



# City of Pensacola

222 West Main Street  
Pensacola, FL 32502

## Memorandum

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**File #:** 2021-31

City Council

5/27/2021

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### **LEGISLATIVE ACTION ITEM**

**SPONSOR:** Grover C. Robinson, IV, Mayor

**SUBJECT:**

RESOLUTION NO. 2021-31 - PRELIMINARY ASSESSMENT RESOLUTION INDICATING CITY COUNCIL'S INTENT TO INCREASE THE CITY'S STORMWATER ASSESSMENT RATE FOR FY 2021-22 AND TO SET A MAXIMUM RATE OF EIGHTY DOLLARS (\$80.00) PER EQUIVALENT STORMWATER UNIT (ESU).

**RECOMMENDATION:**

That City Council adopt Resolution No. 2021-31:

A RESOLUTION OF THE CITY OF PENSACOLA, FLORIDA, RELATING TO THE PROVISION OF STORMWATER MANAGEMENT SERVICES; ESTIMATING THE COST OF STORMWATER MANAGEMENT SERVICES PROVIDED BY THE CITY'S STORMWATER UTILITY; DESCRIBING THE METHOD OF CHARGING THE COST OF STORMWATER MANAGEMENT SERVICES AGAINST ASSESSED PROPERTY; DIRECTING THE STORMWATER UTILITY DIRECTOR TO PREPARE OR DIRECT THE PREPARATION OF A STORMWATER ASSESSMENT ROLL; AUTHORIZING A PUBLIC HEARING FOR THE PROPOSED STORMWATER SERVICE ASSESSMENTS AND DIRECTING THE PROVISION OF NOTICE THEREOF; PROVIDING FOR COLLECTION; AND PROVIDING AN EFFECTIVE DATE.

**HEARING REQUIRED:** No Hearing Required

**SUMMARY:**

The City of Pensacola established a stormwater assessment fee in 2001 to provide a dedicated funding source for stormwater management costs. Since its inception, the fee has generated over \$42 million in revenue and anticipates approximately \$2,735,000 for this fiscal year. The fee has allowed the City to provide critical maintenance and upkeep of City stormwater facilities that would not otherwise be completed. The assessment charge is based on the amount of impervious area located on properties and is derived from data provided by the Escambia County Property Appraiser. The City may charge an amount sufficient to recover the annual operating costs incurred to manage the impact of stormwater throughout the City.

In 2020, the City's stormwater assessment consultant, Government Services Group, Inc. (GSG) prepared a study to determine what the City would need to charge for stormwater management,

according to an updated analysis of stormwater operating costs. Based on the study, it was determined that to fully fund the needs of the stormwater maintenance program the City would need to charge the stormwater assessment rate of \$100.77 per Equivalent Stormwater Unit (ESU) per 2,998 square feet of impervious area. The rate would generate approximately \$4.13 million annually (an additional gross amount of \$1.17 million per year). Historically, this rate has been set well below the \$100.77 recommended by the study. The fee was previously increased in 2015 from \$68.43 per ESU to the current rate of \$72.24 per ESU.

Despite the capability to raise the stormwater assessment rate by approximately 28%, a modest 5.37% increase is being recommended for FY 2021-22 for an additional \$3.88 per ESU and another planned increase of \$3.88 for FY 2022-23. As required by Florida Statute, a first class notice will be mailed in July 2021 to all property owners notifying them of the City's intent to increase the rate for FY 2021-22 to \$76.12 per ESU and to set a maximum of \$80.00 per ESU. The additional revenue will allow the City to maintain the current service level for stormwater management and provide for the purchase of needed capital equipment.

At the City Council meeting on August 12, 2021, Council will need to hold a public hearing and adopt the final annual assessment resolution setting the desired assessment rate for FY 2021-22 and approving the 2021 assessment roll.

A summary of current and proposed residential and commercial charges is provided below:

#### **FY 2020-21 Current Rate Structure:**

##### **Residential:**

<u>Building Sq. Ft.</u>	<u>Current Rate</u>
Small 100-1,100	\$31.79
Small-Med 1,101-1,600	\$49.12
Medium 1,601-2,500	\$72.24
Large 2,501-5,600	\$110.53
Very Large 5,601+	Treated as a Commercial Property

##### **Commercial:**

A rate of \$72.24 per 2,998 square feet of impervious area (building footprint, paved parking, etc.) minus appropriate mitigation credit, typically 32%, provided for on-site stormwater retention.

#### **FY 2021-22 Proposed Rate Structure:**

##### **Residential:**

<u>Building Sq. Ft.</u>	<u>Proposed Rate</u>
Small 100-1,100	\$33.49
Small-Med 1,101-1,600	\$51.76
Medium 1,601-2,500	\$76.12
Large 2,501-5,600	\$116.47
Very Large 5,601+	Treated as a Commercial Property

**Commercial:**

A rate of \$76.12 per 2,998 square feet of impervious area (building footprint, paved parking, etc.) minus appropriate mitigation credit, typically 32%, provided for on-site stormwater retention.

**PRIOR ACTION:**

August 20, 2015 - City Council adopted Resolution No. 28-15 to increase the stormwater fee from \$68.43 to \$72.24 per ESU.

**FUNDING:**

N/A

**FINANCIAL IMPACT:**

The FY 2021-22 stormwater assessment program will generate an estimated \$2,735,000 at the current rate or \$2,900,000 at the proposed rate for stormwater management, an increase of \$165,000. Additionally, it is contemplated to increase the rate in FY 2022-23 by another \$3.88 for a total rate of \$80.00 per ESU which will be below the maximum rate allowed of \$100.77 per ESU as indicated in the study.

**LEGAL REVIEW ONLY BY CITY ATTORNEY:** Yes

5/16/2021

**STAFF CONTACT:**

Keith Wilkins, City Administrator  
Kerrith Fiddler, Deputy City Administrator - Community Development  
Amy Lovoy, Finance Director  
David Forte, Interim Public Works & Facilities Director  
George J. Maiberger, Purchasing Manager

**ATTACHMENTS:**

- 1) Resolution No. 2021-31

**PRESENTATION:** Yes