



# City of Pensacola, Florida Stormwater Assessment Program

October 7, 2019



GOVERNMENT SERVICES GROUP, INC.

# What is a Stormwater Assessment?



- A Charge imposed against real property to pay for stormwater services provided by the City.

## Case Law Requirements

1. Special Benefit to Property
- and
2. Fairly and Reasonably Apportioned

# Purpose and Goals of Assessment Programs



- Revenue
  - Will generate revenue for stormwater services and capital infrastructure
- Diversification
  - Non-ad valorem revenue source
  - Dependent on cost of services, not taxable values
  - Broadens “tax base” of those paying for stormwater services
- Accountability
  - Legally restricted funds for the provision of stormwater services, facilities and programs
- Equity
  - Property value bears no relationship to the provision of or demand for stormwater services
  - Patchwork of exemptions from property taxes and limitations on fair valuation (Save Our Homes) further distort and limit those properties that pay for stormwater services under ad valorem system
  - Stormwater assessments are driven by service costs and demand
  - All property fairly and reasonably pays for the provision of stormwater services regardless of taxable value or available exemptions
- Pledgeable for debt without referendum

# Overview of Stormwater Assessment Program



- Funds Stormwater Operation and Maintenance Services provided by City
  - Policy Decision
    - City matches O&M assessment revenue with general fund revenue to pay for capital projects
- Initially implemented in 2001
  - Impervious area methodology
    - ESU value 2,575 sq. ft.
  - Rate Categories
    - 4 single family residential rate tiers
    - Condominium parcels
    - General parcels
  - Mitigation Credit Policy for privately maintained stormwater management facilities

Budgeted Capital Projects 5-Yr Plan					
PROJECT	2020	2021	2022	2023	2024
1 L' Street at Kiwanis Park (flooding/treatment)	45,000	275,000			
2 Bayou Blvd, Lee, Lloyd and Stanley St. Outfalls to Bayou Texar (flooding/treatment)	50,000	386,400			
3 Land Acquisition for Stormwater Facility Sites	50,000	50,000	50,000	50,000	50,000
4 9th Ave Outfall to Pensacola Bay (flooding/treatment)			55,000	750,000	
5 Bayou Blvd, Perry, Blount and Avery St. Outfalls at Bayou Texar (flooding/treatment)	365,000				
6 Scott, Yates, Lakeview and Strons Outfalls at Bayou Texar (flooding/treatment)	392,000				
7 Stormwater Vaults Citywide	250,000	250,000	275,000	275,000	275,000
8 Stormwater Capital Maintenance	375,000	375,000	375,000	375,000	375,000
9 NPDES Permit Monitoring	125,000	125,000	125,000	125,000	125,000
10 Alcaniz Street Outfall to Pensacola Bay (treatment)	500,000				
11 Langley Ave and Homewood (flooding/treatment)	55,000	325,000			
12 Spring Street Outfall to Pensacola Bay (treatment)	50,000	400,000			
13 Barrancas Ave. "E" to "L" Street (flooding/treatment)	150,000				
14 Cordova Square Pond Rehab (flooding/treatment)	59,400	250,000			
15 Spanish Trail Pipe Rehabilitation (flooding)			781,400		
16 Spring Street Pipe Rehabilitation (flooding)			775,000		
17 Summit Blvd, Spanish Trail to Firestone (flooding/treatment)					610,400
18 South Devilliers Street (flooding/treatment)				475,000	100,000
19 Cross Street, MLK to 9th Ave (flooding)				386,400	250,000
20 12th Ave. @ Fairfield Drive (flooding)					525,000
21 Stormwater Grant Match-Funding	140,000	140,000	140,000	140,000	140,000
<b>TOTAL FOR STORMWATER PROJECTS</b>	<b>2,576,400</b>	<b>2,576,400</b>	<b>2,576,400</b>	<b>2,576,400</b>	<b>2,576,400</b>

# Overview of Stormwater Assessment Program



- Updated in 2010
  - Impervious area methodology
    - ESU value 2,998 sq. ft.
    - Rate Categories
      - 5 single family residential rate tiers
      - Condominium parcels
      - General Parcels
    - Mitigation Credit Policy for privately maintained stormwater management facilities
  - Currently at the maximum rate -- \$72.24 per ESU
    - Generates approximately \$2,838,800
    - At the maximum rate since FY 15-16

# Capital Stormwater Assessments

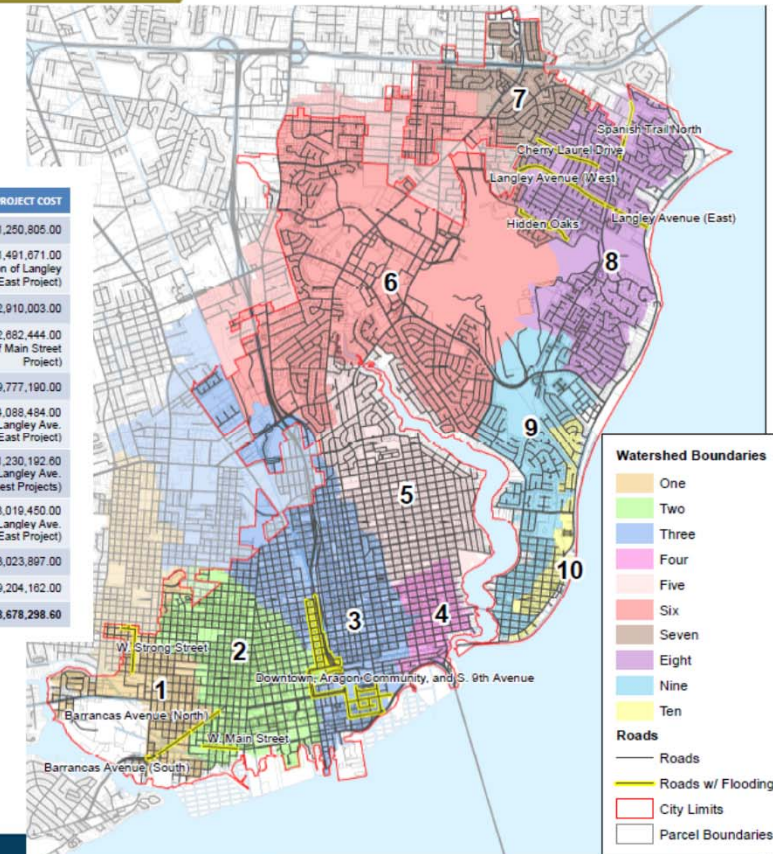


GOVERNMENT SERVICES GROUP, INC.

## Data Components

- Benefit Area
  - Must identify the parcels that benefit from the capital improvements
    - Citywide benefit
    - Basin specific benefit
    - Watershed specific benefit
    - Other
- Types of Improvements/Level of Service
  - Master Plan identified 10 critical areas with rate/volume issues
  - Drainage infrastructure
  - Road flooding
  - Retention ponds
  - Erosion problems
- Capital Costs/Revenue Requirements
  - Pay-as-you-go
  - Financing
- Billing Units in Benefit Area

PROJECT NAME	PROJECT COST
W. Strong Street	\$1,250,805.00
Langley Avenue (West)	\$1,491,871.00 (Dependent on Installation of Langley Ave. East Project)
Downtown, Aragon Community, and S. 9 <sup>th</sup> Avenue	\$22,910,003.00
Barrancas Avenue (North Segment)	\$2,882,444.00 (Dependent on Installation of Main Street Project)
Langley Avenue (East)	\$9,777,190.00
Cherry Laurel Drive	\$4,088,484.00 (Dependent on Installation of Langley Ave. East Project)
Hidden Oaks	\$1,230,192.00 (Dependent on Installation of Langley Ave. East and Langley Ave. West Projects)
Spanish Trail (North)	\$3,019,450.00 (Dependent on Installation of Langley Ave. East Project)
Barrancas Avenue (South)/L Street	\$3,023,897.00
W. Main Street	\$9,204,162.00
<b>TOTAL</b>	<b>\$58,678,298.60</b>



# Things to Consider



- Rates may not be uniform throughout City.
  - Each area will pay based on costs/units within the benefit area.
- May be some components of the capital projects that could be added to O&M costs and charged Citywide.
  - May want to consider updating the O&M rates to capture additional costs.
- Almost all of the outfalls are in the Pensacola Bay; could be environmental components in addition to flooding issues.
- May want to consider phasing of the areas since can't complete work at same time.
  - Work has to be completed within 5-7 years.
  - May need to do bank loans/internal loans for smaller projects.
    - Threshold for bonds is usually over \$10 Million.
      - Can bundle all loans once all the work is completed.
        - Won't result in one uniform rate.
        - Will still only charge properties in each area for their project.
        - May save financing costs.
    - May be able to use SRF loans if available.
- May want to consider coordinating efforts with other agencies/projects (if feasible) for cost savings.

# Project Schedule



Event	Date
Notice to Proceed	September 2019
Notice of Intent Resolution	November 14, 2019
Determine Infrastructure Improvements	October – November 2019
Define Benefit Area/Develop Preliminary Assessment Roll	October – November 2019
Determine Revenue Requirements	October – November 2019
Develop Apportionment Methodology	October – November 2019
Calculate Proforma Rates	November – December 2019
Prepare and Present Report	December 2019 - January 2020
Adopt Initial Assessment Resolution	January 2020
Provide for Public Notice (Published and First Class)	January – February 2020
Adopt Final Assessment Resolution	February 2020
Certify Capital Stormwater Assessment Roll to Tax Collector	By September 15, 2019
Collect Assessments	November 2020