
City of Hastings Storm Water Utility

November 2, 2009



Overview

- What is a Storm Water Utility?
- Why Consider a Storm Water Utility Fee?
- What are the Benefits?
- What the Utility Fee Will Pay For
- Existing and Anticipated Costs
- Factors Used to Determine Rates
- Proposed Storm Water Rate Structure
- Comparison to Other Cities
- Proposed Timing



What is a Storm Water Utility?

- Similar to water and sewer utility
- Purpose: to generate revenue to operate and maintain the City's storm water systems
- Fee is based on storm water runoff volumes by land use



Why Consider a Storm Water Utility Fee?

- Storm water costs are currently paid from general fund.
- A Storm Water Utility offers an alternative funding source.
- General fund budget could be reduced by a portion of the revenue raised from storm water fee.
- Fees collected would be in a separate fund to be used only for storm water utility projects.
- Compliance with increasing state and federal requirements



What are the Benefits?

- A storm water utility fee allocates costs based on “usage” (runoff volume) rather than market value.
- Tax-exempt property contributes.
- Flexible revenue – can be used for operating, equipment, capital improvements, planning, inspections, and permitting.



What the Utility Fee Will Pay For

- Operating Costs
 - Salaries
 - Street sweeping
 - Inspections and maintenance
 - Pond sediment removal
- Capital Costs
 - Replacement of storm water systems
 - Equipment replacement
- Storm Water Management Programs
 - Planning, public education, and state permits



Existing and Anticipated Costs

- Capital Improvement Projects - \$170,000/year
 - Upgrade to existing storm sewer
 - Construction of water quality treatment best management practices
 - Maintenance equipment replacements

- Staff Costs - \$188,700/year
 - Erosion control and storm sewer inspections
 - Street sweeping and pond basin mowing
 - General staff time spent on storm water management



Existing and Anticipated Costs

- Storm Water Management Programs- \$72,500/year
 - Operation and maintenance of storm sewer system
 - Review/revise storm water management ordinances/requirements
 - Coordinate public education
 - Implementation plan for Total Maximum Daily Loads (TMDL)

- Storm Water Management Studies - \$36,000/year
 - Update Watershed management plan
 - State and Federal Requirements (MS4 permit, Non-Degradation, etc.)
 - Wetland Management Plan



Existing and Anticipated Costs

Capital Improvement Projects	\$170,000
Staff Costs	\$188,700
Storm Water Management Programs	\$72,500
Storm Water Management Studies	\$36,000
Total	\$467,200



Factors Used to Determine Rates

- Storm water runoff volumes from the various land uses
- Runoff volume is based on runoff volume for the 10-year 24-hour storm event (4.1 inches)
- Runoff from all land uses are converted to a Residential Equivalency Factor (“REF”)



Residential Equivalency Factors

Existing Land Use	Average Impervious Surface	Residential Equivalency Factor (REF)	Annual Fee Per Acre
Low Density Residential	29%	1.0	\$131.52
Medium Density Residential	40%	1.2	\$157.82
High Density Residential	54%	1.4	\$184.13
Manufactured Housing	33%	1.1	\$144.67
Commercial/Office	81%	1.9	\$249.89
Industrial	61%	1.6	\$210.43
Public/Institutional	33%	1.1	\$144.67
Golf Course	0%	0.5	\$65.76
Open Space/Vacant	0%	0.5	\$65.76
Agricultural	0%	0.5	\$65.76



Proposed Storm Water Rate Structure

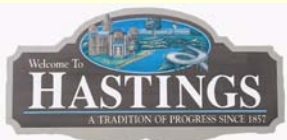
Existing Land Use	Quarterly Rate	Annual Rate
Low Density Residential	\$10.96 per lot	\$43.84 per lot
Medium Density Residential	\$6.58 per lot	\$26.30 per lot
High Density Residential	\$46.03 per acre	\$184.13 per acre
Manufactured Housing	\$36.17 per acre	\$144.67 per acre
Commercial/Office	\$62.47 per acre	\$249.89 per acre
Industrial	\$52.61 per acre	\$210.43 per acre
Public/Institutional	\$36.17 per acre	\$144.67 per acre
Golf Course	\$4.11 per acre	\$16.44 per acre
Open Space/Vacant	\$10.96 per lot	\$43.84 per lot
Agricultural	\$10.96 per lot	\$43.84 per lot

*Low Density Residential = 1/3 acre per lot

**Medium Density Residential 1/6 acre per lot

***Open Space/Vacant and Agricultural charged LDR rate

****Golf Course rate reduced 75%



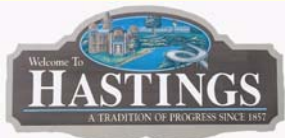
Comparison to Other Cities

City	Annual Low Density Residential Fee
Lakeville	\$24.00
South St. Paul	\$30.00
Farmington	\$36.00
Red Wing	\$37.60
Hastings	\$43.84
Rosemount	\$47.28
Apple Valley	\$47.76
Cottage Grove	\$48.00
Woodbury	\$69.20
Burnsville	\$75.36

+ Source: 2009 St. Cloud Survey

City	Annual Commercial Rate Per Acre	Annual Fee Sample Property: Walmart (86% Impervious, 20.23 ac.)
Lakeville	\$100.80	\$2,039.18
Cottage Grove	\$155.52	\$3,340.80
Red Wing	\$159.96	\$3,235.99
Rosemount	\$219.12	\$4,432.80
South St. Paul	\$228.00	\$4,612.44
Hastings	\$249.89	\$5,055.27
Woodbury*	\$272.36	\$5,833.16
Farmington	\$496.58	\$10,045.81
Apple Valley*	\$604.16	\$13,642.53
Burnsville	\$995.51	\$20,139.17

*These Cities charge different rates for each non-residential parcel based on individual impervious measurements.



Proposed Timing

- Public Open House – Nov. 12, 2009
- City Council 1st Reading – Dec. 7, 2009
- City Council 2nd Reading – Dec. 21, 2009
- First quarterly billing – Jan. 2010

