education/information campaign on need for increased funds would be needed prior to election.

# User fee methodology

- o Black & Veatch was contracted to evaluate development of a stormwater utility for the city in Dec. 2005
  - o A portion of the work was completed before the contract was terminated in 2008
  - o Development of utility will require consulting expertise to complete
- o Information from completed effort
  - o Equivalent Residential Unit (ERU) is basis for user fees
  - o Based on analysis of parcels 1 ERU = 3,258 square feet based on impervious area of roof, driveways, patios, etc
  - o Some non-residential parcels were individually assessed based on impervious area using GIS

# Example ERU Calculations

For non-residential, monthly fee determination:

- o LS City Hall & Garage
  - o  $129,425 \text{ sq. ft} / 3,258 \text{ sq. ft (ERU)} = 39.7 \text{ ERUs}$
- o Neighbors Café & rear parking
  - o  $5,730 \text{ sq. ft} / 3,258 \text{ sq. ft (ERU)} = 1.76 \text{ ERUs}$
- o Summit Woods Shopping Center w/o Jack Stack BBQ
  - o  $3,552,488 \text{ sq. ft} / 3,258 \text{ sq. ft (ERU)} = 1,090 \text{ ERUs}$
- o QT at 50 Hwy & 291 North
  - o  $38,086 \text{ sq. ft} / 3,258 \text{ sq. ft (ERU)} = 11.69 \text{ ERUs}$

# Example monthly user fees:

Based on 2007 work and 3258 sq. ft/ERU

	\$1/ERU	\$2/ERU	\$3/ERU	\$4/ERU	\$5/ERU
Typ. Base residence	\$1	\$2	\$3	\$4	\$5
LS City Hall	\$39.70	\$79.40	\$119.10	\$158.80	\$198.50
Neighbor's Café	\$1.76	\$3.52	\$5.28	\$7.04	\$8.80
Summit Woods Shopping	\$1,090	\$2,180	\$3,270	\$4,360	\$5,450
QT at 291 & 50 Hwy	\$11.69	\$23.38	\$35.07	\$46.76	\$58.45

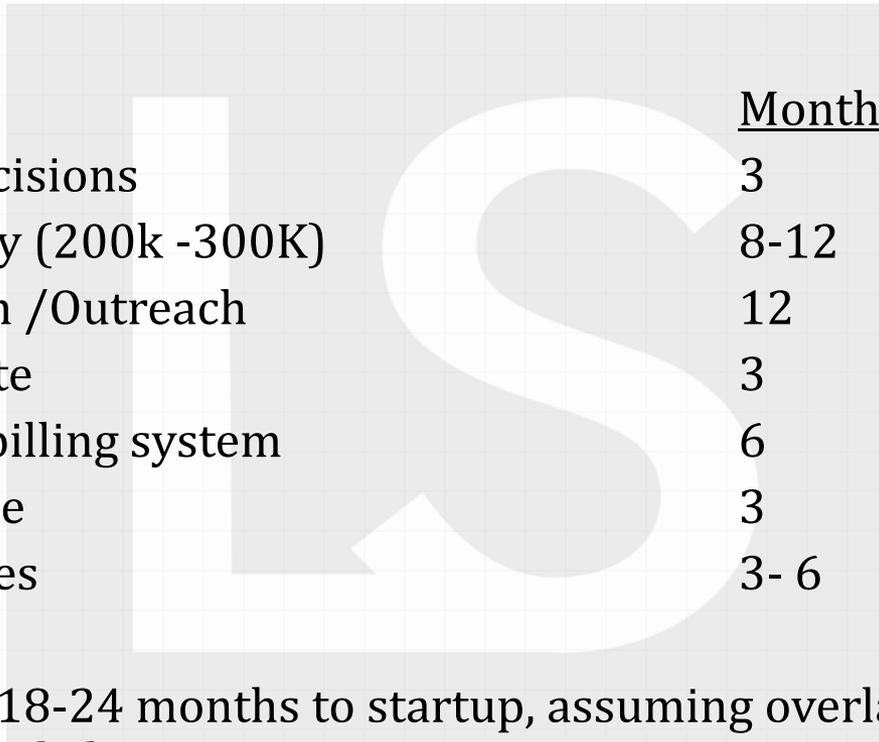
# Example Annual Revenues

Assume:	\$1/ERU	\$2/ERU	\$3/ERU	\$4/ERU	\$5/ERU
Typ. Base residence	\$1	\$2	\$3	\$4	\$5
35,000 residential ERUs	\$420,000	\$840,000	\$1.26M	\$1.68M	\$2.1M
2,500 Non-Residential at 20 ERU avg.	\$600,000	\$1.2M	\$1.8M	\$2.4M	\$3M
Totals	\$1.02M	\$2.05 M	\$3.06M	\$4.08M	\$5.1M

# Implementation Concerns

- Development of a utility will need to address building, administration, and management of the database system.
- Billing process
  - Monthly/quarterly/yearly
  - Database for billing
  - Owner/ tenant responsibility
  - Partial payment/non-payment actions
- Periodic review of land use changes
- Appeal process for property owners
- Current residential/non-residential account analyses required prior to final base ERU fee determination.  
(Outside Consultant required)

# Implementation Schedule



<u>Issue</u>	<u>Months</u>
Policy decisions	3
Rate study (200k -300K)	8-12
Education /Outreach	12
Public vote	3
Develop billing system	6
Initiate fee	3
Collect fees	3- 6

o Estimate 18-24 months to startup, assuming overlap of many items noted above.



Questions?

Comments?