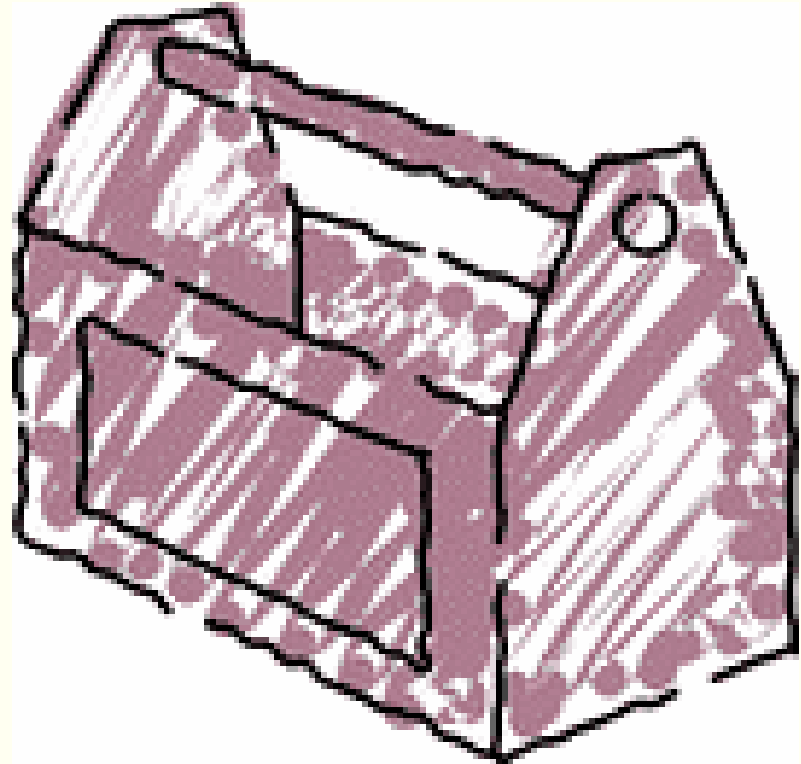


Financing Storm Water Planning, Infrastructure and Maintenance

*Filling the Tool Box
with Choices and
Selecting the
Correct Tools for
Each Situation*



Presented at "Stormwater Management in Cold Climates"
Date: November 5, 2003



STONE ENVIRONMENTAL INC

First Some Important Questions

- What Kind of Problem Do You Have?
- How Large a Scale?
- What is the Culture?
- What Role Does Your Community Desire?
- How Much \$?
- Who Pays?



What Problems do you have?



- MS4
- Impaired Waters
- Want to Improve Local Environment
- Protect Water Supply
- Permitting Troubles Impacting Development
- Lots of Citizen Interest

How Large is the Scale?

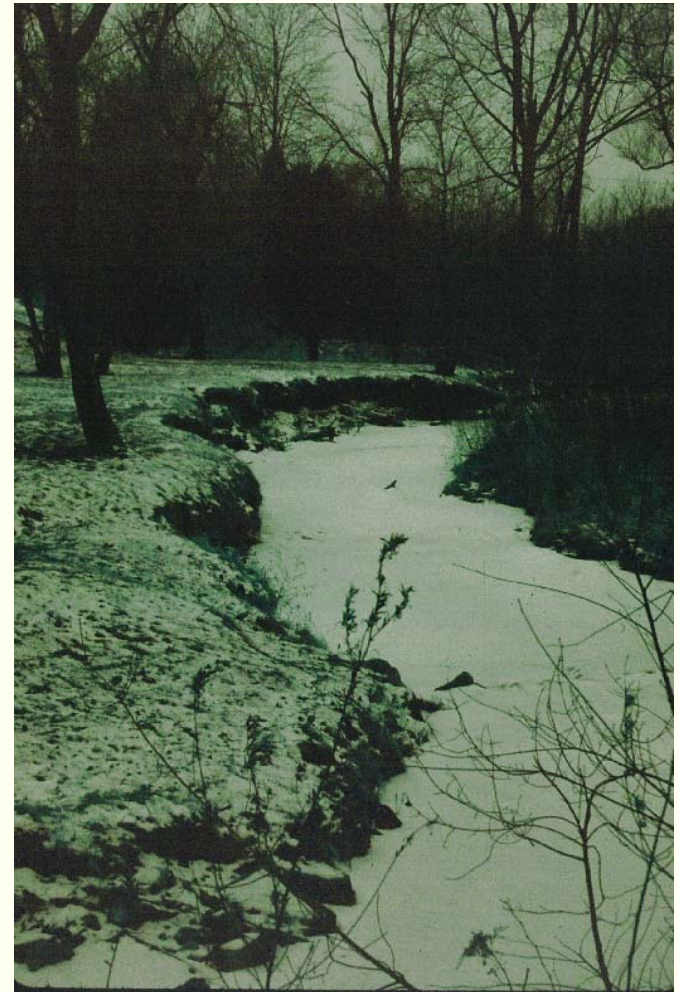
- Community "A"
 - Want to maintain ditches better or fix a stream bank
- Community "B"
 - Need to regulate the system better
- Community "C"
 - Maintenance of private / public systems out of control

- Quantity vs. Quality
 - Or both?
- Micro vs. Macro



What is the Culture – What's Acceptable?

- User Fees Okay in Town?
- Are Property Taxes Maxed Out?
- Impact Fees – What's an Impact Fee?
- Is Public Involvement on Private Property Taboo?
- Is Most of Your Tax Base Exempt?
- Is Negotiating With Privates Okay?



What Level of Continuing Role for the Community?



- How Much Maintenance Will You Do?
 - Public system
 - Private systems
- How Much Education?
- How Much Regulation, Permitting, Inspections?
- How Much Planning?
- What Level of EPA Management?

How Much \$\$ Do You Need?

- MS4 – Phase 2
 - \$3.75 - \$6.00 / citizen / year
- Consider Capital Needs
- Consider Regulatory Climate
 - Are storm water issues stopping development?
 - Would stronger maintenance, management help?
- Build Your Budget!
 - Match with appropriate revenue sources
 - Find appropriate partners where possible



Who Pays?

■ Economic Rationale

- Public Benefit

Property & Income tax

- User Pays

Fees for permitting, inspection or utility fees for run off

- Polluter Pays

Utility system based with credits for onsite treatment and storage

- Beneficiary Pays

Public or private invest in capacity; new developers buy their way in



Fiscal Tools, So Many Tools

- Don't Lose What You Already Spend
- Work With Your Region or State – Cooperate!
 - Use “model” info but,
 - acknowledge your unique differences
 - Educational info
 - Purchase together
- Get Stuff Off the Web
- Involve Non-Profits
 - Welcome their work
 - Gain foundations link
- Ask Experts in Government for Help
- Federal, State, Regional Grants
- Use Fees for Service
- Private Resources
- Storm Water Utility

The Obvious

- Taxes
 - Property
 - Income
 - Special Purpose Sales
 - Tax Increment Financing
 - General Obligation Bonds
- Service Charges
 - Storm Water Utility Fees
 - Utility Revenue Bonds
 - Plan Review & Inspection Fees
- Assessments
 - In Lieu of Construction Charges
 - Late Comer Fees
 - Special Assessment Districts
 - Special Benefit Financing
 - Local Improvement Districts
- Negotiated
 - Private Funds into Project

The Obvious – Continues...

- Exactions
 - Impact Fees
 - System Development Charges
 - General Facilities Charges
 - Franchise Fees
- Federal and State Programs
 - 319(h) Grants
 - SRF Loans (some states)
 - Hazardous Mitigation Grants
 - CDBG

The Obscure (maybe less obvious)

- EPA Decentralized Demonstration Grant
- Stream Restoration Mitigation Banking
- Surface Transportation
- EPA Watershed Assistance Grants
- National Urban and Community Forestry Advisory Council Grant
- 5-Star Restoration Grant
- Environmental Monitoring for Public Access and Community Tracking (EMPACT)

The Search for money continues

- Current Bill, Sen. Chafee / Jeffords
 - More direct link with 319 funds and storm water programming
- North American Wetlands Conservation Grants
- EPA Environmental Education Grants
- Many States Have Programs That Can Fund Storm Water
- Foundations like National Fish & Wildlife Challenge Grants
- EPA Regional Grants
- Fines & Penalties

Use the Correct Tool for the Job



- O & M
- Major Capital Improvements
 - New projects
 - Fix old projects
- New Development
- Regulatory Services
- Special Services

Operation & Maintenance

Revenue Source	Developer / User Pays	Tax Payer Pays	Other Pays
General Fund			
Utility Fees			
Income Tax			
Franchise Fees			
Special Purpose Sales			

Major Capital Improvements

Revenue Source	Develop/User Pays	Tax Payer Pays	Other Pays
G.O. Bonds			
Revenue Bonds			
Franchise Fees			
Grants			
Special Assessment			
Tax Increment			
Negotiated			
Utility Fees			

New Development

Revenue Source	Developer / User Pays	Tax Payer Pays	Other Pays
Exactions			
Impact Fees			
System Development Charge			
General Facilities Charge			
Late Comer Fees			

Regulatory Services

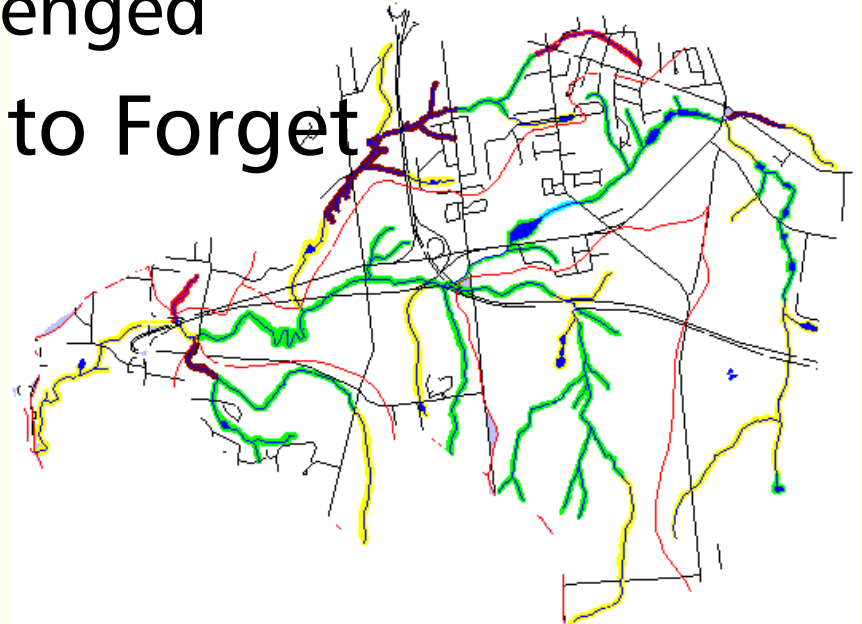
Revenue Source	Develop / User Pays	Tax Payer Pays	Other Pays
Plan Review & Inspection			
On-Site Inspection			
Penalties			
Utility Fees			
Property Tax			

Special Services

Revenue Source	Developer / User Pays	Tax Payer Pays	Other Pays
Local Improvement District			
Homeowner's Association			
Voluntary Gifts			
Grants			

So You Have a Financial Plan?

- Congratulations!
- A Couple More Things to Think About
 - Rationale Nexus
 - Get Ready to be Challenged
- A Couple Things Not to Forget
 - Planning
 - Monitoring



Conclusions – Parting Thoughts

- Know Your Problem
- Know Your Community
- Be Unashamed to Chase Money
 - Fiscal Solutions are Available
- Grab the Correct Fiscal Tools
- Plan, Act, Monitor