



Legislation Text

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City of Alexandria, Virginia

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MEMORANDUM

**DATE:** JANUARY 20, 2016

**TO:** THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

**FROM:** MARK B. JINKS, CITY MANAGER /s/

**DOCKET TITLE:**

Consideration of a Resolution Establishing an Ad Hoc Stormwater Financing Work Group. [ROLL-CALL VOTE]

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**ISSUE:** Consideration of a Resolution Establishing an Ad Hoc Stormwater Financing Work Group.

**RECOMMENDATION:** That City Council:

- (1) Adopt the resolution to establish Ad Hoc Stormwater Financing Work Group (Attachment); and
- (2) Authorize the City Manager to appoint members to the Ad Hoc Work Group as outlined in the resolution.

**BACKGROUND:** In an effort to clean up the Chesapeake Bay, The Environmental Protection Agency (EPA) has established a Chesapeake Bay Total Maximum Daily Load (TMDL) that requires localities including the City of Alexandria (City) to meet mandated reductions of nitrogen, phosphorus and sediment from stormwater discharges. These reductions are enforced through the City's Small Municipal Separate Storm Sewer Systems (MS4) general permit. The target reductions have a 15-year implementation period that is enforced through three 5-year permits (2013 to 2028). The estimated cost to implement these reductions is up to \$100 million. Currently, the City dedicates a portion (one half cent) of the real estate property tax for stormwater programs, which is supplemented by the General Fund. The City is exploring alternate funding sources for stormwater management, including but not limited to funding needs driven by new mandates.

**DISCUSSION:** On the basis of City Council guidance received at the December 10, 2014 work session, and Council's subsequent funding in FY16 of \$500,000 for a stormwater utility study, staff is recommending an 11-member Work Group to explore financing options to fund the stormwater program. The purpose of the group comprised of City residents, businesses, local non-profit and faith-based organizations, is to receive assistance

from the community in choosing and implementing the preferred stormwater financing strategy to meet the City's MS4 permit and Stormwater Management program needs. The Work Group would work to make a recommendation to City Council on a financing strategy during FY 2017 so that the recommendation can be considered as a part of the FY 2018 and/or FY 2019 budget processes. The group would meet as necessary, likely monthly but at least quarterly, beginning in the spring of 2016.

The financing options available, as presented at the December 10, 2014 Council work session, include: 1) increased General Fund Contribution and/or Property Tax Dedication, 2) creation of a citywide Special Tax District, and 3) creation of a Fee-Based Stormwater Utility.

The proposed charge of the Work Group would be as follows.

- a. Consider the stormwater financing options, including the possible impacts to the community;
- b. Provide recommendations to staff, City Manager, and City Council on a funding strategy; and
- c. Serve as a central information receiving/dissemination mechanism and assist in development of effective communication strategy with the community related to the stormwater financing.

Membership of the group is to be appointed by the City Manager based on the following representatives:

- a. One member nominated by the Alexandria Chamber of Commerce
- b. One member nominated by the Environmental Policy Commission
- c. One member nominated by the Budget & Fiscal Affairs Advisory Committee
- d. Two "at large" members who have stormwater engineering, environmental, public finance or related knowledge and experience
- e. One member from a property tax exempt faith-based organization located in Alexandria
- f. One member from a property tax exempt non-profit organization located in Alexandria
- g. One member that is an owner of a parcel(s) with significant impervious area
- h. One member from an Alexandria homeowners association
- i. One member from an Alexandria condominium association
- j. One citizen at-large member

The Work Group will be staffed by the Department of Transportation and Environmental Services (T&ES), the Office of Management and Budget (OMB), the Department of Finance and the Office of Communications and Public Information (OCPI).

Upon approval by City Council and followed by outreach to solicit members, the City Manager will appoint the Ad Hoc Work Group members with the goal of having first meeting by spring 2016.

**FISCAL IMPACT:** The approved Stormwater Management FY 2016-FY 2025 CIP includes \$500,000 for a Stormwater Utility Study. These funds will be used to update the previous Stormwater Utility Study Phase I completed in 2009 that will provide more details and guidance for developing and implementing a Stormwater Utility. No additional funding is needed for implementation of the Work Group.

**ATTACHMENT:** Resolution

**STAFF:**

Emily A. Baker, Deputy City Manager

Yon Lambert, AICP, Director, T&ES

William Skrabak, Deputy Director, T&ES Infrastructure/Environmental Quality

Morgan Routt, Director, Office of Management and Budget

Kendel Taylor, Director, Finance