



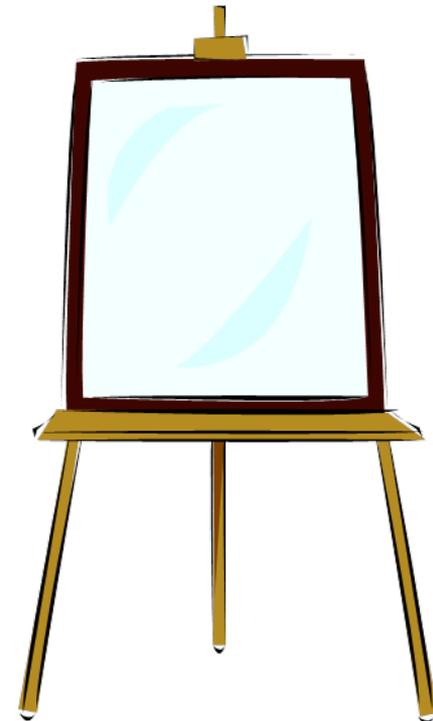
Roanoke County Stormwater Advisory Committee



Meeting 6 – Revenue Strategies
January 9, 2014

Agenda

- Welcome and Committee Business
- Review of Meeting #5
- Revised Draft Stormwater Program
- Revenue Strategies
 - Overview of Strategies
 - Revenue Strategy Comparison
 - Discussion
 - Committee Direction on Options
- Next Steps



Meeting #5 Review

- Discussed draft program based on initial prioritization exercise.
- Conducted second prioritization exercise.
- Presented on overview of revenue generating options.



Revised Draft Stormwater Program

Key Points from Last Meeting

- Focused on non-basic level of service (LOS) areas and where there was not consensus.

Non Basic Program Areas	Basic Program Areas
Storm Sewer System Maintenance	Public Education and Outreach
Information Technology	Illicit Discharges
Equipment Replacement	Stormwater Pollution Prevention Plans
Maintenance of Streams	Staff Training
Project Backlog	Nutrient Management Plans
BMP Inspections, Maintenance and Enforcement	TMDL Action Plans
	VSMP Construction Permit Administration / Inspections

Key Points from Last Meeting

- Introduced an additional LOS to the BMP Inspection and Maintenance program area:
 - Allow HOAs to voluntarily opt into a service district.
 - The County would impose a fee and manage basic maintenance.
 - Reduces the need for higher level of enforcement (~130 of ~650 private facilities are out of compliance).
 - Doesn't replace the need for funding to maintain public facilities, bring on additional maintenance staff, and provide support to the County Attorney.



Second Prioritization Exercise

Program Area	Basic	Medium	High	Alternative	High + Alternative	Total
Storm Sewer System Maintenance	2	11	1	0	0	14
Information Technology	3	11	0			14
Equipment Replacement	2	11	1			14
Maintenance of Streams	5	9	0			14
Project Backlog	3	7*	4			14
BMP Inspections, Maintenance and Enforcement	2	3	3**	5	1	14

* One medium vote to include the addition of one crew

** One high vote to explore the alternative of the separate service district for stormwater management facilities



Second Prioritization Exercise

- Confirmed medium LOS for:
 - Storm Sewer Maintenance
 - Mapping/GIS Support
 - Equipment Replacement
 - Stream Maintenance
- Chose medium LOS for Stormwater Project Backlog:
 - Medium LOS – Ramp up two new storm drain crews to clear backlog in 10 years.
 - High LOS – Same as medium but add contractor to clear backlog in 5 years.
- Chose alternative LOS for BMP Inspection and Maintenance.



Revised Draft Five-Year Program – Additional Costs



Program Area – Additional Costs*	Year 1	Year 2	Year 3	Year 4	Year 5
Storm Sewer System Maintenance	250,000	350,000	500,000	500,000	500,000
Information Technology	70,000	70,000	70,000	70,000	70,000
Equipment Replacement	120,000	120,000	120,000	120,000	120,000
Project Backlog	250,000	250,000	500,000	500,000	500,000
Public Education and Outreach	21,250	21,250	21,250	21,250	21,250
TMDL Action Plans	140,000	200,000	250,000	300,000	350,000
Maintenance of Streams	50,000	50,000	100,000	150,000	150,000
BMP Inspections, Maintenance and Enforcement	115,000	175,000	235,000	202,500	202,500
Illicit Discharges	-	-	-	-	-
VSMP Construction Permit Administration/Inspections	-	-	-	-	-
Stormwater Pollution Prevention Plans	14,000	14,000	7,000	5,000	5,000
Staff Training/Nutrient Management Plans	13,500	13,500	10,000	16,500	13,000
Total Draft Program – Additional Costs	1,043,750	1,263,750	1,813,250	1,885,250	1,931,750
Current Program Costs	1,741,041	1,741,041	1,741,041	1,741,041	1,741,041
Total Draft Program	2,784,791	3,004,791	3,554,291	3,626,291	3,672,791

* Does not account for inflation



Comparison to Initial Program

Initial 5-Year Program (Additional Costs)

Year 1	\$1,028,750
	\$1,428,750
Year 5	\$1,964,250
	\$3,629,250

Revised 5-Year Program (Additional Costs)

Year 1	\$1,043,750
Year 5	\$1,931,750

Revenue Strategies



Revenue Strategies

- General Fund
 - Increase general fund for stormwater needs
 - Find money within the existing budget to fund stormwater
- Stormwater service district fee
- Stormwater utility fee
- Secondary sources of funding (minor)
 - Development fees
 - Grants



General Fund

- Distributes cost primarily based on property value.
- Each penny on the real estate tax generates ~\$780,000.
- Key considerations:
 - Tax-exempt properties do not pay.
 - No relationship between need for program and fees paid.
 - Funds are not legally segregated from other uses.
 - Does not provide credit for on-site stormwater facilities.
 - Less stable – annually competes with other budget items.
 - Least complicated approach.



Service District Fee

- Distributes cost based on property value.
- Same revenue generation as real property tax.
- Key considerations:
 - Tax-exempt properties do not pay.
 - No relationship between program need and fees paid by property owners.
 - Funds are legally segregated from other uses.
 - Does not provide credit for on-site stormwater facilities.
 - Allows for greater program stability.
 - Relatively simple approach – requires establishment of service district by ordinance.



Stormwater Utility Fee

- Distributes cost based on impervious cover.
- Rate structure depends on goals and available impervious surface data.
- Key considerations:
 - Tax-exempt properties do pay.
 - Nexus between program need and fees paid by property owners.
 - Funds are legally segregated from other uses.
 - Does provide credit for on-site stormwater facilities.
 - Allows for greater program stability.
 - More complex – requires ordinance and ability to track changes to impervious areas.

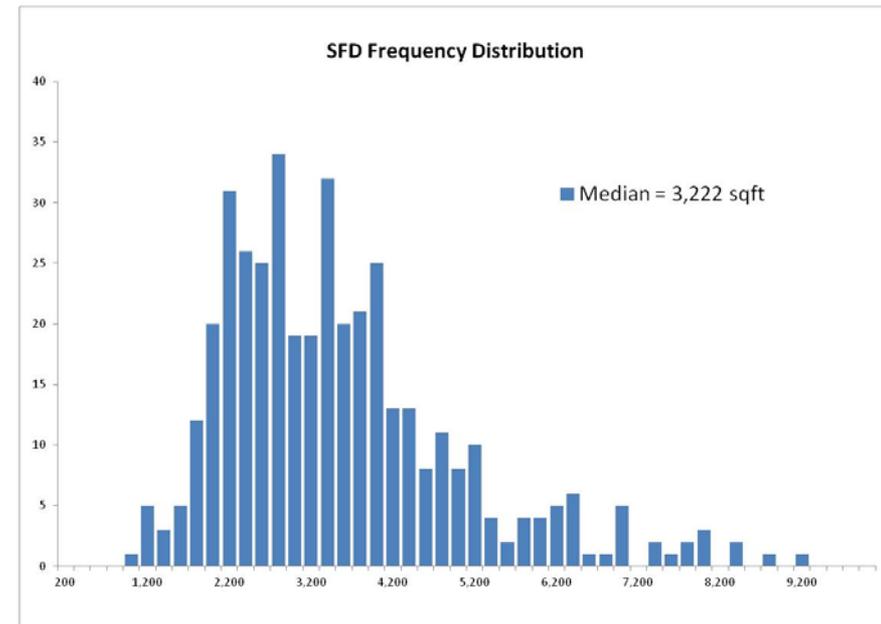


Utility Fee Rate Structure Options

- Flat Rate for Single Family Residential Detached versus All Other Properties
 - Bill in Increments of Equivalent Residential Unit (ERU) for All Other Properties
 - ERU = Median Residential Impervious Area
- Tiered Rate for Residential
 - Flat Rate for Single Family Detached
 - % Flat Rate for Single Family Attached and Condos
 - Bill in Increments of ERU for All Other Properties
- Straight Impervious Cover
 - Example – Bill in Increments of 500 Square Feet
 - Same as City of Roanoke
 - Applies to All Land Uses

ERU Analysis

- Based on statistical sample of 750 residential properties County-wide.
- ERU = 3,225 SF (median)
- Breakdown for residential property types:
 - ERU = Single Family Detached
 - On average, Single Family Attached (Townhomes/ Duplex) ~ 2,300 sf
 - On average, Residential Condominium ~ 1,800 sf
- Townhomes and Condos are subject to additional fees through HOA for common areas



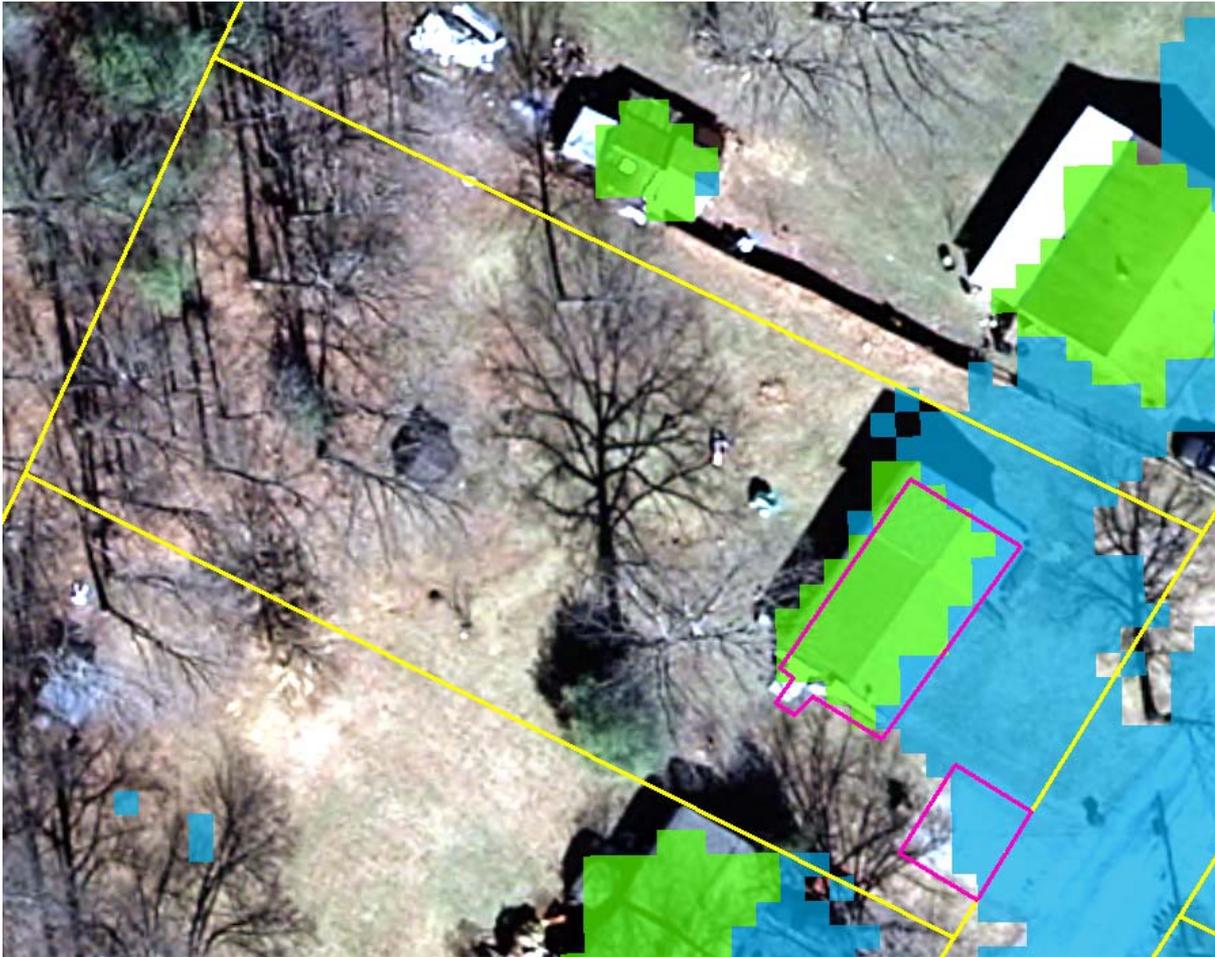
Examples of Impervious Data



Impervious Area
 121,825 sf from land cover
 58,165 sf digitized

- Landcover_08
- Impervious
- Impervious
- Digitized area

Examples of Impervious Data



Impervious Area
 4,088 sf from land cover
 1,660 sf digitized

- Landcover_08
- Impervious
- Impervious
- Digitized area

Important Points and Assumptions

- Projections are based on preliminary data on parcels and imperviousness.
- These are **“estimates”** of the potential rate and are useful for understanding the relationship between categories of rate payers.
- A number of preliminary assumptions are made about inflation factors, operating reserves, delinquencies, future credits, whether bonds will be used, etc.
- Actual rates can be developed once data issues are resolved and final policy decisions are made.

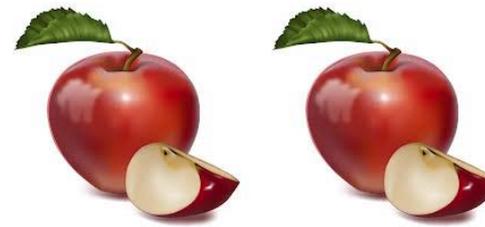
Estimated Rates



	Year One	Year Five
Stormwater Utility Fee		
New Program Costs Only		
Annual Rate Per ERU (Flat Rate for Residential 3,225 All Others)	\$ 15.47	\$ 24.40
Annual Rate Per 500 SF (All Properties)	\$ 1.87	\$ 2.81
All Program Costs		
Annual Rate Per ERU (Flat Rate for Residential 3,225 All Others)	\$ 42.24	\$ 47.40
Annual Rate Per 500 SF (All Properties)	\$ 5.40	\$ 5.40
Real Property Tax		
New Program Costs Only		
Tax Rate Impact	\$ 0.016	\$ 0.022
All Program Costs		
Tax Rate Impact	\$ 0.042	\$ 0.042



Estimated Residential Property Impact



The distribution of costs is based on a small sample of residential properties (750)

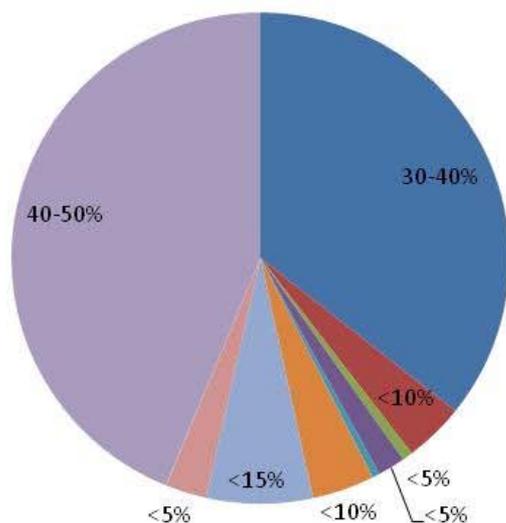
	Real Property Tax		Stormwater Utility Fee		
	Based on Average Property Value		ERU - Flat Residential Fee	ERU - Tiered Residential Fee	500 SF Impervious Area Billing Units
New Program Costs (Year 5)					
Single Family Detached	\$ 42		\$ 24.40	\$ 24.40	\$ 19.70
Single Family Attached*	\$ 35		\$ 24.40	\$ 17.81	\$ 14.07
Condominium*	\$ 31		\$ 24.40	\$ 13.66	\$ 11.26
All Program Costs (Year 5)					
Single Family Detached	\$ 81		\$ 47.40	\$ 47.40	\$ 37.80
Single Family Attached*	\$ 67		\$ 47.40	\$ 34.60	\$ 27.00
Condominium*	\$ 59		\$ 47.40	\$ 26.54	\$ 21.60

* Townhomes and Condos are subject to additional fees through HOA for common areas

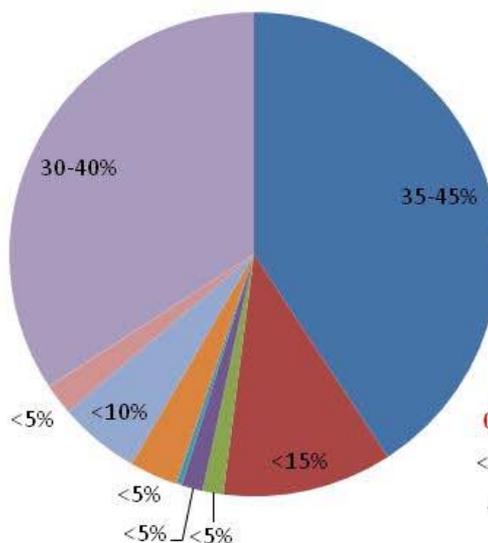


Estimated Distribution Among Land Use Sectors

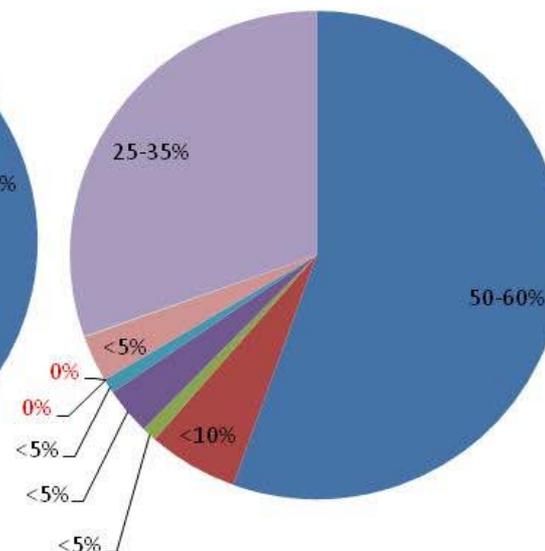
ERU=3225



500 sf unit



Real Estate Tax



- Single Family Urban
- Single Family Rural
- Mobile Homes
- Townhomes/Patio Homes
- Res. Condos
- NonProfits
- Government
- Apartments
- Commercial Condos
- Other non residential

Charts based on best data available



Feedback from Committee

- Preferences for funding the stormwater program?



Next Steps



Next Steps

- Next meeting:
 - Thursday, February 6th
 - Glenvar Library
- Presentation on feedback from public hearings.
- Discuss program and revenue scenarios.
- Final recommendations exercise.

