



TO: T.C. Broadnax, City Manager
FROM: Michael P. Slevin III, P.E., Director, Environmental Services
Geoffrey M. Smyth, P.E., Division Manager, Science & Engineering
COPY: City Council, and City Clerk
SUBJECT: Ordinance to amend Chapter 12.08 of the TMC to implement the "Payment In-Lieu-of Construction Program" – July 19, 2016
DATE: June 23, 2016

SUMMARY:

An ordinance amending Chapter 12.08 of the Municipal Code, related to stormwater management, to add a new Section 12.08.870 "Payment In-Lieu-of Construction Program" implementing a voluntary program to mitigate stormwater impacts from new development and redevelopment projects; and providing for assessment of system development charges and maintenance surcharges.

STRATEGIC POLICY PRIORITY:

- Assure outstanding stewardship of the natural and built environment.
- Encourage and promote efficient and effective government, which is fiscally sustainable and guided by engaged residents.
- Foster neighborhood, community, and economic development vitality and sustainability.

The Payment In-Lieu-of Construction Program establishes a voluntary program for developers (or anyone triggering minimum requirements), to buy capacity in city facilities rather than constructing stormwater detention and/or treatment on their project site. By combining developer funds with City resources, receiving waters benefit by siting these regional facilities to maximize environmental benefit and developers enjoy an economy of scale by participating in larger facilities with reduced unit costs.

The program is a voluntary payment in-lieu-of construction program. Developers or City projects which are required to provide stormwater mitigation could elect to buy into the regional facility rather than designing, permitting, and constructing a facility on the project site.

BACKGROUND:

The City Council desired to establish a voluntary program (the Payment In-Lieu-of Construction Program) to allow applicants of qualified new development or redevelopment projects to pay a system development charge to the City in-lieu-of constructing stormwater treatment or flow control facilities on their project site. The City of Tacoma Stormwater Management Manual requires certain projects to mitigate for stormwater impacts, and the National Pollutant Discharge Elimination System Phase I Municipal Stormwater Permit allows for the use of regional facilities to mitigate for stormwater impacts.

The City is implementing a program to construct new or expanded regional stormwater facilities to mitigate stormwater impacts associated with new development and redevelopment projects as an alternative to construction of individual onsite stormwater treatment and flow control facilities. Chapter 35.92 RCW authorizes the City to establish and collect a system development charge and maintenance surcharge to recover the property owner's equitable share of the capital and maintenance costs associated with the regional stormwater facilities.



The system development charge and maintenance surcharge for each facility that will be part of the program will be determined based on procedures established by the Washington State Department of Ecology.

ISSUE:

The proposed amendments to Municipal Code Chapter 12.08 will establish the basic program, including the system development charge to fund construction and a maintenance surcharge to fund ongoing repair and maintenance. The amount of the system development charge and maintenance surcharge for each individual facility will be also brought before the City Council for approval as they are added to the program in the future.

ALTERNATIVES: The City does not currently offer the Payment In-Lieu-of Construction Program. Without the new program, stormwater treatment and flow control must be provided on each project site. The proposed program increases flexibility for both the development community and individual City projects while providing equivalent or better environmental protection.

RECOMMENDATION:

An ordinance amending Chapter 12.08 of the Municipal Code, related to stormwater management, to add a new Section 12.08.870 "Payment In-lieu-of Construction Program" implementing a voluntary program to mitigate stormwater impacts from new development and redevelopment projects; and providing for assessment of system development charges and maintenance surcharges.

FISCAL IMPACT:

There is no fiscal impact. The program is designed to use system development charges for future construction and/or operation and maintenance of each regional stormwater management facility.