Financing Storm Water Planning, Infrastructure and Maintenance

Filling the Tool Box with Choices and Selecting the Correct Tools for Each Situation

Presented at “Stormwater Management in Cold Climates”
Date: November 5, 2003

STONE ENVIRONMENTAL INC
First Some Important Questions

- What Kind of Problem Do You Have?
- How Large a Scale?
- What is the Culture?
- What Role Does Your Community Desire?
- How Much $?
- Who Pays?
What Problems do you have?

- MS4
- Impaired Waters
- Want to Improve Local Environment
- Protect Water Supply
- Permitting Troubles Impacting Development
- Lots of Citizen Interest
How Large is the Scale?

- Community “A”
  - Want to maintain ditches better or fix a stream bank

- Community “B”
  - Need to regulate the system better

- Community “C”
  - Maintenance of private / public systems out of control

- Quantity vs. Quality
  - Or both?

- Micro vs. Macro
What is the Culture – What’s Acceptable?

- User Fees Okay in Town?
- Are Property Taxes Maxed Out?
- Impact Fees – What’s an Impact Fee?
- Is Public Involvement on Private Property Taboo?
- Is Most of Your Tax Base Exempt?
- Is Negotiating With Privates Okay?
What Level of Continuing Role for the Community?

- How Much Maintenance Will You Do?
  - Public system
  - Private systems
- How Much Education?
- How Much Regulation, Permitting, Inspections?
- How Much Planning?
- What Level of EPA Management?
How Much $$ Do You Need?

- MS4 – Phase 2
  - $3.75 - $6.00 / citizen / year
- Consider Capital Needs
- Consider Regulatory Climate
  - Are storm water issues stopping development?
  - Would stronger maintenance, management help?
- Build Your Budget!
  - Match with appropriate revenue sources
  - Find appropriate partners where possible
Who Pays?

- **Economic Rationale**
  - Public Benefit: *Property & Income tax*
  - User Pays: *Fees for permitting, inspection or utility fees for run off*
  - Polluter Pays: *Utility system based with credits for onsite treatment and storage*
  - Beneficiary Pays: *Public or private invest in capacity; new developers buy their way in*
Fiscal Tools, So Many Tools

- Don’t Lose What You Already Spend
- Work With Your Region or State – Cooperate!
  - Use “model” info but,
    - acknowledge your unique differences
  - Educational info
  - Purchase together
- Get Stuff Off the Web
- Involve Non-Profits
  - Welcome their work
  - Gain foundations link
- Ask Experts in Government for Help
- Federal, State, Regional Grants
- Use Fees for Service
- Private Resources
- Storm Water Utility
The Obvious

- **Taxes**
  - Property
  - Income
  - Special Purpose Sales
  - Tax Increment Financing
  - General Obligation Bonds

- **Service Charges**
  - Storm Water Utility Fees
  - Utility Revenue Bonds
  - Plan Review & Inspection Fees

- **Assessments**
  - In Lieu of Construction Charges
  - Late Comer Fees
  - Special Assessment Districts
  - Special Benefit Financing
  - Local Improvement Districts

- **Negotiated**
  - Private Funds into Project
The Obvious – Continues…

- Exactions
  - Impact Fees
  - System Development Charges
  - General Facilities Charges
  - Franchise Fees

- Federal and State Programs
  - 319(h) Grants
  - SRF Loans (some states)
  - Hazardous Mitigation Grants
  - CDBG
The Obscure (maybe less obvious)

- EPA Decentralized Demonstration Grant
- Stream Restoration Mitigation Banking
- Surface Transportation
- EPA Watershed Assistance Grants
- National Urban and Community Forestry Advisory Council Grant
- 5-Star Restoration Grant
- Environmental Monitoring for Public Access and Community Tracking (EMPACT)
The Search for money continues

- Current Bill, Sen. Chafee / Jeffords
  - More direct link with 319 funds and storm water programming
- North American Wetlands Conservation Grants
- EPA Environmental Education Grants

- Many States Have Programs That Can Fund Storm Water
- Foundations like National Fish & Wildlife Challenge Grants
- EPA Regional Grants
- Fines & Penalties
Use the Correct Tool for the Job

- O & M
- Major Capital Improvements
  - New projects
  - Fix old projects
- New Development
- Regulatory Services
- Special Services

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## Operation & Maintenance

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<thead>
<tr>
<th>Revenue Source</th>
<th>Developer / User Pays</th>
<th>Tax Payer Pays</th>
<th>Other Pays</th>
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## Major Capital Improvements

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<td>Impact Fees</td>
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<td>System Development Charge</td>
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# Regulatory Services

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So You Have a Financial Plan?

▪ Congratulations!

▪ A Couple More Things to Think About
  • Rationale Nexus
  • Get Ready to be Challenged

▪ A Couple Things Not to Forget
  • Planning
  • Monitoring
Conclusions – Parting Thoughts

- Know Your Problem
- Know Your Community
- Be Unashamed to Chase Money
  - Fiscal Solutions are Available
- Grab the Correct Fiscal Tools
- Plan, Act, Monitor