



The Great Environmental Finance Debate

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UNC

ENVIRONMENTAL FINANCE CENTER

UNC Environmental Finance Center

- Environmental “How do you pay for it?” Center
- One of nine centers across the country.
- Part of US EPA Environmental Finance Program

Cloth vs. Disposable



Stormwater Finance: Tax vs. Fee



Objectives

What are some of the factors to consider when deciding?

NOT

Which is better?

The Debate

- What's fair?
- What's just?
- What's more reliable?
- What's more stable?
- ?
- ?
- ?

Durham, North Carolina



- 2006-07 budget = \$8,068,718
- \$2.17/mo for units < 2,000 sq ft of impervious surface
- \$4.50/mo. for units with \geq 2,000 sq ft
- Other/commercial: \$4.50 per month for each ERU
- *ERU is equal to 2,400 sq ft of impervious area*

Durham Property Taxes

- Property tax rate = 60.3 cents per \$100 property valuation
- Assessed Value - Real Property
13,740,351,450
- Tax Levy on Real Property \$82,854,319

It would take 5.8 cents/\$100 to generate \$8,068,718

\$300,000 House



- Current Fees
 - \$4.50/mo. on water bill (**\$54/year**)
- If budget funded by property tax
 - **\$174/year**

\$15,000 “House”



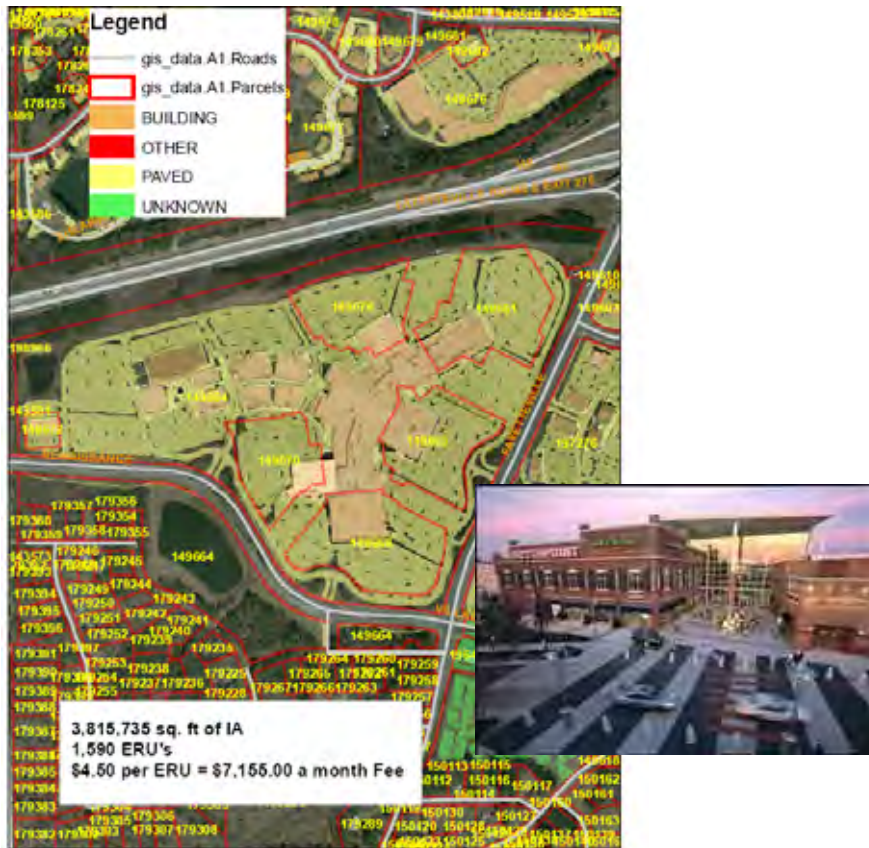
- Current fees
 - \$2.17/mo.
(\$26/year)
- If budget funded by property tax
 - **\$8.70/year**

Church (24,000 Sq. Ft Impervious Area)



- Current fees
 - \$45/mo.
(\$540/yr)
- If budget funded by property tax
 - \$0

Mega Mall (3,815,240,000 SF)



- Current fees
 - 1590 ERU's
 - \$7,155/mo.
(\$85,860/yr)
- If Budget funded by property taxes
 - **\$65,931/yr**

Durham Bulls Ballpark (163,200 sf)



- Current fees
 - Fee = \$306/mo.
(\$3,672/yr)
- If funded by property tax
 - **\$0**

Village of Clemmons



- Population: 16,900;
- Budget \$4.5 million
- Stormwater budget FY 2005-2006: \$475,000
- Tax Rate 9.85 cents per \$100 valuation
- ERUs Billed: 10,900
- Stormwater Fee: \$44.40/yr per ERU (\$3.70 mo.)
- Town Employees: 14 total (Pub. Works - 8 employees with 1 stormwater administrator)

Town of Carrboro



- Tax base = \$1,373,733,504
- Population 18,000
- Budget (05-06) \$16,000,000
- Tax rate = 62.44 cents per \$100 of property valuation
- Stormwater budget???(114,000??)
- Employees??

Variations that Make a Difference

- Cost avoidance (e.g. BMP maintenance)
- Special tax districts
- Clear tax designation
- Cost accounting
- Tier
- Waivers
- Hardship assistance programs

Stormwater in NC

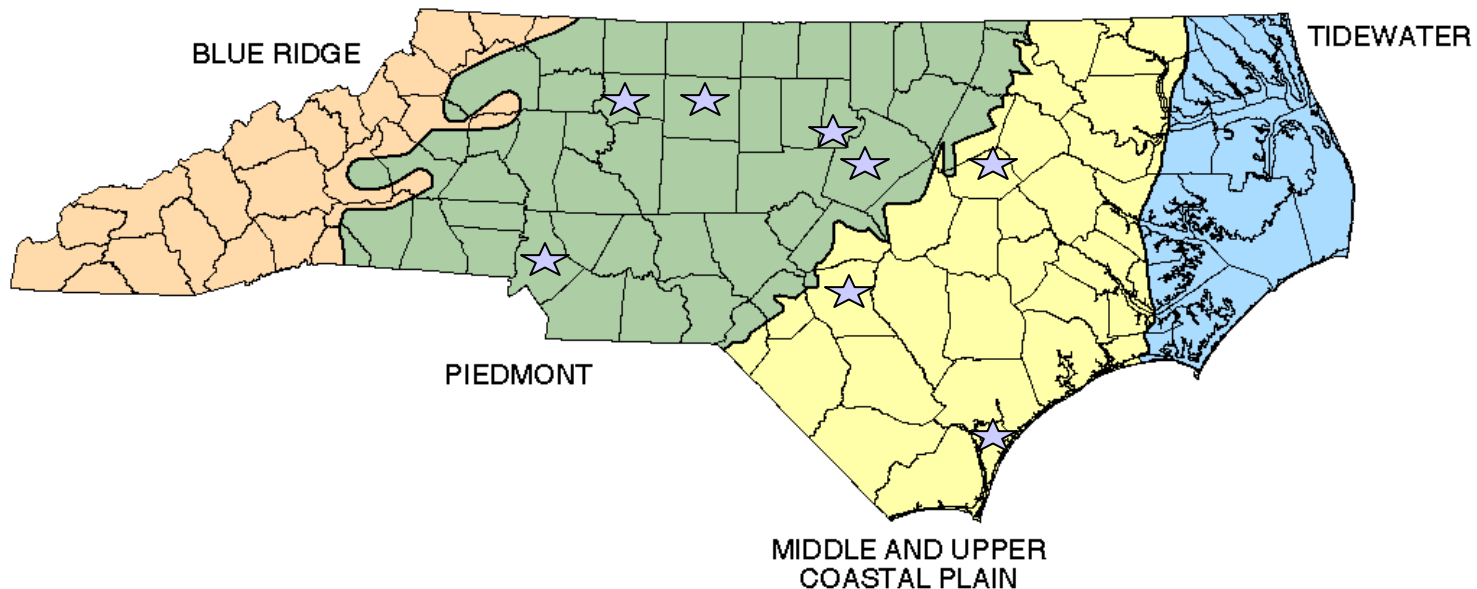
- 30 to 40 utilities (primarily cities)
- 550 Municipalities

Summary Stats for Local Stormwater Utilities In North Carolina

(Source: Scott Bryant)

- April 2004 Survey -

Charlotte, Durham, Fayetteville/Cumberland, Greensboro,
Raleigh, Wilmington, Wilson, Winston-Salem



Annual Revenue - NC Utilities

Source: Scott Bryant

NC Stormwater Utilities 2004 Annual Revenue

