



Metropolitan Water Reclamation District of Greater Chicago

Stormwater Management/Green Infrastructure Projects outside District's Corporate Boundaries

Board of Commissioners Study Session
February 20, 2020



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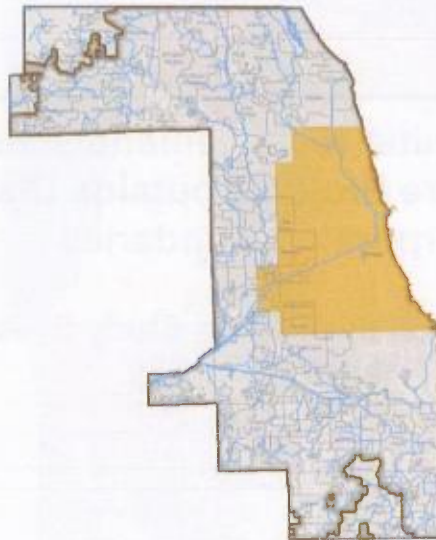
District's Authority to Collect Fees for Stormwater Management Services

- Public Act 93-1049
 - Authority for general supervision of stormwater management in Cook County
 - Collection of fees from areas outside of the District's corporate boundaries, but within Cook County.
- Public Act 95-0669 clarifies the collection of fees outside the corporate boundaries

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District's Corporate Boundaries' Timeline

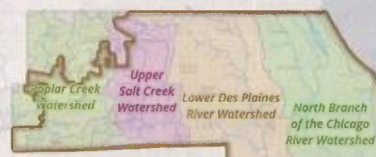


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District and Cook County Stats



	Cook County	District	%
Area	957.7 sq. mi.	882.1 sq. mi.	92.1
Population (2019)	5,223,010	5,102,186	97.7
EAV (2016)	\$162,000,469,362	\$159,082,342,266	98.2

0 4 8 Miles

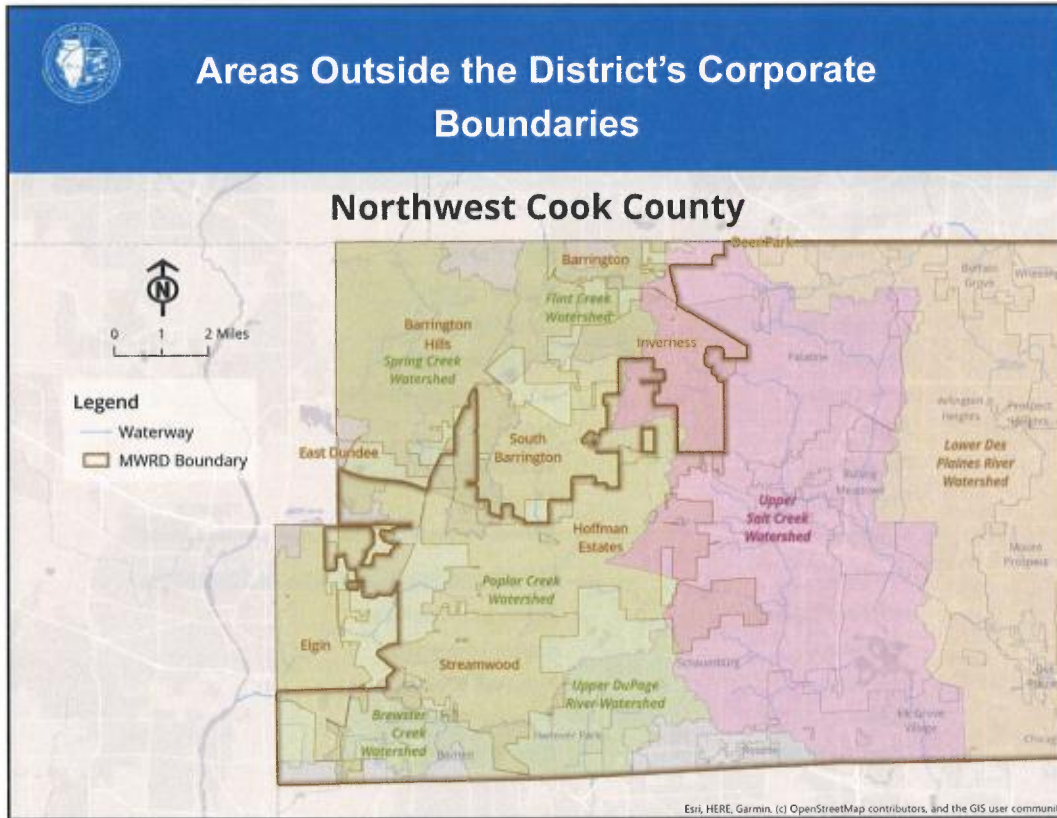
Legend

- Waterway
- MWRD Boundary

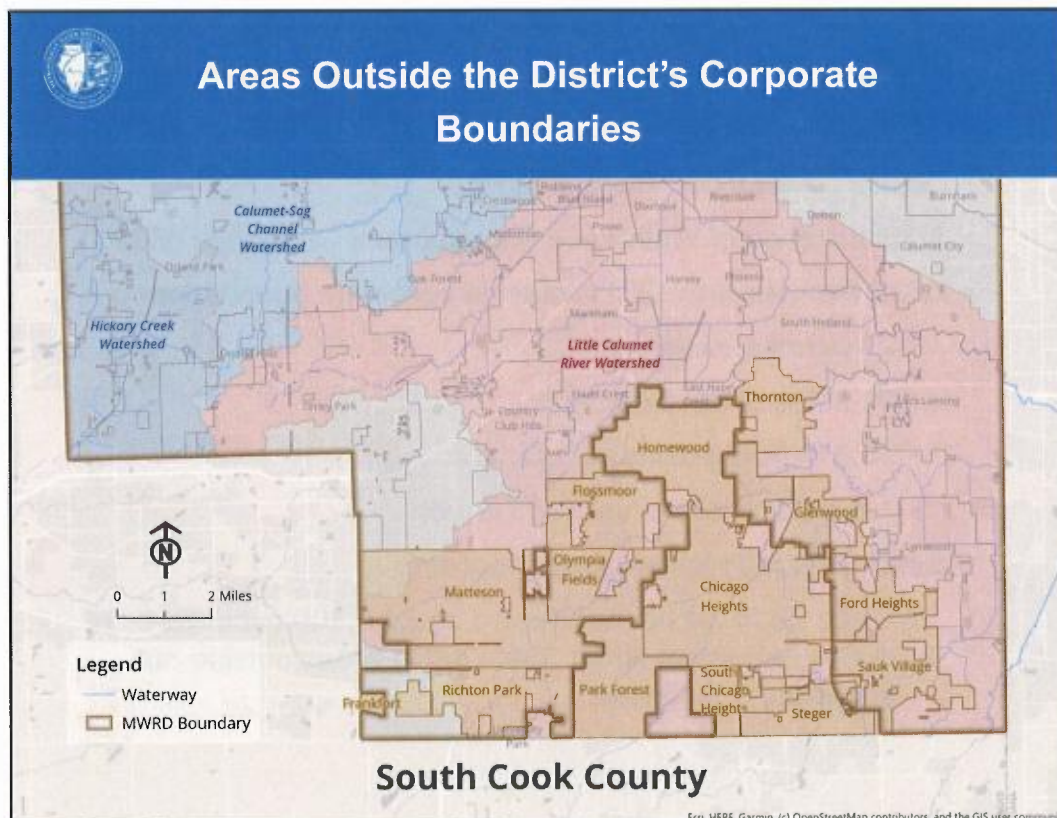


Esri, HERE, Garmin, (c) OpenStreetMap contributors, and the GIS user community

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Municipalities/Townships partly or entirely outside of District's Corporate Boundaries

Municipalities

Barrington

Barrington Hills

Chicago Heights

Deer Park

East Dundee

Elgin

Flossmoor

Ford Heights

Frankfort

Glenwood

Hoffman Estates

Homewood

Inverness

Matteson

Olympia Fields

Park Forest

Richton Park

Sauk Village

South Barrington

South Chicago Heights

Steger

Streamwood

Thornton

(communities that adopted collar county ordinance in **bold**)

Unincorporated Cook County Townships

Barrington Township

Bloom Township

Hanover Township

Palatine Township

Rich Township

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Stormwater Services Provided To Date

- Detailed Watershed Plans (DWPs)
- Administration of Watershed Management Ordinance (WMO)
- WMO Permits since 2014, outside corporate boundaries
 - 23 permits issued
 - 92 acres of development
 - 10.2 million gallons in detention
 - 1.6 million gallons volume control
- Small Streams Maintenance Program
 - Since 2014 we have removed about 5,100 cubic yards of debris and spent about \$290,000 in areas outside our corporate boundaries

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Tax vs. Fee

- Under Illinois law, a fee is defined as a charge fixed by law for services of public officers and is regarded as compensation for services rendered.
- A tax is a charge having no direct relation to services rendered, assessed to provide general revenue rather than compensation.

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Fee Calculation/Collection

- Fees must be based upon actual stormwater management services
- The maximum fee shall not exceed the District's annual tax rate for stormwater management
- Example of the fee calculation in areas outside of the District's corporate boundaries:
 - Estimated Stormwater Levy tax assessment for typical \$200,000 residential property:

Estimated Market Value	\$200,000	Assessed Value (AV)	\$20,000	Equalized Assessed Value	\$48,218
x Assessment Level	10%	x Equalization Factor ¹	2.9109	x SW Levy Tax Rate	0.00032 ²
Assessed Value (AV)	\$20,000		\$58,218	SW Levy Tax Amount \$15.43/yr	
		- Homeowner Exemption	\$10,000		
		Equalized Assessed Value	\$48,218		

¹ (Cook County Clerk)

² (District's 2020 Budget - Stormwater Management Fund Tax Levy = 3.20¢/\$100 of EAV)

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Fee Collection

- The District *may* collect fees directly from ~ 48,500 parcels
- No current mechanism for collection
- The legislation also allows the District to require the local unit of government to collect the fee
 - The legislation allows the District to pay a portion of the collected fee to the municipality for this effort.
 - Fees should be billed separately from ad valorem taxes, but possibly may be collected by a mechanism similar to a local water bill.

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Example Fee Collection

Example- Potential Green Infrastructure Project Partnership

- Green Infrastructure Parking Lot Retrofit at Chicago Heights
Municipal Building: Est. Total Project Cost - \$500,000
Available City Funding - \$250,000
Potential District Funding - \$250,000
- Estimated SW Levy tax assessment for a typical residential property in Chicago Heights (Med. Sales Price = \$127,000)
 - EAV (\$26,968) x Stormwater Levy (3.20¢/\$100EAV) = ~**\$10/year**
- EAV Chicago Heights, 2018 = \$ 353,387,064
 - Total EAV x Est. District Tax Rate for SW Levy = \$353,387,064 x 3.20¢/\$100EAV = **\$113,084/year**

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Potential Issues with Assessment and Collection of Stormwater Management Fees

- Fee can be no more than the value of services provided;
- If length of time required for re-payment exceeds the useful life of the project, could be problematic
- Apportioning fees for general countywide services such as studies, ordinance development, and salaries of employees is difficult.
- The cost of collection could exceed any fees received

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Option A - Provide Stormwater services without charging fees

Consider all areas within Cook County as eligible for Stormwater services and projects. Do not charge any fees in areas outside the District's corporate boundary.

Considerations

- All areas in Cook County placed on an equal footing with respect to project eligibility under the Stormwater Program.
- Eliminates difficulties associated with fee assessment and collection.
- Taxpayers provide all funding for the Stormwater Program, with those outside the corporate boundary receiving services without a similar financial contribution.

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Option B - Tax Option (a)

Pursue legislative change to extend the District's taxing authority, for Stormwater Management only, throughout Cook County.

Considerations:

- All areas in Cook County placed on an equal footing, both for project eligibility and financial contribution to the Stormwater Program.
- Eliminates difficulties associated with fee assessment and collection
- Objections to tax increase legislation
- Areas outside the District's corporate limit and within Cook County that do not wish to participate in the Stormwater Program could not opt out.

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Option C - Tax Option (b)

Define a new corporate limit for the District's Stormwater Program and pursue legislative change to extend Stormwater taxing authority to this newly defined boundary.

Considerations:

- Areas outside the District's corporate limit and within Cook County that do not wish to participate in the Stormwater Program could opt out.
- Areas included in the Stormwater corporate limit placed on an equal footing, both for project eligibility and financial contribution to the Stormwater Program.
- Eliminates difficulties associated with fee assessment and collection
- Objections to tax increase legislation

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Option D - Provide Stormwater services and charge fees Option (a)

Consider all areas within Cook County as eligible for Stormwater services and projects. District to assess fees directly to the affected parcels in areas outside the District's corporate boundary.

Considerations:

- All areas in Cook County placed on an equal footing with respect to project eligibility under the Stormwater Program.
- System not currently in place by which District will calculate and invoice individual property owners and pursue collection of unpaid bills.
- Cost of collections may exceed potential revenues. Consider setting a de minimis threshold amount below which collection of fees from a community would not be pursued.
- Other fee collection issues discussed previously

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Option E - Provide Stormwater services and charge fees Option (b)

Consider all areas within Cook County as eligible for Stormwater services and projects. District requires the units of local government to assess fees to the affected parcels in areas outside the District's corporate boundary.

Considerations:

- All areas in Cook County placed on an equal footing with respect to project eligibility under the Stormwater Program.
- Mechanism to collect fees may be in place (i.e., sewer/water billing system)
- Fee collection issues discussed previously

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Option F - Limit Stormwater Services to Corporate Boundary

Pursue a legislative change to amend the District's stormwater authority to encompass areas within the corporate boundary only rather than the entirety of Cook County.

Considerations:

- All areas within the District's corporate limit placed on an equal footing, both for project eligibility and financial contribution to the Stormwater Program.
- Eliminate inconsistency between District corporate and Cook County borders for the Stormwater authority.
- Areas outside the District will not participate in the Stormwater Program, unless a project in those areas provides benefits to property within the corporate boundary.

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Option G - Maintaining the Status Quo

Continue providing WMO services and stream maintenance outside our boundaries without approving capital projects or cost-share IGAs within those areas.

Considerations:

- No legislative changes needed.
- Areas within the County are treated differently for Stormwater Program based on their location relative to the District's corporate boundaries.
- Taxpayers who provide all funding for the Stormwater Program receive all major projects with those outside the corporate boundary receiving more limited services but not being asked to make a similar financial contribution.

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Additional Considerations

Extending the right to vote for Commissioners to all registered Cook County voters outside corporate boundaries.

- District corporate boundaries include 97.7% of population
- Any extension of the right to vote to registered voters outside of the District's corporate boundaries would require:
 - Authorization from the Illinois General Assembly
 - Consistency with
 - Illinois Constitution
 - Illinois Election Code
 - District's Corporate Authority.

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Path Forward

- Board identified preference
- Community Outreach
 - Seek input from communities entirely or partially outside the District
 - Allow communities to opt-out
 - Staff development of policy and procedures
- Report to the Board and request for policy decision

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