

Surface Water
Drainage Utility System
(SDUS) Fee Review
City of McKinney
Engineering



- MONEY MAGAZINE 2014 -

Previously

- The recent amendment to the stormwater management ordinance removed some requirements for developers, such as small-storm detention and downstream stability studies/improvements
- Increasing the SDUS fee is proposed to help recover the costs
- A Council Subcommittee made recommendations that were presented to City Council on December 1, 2014

Previously

- SDUS fee cost recovery recommendations were presented at the Council regular meeting December 1, 2014
 - \$4.00/SFLUE, currently \$2.75/SFLUE
 - 1 SFLUE = 3,000 sf, currently 1 SFLUE = 2,343 sf
 - Remove the cap on commercial property
 - Classify multifamily as commercial property
- Council requested additional information on revenue projections for commercial and multifamily properties at different rates, along with a list of users that would be significantly impacted by the increased fee

Fee Cap or Incentives

- Staff has worked with the City Attorney's Office in proposing revisions to the SDUS fees that comply with State law requirements that the charges be directly related to drainage and be nondiscriminatory, equitable and reasonable
 - Consistent with the recommendation of the Council Subcommittee, removing the cap creates an equitable and non-discriminatory system that meets the requirements of State law

Fee Cap or Incentives (cont'd)

- A different rate per SFLUE could be offered to commercial / industrial / multi-family parcels
 - State law allows consideration of the land use, size, area, number of water meters and topography of the land involved in determining drainage charges
- Incentives to property owners could be offered in the form of reduced SDUS fees or credits or offsets against SDUS fees for best management practices (BMP's) that exceed existing City requirements
 - State law would allow incentives for BMP's because they are necessarily related to the drainage impacts generated by and offset by a particular benefitted property
 - Incentives \neq economic development as charges and credits must be directly related to drainage and applied equally to all

Cost of Services Options

- Option A: \$4.00/3,000 sf
 - 168 commercial, 44 multifamily properties > \$200
 - Total revenue @ \$4.1 million/year
- Option B: \$3.00/3,000 sf
 - 144 commercial, 40 multifamily properties > \$200
 - Difference of \$514,596/year
- Option C: \$2.75/3,000 sf
 - 98 commercial, 39 multifamily properties > \$200
 - Difference of \$643,245/year
- Introduce a stormwater credit program to offset cost
 - A credit program may meet SWMP post construction BMP criteria and offset potential future requirements on commercial and multi-family developers

Stormwater credit program

- A stormwater credit program allows users to offset SDUS fees by maintaining stormwater best management practices (BMPs) on their property
- The City of Frisco is currently proposing a credit program
- The City of Fort Worth has a credit program in place

Stormwater credit program

- Frisco's proposed program includes possible reductions up to 40% for such items as;
 - Detention ponds
 - Multi-stage
 - Extended
 - Riparian preservation (buffers)
 - Other BMPs such as permanent structural controls

Next steps

- Select commercial and multifamily cost per SFLUE from cost of service options A-C
- Develop a credit/incentive program and policy
- Rewrite the SDUS Fee schedule and ordinance
- 30 day public notice/review
- Present ordinance and policy to Council in January/February 2015
- Adopt
- Implement changes in March 2015