

Stormwater Utility

Churches & NFP's Meeting

January 25, 2012



Stormwater Utility Consideration

- Village Owns & Operates a Stormwater Management System
- Policy Question: How to Pay For the System
- Village Uses to Property Tax Revenue to Fund the Stormwater System
- Considering Creation of Stormwater Utility
- Village Council Decision in March 2012



Public Engagement

- Informed Public
- Informed Village Council
- Public Meetings
 - Residents – January 23, 2012
 - Businesses – January 24, 2012
 - Churches/NFP's – January 25, 2012
- Stakeholder Meetings
- Final Report with Recommendations & Comments – March 2012



Presentation Summary

- Stormwater System
- Current Funding Approach
- Stormwater Utility Approach
- Financial Impacts of Shifting to Utility



Stormwater System



Stormwater System

- Where Does the Water Go When It Rains?
- How Does It Get There?
- Who is Responsible for Getting It There?



Village Stormwater System

- Three major watersheds
 - 11 miles of streams
- 2/3 of the Village is drained by storm sewers
 - 130 miles of storm sewers
 - 7,000 drainage structures
- 1/3 of the Village is drained by ditches
 - 140 miles of ditches
 - 47,000 feet of culverts



Stormwater System

- Village Maintains an Extensive Stormwater System
- Minimizes Flooding by Delivering Runoff to Creeks
- All Properties Benefit from the System



Current Funding



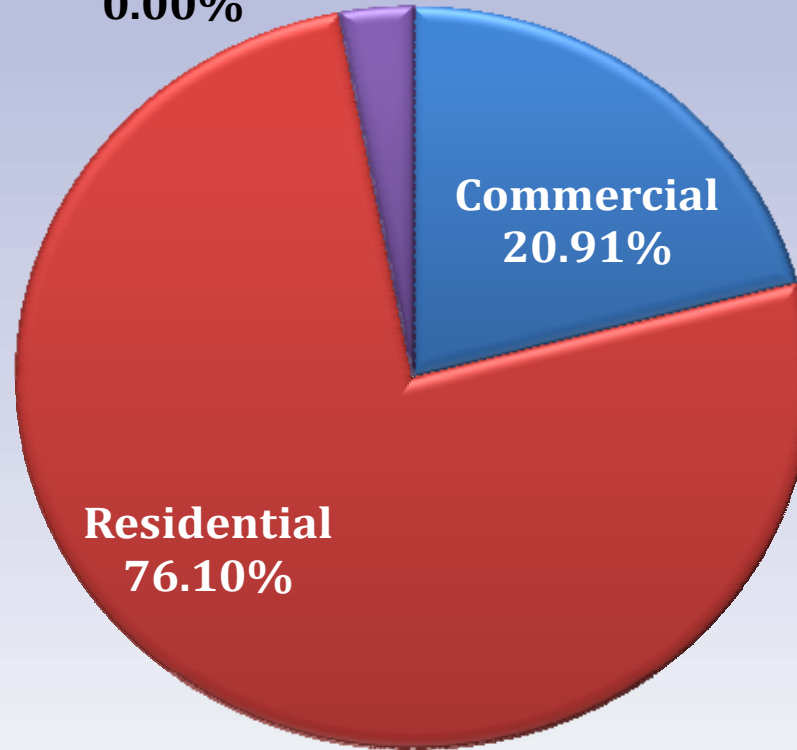
Current Funding

- Revenue Generated from Property Tax
- Payment Based on Taxable Value of Property
- Property Worth \$300,000
 - Pays About \$586 in Property Taxes to Village
 - Approximately \$115 Used for Stormwater
- Generates \$2.5 Million in Annual Funding



Current Funding – Property Tax

Industrial
Tax Exempt 2.99%
0.00%



Current Funding

- Current System Funded by Property Taxes
- Majority of Taxes Paid by Residential
- Not All Properties Pay
- Payment Based on Taxable Value, Not Impact to Stormwater System



Utility Approach



Utility Approach

- Utility Explanation
- Calculation of Fees
- Application of Credits that Reduce Fees



Utility Approach

- What is a Utility?
 - Delivery of a Service
 - Management of Assets
 - Revenues Generated Through User Fees
- Examples
 - Electrical Utility
 - Natural Gas Utility



Utility Approach

- Stormwater As a Utility
 - Service = Delivering Stormwater to the Creeks
 - Assets = Creeks, Pipes, Ditches & Structures

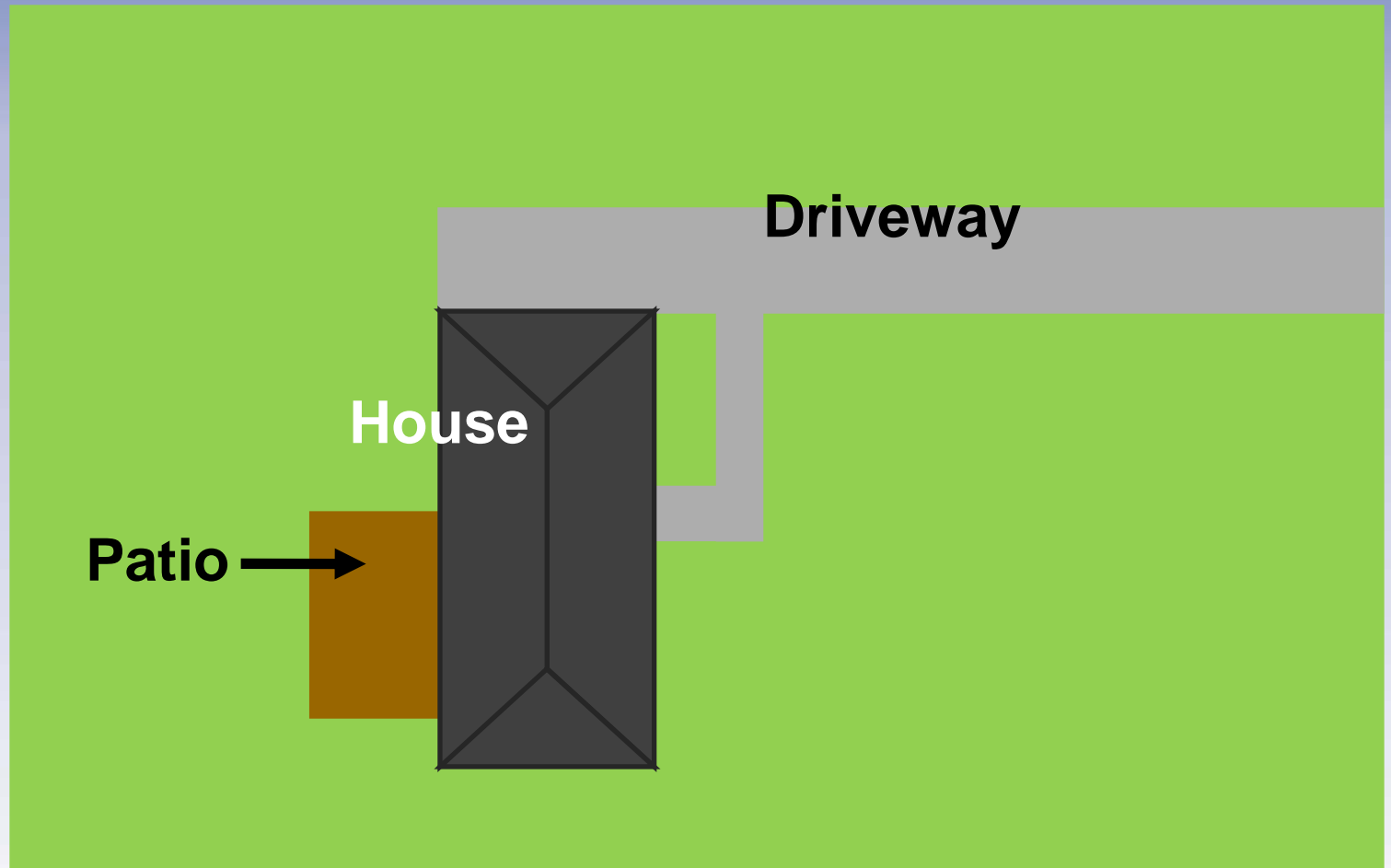


Utility Approach

- Benefits of Stormwater Utility
 - All Properties Benefit; All Properties Pay
 - Likely Result in Property Tax Reduction
 - Encourage On-Site Stormwater Management
 - Predictable, Dedicated Funding Source

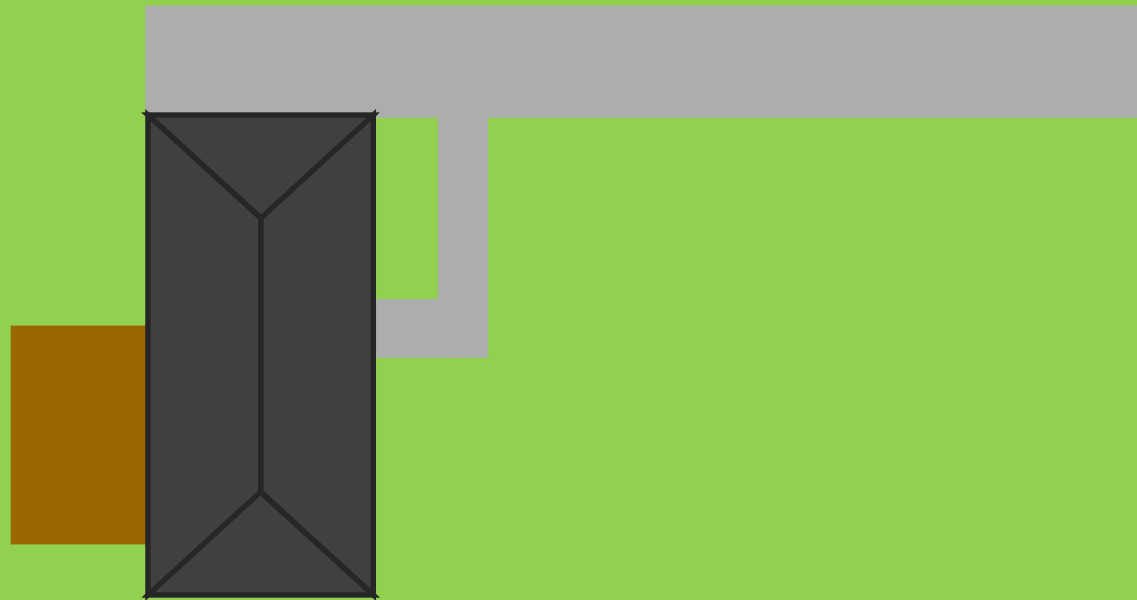


Fee Based on Impervious Area



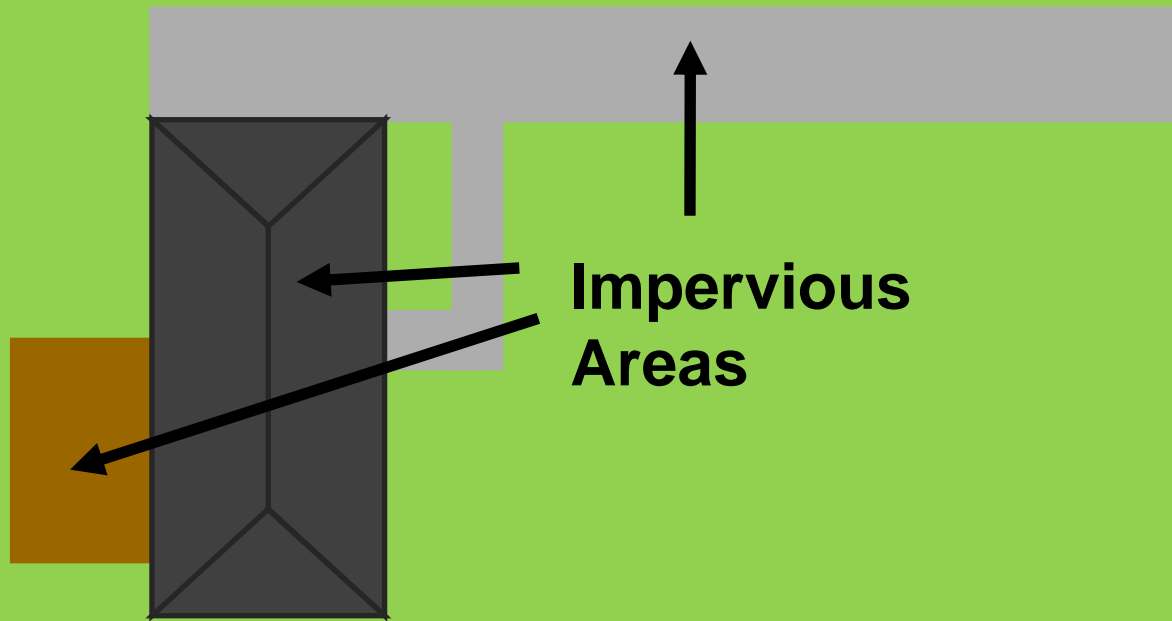
Fee Based on Impervious Area

Pervious Areas in Green



Fee Based on Impervious Area

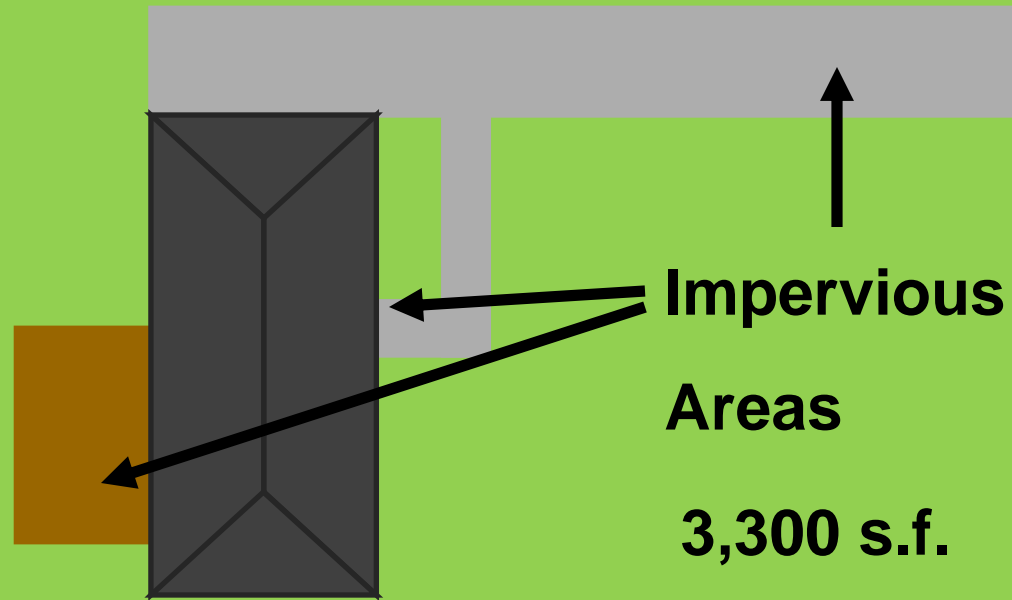
Pervious Areas in Green



Impervious Areas

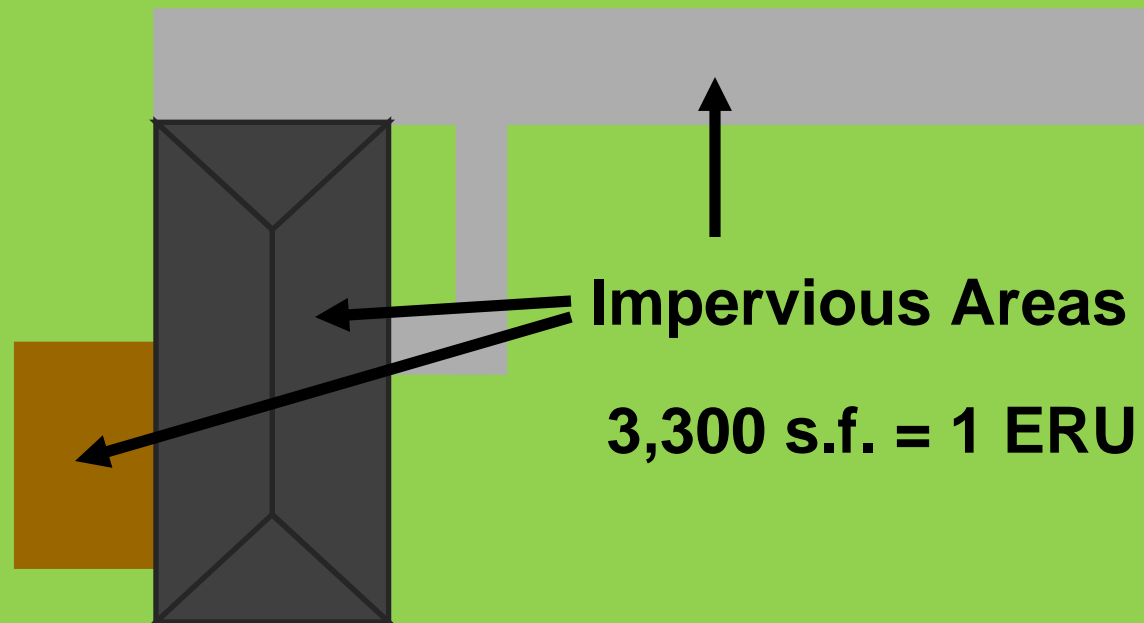
Fee Based on Impervious Area

Pervious Areas in Green



Fee Based on Impervious Area

Pervious Areas in Green



Utility Approach – Fee Calculation

Single Family Residential	Est. Monthly Fee in 2013
Tier 1: (1 – 2,500 sq. ft.) = .75 ERU	\$4.20
Tier 2: (2,501 – 4,000 sq. ft.) = 1 ERU	\$5.60
Tier 3: (4,001 – 7,000 sq. ft.) = 1.5 ERU	\$8.40

Non-Single Family Residential	Est. Monthly Fee in 2013
Per ERU (3,300 sq. ft.)	\$5.60



- Stormwater fee credit is a reduction in the fee charged to a property in return for on-site stormwater management.
- Credit is recognition that on-site stormwater management may reduce the Village's stormwater expenses.
- Credits encourage property owners to proactively manage their stormwater impact.



Utility Approach – Fee Calculation

Fee Based on ERU's – Credit =
Total Monthly Fee



Utility Approach

- Stormwater System Could be a Utility
- All Properties Benefit; All Properties Pay
- Likely Result in Property Tax Reduction
- Encourage On-Site Stormwater Management
- Predictable, Dedicated Funding Source
- Fees Based on Impervious Area
- Credits Could Reduce Fees
- Typical Residential Property Pays \$5.60/month

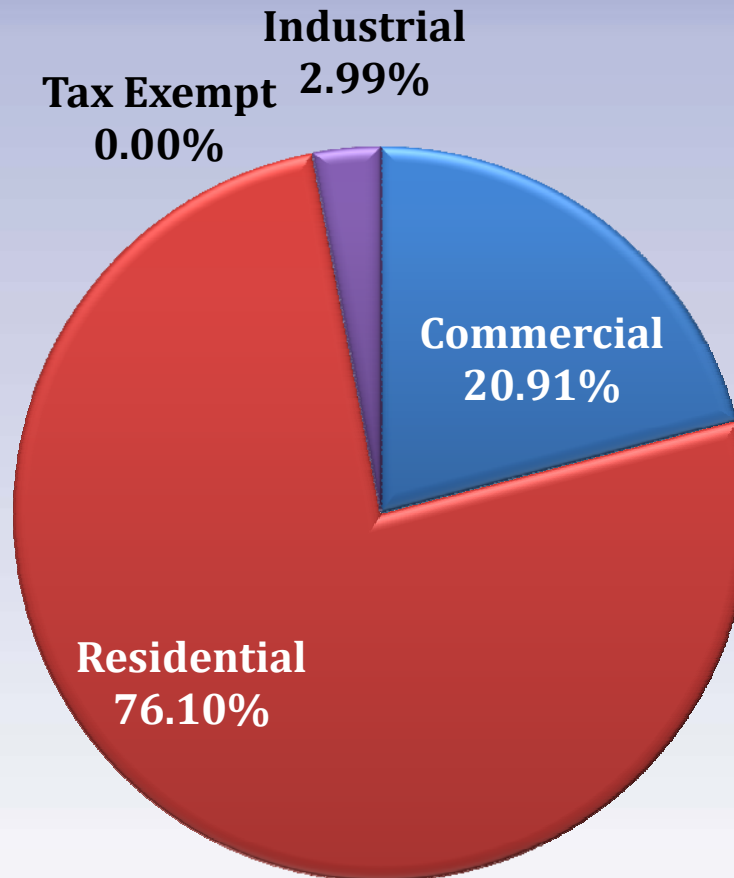


Financial Impacts of Shifting to a Utility



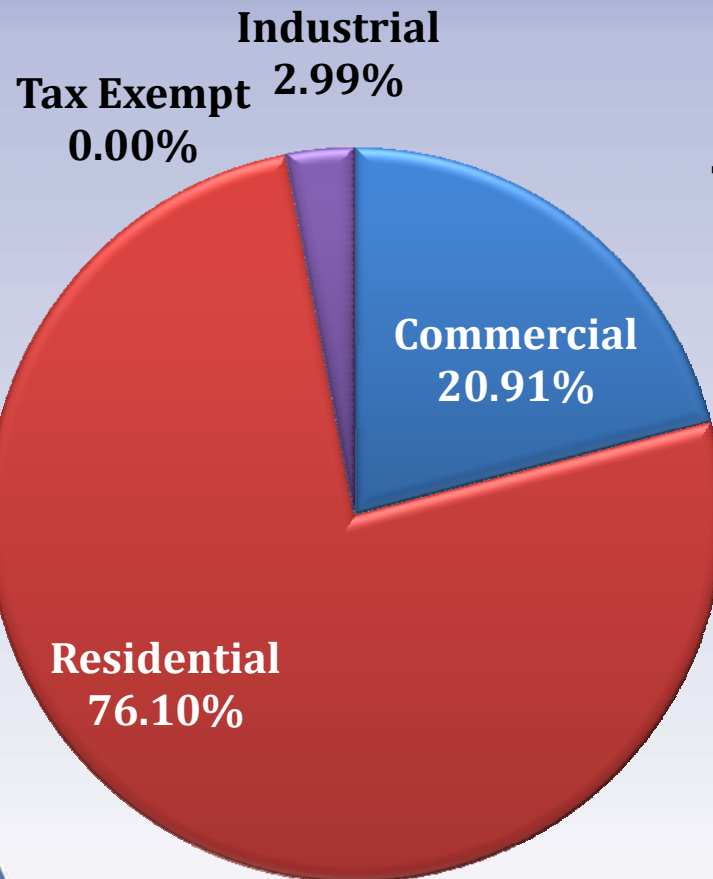
Current Revenues vs. Impervious Area

Tax Revenue Allocation

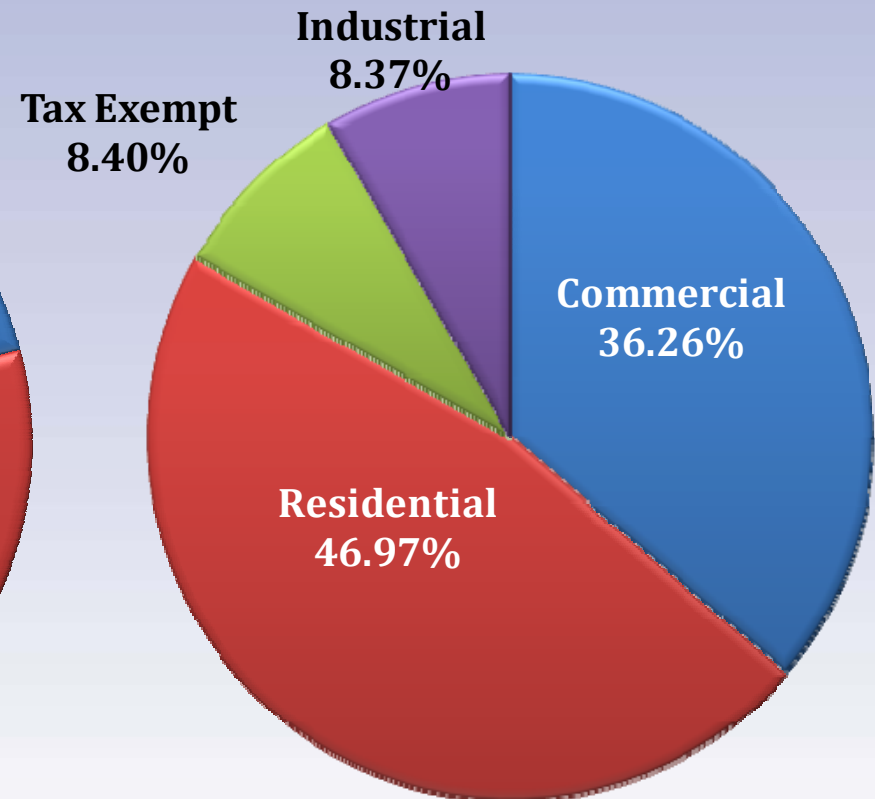


Current Revenues vs. Impervious Area

Tax Revenue Allocation



Impervious Area by Class

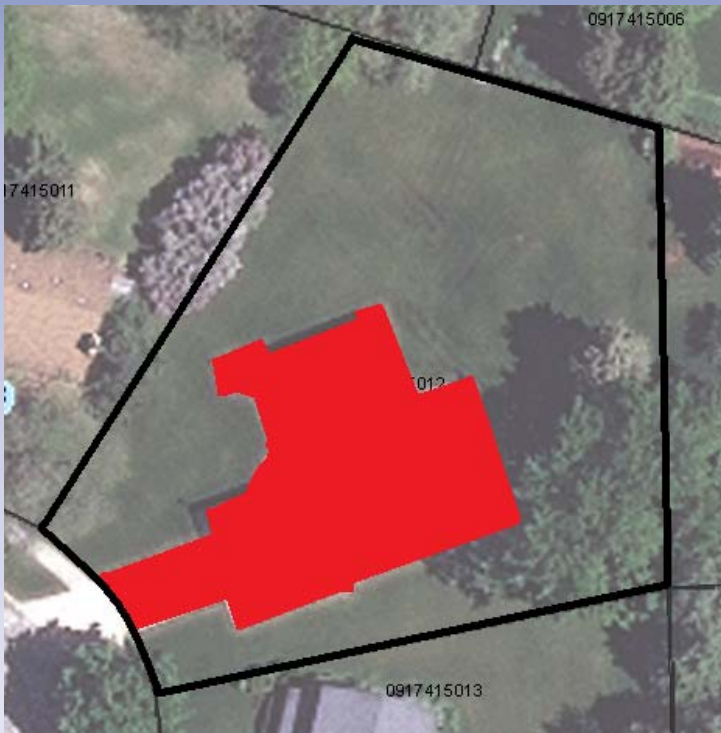


Shift from Property Tax to Utility

- Monthly Fees Paid
- Stormwater Fees Generate Revenue
- Eliminate Property Taxes Collected for Stormwater Management Activities
- Village Property Taxes Reduced by 10%
- Amount Paid Related to Impact on System



Residential Example



Total Impervious Area: 3,240 Sq. Ft.

3,240 sq. ft. → 1.00 ERUs

Monthly Stormwater Fee - \$5.60

Annual Stormwater Fee - \$67.20

Village Property Tax Reduction -\$75



NFP Top Payers

- Midwestern U \$19,211
- Good Samaritan \$16,724
- Oaktrace \$12,297
- Diocese of Joliet \$7,593
- Marquette Manor \$5,107
- Rest Haven \$4,296
- Avery Coonley \$3,292
- YMCA \$3,225
- Little Friends \$2,594
- Evangelical Hospitals \$2,083



Governments Top Payers

- Park District \$34,393
- District 58 \$26,678
- Village \$24,813
- District 99 \$23,049
- Sanitary Dist \$11,692



Shift from Property Tax to Utility

- Village Would Charge Stormwater Fees
- Village Property Taxes Reduced by 10%
- Amount Paid by Each Property Based on Impervious Area, Not Taxable Value
- Amount Paid Related to Impact on System
- Substantial Shift in Funding



Public Engagement

How Would My Property Be Affected?

E-mail Your Property Address to
swutility@downers.us

Village Will Send Response with
Stormwater Fee and
Property Tax Impact



Stormwater Utility

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