



Takoma Park City Council Meeting – February 19, 2020

Agenda Item 1

Work Session

Continued Discussion of Proposed Stormwater Rate Structure and Code Amendments

Recommended Council Action

Review proposed stormwater rate structure options and discuss next steps

Context with Key Issues

On January 9, 2019, City Council received an overview of the Impervious Area Review Study completed by Black & Veatch. A Work Session discussion was held on September 11, 2019 and February 5, 2020 to review staff proposals for a revised stormwater rate structure.

The Impervious Area Rate Study concluded that the average impervious area for Single Family properties in the City is 2,116 sq ft. The prior figure was 1,228 sq ft. Currently the City charges all single family properties an annual flat fee of \$92 regardless of lot size or amount of impervious area. Non-single-family properties which are multi-family, commercial and institutional property are charged based on the amount of impervious area on their lot divided by the Equivalent Residential Unit (the average impervious area of single-family property) and multiplied by the base fee. Since the actual average impervious area is greater than previously used to calculate the annual fee, the City will need to increase the fee or change the fee structure in order to generate the annual revenue of \$700,000 needed for the stormwater management program.

Staff proposed revising the rate structure and charging \$25 per 500 feet of impervious area on all properties, eliminating the flat fee for single family properties. The resulting stormwater fee for single family homes would range from \$25 to \$525 compared to the current rate of \$92. The fee for multi-family property would range from \$50 to \$6,850 and commercial, institutional properties fees would range from \$25 to \$12,200.

Based on Council discussion at the February 5th meeting, staff provided analysis of options for transitioning to the new fee by supplementing fee rates for those \$175 and over. Charts showing several options are attached.

Staff have given some thought to a notification process for this proposed rate change and suggest a citywide mailing to all rate payers notifying them of the proposed change and their proposed new rate. Council could hold a public meeting on the proposal prior to making a determination. If Council authorizes the new rate, another mailing would be sent out to all rate payers notifying them of the new fees prior to the billing. City stormwater fees are shown on a specific line of the Montgomery County property tax bill.

Council Priority

Environmentally Sustainable Community; Fiscally Responsible Government

Environmental Considerations

All stormwater management programs are funded through revenue generated by the Stormwater Utility Fee. These programs include maintenance of existing systems as well as construction of new infiltration and treatment facilities for stormwater management. These programs are mandated by State and Federal law.

Fiscal Considerations

The Stormwater Utility Fee funds all activities the City undertakes for the management and treatment of stormwater. Ensuring that the fee structure is equitably assessed is essential to ensure the ongoing revenue necessary to provide that service.

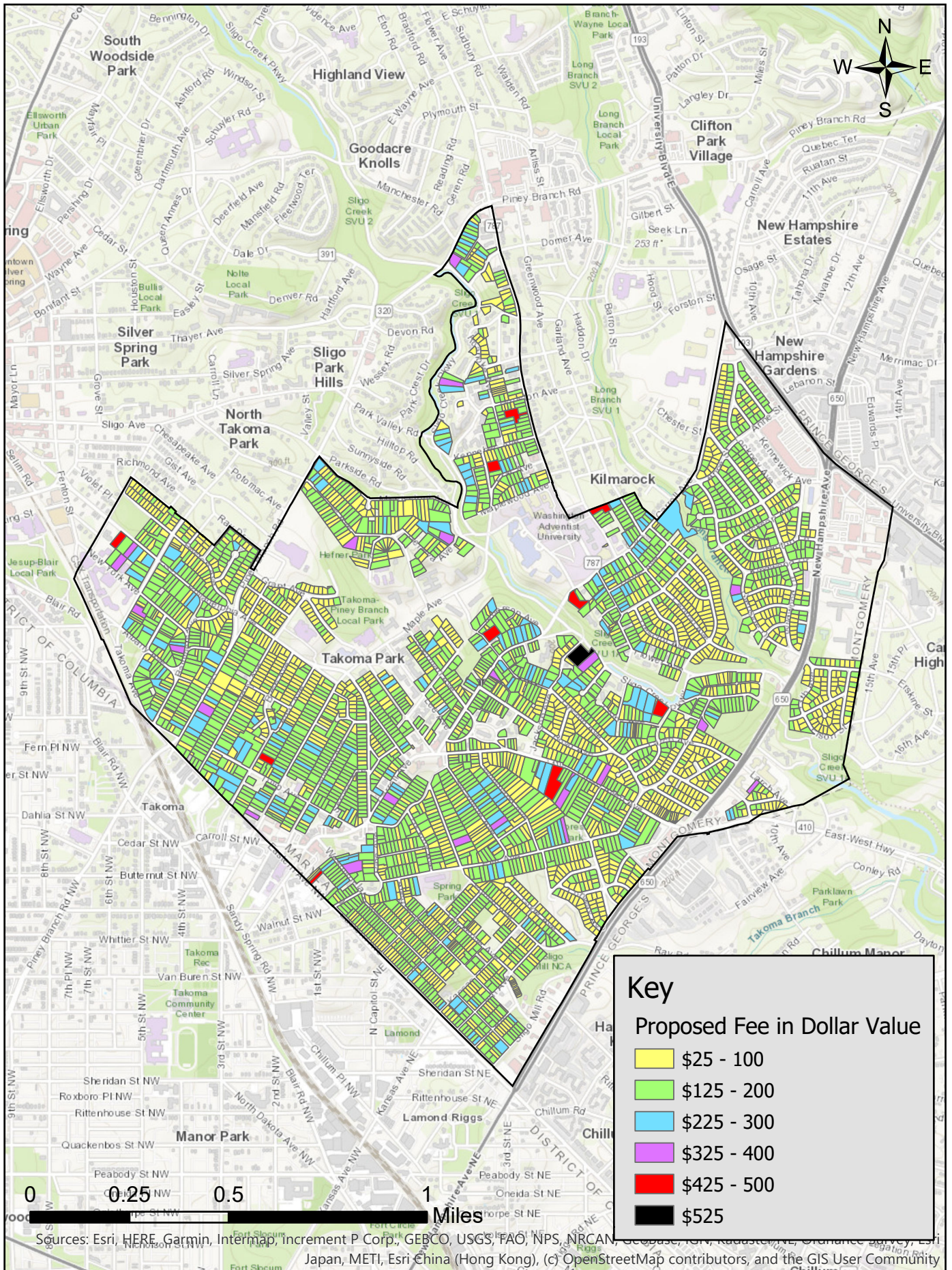
Racial Equity Considerations

As the Council considers various stormwater fee options, racial equity impacts should be considered. For example, if there is an association between race and properties with less square footage of impervious surfaces, choosing an option that charges by amount of impervious surface could be more equitable than one that charges based on an average of all residential properties.

Attachments and Links

- Map of single-family property and proposed rate structure per property
- Chart of proposed fee by Ward and number of properties
- Chart illustrating costs if the City were to assist residents by paying a portion of the fee for certain rate payers
- City Code 16.08 – highlighted with sections to be revised

Proposed Stormwater Fee for Single Family Homes



PROPOSED STORMWATER FEE FOR SINGLE FAMILY PROPERTIES BY WARD

	WARD 1	WARD 2	WARD 3	WARD 4	WARD 5	WARD 6
MEAN:	\$ 133	\$ 120	\$ 131	\$ 130	\$ 150	\$ 115
MEDIAN:	\$ 125	\$ 100	\$ 125	\$ 125	\$ 125	\$ 100
MODE:	\$ 100	\$ 100	\$ 125	\$ 100	\$ 100	\$ 100
	903 SFHH	943 SFHH	929 SFHH	126 SFHH	224 SFHH	509 SFHH

Ward 1 TTL	Ward 2 TTL	Ward 3 TTL	Ward 4 TTL	Ward 5 TTL	Ward 6 TTL
\$ 119,950	\$ 113,075	\$ 121,550	\$ 16,350	\$ 33,525	\$ 58,350

WARD 1	WARD 2	WARD 3	WARD 4	WARD 5	WARD 6
\$25 = 20	\$25 = 13	\$25 = 15	\$25 = 2	\$25 = 6	\$25 = 6
\$50 = 18	\$50 = 39	\$50 = 21	\$50 = 4	\$50 = 5	\$50 = 22
\$75 = 124	\$75 = 220	\$75 = 104	\$75 = 20	\$75 = 18	\$75 = 74
\$100 = 204	\$100 = 246	\$100 = 214	\$100 = 29	\$100 = 44	\$100 = 155
\$125 = 192	\$125 = 169	\$125 = 239	\$125 = 24	\$125 = 39	\$125 = 143
\$150 = 119	\$150 = 103	\$150 = 144	\$150 = 20	\$150 = 31	\$150 = 66
\$175 = 95	\$175 = 64	\$175 = 94	\$175 = 13	\$175 = 25	\$175 = 29
\$200 = 64	\$200 = 37	\$200 = 40	\$200 = 6	\$200 = 24	\$200 = 7
\$225 = 26	\$225 = 13	\$225 = 25	\$225 = 3	\$225 = 15	\$225 = 4
\$250 = 20	\$250 = 14	\$250 = 16	\$250 = 1	\$250 = 4	\$250 = 1
\$275 = 10	\$275 = 10	\$275 = 7		\$275 = 4	
\$300 = 2	\$300 = 6	\$300 = 4	\$300 = 2	\$300 = 4	
\$325 = 2	\$325 = 1	\$325 = 3	\$325 = 1	\$325 = 1	\$325 = 2
\$350 = 2	\$350 = 3			\$350 = 1	
\$375 = 2	\$375 = 1		\$375 = 1		
\$400 = 1		\$400 = 1			
\$425 = 1	\$425 = 3	\$425 = 1		\$425 = 2	
\$450 = 1		\$450 = 1			
				\$475 = 1	
	\$525 = 1				

Mean = average

Median = middle number

Mode = most frequent number

OPTIONS FOR REDUCING STORMWATER FEE IN 1ST YEAR

Option 1 - City pays 50% for \$175 and above:

RATE	# HH	If City	Resident would pay	City Contribution	
		Pays 50%			
\$ 175	320	\$ 75.0	\$ 100.0	\$ 24,000	*City pays less than 50%
\$ 200	178	\$ 100.0	\$ 100.0	\$ 17,800	
\$ 225	86	\$ 112.5	\$ 112.5	\$ 9,675	
\$ 250	56	\$ 125.0	\$ 125.0	\$ 7,000	
\$ 275	31	\$ 137.5	\$ 137.5	\$ 4,263	
\$ 300	18	\$ 150.0	\$ 150.0	\$ 2,700	
\$ 325	10	\$ 162.5	\$ 162.5	\$ 1,625	
\$ 350	6	\$ 175.0	\$ 175.0	\$ 1,050	
\$ 375	4	\$ 187.5	\$ 187.5	\$ 750	
\$ 400	2	\$ 200.0	\$ 200.0	\$ 400	
\$ 425	7	\$ 212.5	\$ 212.5	\$ 1,488	
\$ 450	2	\$ 225.0	\$ 225.0	\$ 450	
\$ 475	1	\$ 237.5	\$ 237.5	\$ 238	
\$ 525	1	\$ 262.5	\$ 262.5	\$ 263	
				722	

Option 2: City Pays a portion of fees:

RATE	# HH	If City	Resident would pay	City Contribution	
		pays:			
\$ 175	320	\$ 50	\$ 125	\$ 16,000	
\$ 200	178	\$ 75	\$ 125	\$ 13,350	
\$ 225	86	\$ 100	\$ 125	\$ 8,600	
\$ 250	56	\$ 125	\$ 125	\$ 7,000	
\$ 275	31	\$ 125	\$ 150	\$ 3,875	
\$ 300	18	\$ 150	\$ 150	\$ 2,700	
\$ 325	10	\$ 150	\$ 175	\$ 1,500	
\$ 350	7	\$ 175	\$ 175	\$ 1,225	
\$ 375	3	\$ 175	\$ 200	\$ 525	
\$ 400	2	\$ 200	\$ 200	\$ 400	
\$ 425	7	\$ 200	\$ 225	\$ 1,400	
\$ 450	2	\$ 225	\$ 225	\$ 450	
\$ 475	1	\$ 250	\$ 225	\$ 250	
\$ 525	1	\$ 300	\$ 225	\$ 300	
				722	\$ 57,575

Option 3: City Pays a portion of fees:

RATE	# HH	If City	Resident would pay	City Contribution	
		pays:			
\$ 175	320	\$ 25	\$ 150	\$ 8,000	
\$ 200	178	\$ 50	\$ 150	\$ 8,900	
\$ 225	86	\$ 75	\$ 150	\$ 6,450	
\$ 250	56	\$ 100	\$ 150	\$ 5,600	
\$ 275	31	\$ 125	\$ 150	\$ 3,875	
\$ 300	18	\$ 150	\$ 150	\$ 2,700	
\$ 325	10	\$ 150	\$ 175	\$ 1,500	
\$ 350	7	\$ 175	\$ 175	\$ 1,225	
\$ 375	3	\$ 175	\$ 200	\$ 525	
\$ 400	2	\$ 200	\$ 200	\$ 400	
\$ 425	7	\$ 200	\$ 225	\$ 1,400	
\$ 450	2	\$ 225	\$ 225	\$ 450	
\$ 475	1	\$ 250	\$ 225	\$ 250	
\$ 525	1	\$ 300	\$ 225	\$ 300	
				722	\$ 41,575

Chapter 16.08

STORMWATER MANAGEMENT FEE SYSTEM

Sections:

- 16.08.010 Findings.
- 16.08.020 Statutory authority.
- 16.08.030 Definitions.
- 16.08.040 Establishment of Stormwater Management Fund.
- 16.08.050 Purposes of Fund.
- 16.08.060 Imposition of stormwater management fee.
- 16.08.070 Classification of property—Establishment of fee.
- 16.08.080 **Base rate.**
- 16.08.090 Charges for tax-exempt properties—Exemptions for undeveloped property and for government property used for public purposes.
- 16.08.100 Assessment notices.
- 16.08.110 When fee is payable—Interest and penalties—Lien on real property—Abatement of small amounts due.
- 16.08.120 Requests for correction.

16.08.010 Findings.

A. The City maintains a system of storm and surface water management facilities, including but not limited to inlets, conduits, manholes, channels, ditches, drainage easements, retention and detention basins, infiltration facilities and other components as well as natural waterways.

B. The stormwater system in the City needs regular maintenance and improvements.

C. Water quality is degrading due to erosion and the discharge of nutrients, metals, oil, grease, toxic materials and other substances into and through the stormwater system.

D. The public health, safety and welfare is adversely affected by poor ambient water quality and flooding that results from inadequate management of both the quality and quantity of stormwater.

E. All real property in the City either uses or benefits from the maintenance of the stormwater system.

F. The extent of use of the stormwater system by each property is dependent on factors that influence runoff, including land use and the amount of impervious surface on the property.

G. The costs of improving, maintaining, operating and monitoring the stormwater system should be allocated, to the extent practicable, to all property owners based on the impact of runoff from the impervious areas of their property on the stormwater management system.

H. Management of the stormwater system to protect the public health, safety and welfare requires adequate revenues and it is in the interest of the public to finance stormwater management adequately with a user charge system that is reasonable and equitable so that each user of the system pays to the extent to which he or she contributes to the need for it. (Ord. 2001-29 § 2 (part), 2001: prior code § 10D-1)

16.08.020 Statutory authority.

Authority for the adoption of a system of charges to fund the implementation of stormwater management programs is conferred on the City by Article 29, Section 3-205, and by Section 4-204(d) of the Environment Article of the Annotated Code of Maryland, as amended. (Ord. 2001-29 § 2 (part), 2001: prior code § 10D-2)

16.08.030 Definitions.

For purposes of this chapter, the following words and phrases shall have the meanings indicated:

“Base rate” means the stormwater management fee charged on a base unit. ~~The annual (fiscal year) stormwater management fee for single family residential property in the City equals the base rate.~~

“Base unit” ~~means the median impervious surface area associated with a single family residential property in the City.~~ Is equal to 500 sq feet of impervious surface for property types

“Board” means the Stormwater Management Board for Takoma Park established under the Municipal Charter. In accordance with the Municipal Charter, the Council of the City has been designated the Stormwater Management Board.

“Developed property” means real property which has been altered from its natural state by the addition of any improvements, such as buildings, structures or other impervious area.

“Fee” or “stormwater management fee” means the charge established under this chapter and levied on owners of parcels or pieces of real property to fund the costs of stormwater management and of operating, maintaining and improving the stormwater system in the City.

“Fiscal year” means July 1st of a calendar year to June 30th of the next calendar year, both inclusive.

“Impervious surface” means a surface that is compacted or covered with material that is resistant to infiltration by water, including, but not limited to, most conventionally surfaced streets, roofs, sidewalks, patios, driveways, parking lots and any other oiled, graveled, graded, compacted or other surface that impedes the natural infiltration of surface water.

“Impervious surface area” means the number of square feet of horizontal surface covered by buildings and other impervious surfaces. All building measurements shall be made between exterior faces of walls, foundations, columns or other means of support or enclosure.

“Multifamily dwelling” means a building with more than two dwelling units.

“Other developed property” means developed property other than single-family residential property. Such property shall include, but not be limited to, multifamily dwellings, commercial properties, industrial properties, parking lots, hospitals, private schools, private recreational and cultural facilities, hotels, offices and churches.

“Property owner” means the property owner of record as listed in the State assessment roll. A property owner includes any individual, corporation, firm, partnership or group of individuals acting as a unit and any trustee, receiver or personal representative.

“Single-family residential property” means a developed property the primary purpose of which is providing a permanent dwelling unit and that is classified as residential in the State assessment roll. A single-family detached dwelling, or a townhouse, containing an accessory apartment or second dwelling unit is included in this definition.

“State assessment roll” means the official listing of assessments of real property maintained by the State Department of Assessments and Taxation of Maryland.

“Stormwater management” means the planning, design, construction, regulation, improvement, repair, maintenance and operation of facilities and programs relating to water, floodplains, flood control, grading, erosion, tree conservation and sediment control.

“Stormwater Management Fund” or “Fund” means the fund created by this chapter to operate, maintain and improve the City’s stormwater system.

“Stormwater system” means the system or network of storm and surface water management facilities, including but not limited to inlets, conduits, manholes, channels, ditches, drainage easements, retention and detention basins, infiltration facilities and other components as well as all natural waterways.

“Undeveloped property” means any non-single-family residential property which has one-third or less of the base unit of impervious surface area.

“Water” means any stormwater, surface water, snow melt or groundwater. (Ord. 2016-9 § 1, 2016/Ord. 2001-29 § 2 (part), 2001: prior code § 10D-3)

16.08.040 Establishment of Stormwater Management Fund.

A. The stormwater management program is established and the stormwater system is provided to protect the waterways and land in the City by controlling flooding and to protect the natural environment. The costs of designing, developing, improving, operating, maintaining and monitoring the stormwater system required in the City should, therefore, be allocated, to the extent practicable, to all property owners based on their impact on the stormwater system. In order to provide revenue to fund those costs and to fairly allocate those costs, a Stormwater Management Fund (the Fund) is established.

B. All revenues collected from the Stormwater Management Fee and from grants, permit fees and other charges collected under this chapter, shall be deposited to the Fund. The Council, acting as the Board, may make additional appropriations to the fund. All disbursements from the fund shall be for the purposes of the fund as set forth in this chapter. (Ord. 2001-29 § 2 (part), 2001: prior code § 10D-4)

16.08.050 Purposes of fund.

The fund shall be used for the following purposes:

- A. The acquisition by gift, purchase or condemnation of real and personal property, and interests therein, necessary to construct, operate and maintain stormwater control facilities;
- B. All costs of administration and implementation of the stormwater management program, including the establishment of reasonable operating and capital reserves to meet unanticipated or emergency stormwater management requirements;
- C. Engineering and design, debt service and related financing expenses, construction costs for new facilities, and enlargement or improvement of existing facilities;
- D. Operation and maintenance of the stormwater system;
- E. Monitoring, surveillance and inspection of stormwater control devices;
- F. Stormwater quality monitoring programs;
- G. Retrofitting developed areas for pollution control;
- H. Inspection and enforcement activities;
- I. Billing and administrative costs;
- J. Other activities which are reasonably required. (Ord. 2001-29 § 2 (part), 2001: prior code § 10D-5)

16.08.060 Imposition of stormwater management fee.

An annual service charge is imposed upon all real property in the City, as of July 1st of each fiscal year, beginning July 1, 1996, to fund stormwater management programs. This service charge shall be known as the “stormwater management fee” (fee). Any real property completed or added to the State Assessment Roll after July 1st or annexed into the City after July 1st may be subject to a partial year charge. The fee is based on:

- A. The extent to which each property creates a need for the stormwater management program;
- B. The amount of impervious area on each property; and
- C. The cost of implementing a stormwater management program. (Ord. 2001-29 § 2 (part), 2001: prior code § 10D-6)

16.08.070 Classification of property—Establishment of fee.

A. For purposes of determining the stormwater management fee, all properties in the City are classified into one of the following classes:

1. Single-family residential property; or
2. Other developed property.

B. ~~Single-Family Residential Fee. The Council finds that the intensity of development of most parcels of real property in the City classified as single family residential is similar and that it would be excessively and unnecessarily expensive to determine precisely the square footage of the improvements (such as buildings, structures and other impervious area) on each such parcel. Therefore, a~~ All single-family residential properties in the City shall be charged a flat stormwater management fee, equal to the base rate, regardless of the size of the parcel or the improvements. a rate based on dividing the total impervious surface area (square feet) of the property by one base unit and multiplying that result by the base rate.

C. Other Developed Property Fee.

1. The fee for other developed property (i.e., non-single-family residential property) in the City shall be the base rate multiplied by the numerical factor obtained by dividing the total impervious surface area (square feet) of the property by one base unit. The impervious surface area for other developed property is the square footage for the buildings and other improvements on the property as listed in the State assessment roll. Alternatively, at the sole discretion of the City Manager, when evidence suggests that the impervious surface on the property listed in the State assessment roll is inaccurate, the impervious surface area of other developed property may be determined through site examination, mapping information, aerial photographs, and other available information. The minimum stormwater management fee for other developed property shall equal the base rate for single-family residential property.
2. If the other developed property is a condominium, the fee for each condominium unit will be calculated by dividing the total fee for the condominium property by the number of condominium units in the development and will be billed to each condominium unit owner. (Ord. 2016-9 § 1, 2016/Ord. 2001-29 § 2 (part), 2001: prior code § 10D-7)

16.08.080 Base rate.

The Council, acting as the Board, shall, by ordinance, establish the annual (fiscal year) base rate for the stormwater management fee. The base rate shall be calculated to ensure adequate revenues to fund the costs of stormwater management and to provide for the operation, maintenance and capital improvements of the stormwater system in the City. (Ord. 2016-9 § 1, 2016/Ord. 2001-29 § 2 (part), 2001: prior code § 10D-8)

16.08.090 Charges for tax-exempt properties—Exemptions for undeveloped property and for government property used for public purposes.

A. The Council finds that all real property in the City contributes to runoff and either uses or benefits from the maintenance of the stormwater system. Therefore, except as otherwise provided in this section, all real property in the City, including property that is exempt from property tax by Title 7 of the Tax-Property Article, Annotated Code of Maryland, as amended, shall be charged the fee.

B. Undeveloped property shall be exempt from the fee. (Ord. 2015-49 § 1, 2015/Ord. 2001-29 § 2 (part), 2001: prior code § 10D-9)

16.08.100 Assessment notices.

A. The City Manager may, but is not required to, send assessment notices for the fee to property owners prior to the billing for the fee.

B. If assessment notices are sent, the notice shall include the following information:

1. The classification of the property for purposes of determining the fee;
2. For property classified as other developed property:

- a. The impervious surface area of the property; and
 - b. The method by which the impervious surface area of the property was determined; that is, whether the computation of the impervious surface area of the property is based on information in the State Assessment Roll, site examination, mapping information, aerial photographs, or other available information;
3. The amount of the base rate (~~i.e., the single family residential fee~~) and, for other developed property, and the number of base units on the property. (Ord. 2016-9 § 1 (part), 2016/Ord. 2001-29 § 2 (part), 2001: prior code § 10D-10)

16.08.110 When fee is payable—Interest and penalties—Lien on real property—Abatement of small amounts due.

- A. The fee that is due for a fiscal year must be paid within 30 days after the bill is mailed or issued to the property owner and is overdue after that date. An overdue fee bears interest and penalties at the rate of 1.67% for each month or fraction of a month that the fee is overdue.
- B. The fee, including interest and penalties, when overdue is a lien on real property and may be collected in the same manner as delinquent real property taxes or by a suit against the property owner.
- C. The City Manager may abate the fee, including interest and penalties, if the cost of collection is reasonably estimated to exceed the amount of the fee, including any interest and penalties, due and payable. (Ord. 2016-9 § 1, 2016/Ord. 2001-29 § 2 (part), 2001: prior code § 10D-11)

16.08.120 Requests for correction.

- A. A property owner may request correction of the fee by submitting the request in writing to the City Manager within 30 days after the date the assessment notice or the bill is mailed or issued to the property owner. Grounds for correction of the fee include:
1. Incorrect classification of the property for purposes of determining the fee;
 2. Errors in the square footage of the impervious surface area of the property;
 3. Mathematical errors in calculating the fee to be applied to the property; and
 4. Errors in the identification of the property owner of a property subject to the fee.
- B. The City Manager shall make a determination within 30 days after receipt of the property owner's completed written request for correction of the fee. The City Manager's decision on a request for correction of the fee shall be final.
- C. A property owner must comply with all rules and procedures adopted by the City when submitting a request for correction of the fee and must provide all information necessary for the City Manager to make a determination on a request for correction of the fee. If a property owner alleges an error in the square footage of the impervious surface area of the property, then the request for correction must include a certification by a registered engineer or professional land surveyor of the impervious surface area of the property. Failure to comply with the provisions of this subsection shall be grounds for denial of the request. (Ord. 2016-9 § 1, 2016/Ord. 2001-29 § 2 (part), 2001: prior code § 10D-12)