

Implementing Stormwater User Fees in New York: the Ithaca Experience

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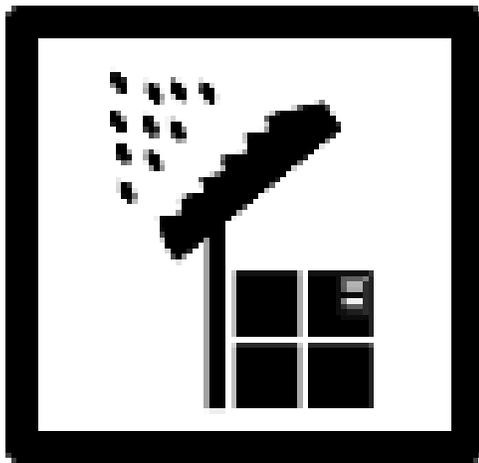


Why? Stormwater Policy History

- The City's former stormwater infrastructure funding was provided by property taxes
- This method of funding was characterized by an unfair distribution of costs among those paying, and unfair exemptions from costs for those not paying
- The City determined that it needed a dedicated funding mechanism to subsidize stormwater infrastructure
- Options evaluated: User Fees and Special Benefit Assessments

What? Introducing Ithaca's Stormwater User Fee

- Allows the City to bill each property (including those owned by tax-exempt entities) based on the amount of runoff it creates
- By including more properties in the funding, the amount paid for stormwater infrastructure and services by the average residential property owner is cut roughly in half



Calculating the User Fee

- There are three categories of properties.
 - Lots that contain less than 0.25 ERUs of impervious surface area (currently, 575 square feet) are exempt from the stormwater user fee.
 - One-, two-, and three-family residences are assumed to contain 1 ERU of impervious surface area, and pay a fee of \$12 per quarterly billing cycle (once every three months). Classification of a property as a one-, two-, or three-family residence is determined by the Tompkins County Department of Assessment.
 - All other lots pay a user fee based upon the amount of impervious surface area located on the property. Lots containing 0.25 to 1 ERU pay \$12 per quarter, and lots containing more than 1 ERU pay \$12 per quarter per ERU, assessed in 0.25 ERU increments. (For example, a commercial property with 3,700 square feet of impervious surface area would pay \$21 per quarter ($3,700 / 2,300 = 1.60$, which is rounded up to 1.75.) Owners of these lots may apply for credits against the stormwater user fee for eligible management practices or structures.

What is an “ERU?”

- “Equivalent Residential Unit”
- The City maintains a geographic database of all impervious surface areas located in the City. As of January 1, 2015, the average amount of impervious surface area on a property with a one-, two-, or three-family home is approximately 2,300 square feet. This value is used as an ERU in determining the user fee for all lots that pay a user fee other than one-, two- and three-family homes.

How? Managed Messaging: Cost Benefits for Many, Environmental Benefits for All

- Substantially Decreased average costs for residential property owners, without diminishing stormwater funding.
- Case example: Average Homeowner: ~\$100 in taxes dropped to \$48 in fee. Cornell University paid little to nothing due to its tax-exempt status. It now pays close to \$130,000.
- “cutting edge of municipal sustainability”; a progressive concept that aligns financial incentives with environmental impact.
- Allows City to pursue multiple goals, such as environmental stewardship, regulatory compliance, and flood prevention.



Community Notification

- Included brief explanatory mailer in water bills preceding first stormwater bill
- Maintain extensive FAQ's on City website, available at <http://www.cityofithaca.org/520/Stormwater-User-Fee-FAQs>
- Stormwater law is codified in Chapter 283 of City code, available at <http://www.ecode360.com/IT1348>
- Property owners may challenge their fee amount by filing an application with the Superintendent of Public Works

Who? Involves Efforts of Multiple City Departments

Some of the Departments Involved Include:

- Stormwater Management Officer
- Department of Public Works
- Legal
- GIS
- Controller
- Chamberlain
- Clerk
- Building Department
- Assessment Department

Use of the Stormwater Fees

- Dedicated funds have been used for infrastructure, staff time, and long-term stormwater planning
- The City has funded a capital project for a stormwater modeling consultant to get a clearer picture of the City's complex stormwater needs via a comprehensive analysis of our creeks.

