Omaha Stormwater Management Planning – Funding Alternatives Public Involvement

March 2004
Omaha Stormwater Management Funding Alternatives – Public Involvement

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Prepared for:
City of Omaha Public Works Department

Prepared By:
URS
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EXECUTIVE SUMMARY

The purpose of this report is to provide documentation of the public meetings and Focus Group meetings held to discuss alternate funding concepts for stormwater programs and capital investment that will be required in the Omaha area to address the National Pollutant Discharge Elimination System (NPDES) stormwater permit requirements.

In the fall of 2003, the City of Omaha Public Works Department facilitated a public process to increase the local awareness and gather input from a range of constituent groups. The primary goals of the process were:

• To inform the public that additional stormwater management requirements are being imposed locally as a result of a NPDES permit that was issued to the city in October 2003.

• To gather input from the public and from various constituent groups on the preferences/acceptability of various concepts for providing administrative and capital funds.

• Identify a preferred concept for funding administrative and capital expenditures that are assumed in order to address the requirements of the NPDES stormwater permit.

Throughout the process, a range of possible concepts were introduced, discussed in the Focus Group meetings and narrowed through an open process.

The result of the process was a recommendation, based on existing Nebraska laws, to fund additional program requirements through use of property taxes.

This result should not be construed as a mandate of the populous of Omaha, but rather the product of the Focus Group meeting process that included commercial, industrial, institutional and residential property interests.
SECTION ONE: INTRODUCTION

STUDY PURPOSE
The purpose of this document is to provide a summary of the public/stakeholder involvement program for discussion of alternates for funding National Pollutant Discharge Elimination System (NPDES) stormwater permit obligations for the City of Omaha. The intent of the program was to:

- Introduce the permit requirements to the public through open public meetings facilitated by city staff and URS.
- Organize a Focus Group to be used as a local sounding board during the discussion of funding alternatives for those activities required under the Omaha NPDES permit.
- Work with the Focus Group to narrow the potential range of alternatives to a locally preferred concept.
- Present the findings of the Focus Group activities to the Mayor and City Council for consideration.

PERMIT BACKGROUND
In October 2003, the Nebraska Department of Environmental Quality (NDEQ) issued NPDES Permit NE0133698 to the City of Omaha. The permit covers the discharge of stormwater and other authorized flows within the city limits through the Municipal Separate Storm Sewer System (MS4) into waters of the State. The permit does not cover discharge from portions of the system that contains combined sanitary and storm sewers.

The NPDES program for Stormwater discharge was developed pursuant to Section 402 of the Federal Clean Water Act (33 USC Section 1251). The permit requires the city to provide adequate resources for implementation of the requirements included as part of the permit. Adequate resources are defined to include:

- Staff time to enforce the permit monitoring and administration requirements
- Funds for capital expenditures that may be required to meet the permit
- Equipment for use in meeting the requirements set forth in the permit

A critical element of the permit is public/stakeholder involvement and education. To address these elements of the permit, the city retained URS to assist in facilitating a public program to solicit input regarding alternative methods of funding the permit program costs that the city will incur starting in 2004.
**Scope of Work**

Listed below is a brief scope of work to be accomplished as part of the public involvement facilitation:

- Prepare for and conduct two public meetings to educate the public on the requirements and alternatives for financing the requirements. Included in the presentations were:
  - Local stormwater conditions and needs
  - Federal stormwater management mandates
  - What other cities have done and are currently doing to meet the Federal mandates
  - Dedicated stormwater funding concepts
  - Solutions that have been implemented by other cities
  - General information on revenues, program enhancements and new services required as part of the permit

- Prepare for and conduct a series of three meetings with a focus group, composed of a cross-section of stakeholders within the city of Omaha. The purpose of the focus group meetings will be to obtain input on the community’s views on alternative program funding concepts.

- Prepare and distribute a synopsis document covering the information distributed and input received at the public meetings and the focus group meetings.

**Organization of the Remainder of the Report**

Overall, the study work elements were accomplished through public presentation and information gathering tasks; with only a limited level of technical analysis to generate order of magnitude program cost estimates. Thus, there is not a substantial amount of technical information, methods or assumptions to document. Therefore, the remainder of the document is dedicated to providing the following from each of the public and focus group meetings:

- Summary of the material provided as part of meeting presentations by city and URS staff.

- Handout material provided.

- Notes relative to positions stakeholders presented during Meeting 3 relative to the positives and negatives of the funding alternatives.

- Summaries of the balloting process used in the final Focus Group meeting as a means of narrowing the universe of funding alternatives.
SECTION TWO: PUBLIC MEETINGS

MEETING OBJECTIVES
The objectives of the public meetings were to:

• Provide Overview of the Importance of Stormwater Management/Local Activities and Recent Changes in Stormwater Management Requirements
• Provide education to the public on how stormwater services were funded in the City of Omaha.
• Discuss the foreseeable increases in the current stormwater services program that will be required to comply with the City’s new NPDES Municipal Separate Stormwater Sewer System (MS4) Permit and to begin to address the pending Total Maximum Daily Load (TMDL) requirements.
• Provide Information on How Other Localities have Addressed Funding
• Introduce the concept of an enterprise-based stormwater utility.
• Define the concept of a stormwater service fee and discuss how such a fee might work in Omaha.
• Outline Next Steps
• Obtain and Incorporate Input from the Community
• Generate interest among the citizens attending the public meetings in potentially participating in the Public Focus Group exercise.

PUBLIC MEETING INFORMATION
The City of Omaha conducted two open public meetings on October 29th, 2003, at the following times and locations:

• Public Meeting 1:
  Time: 3:30 PM
  Location: MAPA, 2222 Cuming Street
  Number of Attendees: 39 Persons on Sign-in Sheet

• Public Meeting 2:
  Time: 6:30 PM
  Location: Papio-Missouri River Natural Resources District
  8901 S 154th Street at Wehrspann Lake
  Number of Attendees: 40 Persons on Sign-in Sheet

The same presentation was made at both of these public meetings. Copies of the meeting agendas and the PowerPoint slide presentation are included in Appendix B.
QUESTIONS ASKED DURING THE PUBLIC MEETINGS

October 29, 2003
3:30 PM Meeting

1. Without metering how can you assure contribution from a specific unit? Based on impervious surface. Can estimate.
2. Cost estimates from other locations. Distribution by development type?
3. Who approves on-site retention?
4. Any local TMDLs?
   Standing Bear, Zorinsky
5. Is LB-32 the focus of the discussion?
6. Is the goal an impervious surface based fee?
7. Is a fee cheaper than tax?
   Not always!
8. Will more cost information be available in November/December so can give better input?

October 29, 2003
6:30 PM Meeting

1. Have utilities been funded through casino gambling?
   No
2. Government pay?
3. Shouldn’t the Corps of Engineers be added to the Focus Group list?
4. What is the typical cost per home with a fee system?
   Nationally, $3.20/mo - - per ERU
5. How much of an improvement in quality is needed?
6. Isn’t part of the problem an upstream quality issue?
7. Need incentives to reduce treatment of grassed areas.
8. How much is the water quality decreased as impervious surfaces increases, and can the decrease be measured?
9. Are the permit requirements applicable to farmland? Generally not addressed, because permit covers only areas inside city limits.
10. Can bonds be used to fund changes?
    If bonds are used to fund, must still figure out how to pay to bond off. Public must approve.
11. How are churches generally treated in fees?
    In about 80% of the areas they are charged.
12. Are there verifiable results in improving water quality?
    Yes.
13. How does lid fit?
14. Credits for retaining/creating pervious surfaces?
    Generally yes
15. What are water quality items and relationship with impervious surface and water quality?
SECTION THREE: FOCUS GROUP PROCESS

OVERVIEW
The essence of the focus group process is to assemble a representative cross-section of our community who are willing to work collaboratively to develop a solution to a common problem, in this case to develop a consensus on how best to fund stormwater management activities in the City of Omaha.

The steps of the focus group process generally include:
- Development of a representative community group.
- Definition of a specific problem that impacts all group members.
- Identification of an expected group result or recommendation.
- Presentation of background materials related to the problem.
- Development of alternative solutions to be considered.
- Facilitated group discussion of the issues at hand.
- Development of comparative assessment between alternatives.
- Sequential elimination of less desirable alternatives.
- Group selection and recommendation of the "best alternative" to solve the problem.

OBJECTIVES OF THE FOCUS GROUP MEETINGS
The following primary objectives were established for the focus group:
- Understand current and pending needs
- Review potential funding solutions
- Share stakeholder perspectives
- Recommend a “best” solution that considers the following issues in funding Omaha’s stormwater program:
  - Meets short- and long-term stormwater program needs
  - Fair and equitable to residents and business
  - Provides adequate net program funding

One of the stated objectives of this focus group was to focus on the specific needs of the City of Omaha, and not turn this process into a debate on the merits of Nebraska LB-32.
Focus Group Participants

City staff developed a forum of 22 stakeholders that represents a broad cross-section of the Omaha community, who were willing to donate their time, during the business day, in order to work through a variety of funding sources with the goal of developing a consensus on how best to fund stormwater management in Omaha. Members of this focus group and the stakeholder interests that they represent are summarized in Table 1.

Table 1: Focus Group Participants

<table>
<thead>
<tr>
<th>Stakeholder Group</th>
<th>Representatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial Property Owners</td>
<td>John Dickerson</td>
</tr>
<tr>
<td>News Media</td>
<td>Dixie Cavner</td>
</tr>
<tr>
<td>Area Schools</td>
<td>Al Inzerello</td>
</tr>
<tr>
<td>Churches</td>
<td>Rev. Michael Gutgstell</td>
</tr>
<tr>
<td>Environmental Groups</td>
<td>Barbi Hayes</td>
</tr>
<tr>
<td>MAPA</td>
<td>Pat Jesse</td>
</tr>
<tr>
<td>Chamber of Commerce</td>
<td>Tim Stuart</td>
</tr>
<tr>
<td>Home Builders Association</td>
<td>Gene Graves</td>
</tr>
<tr>
<td>Local Engineers</td>
<td>Shawn Ovenden</td>
</tr>
<tr>
<td>Realtors Association</td>
<td>Mike Riedmann</td>
</tr>
<tr>
<td>State of Nebraska</td>
<td>John Fech</td>
</tr>
<tr>
<td>Douglas County</td>
<td>Kent Holm</td>
</tr>
<tr>
<td>Apartment Complexes</td>
<td>Randy Lenhoff</td>
</tr>
<tr>
<td>Car Dealers</td>
<td>Loy Todd</td>
</tr>
<tr>
<td>Hospitals</td>
<td>Shannon Anderson</td>
</tr>
<tr>
<td>Shopping Centers</td>
<td>Rusty Strodtman</td>
</tr>
<tr>
<td>Industrial and Manufacturing Parks</td>
<td>Mike Hybl</td>
</tr>
<tr>
<td>Warehouses and Storage Facilities</td>
<td>Monte Matz</td>
</tr>
<tr>
<td>Retail Facilities</td>
<td>Timothy Keigher</td>
</tr>
<tr>
<td>Environmental Groups</td>
<td>Clyde Anderson</td>
</tr>
<tr>
<td>Neighborhood Associations</td>
<td>Janet Bonet</td>
</tr>
</tbody>
</table>

Outline of Three Focus Group Meetings

The Focus Group meetings were held from 9:00 Am through noon at MAPA offices in Omaha and were lead by a facilitator. The level program funding detail in the group presentations and discussions increased throughout each of the meetings, as the discussion moved from overall program description, to regional funding need estimates, to identification of a broad range of potential program funding
alternatives, to narrowing the potential universe of alternative funding concepts. Documented below are the agendas for each of the meetings:

**November 13, 2003**
**9:00 AM to Noon**

- **INTRODUCTIONS**
  - City Staff
  - Focus Group Members
  - Public in Attendance
  - Consultants

- **ORIENTATION**
  - Purpose of the Focus Group
  - Finding the Best Solution for the City of Omaha
  - Not a Debate on LB-32
  - Objective of the Focus Group Meetings
  - Ground Rules
  - How Meetings will be Run
  - Invited Representative Participation (Input and Voting)
  - Public Observation and Comment Period

- **CURRENT STORMWATER PROGRAM**
  - Functions and Services Provided
  - Budget
  - Funding Sources

- **NEW PROGRAM REQUIREMENTS**
  - New Program Elements Required in the City’s NPDES Permit
  - Estimated Resources Required for NPDES Permit Compliance
  - Incremental Revenue Needs by Program Function
  - Total Program Costs Projection

- **FUNDING OPTION/PROGRAM ALTERNATIVES**
  - Types of Funding Alternatives/Sources
  - Who Pays
  - Revenue Capacity
  - Quick Estimate of Impacts
  - Impacts on “Representative Parcels”
  - Caps, Limitations and the Lid Law

**December 2, 2003**
**9:00 AM to Noon**

- **REVIEW**
  - Introductions
  - Objective of the Focus Group Meetings
  - Ground Rules
  - Funding Sources vs. Financing Strategies
  - Efficiency in Government Services
  - Projection Of Pollutant Loads

- **FUNDING OPTION/PROGRAM ALTERNATIVES**
  - Focus on FY-2005 Incremental Funding Needs
  - Review of Funding Alternatives/Sources
  - Estimated Impacts on “Representative Parcels”
  - New Alternatives

- **EQUITY ANALYSIS**
  - Runoff Volume
  - Discharged Pollutants
Conclusions

SELECTING THE PREFERRED ALTERNATIVES
- Questions/Answers for the 10 Identified Alternatives
- Straw Ballot (Select 5 Preferred Alternatives)
- Focus Group Preferences

December 10, 2003
9:00 Am to Noon

INTRODUCTIONS

REVIEW
- Objective of the Focus Group Meetings
- Ground Rules

SELECTING THE “BEST” ALTERNATIVE
- Discussion of the 5 Preferred Funding Alternatives
- First Ballot (Select 3 Preferred Alternatives)
- Focus Group Preference Discussion of the 3 Preferred Alternatives
- Public Comments on the 3 Preferred Alternatives
- Second Ballot (Eliminate One Alternative)
- Focus Group Preference Discussion of the 2 Preferred Alternatives
- Selection of the “Best” Alternative for Omaha

CAVEATS/COMMENTS ON THE BEST ALTERNATIVE FOR OMAHA

As can be identified through review of the meeting agendas, the vast majority of the first meeting and approximately half of the second meeting consisted of presenting the permit program requirements and how activities and capital programs in Omaha may change to address the MS4 Permit program requirements. The materials presented at Focus Group Meeting 1 and Meeting 2 are included in Appendices C and D. As is shown the agenda information provided earlier, the primary purpose of Focus Group Meeting 3 was to narrow the range of alternatives to a preferred concept for the Focus Group. The meeting agenda and presentation material for Focus Group Meeting 3 are included in Appendix E. It should be noted that the Focus Group represents a broad cross section of principally commercial, industrial and institutional interests. Thus, the results of the information gathers through the process will not necessarily be considered a “mandate” of the community.

FOCUS GROUP MEETING GROUND RULES

The facilitator established the following seven ground rules for the focus group meetings:

1. The facilitator directs traffic and limits discussion to complete the Agenda.
2. Highly controversial issues will be “parked”, if required to keep on schedule, and will be revisited at a later time in the process.
3. Comments should honest, objective and fair.
4. Participants will be courteous to fellow Focus Group members and the Public.
5. When voting, only Focus Group members are entitled to vote.
6. Everyone will get a chance to speak during the discussion process.
7. The public may observe, and provide verbal or written comments at the end of the meeting.
Identified Funding Alternatives

During the course of the focus group meetings, a total of 12 alternative approaches were identified for funding the incremental program stormwater needs related to compliance with the city’s MS4 Permit and addressing TMDL matters. The first three alternatives were developed based upon the primary funding sources to stimulate Focus Group discussion during the first focus group meeting:

- **Alternative 1: Property Tax Only** - This alternative was developed based upon current property tax receipts received by the City of Omaha for FY-2004. A dedicated property tax millage of approximately $0.043 per $1,000 of valuation would be required to achieve the revenue objective for FY-2005. The estimated impact upon a "typical" household was estimated to be approximately $4.29 per year.

- **Alternative 2: Sales Tax Only** - This alternative was developed based upon the estimated gross sales and net sales tax revenues received by the City of Omaha in 2004. A dedicated sales tax increment of approximately 0.0118% (1/85th of a cent per dollar of sales) would be required to achieve the revenue objective for FY-2005. The estimated impact upon a "typical" household was estimated to be approximately $3.93 per year. Dedication of the sales tax increment will require a corresponding $831,601 reduction in other FY-2005 City services currently funded by sales tax due to the current sales tax limit.

- **Alternative 3: Stormwater Service Fee Only (Impervious Area)** - This alternative was developed based upon allocating stormwater management costs based upon impervious area (only) and a preliminary analysis of current land uses in City of Omaha. A stormwater service fee of approximately $1.93 per ERU would be required to achieve the revenue objective for FY-2005, based upon 1.00 ERU (2,500 square feet of impervious area). The estimated impact upon a "typical" household was estimated to be approximately $1.93 per year.

The next seven alternatives were developed after the first focus group meeting, based upon the comments of the Focus Group relative to the first three alternatives:

- **Alternative 4: Costs Allocated to Residential Parcels Only** - This alternative was developed based upon allocating stormwater management costs exclusively to residential land uses in City of Omaha. A stormwater service fee of approximately $7.19 per residential unit would be required to achieve the revenue objective for FY-2005. The estimated impact upon a "typical" household was estimated to be approximately $7.19 per year.

- **Alternative 5: Stormwater Service Fee Only (Impervious+Pervious Area)** - This alternative was developed based upon allocating stormwater management costs based upon both impervious area and pervious area, using a preliminary analysis of current land uses in City of Omaha. A stormwater service fee of approximately $2.58 per ERU would be required to achieve the revenue objective for FY-2005, based upon 1.00 ERU (2,500 square feet of impervious area + 7,289 square feet of pervious area). The estimated impact upon a "typical" household was estimated to be approximately $2.58 per year.

- **Alternative 6: Stormwater Service Fee Only (Total Parcel Area)** - This alternative was developed based upon allocating stormwater management
costs based upon the total area of individual parcels, using a preliminary analysis of current land uses in City of Omaha. A stormwater service fee of approximately $15.22 per acre would be required to achieve the revenue objective for FY-2005. The estimated impact upon a “typical” household was estimated to be approximately $3.42 per year.

• **Alternative 7: Administrative Fee Only** - This alternative was developed based upon the FY-2004 administrative fee schedule that will be added to monthly water bills, and adjusted to achieve the revenue objective for FY-2005 as follows.

**Table 2: FY 2004 Revenue Estimate by General Activity Type Based on Alternative 7 Assumptions**

<table>
<thead>
<tr>
<th>Fee by General Activity Type</th>
<th>Monthly Fee Estimate</th>
<th>Annual Fee Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Residential Units</td>
<td>$0.46</td>
<td>$5.52</td>
</tr>
<tr>
<td>Commercial Residential Units</td>
<td>$0.46</td>
<td>$5.52</td>
</tr>
<tr>
<td>General Commercial</td>
<td>$0.53</td>
<td>$6.36</td>
</tr>
<tr>
<td>Large Commercial</td>
<td>$2.49</td>
<td>$29.88</td>
</tr>
<tr>
<td>General Industrial</td>
<td>$53.06</td>
<td>$636.72</td>
</tr>
<tr>
<td>Large Industrial</td>
<td>$53.06</td>
<td>$636.72</td>
</tr>
</tbody>
</table>

The estimated impact on a “typical” household was estimated to be approximately $5.52 per year.

• **Alternative 8: Hybrid Concept I (Increased Permit Costs and Property Tax)** - This hybrid alternative was developed pursuant to the Focus Group input and is based upon a doubling of the current fee for grading permits, generating an increase of approximately $50,000 per year, with the remainder of the necessary revenue being generated by a dedicated property tax increment, with a corresponding increase in the property tax levy based on the City’s NPDES permit being an un-funded Federal mandates. A dedicated property tax millage of approximately $0. 040 per $1,000 of valuation would be required to achieve the revenue objective for FY-2005. The estimated impact upon a “typical” household was estimated to be approximately $4.03 per year.

• **Alternative 9: Hybrid Concept II (Increased Permit Costs and Sales Tax)** - This hybrid alternative was developed pursuant to the Focus Group input and is based upon a doubling of the current fee for grading permits, generating an increase of approximately $50,000 per year, with the remainder of the necessary revenue being generated by a dedicated sales tax increment. A dedicated sales tax increment of approximately 0.0111% (£/90th of a cent per dollar of sales) would be required to achieve the revenue objective for FY-2005. The estimated impact upon a “typical” household was estimated to be approximately $3.69 per year. Dedication of the sales tax will require a corresponding $781,601 reduction in other FY-2005City services currently funded by sales tax due to the current sales tax limit.

• **Alternative 10: Hybrid Concept III (Increased Permit Costs + Administrative Fee)** - This hybrid alternative was developed pursuant to the Focus Group input and is based upon a doubling of the current fee for grading permits, generating an increase of approximately $50,000 per year with the remainder of the necessary revenue being generated by an administrative charge added to monthly water bills. To achieve the revenue objective for FY-2005, the FY-2004 administrative fee schedule would need to be adjusted as documented in Table 3.
TABLE 3: SERVICE FEE ESTIMATES BY GENERAL ACTIVITY TYPE BASED ON ALTERNATIVE 10 ASSUMPTIONS

<table>
<thead>
<tr>
<th>General Land Use Activity</th>
<th>Monthly Fee Estimate (Dollars)</th>
<th>Annual Fee Estimate (Dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Residential Units</td>
<td>$0.43</td>
<td>$5.19</td>
</tr>
<tr>
<td>Commercial Residential Units</td>
<td>$0.43</td>
<td>$5.19</td>
</tr>
<tr>
<td>General Commercial</td>
<td>$0.50</td>
<td>$5.98</td>
</tr>
<tr>
<td>Large Commercial</td>
<td>$2.34</td>
<td>$28.08</td>
</tr>
<tr>
<td>General Industrial</td>
<td>$49.87</td>
<td>$598.44</td>
</tr>
<tr>
<td>Large Industrial</td>
<td>$49.87</td>
<td>$598.44</td>
</tr>
</tbody>
</table>

The estimated impact upon a “typical” household was estimated to be approximately $5.19 per year.

The last two alternatives were developed during the second focus group meeting, based upon the comments of the Focus Group relative to the first ten alternatives:

- **Alternative 11: Hybrid Concept IV (Administrative Fee + Dedicated Property Tax)** - This hybrid alternative is patterned after an old school construction funding concept, wherein capital projects required under the NPDES/TMDL Program will be funded by a dedicated property tax levy based upon an approved Capital Improvement Plan. Incremental operations and maintenance costs, based upon the needs of the new NPDES/TMDL Capital projects, would also be funded under the dedicated property tax levy. An administrative fee similar to the FY-2004 administrative fee schedule would fund administration costs.

- **Alternative 12: Hybrid Concept V (Administrative Fee + Dedicated Property Tax + Stormwater Service Fee)** - This hybrid alternative is similar to Alternative 11 but includes an increased permit fee. A stormwater service fee, based on both impervious and pervious areas, would be used for administrative costs. New NPDES/TMDL capital projects would be funded by increases in property taxes. Incremental operations and maintenance costs, based upon the needs of the new NPDES/TMDL Capital projects, would also be funded by a combination of funding sources including a doubled permit fee schedule with the administrative fee (similar to the FY-2004 administrative fee schedule) making up the remaining incremental O&M costs.

**Equity Analysis**

Prior to conducting the process of screening the universe of alternatives, an analysis of the equity afforded by each of the concepts was conducted. The primary purpose of the equity analysis was to provide documentation as to whether or not the percentage of the overall stormwater load contributed by a class of customers—expressed in either runoff volume or discharged pollutants—is generally proportional to the revenue being generated by that customer class. The equity analysis methods, assumptions and results are documented in Appendix A.

**Focus Group Balloting and Results**

The primary objectives of the Focus Group process were to:

- Introduce various funding alternatives and the pros and cons of each from a funding and equity basis.
• Obtain comments/input from various perspectives provided by the Focus Group participants that represented various constituent groups.

• Establish a “preferred” funding concept from those developed and discussed throughout the meetings and prepare material to present the findings to the Council.

The last two hours of Focus Group Meeting 2 and the vast majority of the three hours of Focus Group Meeting 3 were reserved for gathering input from each of the participants and conducting a series of straw polls through which the universe of alternatives were narrowed to one. The purpose of the straw polls was to systematically eliminate funding alternatives from the universe based on balloting by the participants. Outlined below is the general order of the balloting and the final results:

• The initial balloting round included all 12 of the potential funding concepts presented throughout the meetings. The goal was to reduce the number of alternatives to approximately five, based on popular vote tallies.

• In the initial balloting round, participants were asked to identify five alternatives that best addressed the funding needs and burden distribution from their constituent group perspective. The ballots from the first round were tallied and those alternatives appearing on the most ballots were carried into the second round (a total of four rounds of balloting were conducted). The five alternatives retained following the initial balloting were:
  - Alternative 1: Property Tax Only
  - Alternative 5: Stormwater Service Fee Only (Impervious+Pervious Area)
  - Alternative 6: Stormwater Service Fee Only (Total Parcel Area)
  - Alternative 8: Hybrid Concept I (Increased Permit Costs and Property Tax
  - Alternative 11: Hybrid Concept IV (Administrative Fee + Dedicated Property Tax)

A summary of the balloting is provided in Table 4.

• Focus Group Meeting 2 ended with the balloting to reduce the number of alternatives to five.

• Prior to conducting the second round of balloting (as part of Focus Group Meeting 3), each of the participants were asked to provide input as to how they believed the various alternatives addressed the regional funding needs and provide any input regarding burden issues from the viewpoint of their constituency. In general, from discussion held in the Focus Group meetings to this point, input from the stakeholders divided the alternatives into two basic philosophies, taxes and fees. Input as to which of the funding methods (taxes or fees) was the preferred depended greatly on the constituency of the stakeholder group. A summary of the basic ideas/issues brought up by the participants is provided below:
  - Those alternatives relying on the use of property taxes are likely the most reasonable, because while no one wants to pay more in taxes, there are may more mechanisms in place to allow active monitoring of the changes in taxes, relative to changes in fees. Generally, to change a fee (based on most other local items funded through fee payments) there is very little open public discussion.
- Assuming a fee structure, there may not be an upper limit of what could be charged or the annual change. There are safe guards in the use of property taxes.

- No one should misunderstand the support that there seems to be for using property taxes. The preferred alternative would be not increase taxes and not create a new fee. There may be other ways of meeting the rules as mandated to the city. Could volunteers be used for clean up, etc.?

- Charging a fee to an entity that is supported through tax revenue (i.e. schools) is unfair. The fee charged will simply be transferred to the tax burden and focused more on that one entity.

- Those that create the need to address stormwater should be the ones to pay the management costs. Paying for the costs through property taxes or fees must be supported by the people of the city.

- A hybrid system that separates administrative costs from capital costs is preferable. Administrative costs could be paid through a fee, but capital should be paid through property taxes that a dedicated to stormwater management and could not be used for anything else.

- Management of stormwater run-off is for the general good of the region. Costs for management should be tied to the level of generation.

- Use of a property tax will result in the majority of the burden falling on homeowners. As shown in material presented, residential property does not create the majority of the burden. Thus, simply increase current property taxes would not be equitable.

- Bonds should be used to fund capital expenditures. There are current revenue sources for paying bond debt that could be used.

- Most of the discussion on whether taxes or fees are the preferred alternative seem to be focusing on accountability, and most seem to think there is more accountability in changing taxes relative to fees. In the overall program, however, there seem to be many moving targets that need to be addressed before a reasonable solution can be presented.

- Use of fees will require action by the legislature and will likely be challenged in the courts.

- If the choice is use of property taxes, the tax must be dedicated because overall priorities are constantly shifting and where will stormwater management fall in these priorities.

- Does the city really the ability to let more bonds, or is the ceiling being reached?

- As part of any action plan, incentives for being a good neighbor and penalties for not need to be developed.

- Funding operations and maintenance through a property tax will be a concern, because most elements are out of sight.

- Adding taxes to commercial property will result in a shifting to consumers (through increasing the price of the product purchased) which will spread the overall burden.

- If program costs are funded through some non-traditional means that generally has been taxes, it may start a landslide of other entities
initiating the use. There seems to be much less public overview authority for fees. An Authority can change fees without public approval.

- The alternative that doubles fees (Alternative 11A) has value because it forces compliance.
- Property taxes have the capacity to fund 100 percent of the costs; fees may or do not.
- The idea of taking an overall program from another city/region is not all that simple. There are many, many local factors that will require a unique program.
- Use of a program that ties the costs to pervious/impervious cover by land classification is likely the best approach. A fee could be tied to the parcel size and classification of activity on site. A rebate of positive activities (those that reduce run-off or load) should be included.
- Property taxes can be “written off” as a business expense, fees may not. Thus, a property table method is preferred.
- Most people in the city cannot simply “write off” the costs. Thus, use of property taxes will place burden on those that cannot.
- The overall program funding proposal must be fair.
- There does not seem to be a long term plan for the program. Where does the plan go from here?
- Education regarding the ills of no action needs to be provided as part of any action. Reducing quantity and load will only happen through education.
- Levels set for the program should be “frozen” so that entities are not “reluctantly” increasing level without public review.
- The NRD at one time had a dedicated tax for water quality programs, and use of a dedicated tax is important when water quality is trying to compete for dollars with other essential services such as fire and police protection.
- There are examples of on-going site clean up that is being funded through various means (including tax increment financing), with little or no action against the polluter. Whatever the ultimate action plan is, there needs to be an accountability plan.

- Many of the comments provided by participants reflected the potential for a different preferred alternative depending on whether LB-32 was enacted or not. In addition, selected alternatives would require that an LB-32 type change be in place. Thus, the ballot developed for Rounds Two through Four was modified to allow for independent responses if LB-32 was enacted or not.

- Through the second round of balloting the goal was to reduce the number of alternatives to three. As with the first round, those alternatives that were included on the most ballots were carried through the second round. The differences from the first round were that three alternatives would be selected by each group representative (rather than five) and the top three would be carried forward to the next round of discussion and balloting. The three alternatives retained following the second round of initial balloting were:
  - Alternative 1: Property Tax Only
− Alternative 8: Hybrid Concept I (Increased Permit Costs and Property Tax)
− Alternative 11: Hybrid Concept IV (Administrative Fee + Dedicated Property Tax)

A summary of the balloting is provided in Table 4.

• Following the second round of balloting, each of the Focus Group representatives was asked for additional comments.

• Through the third round of balloting the goal was to reduce the number of alternatives to two. As with the other rounds, those two alternatives that were included on the most ballots were carried through the second round. Focus Group representatives were asked to mark only two alternatives on the ballot. The two alternatives retained following the third round of balloting were:
  − Alternative 1: Property Tax Only
  − Alternative 11: Hybrid Concept IV (Administrative Fee + Dedicated Property Tax)

A summary of the balloting is provided in Table 4.

• Very little additional discussion was needed between the third and fourth rounds of balloting. The floor was opened for input and little was provided.

• The purpose of the fourth round of balloting was to identify the one alternative that would be presented as the Focus Group preferred concept. As was stated previously, the product of the group meetings should not be identified as a mandate of the community, but rather the results of the information gathering and participation. Focus Group representatives were asked to mark only one alternative on the ballot. The alternative retained following the fourth round of balloting was:
  − Alternative 1: Property Tax Only

A summary of the balloting is provided in Table 4.
### Table 4: Summary of Focus Group Balloting by Round

<table>
<thead>
<tr>
<th>Alternative</th>
<th>One</th>
<th>Two</th>
<th>Three</th>
<th>Four</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alternative 1: Property Tax Only</td>
<td>13</td>
<td>15</td>
<td>12</td>
<td>11</td>
</tr>
<tr>
<td>Alternative 2: Sales Tax Only</td>
<td>6</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alternative 3: Stormwater Service Fee Only (Impervious Area)</td>
<td>4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alternative 4: Costs Allocated to Residential Parcels Only</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alternative 5: Stormwater Service Fee Only (Impervious+Pervious Area)</td>
<td>8</td>
<td></td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Alternative 6: Stormwater Service Fee Only (Total Parcel Area)</td>
<td>8</td>
<td></td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Alternative 7: Administrative Fee Only</td>
<td>7</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alternative 8: Hybrid Concept I (Increased Permit Costs and Property Tax)</td>
<td>11</td>
<td>15</td>
<td>13</td>
<td>5</td>
</tr>
<tr>
<td>Alternative 9: Hybrid Concept II (Increased Permit Costs and Sales Tax)</td>
<td>5</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alternative 10: Hybrid Concept III (Increased Permit Costs + Administrative Fee)</td>
<td>6</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alternative 11: Hybrid Concept IV (Administrative Fee + Dedicated Property Tax)</td>
<td>13</td>
<td>15</td>
<td>14</td>
<td>13</td>
</tr>
<tr>
<td>Fee + Dedicated Property Tax + Stormwater Service Fee)</td>
<td>4</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Notes:**

- Shaded areas represent alternatives eliminated through previous balloting.
- Crossed out - Not an alternative in current conditions; requires LB-32 enactment.
APPENDIX A: EQUITY ANALYSIS
EQUITY ANALYSIS

One of the fundamental tests that are used in selecting a stormwater funding solution is to answer this basic question:

*Are basic customer classes being treated equitably?*

The answer to this question is determined by analyzing whether the percentage of the overall stormwater load contributed by a class of customers—expressed in either runoff volume or discharged pollutants—is generally proportional to the revenue being generated by that customer class.

The simplest method for examining this problem is to use two customer classes: residential customers and non-residential customers. This method has been used with respect to runoff volume and discharged pollutants for comparison of Alternatives 1-10.

Equity Relative To Stormwater Volume Discharged

For the purpose of this analysis, the stormwater discharge for each group will be calculated based upon the impervious and pervious areas of the properties being served by the City of Omaha’s stormwater management system. The runoff volume will be calculated based upon the Rational Method for a one-inch storm event using the following standard formula.

\[
\text{Runoff Volume} = \text{Runoff Coefficient} \times \text{Area} \times \text{Rainfall depth}
\]

\[
\text{Runoff Volume} = \left[ \text{Composite Impervious Area} \right] \times \left[ \text{Depth of Rainfall} \right] / 43,560
\]

\[
\text{Runoff Volume} = \left[ (IA \times 0.95) + (PA \times 0.20) \right] \times \left[ 0.08333 \text{ ft.} \right] / 43,560
\]

Using this equation, the following results were calculated:

<table>
<thead>
<tr>
<th>Use Classification</th>
<th>Runoff Volume (ac-ft)</th>
<th>Percent of City Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential Properties</td>
<td>946.7</td>
<td>36%</td>
</tr>
<tr>
<td>Non-Residential Properties</td>
<td>1,678.8</td>
<td>64%</td>
</tr>
<tr>
<td>City of Omaha</td>
<td>2,625.5</td>
<td>100%</td>
</tr>
</tbody>
</table>

Absolute equity, based upon stormwater discharge, would require that the percentage of revenue generated by an equitable alternative be equal to 36% of the overall revenue generated for all classes of customers, since the runoff generated by residential customers was only 36% of the runoff generated in the City. The next step in this analysis is to determine which of the alternatives achieve this objective. The following table summarizes the revenues generated by residential and non-residential customers:
<table>
<thead>
<tr>
<th>Alternative Description</th>
<th>Residential User Burden ($/ of Total)</th>
<th>Overcharge</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alt 1 Property Tax Only</td>
<td>$495,950 60%</td>
<td>66%</td>
</tr>
<tr>
<td>Alt 2 Sales Tax Only</td>
<td>$453,953 55%</td>
<td>52%</td>
</tr>
<tr>
<td>Alt 3 Stormwater Service Fee (IA) Only</td>
<td>$223,091 27%</td>
<td>-25%</td>
</tr>
<tr>
<td>Alt 4 Charge Residents Only</td>
<td>$831,601 100%</td>
<td>178%</td>
</tr>
<tr>
<td>Alt 5 Stormwater Service Fee (IA+PA) Only</td>
<td>$298,225 36%</td>
<td>0%</td>
</tr>
<tr>
<td>Alt 6 Stormwater Service Fee (TA) Only</td>
<td>$395,357 48%</td>
<td>32%</td>
</tr>
<tr>
<td>Alt 7 Admin Fee Only</td>
<td>$638,062 77%</td>
<td>113%</td>
</tr>
<tr>
<td>Alt 8 Higher Fees + Property Tax Increment</td>
<td>$466,131 56%</td>
<td>56%</td>
</tr>
<tr>
<td>Alt 9 Higher Fees + Sales Tax Increment</td>
<td>$426,659 51%</td>
<td>43%</td>
</tr>
<tr>
<td>Alt 10 Higher Fees + Admin Fee</td>
<td>$596,450 72%</td>
<td>99%</td>
</tr>
</tbody>
</table>

The table illustrates that only one of the candidate alternatives, Alternative 5, is absolutely equitable in terms of stormwater runoff volume.

- Alternative 3 subsidizes the residential customer class by shifting the burden to non-residential customers
- Alternatives 6 and 9 overcharge the residential customer class by up to 50%, thereby subsidizing commercial properties
- The remaining alternatives grossly overcharge the residential customer class, by up to 178%, creating significant subsidies for the non-residential customers.

**Equity Relative to Stormwater Pollutants Discharged**

For the purpose of this analysis, the stormwater pollutant loads discharged by each customer group will be calculated based upon the volume of discharge and the published pollutant characteristics for general property types served by the City of Omaha’s stormwater management system. The discharged pollutant loads will be calculated a one-inch storm event using the following standard mass load equation.

\[
\text{Pollutant Load Discharged} = \text{Mean Loading Rate (lbs/acre/event)} \times \text{User Class Acreage (acres)}
\]

Mean loading rates were developed for the City of Omaha by the United States Geological Survey based upon a storm event sampling program that collected and evaluated stormwater samples. The laboratory results were evaluated and published as mean loading rates for four general types of pollutants:

- Oxygen demanding substances (Biochemical Oxygen Demand, Chemical Oxygen Demand),
- Solids (Suspended Solids and Dissolved Solids),
- Nutrients (Total Nitrogen, Total Ammonia+Organic Nitrogen, Total Phosphorus and Dissolved Phosphorus)
- Metals (Total Recoverable Copper, Total Recoverable Lead and Total Recoverable Zinc).
Using standard mass load equation and the acreages of general land uses in the city limits, the following pollutant discharges were calculated:

<table>
<thead>
<tr>
<th>Pollutant</th>
<th>Residential Land Use</th>
<th>Commercial Land Use</th>
<th>Industrial Land Use</th>
<th>CITY TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Biochemical Oxygen Demand</td>
<td>6,272</td>
<td>9,417</td>
<td>8,082</td>
<td>23,771</td>
</tr>
<tr>
<td>Chemical Oxygen Demand</td>
<td>29,996</td>
<td>35,038</td>
<td>31,853</td>
<td>96,888</td>
</tr>
<tr>
<td>Suspended Solids</td>
<td>70,899</td>
<td>98,546</td>
<td>313,778</td>
<td>483,223</td>
</tr>
<tr>
<td>Dissolved Solids</td>
<td>29,996</td>
<td>39,418</td>
<td>30,902</td>
<td>100,316</td>
</tr>
<tr>
<td>Total Nitrogen</td>
<td>1,145</td>
<td>1,007</td>
<td>761</td>
<td>2,913</td>
</tr>
<tr>
<td>Total Ammonia+Organic Nitrogen</td>
<td>764</td>
<td>613</td>
<td>523</td>
<td>1,900</td>
</tr>
<tr>
<td>Total Phosphorus</td>
<td>226</td>
<td>134</td>
<td>119</td>
<td>479</td>
</tr>
<tr>
<td>Dissolved Phosphorus</td>
<td>95</td>
<td>81</td>
<td>57</td>
<td>234</td>
</tr>
<tr>
<td>Total Recoverable Copper</td>
<td>4</td>
<td>5</td>
<td>10</td>
<td>19</td>
</tr>
<tr>
<td>Total Recoverable Lead</td>
<td>10</td>
<td>11</td>
<td>25</td>
<td>46</td>
</tr>
<tr>
<td>Total Recoverable Zinc</td>
<td>38</td>
<td>50</td>
<td>105</td>
<td>193</td>
</tr>
</tbody>
</table>

This table was further reduced to reflect the general loadings for a mean storm event by residential and non-residential customer classes for the four general pollutant categories:

<table>
<thead>
<tr>
<th></th>
<th>Residential Land Use Load (pounds/event and % of Total)</th>
<th>Non-Residential Land Use Load (pounds/event and % of Total)</th>
<th>CITY TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oxygen Demand</td>
<td>36,268 30%</td>
<td>84,390 70%</td>
<td>120,658</td>
</tr>
<tr>
<td>Solids</td>
<td>100,895 17%</td>
<td>482,644 83%</td>
<td>583,539</td>
</tr>
<tr>
<td>Nutrients</td>
<td>2,231 40%</td>
<td>3,295 60%</td>
<td>5,525</td>
</tr>
<tr>
<td>Metals</td>
<td>52 20%</td>
<td>206 80%</td>
<td>258</td>
</tr>
</tbody>
</table>

The residential land uses within the City contribute 17% to 40% of the estimated total citywide pollutant loads, depending upon the pollutant selected for comparison.

**Best Case Comparison**

Absolute equity, based upon the “best case” of pollutant loads discharged by residential properties of 17% for solids, would require that the percentage of revenue generated by an equitable alternative be equal to 17% of the overall revenue generated for all classes of customers, since the solids load generated by residential customers was only 17% of the solids load generated in the City. The next step in this analysis is to determine which of the alternatives achieve this objective. The following table summarizes the revenues generated by residential and non-residential customers:
The table illustrates that none of the candidate alternatives are absolutely equitable in terms of stormwater pollutant load discharged, but Alternative 3 is the closest in that it has the smallest (58%) overcharge of the 10 candidates.

- Alternatives 5 and 6 overcharge the residential customer class by up to 111% to 180%, thereby subsidizing commercial properties
- The remaining alternatives grossly overcharge the residential customer class, by 202% to 488%, thereby creating significant subsidies for the non-residential customers.

**Worst Case Comparison**
Absolute equity, based upon the “worst case” of pollutant loads discharged by residential properties of 40% for nutrients, would require that the percentage of revenue generated by an equitable alternative be equal to 40% of the overall revenue generated for all classes of customers, since the nutrient load generated by residential customers was only 40% of the nutrient load generated in the City. As in the case of the Best Case Comparison, the following table summarizes the revenues generated by residential and non-residential customers:

<table>
<thead>
<tr>
<th>Alternative Funding Concept</th>
<th>Residential Users Burden ($/% of Total)</th>
<th>Overcharge Based on Burden Vs. Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alt 1 Property Tax Only</td>
<td>$495,950 60%</td>
<td>49%</td>
</tr>
<tr>
<td>Alt 2 Sales Tax Only</td>
<td>$453,953 55%</td>
<td>36%</td>
</tr>
<tr>
<td>Alt 3 Stormwater Service Fee (IA) Only</td>
<td>$223,091 27%</td>
<td>-33%</td>
</tr>
<tr>
<td>Alt 4 Charge Residents Only</td>
<td>$831,601 100%</td>
<td>150%</td>
</tr>
<tr>
<td>Alt 5 Stormwater Service Fee (IA+PA) Only</td>
<td>$298,225 36%</td>
<td>-10%</td>
</tr>
<tr>
<td>Alt 6 Stormwater Service Fee (TA) Only</td>
<td>$395,357 48%</td>
<td>19%</td>
</tr>
<tr>
<td>Alt 7 Admin Fee Only</td>
<td>$638,062 77%</td>
<td>92%</td>
</tr>
<tr>
<td>Alt 8 Higher Fees + Property Tax Increment</td>
<td>$466,131 56%</td>
<td>40%</td>
</tr>
<tr>
<td>Alt 9 Higher Fees + Sales Tax Increment</td>
<td>$426,659 51%</td>
<td>28%</td>
</tr>
<tr>
<td>Alt 10 Higher Fees + Admin Fee</td>
<td>$596,450 72%</td>
<td>79%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Alternative Funding Concept</th>
<th>Residential Users Burden ($/% of Total)</th>
<th>Overcharge Based on Burden Vs. Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alt 1 Property Tax Only</td>
<td>$495,950 60%</td>
<td>49%</td>
</tr>
<tr>
<td>Alt 2 Sales Tax Only</td>
<td>$453,953 55%</td>
<td>36%</td>
</tr>
<tr>
<td>Alt 3 Stormwater Service Fee (IA) Only</td>
<td>$223,091 27%</td>
<td>-33%</td>
</tr>
<tr>
<td>Alt 4 Charge Residents Only</td>
<td>$831,601 100%</td>
<td>150%</td>
</tr>
<tr>
<td>Alt 5 Stormwater Service Fee (IA+PA) Only</td>
<td>$298,225 36%</td>
<td>-10%</td>
</tr>
<tr>
<td>Alt 6 Stormwater Service Fee (TA) Only</td>
<td>$395,357 48%</td>
<td>19%</td>
</tr>
<tr>
<td>Alt 7 Admin Fee Only</td>
<td>$638,062 77%</td>
<td>92%</td>
</tr>
<tr>
<td>Alt 8 Higher Fees + Property Tax Increment</td>
<td>$466,131 56%</td>
<td>40%</td>
</tr>
<tr>
<td>Alt 9 Higher Fees + Sales Tax Increment</td>
<td>$426,659 51%</td>
<td>28%</td>
</tr>
<tr>
<td>Alt 10 Higher Fees + Admin Fee</td>
<td>$596,450 72%</td>
<td>79%</td>
</tr>
</tbody>
</table>
The table illustrates that none of the candidate alternatives are absolutely equitable in terms of stormwater pollutant load discharged, but Alternatives 5 is the closest in that it has the smallest (10%) undercharge of the 10 candidates while Alternative 6 can be considered to be a comparable choice with the smallest (19%) overcharge.

- Alternatives 3 and 5 both subsidize the residential customer class by shifting the burden to non-residential customers by undercharging the residential properties by 10% - 33%
- Alternatives 1, 2, 9 and 9 overcharge the residential customer class by up to 50% to, thereby subsidizing commercial properties
- The remaining alternatives grossly overcharge the residential customer class, by up to 150%, thereby creating significant subsidies for the non-residential customers.

**Observations**
Fairness and equitable treatment are important considerations in selecting a funding alternative for long-term funding of Omaha's stormwater program responsibilities related to the implementation of the City's NPDES Permit. Each of the ten candidate alternatives have been evaluated, as described in the preceding text, and subsequently ranked quantitatively with the following results:

<table>
<thead>
<tr>
<th>Alternative Funding Concept</th>
<th>Runoff Only</th>
<th>WQ-Best</th>
<th>WQ-Worst</th>
<th>Total Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alt 1 Property Tax Only</td>
<td>1</td>
<td>1</td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>Alt 2 Sales Tax Only</td>
<td>1</td>
<td>1</td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>Alt 3 Stormwater Service Fee (IA) Only</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Alt 4 Charge Residents Only</td>
<td></td>
<td></td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Alt 5 Stormwater Service Fee (IA+PA) Only</td>
<td>3</td>
<td>1</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>Alt 6 Stormwater Service Fee (TA) Only</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Alt 7 Admin Fee Only</td>
<td></td>
<td></td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Alt 8 Higher Fees + Property Tax Increment</td>
<td></td>
<td></td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Alt 9 Higher Fees + Sales Tax Increment</td>
<td>1</td>
<td>1</td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>Alt 10 Higher Fees + Admin Fee</td>
<td></td>
<td></td>
<td></td>
<td>0</td>
</tr>
</tbody>
</table>

KEY: Exact Equity Fit = 3 Points
      Best Fit = 2 Points
      Close = 1 Points
      Not Even Close = 0 Points

Based upon the foregoing analyses, the following conclusions can be supported:

- Only Alternative 5 was an exact equity match based upon runoff quality.
- None of the alternatives were an exact equity match based upon discharged pollutant loads.
- Considering the mix of runoff volume and pollutant loads discharged, Alternative 5 is the better "overall alternative" with Alternatives 3 and 6 being good alternate choices.
APPENDIX B: PUBLIC MEETING AGENDA AND PRESENTATION MATERIAL
APPENDIX C: FOCUS GROUP MEETING 1
AGENDA AND PRESENTATION MATERIAL
APPENDIX D: FOCUS GROUP MEETING 2
AGENDA AND PRESENTATION MATERIAL
APPENDIX E: FOCUS GROUP MEETING 3
AGENDA AND PRESENTATION MATERIAL

URS
APPENDIX A: EQUITY ANALYSIS
EQUITY ANALYSIS

One of the fundamental tests that are used in selecting a stormwater funding solution is to answer this basic question:

*Are basic customer classes being treated equitably?*

The answer to this question is determined by analyzing whether the percentage of the overall stormwater load contributed by a class of customers—expressed in either runoff volume or discharged pollutants—is generally proportional to the revenue being generated by that customer class.

The simplest method for examining this problem is to use two customer classes: residential customers and non-residential customers. This method has been used with respect to runoff volume and discharged pollutants for comparison of Alternatives 1-10.

**Equity Relative To Stormwater Volume Discharged**

For the purpose of this analysis, the stormwater discharge for each group will be calculated based upon the impervious and pervious areas of the properties being served by the City of Omaha’s stormwater management system. The runoff volume will be calculated based upon the Rational Method for a one-inch storm event using the following standard formula.

$$\text{Runoff Volume} = \text{Runoff Coefficient} \times \text{Area} \times \text{Rainfall depth}$$

$$\text{Runoff Volume} = \left[\text{Composite Impervious Area}\right] \times \left[\text{Depth of Rainfall}\right] \div 43,560$$

$$\text{Runoff Volume} = \left[\left(IA \times 0.95\right) + \left(PA \times 0.20\right)\right] \times \left[0.08333 \text{ ft.}\right] \div 43,560$$

Using this equation, the following results were calculated:

<table>
<thead>
<tr>
<th>Use Classification</th>
<th>Runoff Volume (ac-ft)</th>
<th>Percent of City Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential Properties</td>
<td>946.7</td>
<td>36%</td>
</tr>
<tr>
<td>Non-Residential Properties</td>
<td>1,678.8</td>
<td>64%</td>
</tr>
<tr>
<td>City of Omaha</td>
<td>2,625.5</td>
<td>100%</td>
</tr>
</tbody>
</table>

Absolute equity, based upon stormwater discharge, would require that the percentage of revenue generated by an equitable alternative be equal to 36% of the overall revenue generated for all classes of customers, since the runoff generated by residential customers was only 36% of the runoff generated in the City. The next step in this analysis is to determine which of the alternatives achieve this objective. The following table summarizes the revenues generated by residential and non-residential customers:
<table>
<thead>
<tr>
<th>Alternative Description</th>
<th>Residential User Burden ($/% of Total)</th>
<th>Overcharge</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alt 1 Property Tax Only</td>
<td>$495,950 60%</td>
<td>66%</td>
</tr>
<tr>
<td>Alt 2 Sales Tax Only</td>
<td>$453,953 55%</td>
<td>52%</td>
</tr>
<tr>
<td>Alt 3 Stormwater Service Fee (IA) Only</td>
<td>$223,091 27%</td>
<td>-25%</td>
</tr>
<tr>
<td>Alt 4 Charge Residents Only</td>
<td>$831,601 100%</td>
<td>178%</td>
</tr>
<tr>
<td>Alt 5 Stormwater Service Fee (IA+PA) Only</td>
<td>$298,225 36%</td>
<td>0%</td>
</tr>
<tr>
<td>Alt 6 Stormwater Service Fee (TA) Only</td>
<td>$395,357 48%</td>
<td>32%</td>
</tr>
<tr>
<td>Alt 7 Admin Fee Only</td>
<td>$638,062 77%</td>
<td>113%</td>
</tr>
<tr>
<td>Alt 8 Higher Fees + Property Tax Increment</td>
<td>$466,131 56%</td>
<td>56%</td>
</tr>
<tr>
<td>Alt 9 Higher Fees + Sales Tax Increment</td>
<td>$426,659 51%</td>
<td>43%</td>
</tr>
<tr>
<td>Alt 10 Higher Fees + Admin Fee</td>
<td>$596,450 72%</td>
<td>99%</td>
</tr>
</tbody>
</table>

The table illustrates that only one of the candidate alternatives, Alternative 5, is absolutely equitable in terms of stormwater runoff volume.

- Alternative 3 subsidizes the residential customer class by shifting the burden to non-residential customers
- Alternatives 6 and 9 overcharge the residential customer class by up to 50%, thereby subsidizing commercial properties
- The remaining alternatives grossly overcharge the residential customer class, by up to 178%, creating significant subsidies for the non-residential customers.

**Equity Relative to Stormwater Pollutants Discharged**

For the purpose of this analysis, the stormwater pollutant loads discharged by each customer group will be calculated based upon the volume of discharge and the published pollutant characteristics for general property types served by the City of Omaha’s stormwater management system. The discharged pollutant loads will be calculated a one-inch storm event using the following standard mass load equation.

\[
\text{Pollutant Load Discharged} = \text{Mean Loading Rate} \times \text{User Class Acreage} \times \frac{\text{lbs/acre/event}}{\text{acres}}
\]

Mean loading rates were developed for the City of Omaha by the United States Geological Survey based upon a storm event sampling program that collected and evaluated stormwater samples. The laboratory results were evaluated and published as mean loading rates for four general types of pollutants:

- Oxygen demanding substances (Biochemical Oxygen Demand, Chemical Oxygen Demand),
- Solids (Suspended Solids and Dissolved Solids),
- Nutrients (Total Nitrogen, Total Ammonia+Organic Nitrogen, Total Phosphorus and Dissolved Phosphorus)
- Metals (Total Recoverable Copper, Total Recoverable Lead and Total Recoverable Zinc).
Using standard mass load equation and the acreages of general land uses in the city limits, the following pollutant discharges were calculated:

<table>
<thead>
<tr>
<th>Pollutant</th>
<th>Residential Land Use</th>
<th>Commercial Land Use</th>
<th>Industrial Land Use</th>
<th>CITY TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Biochemical Oxygen Demand</td>
<td>6,272</td>
<td>9,417</td>
<td>8,082</td>
<td>23,771</td>
</tr>
<tr>
<td>Chemical Oxygen Demand</td>
<td>29,996</td>
<td>35,038</td>
<td>31,853</td>
<td>96,888</td>
</tr>
<tr>
<td>Suspended Solids</td>
<td>70,899</td>
<td>98,546</td>
<td>313,778</td>
<td>483,223</td>
</tr>
<tr>
<td>Dissolved Solids</td>
<td>29,996</td>
<td>39,418</td>
<td>30,902</td>
<td>100,316</td>
</tr>
<tr>
<td>Total Nitrogen</td>
<td>1,145</td>
<td>1,007</td>
<td>761</td>
<td>2,913</td>
</tr>
<tr>
<td>Total Ammonia+Organic Nitrogen</td>
<td>764</td>
<td>613</td>
<td>523</td>
<td>1,900</td>
</tr>
<tr>
<td>Total Phosphorus</td>
<td>226</td>
<td>134</td>
<td>119</td>
<td>479</td>
</tr>
<tr>
<td>Dissolved Phosphorus</td>
<td>95</td>
<td>81</td>
<td>57</td>
<td>234</td>
</tr>
<tr>
<td>Total Recoverable Copper</td>
<td>4</td>
<td>5</td>
<td>10</td>
<td>19</td>
</tr>
<tr>
<td>Total Recoverable Lead</td>
<td>10</td>
<td>11</td>
<td>25</td>
<td>46</td>
</tr>
<tr>
<td>Total Recoverable Zinc</td>
<td>38</td>
<td>50</td>
<td>105</td>
<td>193</td>
</tr>
</tbody>
</table>

This table was further reduced to reflect the general loadings for a mean storm event by residential and non-residential customer classes for the four general pollutant categories:

<table>
<thead>
<tr>
<th>Pollutant</th>
<th>Residential Land Use Load (pounds/event and % of Total)</th>
<th>Non-Residential Land Use Load (pounds/event and % of Total)</th>
<th>CITY TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oxygen Demand</td>
<td>36,268 30%</td>
<td>84,390 70%</td>
<td>120,658</td>
</tr>
<tr>
<td>Solids</td>
<td>100,895 17%</td>
<td>482,644 83%</td>
<td>583,539</td>
</tr>
<tr>
<td>Nutrients</td>
<td>2,231 40%</td>
<td>3,295 60%</td>
<td>5,525</td>
</tr>
<tr>
<td>Metals</td>
<td>52 20%</td>
<td>206 80%</td>
<td>258</td>
</tr>
</tbody>
</table>

The residential land uses within the City contribute 17% to 40% of the estimated total citywide pollutant loads, depending upon the pollutant selected for comparison.

**Best Case Comparison**

Absolute equity, based upon the “best case” of pollutant loads discharged by residential properties of 17% for solids, would require that the percentage of revenue generated by an equitable alternative be equal to 17% of the overall revenue generated for all classes of customers, since the solids load generated by residential customers was only 17% of the solids load generated in the City. The next step in this analysis is to determine which of the alternatives achieve this objective. The following table summarizes the revenues generated by residential and non-residential customers:
<table>
<thead>
<tr>
<th>Alternative Funding Concept</th>
<th>Residential Users Burden ($/% of Total)</th>
<th>Overcharge Based on Burden Vs. Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alt 1 Property Tax Only</td>
<td>$495,950 60%</td>
<td>251%</td>
</tr>
<tr>
<td>Alt 2 Sales Tax Only</td>
<td>$453,953 55%</td>
<td>221%</td>
</tr>
<tr>
<td>Alt 3 Stormwater Service Fee (IA) Only</td>
<td>$223,091 27%</td>
<td>58%</td>
</tr>
<tr>
<td>Alt 4 Charge Residents Only</td>
<td>$831,601 100%</td>
<td>488%</td>
</tr>
<tr>
<td>Alt 5 Stormwater Service Fee (IA+PA) Only</td>
<td>$298,225 36%</td>
<td>111%</td>
</tr>
<tr>
<td>Alt 6 Stormwater Service Fee (TA) Only</td>
<td>$395,357 48%</td>
<td>180%</td>
</tr>
<tr>
<td>Alt 7 Admin Fee Only</td>
<td>$638,062 77%</td>
<td>351%</td>
</tr>
<tr>
<td>Alt 8 Higher Fees + Property Tax Increment</td>
<td>$466,131 56%</td>
<td>230%</td>
</tr>
<tr>
<td>Alt 9 Higher Fees + Sales Tax Increment</td>
<td>$426,659 51%</td>
<td>202%</td>
</tr>
<tr>
<td>Alt 10 Higher Fees + Admin Fee</td>
<td>$596,450 72%</td>
<td>322%</td>
</tr>
</tbody>
</table>

The table illustrates that none of the candidate alternatives are absolutely equitable in terms of stormwater pollutant load discharged, but Alternative 3 is the closest in that it has the smallest (58%) overcharge of the 10 candidates.

- Alternatives 5 and 6 overcharge the residential customer class by up to 111% to 180%, thereby subsidizing commercial properties
- The remaining alternatives grossly overcharge the residential customer class, by 202% to 488%, thereby creating significant subsidies for the non-residential customers.

**Worst Case Comparison**
Absolute equity, based upon the “worst case” of pollutant loads discharged by residential properties of 40% for nutrients, would require that the percentage of revenue generated by an equitable alternative be equal to 40% of the overall revenue generated for all classes of customers, since the nutrient load generated by residential customers was only 40% of the nutrient load generated in the City. As in the case of the Best Case Comparison, the following table summarizes the revenues generated by residential and non-residential customers:

<table>
<thead>
<tr>
<th>Alternative Funding Concept</th>
<th>Residential Users Burden ($/% of Total)</th>
<th>Overcharge Based on Burden Vs. Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alt 1 Property Tax Only</td>
<td>$495,950 60%</td>
<td>49%</td>
</tr>
<tr>
<td>Alt 2 Sales Tax Only</td>
<td>$453,953 55%</td>
<td>36%</td>
</tr>
<tr>
<td>Alt 3 Stormwater Service Fee (IA) Only</td>
<td>$223,091 27%</td>
<td>-33%</td>
</tr>
<tr>
<td>Alt 4 Charge Residents Only</td>
<td>$831,601 100%</td>
<td>150%</td>
</tr>
<tr>
<td>Alt 5 Stormwater Service Fee (IA+PA) Only</td>
<td>$298,225 36%</td>
<td>-10%</td>
</tr>
<tr>
<td>Alt 6 Stormwater Service Fee (TA) Only</td>
<td>$395,357 48%</td>
<td>19%</td>
</tr>
<tr>
<td>Alt 7 Admin Fee Only</td>
<td>$638,062 77%</td>
<td>92%</td>
</tr>
<tr>
<td>Alt 8 Higher Fees + Property Tax Increment</td>
<td>$466,131 56%</td>
<td>40%</td>
</tr>
<tr>
<td>Alt 9 Higher Fees + Sales Tax Increment</td>
<td>$426,659 51%</td>
<td>28%</td>
</tr>
<tr>
<td>Alt 10 Higher Fees + Admin Fee</td>
<td>$596,450 72%</td>
<td>79%</td>
</tr>
</tbody>
</table>
The table illustrates that none of the candidate alternatives are absolutely equitable in terms of stormwater pollutant load discharged, but Alternatives 5 is the closest in that it has the smallest (10%) undercharge of the 10 candidates while Alternative 6 can be considered to be a comparable choice with the smallest (19%) overcharge.

- Alternatives 3 and 5 both subsidize the residential customer class by shifting the burden to non-residential customers by undercharging the residential properties by 10% - 33%
- Alternatives 1, 2, 9 and 9 overcharge the residential customer class by up to 50% to, thereby subsidizing commercial properties
- The remaining alternatives grossly overcharge the residential customer class, by up to 150%, thereby creating significant subsidies for the non-residential customers.

**Observations**

Fairness and equitable treatment are important considerations in selecting a funding alternative for long-term funding of Omaha's stormwater program responsibilities related to the implementation of the City's NPDES Permit. Each of the ten candidate alternatives have been evaluated, as described in the preceding text, and subsequently ranked quantitatively with the following results:

<table>
<thead>
<tr>
<th>Alternative Funding Concept</th>
<th>Runoff Only</th>
<th>WQ-Best</th>
<th>WQ-Worst</th>
<th>Total Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alt 1 Property Tax Only</td>
<td></td>
<td>1</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Alt 2 Sales Tax Only</td>
<td></td>
<td>1</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Alt 3 Stormwater Service Fee (IA) Only</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Alt 4 Charge Residents Only</td>
<td></td>
<td></td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Alt 5 Stormwater Service Fee (IA+PA) Only</td>
<td>3</td>
<td>1</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>Alt 6 Stormwater Service Fee (TA) Only</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Alt 7 Admin Fee Only</td>
<td></td>
<td></td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Alt 8 Higher Fees + Property Tax Increment</td>
<td></td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Alt 9 Higher Fees + Sales Tax Increment</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Alt 10 Higher Fees + Admin Fee</td>
<td></td>
<td></td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

KEY:  
Exact Equity Fit = 3 Points  
Best Fit = 2 Points  
Close = 1 Points  
Not Even Close = 0 Points

Based upon the foregoing analyses, the following conclusions can be supported:

- Only Alternative 5 was an exact equity match based upon runoff quality.
- None of the alternatives were an exact equity match based upon discharged pollutant loads.
- Considering the mix of runoff volume and pollutant loads discharged, Alternative 5 is the better "overall alternative" with Alternatives 3 and 6 being good alternate choices.
APPENDIX B: PUBLIC MEETING AGENDA AND PRESENTATION MATERIAL
Stormwater Management Permit
Public Information Meeting

Agenda

1. Introductions of Presentors and Staff
2. Overview of the Meeting Purpose/Desired Products
3. Presentation of the Permit Requirements and Needed Local Action
4. Discussion/Questions/Comments
5. Wrap Up and Next Steps

For More Information:

Marty Grate
City of Omaha Public Works
Environmental Quality Division
5600 South 10th Street
Omaha, NE 68107
444-3915 Extension: 219
mgrate@ci.omaha.ne.us

Watershed Information Website: www.papiopartnership.org

Tentative Dates for Focus Group Meetings:

November 13, 2003
December 2, 2003
Times to be Announced

Please Fill Out an Evaluation Form and Use the Comment Form if You Would Like to Provide Input
City of Omaha
A Public Forum
Municipal Stormwater Management Funding Needs
October 29, 2003

Agenda for Presentation
- Introductions
- Purpose of Meeting/Desired Products
- Discussion/Comments
- Wrap Up/Next Steps

The Big Picture

Why We’re Here
- Provide Overview of the Importance of Stormwater Management/Local Activities
- Provide Basic Overview of the Recent Changes in Stormwater Management Requirements
- Provide Information on How Other Localities have Addressed Funding
- Obtain and Incorporate Input from the Community
- Outline Next Steps

Overview of Federal Legislation
- Impacts 17 Communities/Entities in the State, Including:
  - Lincoln (Permit Issued 2002)
  - Omaha (Permit Issued 2003)
  - Urbanized areas of Douglas, Sarpy and Lancaster Counties (Permits Pending)
- NPDES Permits
  - Requires Community to Implement Stormwater Management Plans and Programs
  - Imposes Significant Fines and Penalties (Up to $37,500 per Violation per Day)

Stormwater Management/Quality Importance
- Development Activities
  - Increases Impervious Surface
  - Creates More Runoff
  - Increased Flooding Potential
- Several Segments in the Metro Area Do Not Meet Water Quality Standards
- Federal Mandate Requires Action
  - Significant Mitigation Costs
  - Quality Issues/ Flooding
  - Requires Stable, Long-term Funding
Seven Basic Program Guidelines

1. Public Education
2. Community Participation to Obtain Input/Disseminate Information
3. Identification/Elimination of Illicit Discharges
4. Develop, Adopt and Implement Construction Site Runoff Controls
5. Post-Construction Runoff Management Programs
6. Implement Pollution Prevention and Good Housekeeping Measures
7. Complete Progress Monitoring

How is Omaha’s Stormwater Program Changing?

Current Stormwater Mission

- **Flood Control**
  - Comprehensive Stormwater Plan
  - Decreased Level of Flooding
  - Reduced 100-Year Flood Plain

- **Water Quality**
  - Public Outreach
  - Customer Education
  - Eliminate Pointless Personal Pollution
  - Best Management Practices
  - Street Sweeping and R/W Cleaning
  - Litter Collection
  - Erosion and Sediment Controls
  - Inlet Marking
  - Illicit Discharge Investigations

Stormwater Challenges Facing The City of Omaha

**Existing Requirements**
- Flood Control
- Regulatory Compliance with NPDES

**Future Challenges**
- Replacing Aging Infrastructure
- Full Implementation of NPDES Stormwater Management Plan (SWMP)
- TMDL Mandated Pollutant Load Reductions
- Incremental/Phased Funding Requirements

Future Stormwater Mission

- **Flood Control**
  - Comprehensive Stormwater Plan
  - Decreased Level of Flooding
  - Reduced 100-Year Flood Plain

- **Water Quality**
  - NPDES Permit Compliance
  - Reduction of Annual Pollutant Loads
  - Achievement of TMDL Goals

**Increased Annual Resource Needs**
- Program Growth
- Annual Operations & Maintenance
- Capital Investment
  - Repair/Replace Failing Infrastructure
  - New Facilities

Impacts from Development of a Typical Single Residence

<table>
<thead>
<tr>
<th></th>
<th>UNDEVELOPED</th>
<th>DEVELOPED</th>
<th>CHANGE IN RUNOFF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Area</td>
<td>10,890 sf</td>
<td>10,890 sf</td>
<td>3,560 gal</td>
</tr>
<tr>
<td>Impervious Area</td>
<td>0 sf</td>
<td>7,620 sf</td>
<td></td>
</tr>
<tr>
<td>Rain</td>
<td>1 inch</td>
<td>1 inch</td>
<td></td>
</tr>
<tr>
<td>Runoff</td>
<td>1,360 gal</td>
<td>4,920 gal</td>
<td></td>
</tr>
</tbody>
</table>

- More Runoff Volume
- More Pollutants
- More Impact on City System
- More Cost to Operate the City System
- Increased Nutrient and Sediment Loads

9 More Runoff
9 More Pollutants
9 More Impact on City System
9 More Cost to Operate the City System
Stormwater Needs Are Funded By One or a More Funding Sources

**Stormwater Needs**
- Administration
- Survey/Mapping
- Data Management
- Planning
- Engineering
- Regulation
- Enforcement
- O&M
- Capital Construction

**Funding Sources**
- General Fund Revenues
- Dedicated Taxes
- Special Assessments
- Gas Taxes
- Permit & Review Fees
- Inspection Fees
- Wheel Tax
- Development Fees
- Stormwater Utility Fees
- Impact Fees

---

Total Maximum Daily Load

A Hypothetical Example:

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing Pollutant Load</td>
<td>320</td>
</tr>
<tr>
<td>- Calculated TMDL</td>
<td>-295</td>
</tr>
<tr>
<td>Minimum Reduction</td>
<td>25</td>
</tr>
<tr>
<td>+ Future Growth Load</td>
<td>+ 25</td>
</tr>
<tr>
<td>Total Reduction</td>
<td>50</td>
</tr>
</tbody>
</table>

---

Projected Near-Term Needs

<table>
<thead>
<tr>
<th>Year</th>
<th>$M</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>9</td>
</tr>
<tr>
<td>2020</td>
<td>18</td>
</tr>
<tr>
<td>2015</td>
<td>15</td>
</tr>
<tr>
<td>2000</td>
<td>12</td>
</tr>
<tr>
<td>2005</td>
<td>21</td>
</tr>
</tbody>
</table>

---

Omaha is Not an Island . . .

- Water Has No Respect for Government
- Papio–Missouri River NRD
  - Primary Flood Control Responsibility
  - Implement Major Projects
- Papillion Creek Watershed Partnership
  - Integrated Community Effort
  - Regional Watershed Planning
  - Development of Cost Effective Regional Solutions

---

Why Does Omaha Need a Stormwater Utility?

- An enterprise based means of paying for the City’s cost of providing stormwater services
  - Annual Operations
  - Capital Improvement Projects
  - Regulatory Compliance
  - Other Related Community Needs
What is a Stormwater Utility?

- Comprehensive Management Plan
  - Flood Control
  - Water Quality Improvement
  - Environmental Concerns
- Long-Term Stable Funding Solution
  - Capital Improvements
  - Annual Operations and Maintenance
- Improved Services and Benefits
  - Enhanced Levels of Existing Functions
  - Implementation of New Functions

Focus of a Stormwater Utility

- Enhanced Operations
  - Operations & Maintenance
  - Planning & Engineering
  - Regulation & Enforcement
- Capital Projects
  - Flood Control
  - System R&R
  - Elimination of CSOs
  - Reduced Pollutant Loads
- Ancillary Activities
  - Ecological Preservation
  - Water Supply
- MS4 Permit Compliance
  - Public Information
  - Maintenance Activities
  - Inspection Programs
  - Water Quality Monitoring
  - Annual Reporting
- TMDL Compliance
  - Data Collection
  - Water Quality Treatment
  - Stakeholder Coordination
  - Detailed Assessments
  - Permit Negotiations
  - Development of BMPs

Utilities Can Support Different Stormwater Management Objectives

- Reduction of Severe Flooding
- Elimination of Nuisance Flooding
- NPDES Permit Compliance
- WQ Enhancement of Receiving Waters
- Secondary Recreational Benefits
- Protection/Preservation of Water Supplies
- Restoration of Wetlands & Natural Habitat
- Attainment of Designated Uses

Growth of Stormwater Utilities

First Utility Started in 1973, Bellevue, WA
360-400 Utilities in the United States
31 Utilities in Adjacent States
South Dakota 0
Minnesota 11
Iowa 2
Missouri 3
Kansas 4
Colorado 11
Wyoming 0
Florida Has 120+ Utilities

What Method Should Omaha Use to Fund a Stormwater Utility?

Common Funding Solutions Used in Other Communities

- Dedicated Property Tax Increment
- Dedicated Sales Tax Increment
- Inspection and Review Fees
- Stormwater Utility Service Fee
Dedicated Property Tax Increment

**Overview:**
- Dedication of a specific increment of property tax to fund specific stormwater functions

**Basis:**
- Value of the Property

**Considerations:**
- Conceptually simple and familiar
- Fee is not tied to user contribution

Dedicated Sales Tax Increment

**Overview:**
- Dedication of a specific increment of sales tax to fund specific stormwater functions

**Basis:**
- Value of Items Purchased

**Considerations:**
- Conceptually simple and familiar
- Fee is not tied to user contribution
- Negative impact on retail business
- Variable monthly revenue receipts

Review, Permit and Inspection Fees

**Overview:**
- User charge imposed for specific stormwater services related to development/redevelopment

**Basis:**
- Value of the Proposed Construction
- Number of Inspections

**Considerations:**
- Conceptually simple and familiar
- Fee is not tied to User’s Contribution
- Only covers a portion of the overall activities

Stormwater Utility Service Fee

**Overview:**
- Collection of a standardized fee for specific stormwater services

**Basis:**
- Fee is based on stormwater runoff contribution
  - Volume and/or pollutant load discharged
  - Potential credit for on-site management facilities

**Considerations:**
- New Concept in many communities
- Fee is not tied to property value
- More predictable annual revenues

Suitability of New Funding Sources

<table>
<thead>
<tr>
<th>Source</th>
<th>Poor</th>
<th>Moderate</th>
<th>Good</th>
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<tbody>
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In My Experience

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Capacity | Acceptance | Equity
A Stormwater Utility Can Provide Omaha with a Stable Stormwater Management Program

Meet the Community’s Needs
- Flood Protection
- Water Quality Management
- Achieve Permit Compliance
- Maintain Quality of Life

Adequate Funding
- Meet Today’s Challenges
- Meet Tomorrow’s Challenges

What’s Next?

Stormwater Funding Alternatives Focus Group

- Focus Group
  A forum of stakeholders that represents a broad cross-section of our community to work toward consensus on how best to fund stormwater management in Omaha

- Objectives
  - Understand current and pending needs
  - Review potential funding solutions
  - Share stakeholder perspectives
  - Recommend a “BEST” solution for Omaha

Potential Stakeholder Groups
- Neighborhood Associations
- News Media
- School Board
- Churches
- Environmental Groups
- MAPA
- Chamber of Commerce
- Home Builders Association
- Local Engineers
- Realtors Association
- State of Nebraska
- Douglas County
- Apartment Complexes
- Mobile Home Parks
- Car Dealers
- Hospitals
- Office Parks
- Retail Facilities/Shopping Center Owners
- Industrial and Manufacturing Parks
- Warehouses and Self-Storage Facilities

Tentative Meeting Dates
- November 13
- December 2
- December 10 (if needed)

Questions?
APPENDIX C: FOCUS GROUP MEETING 1
AGENDA AND PRESENTATION MATERIAL
City of Omaha Stormwater Funding Program

FOCUS GROUP MEETING
November 13, 2003
9:00 AM to Noon

Agenda

<table>
<thead>
<tr>
<th>Time Targets (Minutes)</th>
<th>I. INTRODUCTIONS</th>
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<tbody>
<tr>
<td>10 Min.</td>
<td>a. City Staff</td>
</tr>
<tr>
<td></td>
<td>b. Focus Group Members</td>
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<tr>
<td></td>
<td>c. Public in Attendance</td>
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<tr>
<td></td>
<td>d. Consultants</td>
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</table>

<table>
<thead>
<tr>
<th>Time Targets (Minutes)</th>
<th>II. ORIENTATION</th>
</tr>
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<tbody>
<tr>
<td>10 Min.</td>
<td>a. Purpose of the Focus Group</td>
</tr>
<tr>
<td></td>
<td>i. Finding the Best Solution for the City of Omaha</td>
</tr>
<tr>
<td></td>
<td>ii. Not a Debate on LB-32</td>
</tr>
<tr>
<td></td>
<td>b. Objective of the Focus Group Meetings</td>
</tr>
<tr>
<td></td>
<td>c. Ground Rules</td>
</tr>
<tr>
<td></td>
<td>i. How Meetings will be Run</td>
</tr>
<tr>
<td></td>
<td>ii. Invited Representative Participation (Input and Voting)</td>
</tr>
<tr>
<td></td>
<td>iii. Public Observation and Comment Period</td>
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<table>
<thead>
<tr>
<th>Time Targets (Minutes)</th>
<th>III. CURRENT STORMWATER PROGRAM</th>
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<tr>
<td>15 Min.</td>
<td>a. Functions and Services Provided</td>
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<td>b. Budget</td>
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<td>c. Funding Sources</td>
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<table>
<thead>
<tr>
<th>Time Targets (Minutes)</th>
<th>IV. NEW PROGRAM REQUIREMENTS</th>
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<tr>
<td>25 Min.</td>
<td>a. New Program Elements Required in the City’s NPDES Permit</td>
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<td>b. Estimated Resources Required for NPDES Permit Compliance</td>
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<tr>
<td></td>
<td>i. Incremental Revenue Needs by Program Function</td>
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<tr>
<td></td>
<td>ii. Total Program Costs Projection</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Time Targets (Minutes)</th>
<th>V. FUNDING OPTION/PROGRAM ALTERNATIVES</th>
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<tbody>
<tr>
<td>30 Min.</td>
<td>a. Types of Funding Alternatives/Sources</td>
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<tr>
<td></td>
<td>i. Who Pays</td>
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<tr>
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<td>ii. Revenue Capacity</td>
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<td></td>
<td>b. Quick Estimate of Impacts</td>
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<tr>
<td></td>
<td>c. Impacts on “Representative Parcels”</td>
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<tr>
<td></td>
<td>d. Caps, Limitations and the Lid Law</td>
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<table>
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<th>Time Targets (Minutes)</th>
<th>VI. SELECTING THE “BEST” ALTERNATIVE</th>
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<tbody>
<tr>
<td></td>
<td>a. Evaluation Criteria</td>
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<tr>
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<td>b. Focus Group Preferences</td>
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MAPA
Lower Level Meeting Room
2222 Cuming Street
City of Omaha

Stormwater Funding Program

Focus Group Meeting 1

November 13, 2003

Focus Group Meeting No. 1

AGENDA

I. Introductions
II. Orientation Briefing
III. Current Stormwater Program
IV. New Program Requirements
   Short Break
V. Funding Option/Program Alternatives
   Public Comments

Focus Group Schedule Goals

Block 1: Briefing 55 minutes
- Orientation Briefing
- Current Stormwater Program
- New Program Requirements
Block 2: Formulate Alternatives 30 minutes
- Available Funding Options
- Definition of Alternatives
   --- 10 Minute Break ---
Block 3: Alternatives Discussion 80 minutes
- Focus Group Comments
- Public Comments
Next Meeting Overview 5 minutes

City of Omaha

Agenda Item I

Introductions

City of Omaha

Agenda Item II

Focus Group Orientation Briefing

Introductions

- City Staff
- Focus Group Members
- Public in Attendance
- Consultant
Focus Group

A forum of stakeholders that represents a broad cross-section of our community to work toward consensus on how best to fund stormwater management in Omaha.

Objectives
- Understand current and pending needs
- Review potential funding solutions
- Share stakeholder perspectives
- Recommend a “BEST” solution for Omaha

Purpose of the Focus Group Meetings

- Purpose is to find the Best Solution for funding Omaha’s Current and Future Stormwater Program Needs
  - Meets Short- and Long-Term Needs
  - Fair and Equitable to Residents and Business
  - Provides Adequate Funding
- This is NOT a Debate on LB-32

Focus Group Ground Rules

Basic Meeting Rules
1. The Facilitator directs traffic and limits discussion to complete the Agenda
2. Highly controversial issues will be “parked”
3. Comments should honest, objective and fair
4. Be courteous to fellow Focus Group members
5. When voting, only Focus Group members vote
6. Everyone will get a chance to speak
7. The Public may observe, and provide verbal or written comments at the end of the meeting

Background

A SUMMARY OF PUBLIC MEETING PRESENTATIONS

Current Stormwater Program

- Flood Control
  - Comprehensive Stormwater Plan
  - Decreased Level of Flooding
  - Reduced 100-Year Flood Plain
- Water Quality
  - Public Outreach
    - Customer Education
    - Eliminate Pointless Personal Pollution
  - Best Management Practices
    - Street Sweeping and R/W Cleaning
    - Litter Collection
    - Erosion and Sediment Controls
    - Inlet Marking
    - Illicit Discharge Investigations

Stormwater Challenges Facing The City of Omaha

- Current Challenges
  - Separating Combined Sewers
  - Replacing Aging Infrastructure
  - TMDL Mandated Pollutant Load Reductions
- Future Challenges
  - Full Implementation of NPDES Stormwater Management Plan (SWMP)
  - Development and Implementation of TMDLs
  - Finding Adequate Funding
Federal Stormwater Requirements

- Stormwater NPDES Permits
  - Requires Communities to Develop and Implement Storm Water Management Plans
  - Water Quality, Not Flooding
  - Imposes Significant Fines and Penalties (Up to $37,500 per Violation per Day)
- Impacts 17 Communities in the Nebraska
  - Lincoln ( Permit Issued 2002)
  - Omaha ( Permit Issued 2003)
  - Urbanized areas of Douglas, Sarpy and Lancaster Counties (Permits Pending)

NPDES Permit Requirements

1. Public Education
2. Community Participation to Obtain input/Disseminate Information
3. Identification/Elimination of Illicit Discharges
4. Development, Adoption and Implementation of Construction Site Runoff Controls
5. Post-Construction Runoff Management Programs
6. Implement Pollution Prevention and Good Housekeeping Measures
7. Complete Progress Monitoring

Total Maximum Daily Loads

- TMDL Objective
  - Establish Assimilative Capacity
  - Impaired Receiving Waters
  - Specific Pollutants
- TMDL Implications for Omaha
  - Need to Reduce Excessive Loading
  - Capital Investment in Facilities
  - Increased Annual O&M For Facilities
  - Significant Non-Compliance Penalties

TMDL Compliance

A Hypothetical Example:

<table>
<thead>
<tr>
<th>Annual Discharge of Total Suspended Solids (tons/year)</th>
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<tbody>
<tr>
<td>Existing Pollutant Load</td>
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<tr>
<td>- Calculated TMDL</td>
</tr>
<tr>
<td>Minimum Reduction</td>
</tr>
<tr>
<td>+ Future Growth Load</td>
</tr>
<tr>
<td>Total Reduction</td>
</tr>
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</table>

Projected Near-Term Needs

Conclusion:

Omaha Need a Stormwater Utility to Meet Current and Future Challenges
What is a Stormwater Utility?

An enterprise based program for providing stormwater services and paying for the services provided
- Annual Operations
- Capital Improvement Projects
- Regulatory Compliance
- Related Community Needs

Think About Omaha’s Wastewater Utility

Focus of Other Stormwater Utilities

Enhanced Operations
- Operations & Maintenance
- Planning & Engineering
- Regulation & Enforcement

Capital Projects
- Flood Control
- System R&R
- Elimination of CSOs
- Reduced Pollutant Loads

Ancillary Activities
- Ecological Preservation
- Water Supply

City of Omaha

Agenda Item III
Current City Stormwater Program

City of Omaha

Agenda Item IV
New Program Requirements

City of Omaha

Agenda Item V
Funding Options & Program Alternatives
### What We Need To In This Session

1. **Review funding sources**
2. **Understand Stormwater Service Fees**
3. **Decide for what the stormwater utility should be responsible**
4. **Discuss Revenue Shifting**
5. **Define Alternatives**
6. **Discuss the Alternatives**

### Omaha Funding Sources Menu

- Property Tax
- Sales Tax
- Gas Tax
- Wheel Tax
- Sanitary Sewer Utility Fee
- Stormwater Utility Service Fee
- Increased Permit and Inspection Fees

### Stormwater Service Fee Principles

**Fees are Usually Based on Contribution**
- Use Impervious Area in Lieu of Runoff
- Use an Equivalent Residential Unit
- Determine Comparable Number of ERUs for Non-Residential Property

**Many Utility Fees Allow Adjustments**
- Credit for Flow Rate Reduction
- Credit for Runoff Volume Reduction
- Credit for On-Site Treatment
- Surcharges High Pollutant Levels
- Exemption of Certain Land Uses

### Stormwater Needs Can Be Funded By One or a More Funding Sources

<table>
<thead>
<tr>
<th>Stormwater Needs</th>
<th>Funding Sources</th>
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<tbody>
<tr>
<td>Administration</td>
<td>General Fund Revenues</td>
</tr>
<tr>
<td>Survey/Mapping</td>
<td>Dedicated Taxes</td>
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<tr>
<td>Data Management</td>
<td>Gas Taxes</td>
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<tr>
<td>Planning</td>
<td>Wheel Taxes</td>
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<tr>
<td>Engineering</td>
<td>Impact Fees</td>
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<td>Regulation</td>
<td>Permit &amp; Inspection Fees</td>
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<td>Enforcement</td>
<td>Development Fees</td>
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<td>Enforcement</td>
<td>Wastewater Service Fees</td>
</tr>
<tr>
<td>O&amp;M</td>
<td>Stormwater Service Fees</td>
</tr>
</tbody>
</table>

### What is a Stormwater Service Fee

A service fee that funds specific stormwater management services that benefit both the community and the individual
- Reduced Property Flooding Frequency
- Reduced Street Flooding
- Managed Water Quality
- NPDES Permit Compliance
- Maintenance of Quality of Life

### Growth of Stormwater Utilities

**First Utility Started in 1973, Bellevue, WA**
360–400 Utilities in the United States
31 Utilities in Adjacent States
- South Dakota: 0
- Minnesota: 11
- Iowa: 2
- Missouri: 3
- Kansas: 4
- Colorado: 11
- Wyoming: 0
- Florida: Has 120+ Utilities
Which Activity Will Be Reduced?

Limited Stormwater Utility Fee

Current Funding Sources

Limited Activities

Shifting of Funding Sources

Requires a Larger Stormwater Fee

Expanded Stormwater Utility Fee

No Reduction In Other Activities

Which Activity Will Be Reduced?

Limited Stormwater Utility Fee

Current Funding Sources

Limited Activities

Shifting of Funding Sources

Requires a Larger Stormwater Fee

Expanded Stormwater Utility Fee
### Omaha Funding Sources Menu

**Current Program**
- Sanitary Sewer Fees
  - HHW Management Costs
  - 50% Sewer Separation CIP Projects
- Gas and Wheel Tax
- Engineering
- Material Disposal
- Creek/Channel Maintenance
- Street Sweeping
- Street/Right-of-Way Cleaning
- Unimproved Street Maintenance
- POW (Debris Removal)
- Residential Street Rehabilitation
- Bridge Maintenance and Rehab
- Sewer Maintenance
- Property and Sales Tax
  - Transportation CIP Projects
  - Environmental CIP Projects
  - Parks and Recreation CIP Projects
  - $12,091,097

**Future Program**
- Yet To Be Determined
  - Currently Identified
    - Public Education
    - Industrial Permitting
    - Illicit Discharge
    - Baseline/BMP Monitoring
    - Environmental CIP Projects
    - TMDL Data Collection
    - TMDL Negotiations
    - TMDL Capital Investment Projects
    - Annual O&M for TMDL Facilities
  - In the Foreseeable Future
    - $554,667

**Select Appropriate Funding Sources**
- Property Tax (Service Reduction)
- Sales Tax (Service Reduction)
- Gas Tax (Service Reduction)
- Wheel Tax (Service Reduction)
- Sanitary Sewer Utility Fee
- Stormwater Utility Fee
- Increased Permit Fees

---

### Change Any of the Existing Funding Sources?
- Property Tax (Service Reduction)
- Sales Tax (Service Reduction)
- Gas Tax (Service Reduction)
- Wheel Tax (Service Reduction)
- Sanitary Sewer Utility Fee
- Stormwater Utility Fee
- Increased Permit Fees

---

### 10-Minute Break
What Method Should Omaha Use to Fund a Stormwater Utility?

### Alternative 1
**PROPERTY TAX ONLY (Capped)**

**Basis**
- Value of the Property

**Considerations**
- Conceptually simple and familiar
- Fee is not related to stormwater runoff
- Exempts certain discharging properties
- Shifts the burden to high value real estate
- Has adequate capacity
- Property tax rate is capped
- Requires reductions in other programs or securing an increased rate cap from Legislature

### Alternative 2
**PROPERTY TAX ONLY (Uncapped)**

**Basis**
- Value of the Property

**Considerations**
- Conceptually simple and familiar
- Fee is not related to stormwater runoff
- Exempts certain discharging properties
- Shifts the burden to high value real estate
- Has adequate capacity
- Property tax rate is capped
- Requires increased rate cap

### Alternative 3
**SALES TAX ONLY**

**Basis**
- Value of consumer purchases

**Considerations**
- Conceptually simple and familiar
- Fee is not related to stormwater runoff
- Exempts certain purchases
- Shifts the burden to business and affluent consumers
- Has adequate capacity
- Sales tax rate is capped
- Requires reductions in other programs or securing an increased rate cap from Legislature

### Alternative 4
**INCREASED FEES**

**Basis**
- Recover the Cost of Services

**Considerations**
- Conceptually simple and familiar
- Fee is not related to stormwater runoff
- Only applicable to development activities
- Cost is borne by the users
- Inadequate capacity
- Fees are not capped

### Alternative 5
**STORMWATER SERVICE FEE ONLY**

**Basis**
- Impervious Area

**Considerations**
- A new and simple concept
- Fee is related to stormwater runoff
- Normally exempts a limited number of land uses
- Allocates the burden to stormwater dischargers
- Has adequate capacity
- Utility rates are generally uncapped
- Requires authorization from the Legislature
Suitability of New Funding Sources

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<tr>
<td>Stormwater Utility Fee</td>
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Comparison of Initial Alternatives

**Property Tax Only**
- $19,382,122,100 Assessed Value
- $0.06524/$100 Levy = $12,647,764 Annual Revenue
- Cost for $100,000 House = $68 per Year

**Sales Tax Only**
- $7,058,333.333 Estimated 2004 Gross Sales
- $105,875,000 Net Revenue for 2004 @1.5%
- 0.164 Cent Tax = $12,647,764 Annual Revenue
- Cost for $33,000 Purchases = $54 per Year

**Stormwater Utility Fee Only**
- 478,000 ERUs Estimated for City of Omaha
- $2.20/ERU/Month = $12,647,764 Annual Revenue
- Cost for Typical House = $26 per Year

What Are The Other Viable Alternatives?

Discussion of Alternatives

Pros-Cons-Preferences

Next Focus Group Meeting

- **Date:** December 2, 2003
- **Agenda**
  - Review of Alternatives
  - Review of Potential Impacts
  - Discussion of Alternatives
  - Selection of the Preferred Alternative
APPENDIX D: FOCUS GROUP MEETING 2
AGENDA AND PRESENTATION MATERIAL
City of Omaha Stormwater Funding Program

FOCUS GROUP MEETING
December 2, 3003
9:00 AM to Noon

Agenda

I. REVIEW
   a. Introductions
   b. Objective of the Focus Group Meetings
   c. Ground Rules
   d. Funding Sources vs. Financing Strategies
   e. Efficiency in Government Services
   f. Projection Of Pollutant Loads

II. FUNDING OPTION/PROGRAM ALTERNATIVES
    a. Focus on FY-2005 Incremental Funding Needs
    b. Review of Funding Alternatives/Sources
    c. Estimated Impacts on “Representative Parcels”
    d. New Alternatives

III. EQUITY ANALYSIS
     a. Runoff Volume
     b. Discharged Pollutants
     c. Conclusions

IV. SELECTING THE PREFERRED ALTERNATIVES
    a. Questions/Answers for the 10 Identified Alternatives
    b. Straw Ballot (Select 5 Preferred Alternatives)
    c. Focus Group Preferences

     -- 15-Minute Break --

V. SELECTING THE “BEST” ALTERNATIVE
   a. Focus Group Discussion of the 5 Preferred Alternatives
   b. Public Comments on the 5 Preferred Alternatives
   c. First Ballot - the 3 Preferred Alternatives (Eliminate 2 Alternatives)
   d. Focus Group Discussion of the First Ballot Results
   e. Second Ballot - 2 Preferred Alternatives (Eliminate 1 Alternative)
   f. Focus Group Discussion of the Second Ballot Results
   g. Third Ballot - “Best” Alternative for Omaha (Eliminate 1 Alternative)

VI. FOCUS GROUP MEETING NUMBER 3
Focus Group Meeting No. 2

AGENDA

I. Review / Outstanding Issues
II. Review of 10 Funding Alternatives
V. Equity Analysis of Alternatives
   Short Break
   Selecting the Best Alternative

Introductions
- City Staff
- Focus Group Members
- Public in Attendance
- Consultant

Stormwater Funding Program

Focus Group
- A forum of stakeholders that represents a broad cross-section of our community to work toward consensus on how best to fund stormwater management in Omaha

Objectives
- Understand current and pending needs
- Review potential funding solutions
- Share stakeholder perspectives
- Recommend a “BEST” solution for Omaha

Purpose of the Focus Group Meetings

- Representation
  - The Community’s Best Interests
  - Stakeholder Group Concerns
- Find the Best Solution for Omaha
  - Adequate Funding for Stormwater Program
    - Meets Short- and Long-Term Needs
    - Provides Adequate Funding
  - Fair and Equitable
    - Residents
    - Business
    - Considers Environmental Needs
**Focus Group Ground Rules**

**Basic Meeting Rules**

1. The Facilitator directs traffic and limits discussion to complete the Agenda
2. Highly controversial issues will be "parked"
3. Comments should be honest, objective, and fair
4. Be courteous to fellow Focus Group members
5. When voting, only Focus Group members vote
6. Everyone will get a chance to speak
7. The Public may observe, and provide verbal or written comments at the end of the meeting

**Funding Alternatives vs. Financing Strategies**

**Funding Alternatives**
- Property Taxes
- Sales Taxes
- Stormwater Service Fees
- Increased Permit Fees

**Financing Strategies**
- Shifting Work to NRD
- Pay As You Go
- Accrual of Funds
- Bonds for Capital Investments

**City of Omaha**

**Projection of Pollutant Loads**

**Local Stormwater Study**

**Source**
United States Geological Survey

**Reference**

**Background**
- Multiple Storm Events at 5 Sampling Sites
- Grab and Composite Samples
- 147 Analytical Parameters – No Pesticides or PCBs
- Focused on 12 Key Parameters
Stormwater Characteristics

<table>
<thead>
<tr>
<th>Pollutant</th>
<th>Residential Land Use</th>
<th>Commercial Land Use</th>
<th>Industrial Land Use</th>
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<tr>
<td>Biochemical Oxygen Demand</td>
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Relative Loading Rates

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<tr>
<th>Pollutant</th>
<th>Com:Res</th>
<th>Ind:Res</th>
<th>Ind:Com</th>
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</thead>
<tbody>
<tr>
<td>Biochemical Oxygen Demand</td>
<td>1.87</td>
<td>7.39</td>
<td>3.59</td>
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<tr>
<td>Chemical Oxygen Demand</td>
<td>1.45</td>
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<tr>
<td>Suspended Solids</td>
<td>1.73</td>
<td>25.38</td>
<td>14.67</td>
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<tr>
<td>Dissolved Solids</td>
<td>1.64</td>
<td>5.91</td>
<td>3.61</td>
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<tr>
<td>Total Nitrogen</td>
<td>1.10</td>
<td>3.81</td>
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<tr>
<td>Total Ammonia+Organic Nitrogen</td>
<td>1.00</td>
<td>3.93</td>
<td>3.57</td>
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<tr>
<td>Total Phosphorus</td>
<td>0.73</td>
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<tr>
<td>Dissolved Phosphorus</td>
<td>1.06</td>
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<td>Total Recoverable Copper</td>
<td>1.40</td>
<td>14.67</td>
<td>10.48</td>
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<td>Total Recoverable Lead</td>
<td>1.46</td>
<td>19.14</td>
<td>10.39</td>
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<tr>
<td>Total Recoverable Zinc</td>
<td>1.64</td>
<td>15.71</td>
<td>9.57</td>
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</tbody>
</table>

Projected Citywide Pollutant Loads

<table>
<thead>
<tr>
<th>Pollutant</th>
<th>Residential Land Use</th>
<th>Commercial Land Use</th>
<th>Industrial Land Use</th>
<th>CITY TOTAL*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Biochemical Oxygen Demand</td>
<td>6,372</td>
<td>9,417</td>
<td>8,082</td>
<td>23,871</td>
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<tr>
<td>Chemical Oxygen Demand</td>
<td>29,996</td>
<td>30,038</td>
<td>31,023</td>
<td>96,055</td>
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<tr>
<td>Suspended Solids</td>
<td>70,899</td>
<td>98,546</td>
<td>313,778</td>
<td>483,223</td>
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<tr>
<td>Dissolved Solids</td>
<td>29,996</td>
<td>29,418</td>
<td>30,902</td>
<td>100,316</td>
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<td>Total Nitrogen</td>
<td>1,145</td>
<td>1,007</td>
<td>761</td>
<td>2,913</td>
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<td>Total Ammonia+Organic Nitrogen</td>
<td>764</td>
<td>912</td>
<td>522</td>
<td>1,900</td>
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<tr>
<td>Total Phosphorus</td>
<td>228</td>
<td>134</td>
<td>159</td>
<td>471</td>
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<tr>
<td>Dissolved Phosphorus</td>
<td>95</td>
<td>81</td>
<td>57</td>
<td>234</td>
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<tr>
<td>Total Recoverable Copper</td>
<td>4</td>
<td>5</td>
<td>19</td>
<td>34</td>
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<tr>
<td>Total Recoverable Lead</td>
<td>10</td>
<td>11</td>
<td>25</td>
<td>46</td>
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<tr>
<td>Total Recoverable Zinc</td>
<td>38</td>
<td>50</td>
<td>105</td>
<td>193</td>
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</table>

Mean Storm Load (pounds/event)

<table>
<thead>
<tr>
<th>Pollutant</th>
<th>Residential Land Use</th>
<th>Commercial Land Use</th>
<th>Industrial Land Use</th>
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</thead>
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<tr>
<td>Biochemical Oxygen Demand</td>
<td>0.36</td>
<td>0.45</td>
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<tr>
<td>Chemical Oxygen Demand</td>
<td>1.1</td>
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<td>6.7</td>
</tr>
<tr>
<td>Suspended Solids</td>
<td>2.6</td>
<td>4.5</td>
<td>86</td>
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<tr>
<td>Dissolved Solids</td>
<td>1.1</td>
<td>1.8</td>
<td>6.5</td>
</tr>
<tr>
<td>Total Nitrogen</td>
<td>0.042</td>
<td>0.046</td>
<td>0.16</td>
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<tr>
<td>Total Ammonia+Organic Nitrogen</td>
<td>0.028</td>
<td>0.028</td>
<td>0.11</td>
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<tr>
<td>Total Phosphorus</td>
<td>0.0063</td>
<td>0.0061</td>
<td>0.025</td>
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<tr>
<td>Dissolved Phosphorus</td>
<td>0.0035</td>
<td>0.0037</td>
<td>0.012</td>
</tr>
<tr>
<td>Total Recoverable Copper</td>
<td>0.00015</td>
<td>0.00021</td>
<td>0.0022</td>
</tr>
<tr>
<td>Total Recoverable Lead</td>
<td>0.00035</td>
<td>0.00051</td>
<td>0.0053</td>
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<tr>
<td>Total Recoverable Zinc</td>
<td>0.0014</td>
<td>0.0023</td>
<td>0.022</td>
</tr>
</tbody>
</table>

Observations and Conclusions

1. Pollutant loading rates and discharge concentrations from commercial property are proportionally higher than residential properties in Omaha, Nebraska.
2. Pollutant loading rates and discharge concentrations from industrial property are generally higher than commercial properties in Omaha, Nebraska.
3. These relative pollutant loading rates and discharge concentrations are generally true for urban areas throughout the Midwestern States.
4. These relative pollutant loading rates and discharge concentrations are generally true for urban areas throughout the United States.
5. Aggregate pollutant load reductions are the primary requirements set forth in the Omaha’s NPDES Permit.
6. Annual pollutant load reductions are the primary objective of the USEPA’s Emerging TMDL Program.

Agenda Item II

Program Funding Alternatives

<table>
<thead>
<tr>
<th>Year</th>
<th>Short-Term NPDES/TMDL Funding Needs</th>
<th>Long-Term NPDES/TMDL Funding Needs</th>
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</thead>
<tbody>
<tr>
<td>2004</td>
<td>$0.6M</td>
<td>$0.8M</td>
</tr>
<tr>
<td>2005</td>
<td>$0.8M</td>
<td>$1.0M</td>
</tr>
<tr>
<td>2006</td>
<td>$1.0M</td>
<td>$1.2M</td>
</tr>
<tr>
<td>2007</td>
<td>$1.0M</td>
<td>$1.2M</td>
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<tr>
<td>2008</td>
<td>$1.2M</td>
<td>$1.4M</td>
</tr>
<tr>
<td>2009</td>
<td>$1.4M</td>
<td>$1.6M</td>
</tr>
<tr>
<td>2010</td>
<td>$1.6M</td>
<td>$1.8M</td>
</tr>
<tr>
<td>2011</td>
<td>$1.8M</td>
<td>$2.0M</td>
</tr>
<tr>
<td>2012</td>
<td>$2.0M</td>
<td>$2.2M</td>
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<tr>
<td>2013</td>
<td>$2.2M</td>
<td>$2.4M</td>
</tr>
<tr>
<td>2014</td>
<td>$2.4M</td>
<td>$2.6M</td>
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</tbody>
</table>

City of Omaha
### Alternative 7
**ADMINISTRATIVE FEES ONLY**

<table>
<thead>
<tr>
<th>Basis</th>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Use of Water and Wastewater</td>
<td>Has adequate capacity</td>
<td>Shifts the burden</td>
</tr>
<tr>
<td>Other Considerations</td>
<td>Simple and familiar</td>
<td>Residents</td>
</tr>
<tr>
<td></td>
<td>Limited Exemptions</td>
<td>Certain Businesses</td>
</tr>
<tr>
<td></td>
<td>Limited Applicability</td>
<td>No Customer Class Equity</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Probably not expandable to fund long-term capital projects</td>
</tr>
</tbody>
</table>

### Alternative 8
**Double Permit Fees + Prop Tax**

<table>
<thead>
<tr>
<th>Basis</th>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Has adequate capacity due to property tax capacity</td>
<td>Major Burden Shifting to</td>
</tr>
<tr>
<td></td>
<td>Familiar concepts</td>
<td>Construction Industry</td>
</tr>
<tr>
<td></td>
<td>Tax rate is un-capped for UFMs</td>
<td>Residents</td>
</tr>
<tr>
<td></td>
<td></td>
<td>High Value Real Estate</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Low Customer Class Equity</td>
</tr>
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</table>

### Alternative 9
**Hybrid Alternative B**

<table>
<thead>
<tr>
<th>Basis</th>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grading Permits</td>
<td>Has adequate capacity due to sales tax capacity</td>
<td>Requires $741,601 in set-off reductions in other programs</td>
</tr>
<tr>
<td></td>
<td>Familiar concepts</td>
<td>Major Burden Shifting to</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Construction Industry</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Retail Sales Businesses</td>
</tr>
<tr>
<td></td>
<td></td>
<td>More Affluent Consumers</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Low Customer Class Equity</td>
</tr>
</tbody>
</table>

### Alternative 10
**Hybrid Alternative C**

<table>
<thead>
<tr>
<th>Basis</th>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grading Permits</td>
<td>Adequate short-term capacity</td>
<td>Significant Exemptions</td>
</tr>
<tr>
<td></td>
<td>Familiar concepts</td>
<td>Major Burden Shifting to</td>
</tr>
<tr>
<td></td>
<td>Administrative Fee</td>
<td>Construction Industry</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Residents</td>
</tr>
<tr>
<td></td>
<td></td>
<td>No Customer Class Equity</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Probably not expandable to fund long-term capital projects</td>
</tr>
</tbody>
</table>

### Are There Other Viable Alternatives?

**Equity Analysis for Current Alternatives**
Basic Equity Concepts

**Basic Question:**
Are basic customer classes being treated equitably?

**Two Basic Tests of Equity:**
- Is the burden being significantly between customer classes?
- Is any customer class being significantly overcharged?

Equity Relative to Stormwater Discharge Volume

<table>
<thead>
<tr>
<th>Alternative</th>
<th>Residential Properties</th>
<th>Non-Residential Properties</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alt 1</td>
<td>Property Tax Only</td>
<td>$596,450</td>
</tr>
<tr>
<td>Alt 2</td>
<td>Sales Tax Only</td>
<td>$495,950</td>
</tr>
<tr>
<td>Alt 3</td>
<td>Stormwater Service Fee (IA) Only</td>
<td>$395,357</td>
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<tr>
<td>Alt 4</td>
<td>Charge Residents Only</td>
<td>$563,362</td>
</tr>
<tr>
<td>Alt 5</td>
<td>Stormwater Service Fee (IA+PA) Only</td>
<td>$298,225</td>
</tr>
<tr>
<td>Alt 6</td>
<td>Stormwater Service Fee (TA) Only</td>
<td>$298,225</td>
</tr>
<tr>
<td>Alt 7</td>
<td>Admin Fee Only</td>
<td>$638,062</td>
</tr>
<tr>
<td>Alt 8</td>
<td>Double Permit Fees + Admin Fee</td>
<td>$533,525</td>
</tr>
<tr>
<td>Alt 9</td>
<td>Double Permit Fees + Sales Tax</td>
<td>$436,244</td>
</tr>
<tr>
<td>Alt 10</td>
<td>Higher Fees + Property Tax Increment</td>
<td>$466,131</td>
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</tbody>
</table>

Exact Equity: (36% Residential Load)

<table>
<thead>
<tr>
<th>Alternative</th>
<th>Residential Properties</th>
<th>Non-Residential Properties</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alt 1</td>
<td>Property Tax Only</td>
<td>$719,255</td>
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<tr>
<td>Alt 2</td>
<td>Sales Tax Only</td>
<td>$453,063</td>
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<td>$608,510</td>
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<td>Charge Residents Only</td>
<td>$644,162</td>
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<td>Alt 5</td>
<td>Stormwater Service Fee (IA+PA) Only</td>
<td>$513,470</td>
</tr>
<tr>
<td>Alt 6</td>
<td>Stormwater Service Fee (TA) Only</td>
<td>$513,470</td>
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<tr>
<td>Alt 7</td>
<td>Admin Fee Only</td>
<td>$638,062</td>
</tr>
<tr>
<td>Alt 8</td>
<td>Double Permit Fees + Admin Fee</td>
<td>$420,239</td>
</tr>
<tr>
<td>Alt 9</td>
<td>Double Permit Fees + Property Tax</td>
<td>$436,244</td>
</tr>
<tr>
<td>Alt 10</td>
<td>Higher Fees + Property Tax Increment</td>
<td>$533,525</td>
</tr>
</tbody>
</table>

Equity Relative to Stormwater Pollutant Load

Best Case Scenario: Solids (17% Residential Load)

<table>
<thead>
<tr>
<th>Alternative</th>
<th>Solids (17% Residential Load)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alt 1</td>
<td>Property Tax Only 40.0% 33.4% 7.19%</td>
</tr>
<tr>
<td>Alt 2</td>
<td>Sales Tax Only 43.2% 31.9% 5.16%</td>
</tr>
<tr>
<td>Alt 3</td>
<td>Stormwater Service Fee (IA) Only 40.0% 31.9% 5.16%</td>
</tr>
<tr>
<td>Alt 4</td>
<td>Charge Residents Only 43.2% 31.9% 5.16%</td>
</tr>
<tr>
<td>Alt 5</td>
<td>Stormwater Service Fee (IA+PA) Only 40.0% 31.9% 5.16%</td>
</tr>
<tr>
<td>Alt 6</td>
<td>Stormwater Service Fee (TA) Only 43.2% 31.9% 5.16%</td>
</tr>
<tr>
<td>Alt 7</td>
<td>Admin Fee Only 43.2% 31.9% 5.16%</td>
</tr>
<tr>
<td>Alt 8</td>
<td>Double Permit Fees + Admin Fee 43.2% 31.9% 5.16%</td>
</tr>
<tr>
<td>Alt 9</td>
<td>Double Permit Fees + Property Tax 43.2% 31.9% 5.16%</td>
</tr>
<tr>
<td>Alt 10</td>
<td>Higher Fees + Property Tax 43.2% 31.9% 5.16%</td>
</tr>
</tbody>
</table>

Worst Case Scenario: Nutrients (40% Residential Load)

<table>
<thead>
<tr>
<th>Alternative</th>
<th>Nutrients (40% Residential Load)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alt 1</td>
<td>Property Tax Only 37.7% 25.8% 3.69%</td>
</tr>
<tr>
<td>Alt 2</td>
<td>Sales Tax Only 37.7% 25.8% 3.69%</td>
</tr>
<tr>
<td>Alt 3</td>
<td>Stormwater Service Fee (IA) Only 37.7% 25.8% 3.69%</td>
</tr>
<tr>
<td>Alt 4</td>
<td>Charge Residents Only 37.7% 25.8% 3.69%</td>
</tr>
<tr>
<td>Alt 5</td>
<td>Stormwater Service Fee (IA+PA) Only 37.7% 25.8% 3.69%</td>
</tr>
<tr>
<td>Alt 6</td>
<td>Stormwater Service Fee (TA) Only 37.7% 25.8% 3.69%</td>
</tr>
<tr>
<td>Alt 7</td>
<td>Admin Fee Only 37.7% 25.8% 3.69%</td>
</tr>
<tr>
<td>Alt 8</td>
<td>Double Permit Fees + Admin Fee 37.7% 25.8% 3.69%</td>
</tr>
<tr>
<td>Alt 9</td>
<td>Double Permit Fees + Property Tax 37.7% 25.8% 3.69%</td>
</tr>
<tr>
<td>Alt 10</td>
<td>Higher Fees + Property Tax 37.7% 25.8% 3.69%</td>
</tr>
</tbody>
</table>

Ranking of Alternative Equity

<table>
<thead>
<tr>
<th>Alternative</th>
<th>Runoff Volume Only</th>
<th>Water Quality Best Case</th>
<th>Water Quality Worst Case</th>
<th>Total Equity Points</th>
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<tr>
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<td>Property Tax Only</td>
<td>1 1</td>
<td>1 1</td>
<td>1 1</td>
</tr>
<tr>
<td>Alt 2</td>
<td>Sales Tax Only</td>
<td>1 1</td>
<td>1 1</td>
<td>1 1</td>
</tr>
<tr>
<td>Alt 3</td>
<td>Stormwater Service Fee (IA) Only</td>
<td>2 2 1 1</td>
<td>5 1</td>
<td>1 1</td>
</tr>
<tr>
<td>Alt 4</td>
<td>Charge Residents Only</td>
<td>2 2 1 1</td>
<td>5 1</td>
<td>1 1</td>
</tr>
<tr>
<td>Alt 5</td>
<td>Stormwater Service Fee (IA+PA) Only</td>
<td>2 2 1 1</td>
<td>5 1</td>
<td>1 1</td>
</tr>
<tr>
<td>Alt 6</td>
<td>Stormwater Service Fee (TA) Only</td>
<td>2 2 1 1</td>
<td>5 1</td>
<td>1 1</td>
</tr>
<tr>
<td>Alt 7</td>
<td>Admin Fee Only</td>
<td>1 1</td>
<td>1 1</td>
<td>1 1</td>
</tr>
<tr>
<td>Alt 8</td>
<td>Double Permit Fees + Admin Fee</td>
<td>1 1 1 1</td>
<td>4 1</td>
<td>1 1</td>
</tr>
<tr>
<td>Alt 9</td>
<td>Double Permit Fees + Property Tax</td>
<td>1 1 1 1</td>
<td>4 1</td>
<td>1 1</td>
</tr>
<tr>
<td>Alt 10</td>
<td>Higher Fees + Admin Fee</td>
<td>1 1 1 1</td>
<td>4 1</td>
<td>1 1</td>
</tr>
</tbody>
</table>

City of Omaha

Agenda Item IV

Selecting the Best Alternative
What We Need To Do In This Session

1. Answer questions about the current 10 Alternatives
2. Vote in a Straw Poll to Pick the 5 Most Preferred Alternatives
   Then, eliminate the Less Suitable Alternatives

Focus Group Discussion
Outstanding Issues Related to the 10 Alternatives
Questions – Concerns - Issues

Straw Poll
Which Are The Five Preferred Methods for Incremental Funding of Stormwater Needs?

10-Minute Break
(For Results Tabulation)

City of Omaha
Agenda Item V
Selecting the Best Alternative for Omaha

What We Need To Do In This Session

1. Discuss the 5 Preferred Alternatives among Focus Group Members
2. Receive comments from the Public
3. Vote To Eliminate Two Alternatives
4. Discuss the 3 Preferred Alternatives
5. Vote To Eliminate One Alternative
6. Discuss the 2 Remaining Alternatives
7. Select the Best Alternative for Omaha from the 3 Preferred Alternatives
Focus Group Discussion
Merits of the Five Preferred Alternatives
Pros – Cons - Preferences

Public Comments
Merits / Concerns Regarding the Five Preferred Alternatives

Short-Term vs. Long-Term NPDES/TMDL Funding Needs

Points to Ponder When Voting
Acid Test Criteria:
– Can it provide long-term funding needed?
– Is it fair to all customer classes?
– Will it serve Omaha’s foreseeable needs?

What is popular is not always right, and what is right is not always popular

Focus Group First Ballot
Which Three Alternatives Are Better for Omaha?
(Eliminate 2 Alternatives)

Focus Group Discussion
Merits of the Three Preferred Alternatives
Pros – Cons - Preferences
Focus Group Second Ballot

Which Two Alternatives Are Better for Omaha?
(Eliminate 1 Alternative)

Focus Group Discussion

Merits of the Two Remaining Alternatives
Pros – Cons - Preferences

Focus Group Third Ballot

Which is the BEST Funding Alternative for Omaha?

Focus Group Meeting Number 3

- Date: December 10, 2003
- Agenda
  - Review ofPreferred Alternatives
  - Discussion of Alternatives
  - Selection of the Best Alternative
APPENDIX E: FOCUS GROUP MEETING 3
AGENDA AND PRESENTATION MATERIAL
City of Omaha Stormwater Funding Program

FOCUS GROUP MEETING
December 10, 3003
9:00 AM to Noon

Agenda

I. INTRODUCTIONS

II. REVIEW
   a. Objective of the Focus Group Meetings
   b. Ground Rules

III. SELECTING THE “BEST” ALTERNATIVE
   a. Discussion of the 5 Preferred Funding Alternatives
   b. First Ballot (Select 3 Preferred Alternatives)
   c. Focus Group Preference Discussion of the 3 Preferred Alternatives
   d. Public Comments on the 3 Preferred Alternatives
   e. Second Ballot (Eliminate One Alternative)
   f. Focus Group Preference Discussion of the 2 Preferred Alternatives
   g. Selection of the “Best” Alternative for Omaha

IV. CAVEATS/COMMENTS ON THE BEST ALTERNATIVE FOR OMAHA
Focus Group Meeting No. 3

AGENDA

I. Reorientation
   - Introductions
   - Focus Group Objective
   - Ground Rules

II. 5 Preferred Alternatives
   - Review of Alternatives
   - Focus Group Discussion
   - Public Comment
   - First Ballot
   - Short Break

III. 3 Preferred
   - Focus Group Discussion
   - Public Comment
   - Second Ballot

IV. 2 Alternatives
   - Focus Group Discussion
   - Second Ballot

V. Discussion
   - Best Alternative for Omaha
   - Caveats and Comments

City of Omaha

Stormwater Funding Program
Focus Group Meeting 3
December 10, 2003

City of Omaha

Agenda Item I
Reorientation

Focus Group
A forum of stakeholders that represents a broad cross-section of our community to work toward consensus on how best to fund stormwater management in Omaha

Objectives
- Understand current and pending needs
- Review potential funding solutions
- Share stakeholder perspectives
- Recommend a “BEST” solution for Omaha

Introductions
- City Staff
- Focus Group Members
- Public in Attendance
- Consultant

Focus Group Ground Rules

Basic Meeting Rules
1. The Facilitator directs traffic and limits discussion to complete the Agenda
2. Highly controversial issues will be "parked"
3. Comments should honest, objective and fair
4. Be courteous to fellow Focus Group members
5. When voting, only Focus Group members vote
6. Everyone will get a chance to speak
7. The Public may observe, and provide verbal or written comments at the end of the meeting
Short-Term vs. Long-Term NPDES/TMDL Funding Needs

City of Omaha

Agenda Item II

Five Preferred Funding Alternatives

Alternative 1
PROPERTY TAX ONLY (Uncapped)

Basis
- Value of the Property

Other Considerations
- Not related to runoff volume or rate
- Not related to pollutant loads
- Exempts significant number of discharging properties

Advantages
- Has adequate capacity
- Simple and familiar
- Tax rate is un-capped for UFMs

Disadvantages
- Shifts the burden
- Residents
- High value real estate
- Low Customer Class Equity

Alternative 5
SERVICE FEE (IA+PA) ONLY

Basis
- Impervious and Pervious Areas

Other Considerations
- Directly related to runoff volume
- Not Related to runoff rate
- Indirectly related to pollutant loads
- Limited Exemptions

Advantages
- Has adequate capacity
- Minimal Burden Shifting/Subsidy
- Highest Customer Class Equity

Disadvantages
- Conceptually Challenging
- Not familiar
- Requires MAF Maintenance

Alternative 6
SERVICE FEE (TA) ONLY

Basis
- Size of Property

Other Considerations
- Indirectly related to runoff volume
- Not Related to runoff rate
- Indirectly related to pollutant loads
- Limited Exemptions

Advantages
- Has adequate capacity
- Minor Burden Shifting/Subsidy
- High Customer Class Equity

Disadvantages
- Conceptually Challenging
- Not familiar
- Requires MAF Maintenance

Alternative 8
Hybrid Alternative A

Double Permit Fees + Prop Tax

Basis
- Grading Permits
- Property Value

Other Considerations
- Not related to runoff volume or rate
- Not related to pollutant loads
- Significant Exemptions

Advantages
- Has adequate capacity due to property tax capacity
- Familiar concepts
- Tax rate is un-capped for UFMs

Disadvantages
- Major Burden Shifting to
  - Construction Industry
  - Residents
  - High Value Real Estate
- Low Customer Class Equity
Alternative 11 Hybrid Alternative D
Property Tax + Administrative Fee

City of Omaha
Agenda Item III
Selecting the Best Alternative for Omaha

What We Need To Do In This Session
1. Discuss the 5 Preferred Alternatives
2. Receive comments from the Public
3. Vote To Eliminate Two Alternatives
4. Discuss the 3 Preferred Alternatives
5. Vote To Eliminate One Alternative
6. Discuss the 2 Remaining Alternatives
7. Select the Best Alternative for Omaha from the 3 Preferred Alternatives

Focus Group Discussion
Merits of the Five Preferred Alternatives
Pros – Cons - Preferences

Public Comments
Merits / Concerns Regarding the Five Preferred Alternatives

Points to Ponder When Voting
Acid Test Criteria:
– Can it provide long-term funding needed?
– Is it fair to all customer classes?
– Will it serve Omaha’s foreseeable needs?

What is popular is not always right, and what is right is not always popular
Focus Group First Ballot

Which Three Alternatives Are Better for Omaha?
(Eliminate 2 Alternatives)

Focus Group Discussion
Merits of the Three Preferred Alternatives
Pros – Cons - Preferences

Focus Group Second Ballot
Which Two Alternatives Are Better for Omaha?
(Eliminate 1 Alternative)

Focus Group Discussion
Merits of the Two Remaining Alternatives
Pros – Cons - Preferences

Focus Group Third Ballot
Which is the BEST Funding Alternative for Omaha?
City of Omaha

Agenda Item IV
Caveats/Comments on the Best Alternative

What We Need To Do In This Session

1. **Discuss the Best Alternative for Omaha.**
2. Identify any Caveats to the Selection
3. Summarize any Outstanding Issues

Thank You
Focus Group Members
From: John Dickerson (Representing Commercial Property Owners)
Sent: Tuesday, January 27, 2004 4:40 PM
To: Grate, Martin (MoRiver); Anderson, Clyde; Cavner, Dixie; Fech, John; Graves, Gene at GDR Graves Development Resources; Gutgsell, Rev. Michael; Hayes, Barbi; Holm, Kent; Inzerello, Al; Janet Bonet; Koske, April; Loy Todd; Matz, Monte; Mike Hybl; Mullen, Paul; Ovenden, Shawn; Pederson, Lennis; Randy Lenhoff; Riedmann, Mike at NP Dodge Real Estate; Rusty.Strodtman@generalgrowth.com; Shannon Anderson (Email); Timothy P. Keigher
Cc: Sink, Bob (MoRiver)
Subject: RE: Draft Stormwater Focus Group Report

Marty -

I have reviewed the Draft Stormwater Focus Group Report. I just have a few comments.

1.) The report makes a point that the majority of the focus group represented commercial, industrial and institutional interests. It would be fair to say, however, that all were citizens and taxpayers. It appeared to me that most everyone on the focus group took a pragmatic and logical approach to the problem. We examined the problem more from the dynamic of economic impact of funding a public need, rather than a purely scientific computation of an “estimate” of how much water, and the accompanying pollution, would drain off of each square inch of ground.

2.) I cannot say whether all comments made by the participants were covered in the report. However, I can say mine were not. Although the comments listed in the report generally covered a great share of the logic from the participants, I would offer the following comments that I think should be related to our elected officials:

   A) I believe that the stormwater issue is an “infrastructure” issue, not a “use” issue. All property owners have runoff. Most runoff is an “act of God,” which no property owner can control. It is a fact of life. This, I believe, makes it a community problem, not an individual’s problem.

   B) If we all can agree that a “fee” is just another way of “taxing,” then this fee would be a regressive tax. A fee, if established, would be the same for an owner of a 900 square foot bungalow as it would be for an owner of a 9,000 square foot mansion. This would be unjust to low and middle-income residents.

   C) Saying that a homeowner would only pay their fair share under a fee structure, based on what has been proposed under LB32, is a false statement. Since tax funded institutions would pay fees under LB32, the fee costs paid by them would be passed on to all property taxpayers, including homeowners. And, fees paid by charitable, non-taxable organizations would require the paying citizens to increase charitable contributions. So, the homeowner could end up paying as much as three times what was intended.

I very much appreciated the opportunity to participate on the focus group. I think I learned some things from the group. I hope that I was a benefit to the group.

John H. Dickerson, CPM