Implementing Stormwater User Fees in New York: the Ithaca Experience

Aaron (Ari) Lavine
City Attorney, City of Ithaca
attorney@cityofithaca.org
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.