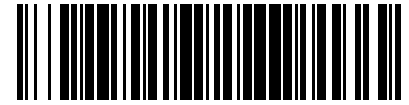




# City of Chicago



O2015-7719

Office of the City Clerk

## Document Tracking Sheet

**Meeting Date:** 10/21/2015

**Sponsor(s):** Ramirez-Rosa (35)  
Waguespack (32)  
Sposato (38)  
Arena (45)  
Foulkes (16)  
Sadlowski Garza (10)  
Moore (17)  
Munoz (22)  
Sawyer (6)  
Hairston (5)

**Type:** Ordinance

**Title:** Amendment of Municipal Code Chapters 3-12 and 11-12 by establishment of stormwater stress user fee

**Committee(s) Assignment:** Committee on Finance

# FINANCE

## ORDINANCE

### STORMWATER STRESS FEE

**WHEREAS**, the City of Chicago is a home rule unit of government as defined in Article VII, Section 6 (a) of the Illinois Constitution, and, as such, may exercise any power and perform any function pertaining to its government and affairs.

**WHEREAS**, stormwater is the only major infrastructure system in the City that is currently not paid for through user fees.

**WHEREAS**, more than \$773 million was paid out in over 181,000 flood related insurance claims in Cook County between 2007 and 2011. And whereas, 10 of the 23 zip codes with the highest number of aggregated claims also fell within the ZIP codes with the highest levels of impervious surface.

#### **BE IT ORDAINED BY THE CITY COUNCIL OF CHICAGO, AS FOLLOWS:**

##### **Section 1. Purpose.**

The purpose of this Ordinance is to provide a stormwater stress user fee for water users in the City of Chicago. To the extent that the provisions of this Ordinance conflict with any prior Ordinance or provision of the City, this Ordinance shall control.

##### **Section 2. Definitions.**

SECTION 1. Chapter 11-12 of the Municipal Code of Chicago is amended by adding a new Section 11-12-325, as follows:

##### 11-12-325 Stormwater Stress Fee

(a) As used in this section:

"City" means the City of Chicago.

"Impervious Surface" means a surface which substantially precludes the infiltration of water, such as concrete, asphalt, tile or compacted gravel.

"Eligible properties" means properties that are currently billed by the Department of Water Management for water and sewer services.

"Fee" means a monthly stormwater stress user fee to be added to eligible properties' monthly water bills.

(b) The Department of Water Management is authorized to establish and administer a stormwater stress fee program under this section. Under this program, owners whose properties meet the eligibility requirements for stormwater stress fee collection may be charged a fee in the amount specified in Section 3.

##### **Section 3-1 Method of Computing and Reflecting Stormwater Stress for Residential Properties**

Commencing in 2017, the City will collect a monthly stormwater stress fee on eligible properties.

The Department of Water Management will be responsible for auditing the sewer fund and determining exactly how much of the sewer fund is allocated annually towards stormwater management.

The Department of Water Management will determine the median square feet of impervious surface area for single family homes in the city. This shall be defined as an "equivalent residential unit" (ERU) and will be the base billing unit for the stormwater stress fee.

The Department of Water Management will set a billing rate for single-family detached residences and single-family attached residences that will be calculated as follows:

$$\frac{SWM_R}{ERU_R}$$

Where:

$SWM_R$  = Annual Stormwater Management Cost for all single-family detached and single-family attached residential properties in the City of Chicago

$ERU_R$  = Equivalent Residential Units for all single-family detached residences and single-family attached residences in the City of Chicago

Thus, if the annual stormwater management cost for all single-family detached and single-family attached residential properties in the City of Chicago was determined to be \$10,000,000 and it is determined that there are 500,000 ERUs for all single-family detached residences and single-family attached residences in the city, the rate for the stormwater stress fee would be \$20 per ERU. Single-family detached residences and single-family attached residences will all be assumed to have an ERU of 1.0 and their fee will be assessed accordingly.

### **Section 3-2 Method of Computing and Reflecting Stormwater Stress for Non-Residential Properties**

Properties other than single-family detached residences and single-family attached residences will be charged a stormwater stress fee that will be calculated as follows:

$$\frac{SWM_C}{ERU_C}$$

Where:

$SWM_C$  = Annual Stormwater Management Cost for all non single-family detached and single-family attached residential properties in the City of Chicago

$ERU_C$  = Equivalent Residential Units for all non single family detached residences and single-family attached residences in the entirety of the City of Chicago

Thus, if the stormwater management cost for all non single-family detached and single-family attached residential properties in the city was determined to be \$40,000,000 and it is determined that there are 5,000,000 ERUs for all non single-family detached residences and single-family attached residences in the city, the rate for the stormwater stress fee would be \$8 per ERU.

Properties other than single-family detached residences and single-family attached residences will then be charged a stormwater stress fee at the corresponding rate set by the Department of Water Management for each ERU, or fraction thereof, of impervious surface area of the property. (Example: a property consisting of 25,000 ft<sup>2</sup> of which 10,000 ft<sup>2</sup> is impervious would pay a stormwater stress fee

computed as follows: 10,000 ft<sup>2</sup> of impervious surface divided by an ERU of 2,000 ft<sup>2</sup> equals 5.0; the 5.0 ERU is then multiplied by the rate set by the Department of Water Management.)

**Section 4. Implementation, Eligibility and Enforcement**

The Department of Water Management of the City of Chicago will assess which properties are subject to fee collection. They will work with the Department of Innovation and Technology to use their Geographic Information Systems program to assess the square footage of impervious surface area on eligible properties in Chicago.

A portion of the fees collected under this ordinance will be used towards implementing the stormwater stress fee program. The remaining funds will be deposited into the sewer fund. The amount in fees deposited into the sewer fund will be deducted from the total amount of funds currently collected under the sewer billing system. This will be reflected by an according decrease in the sewer bill as a percentage of the water bill.

Owners of eligible properties will be held to the liability standards as defined under section 11-12-330 of the Municipal Code of the City of Chicago. All fees are to be enforced as specified in Chapter 11-12, Article V of the Municipal Code of the City of Chicago.

**Section 5.** Section 3-12-020 of Title 3 of the Municipal Code of Chicago is hereby amended by inserting the underscored language as follows:

**3-12-020 Charge for Sewer Service and Use of Sewerage System.**

(a) A charge for sewer service and use of the sewerage system of the City of Chicago is hereby established. The charge shall be an amount equal to the percentage set forth in the below Table, of the amount charged for water service pursuant to Chapter 11-12 of this Code, whether such water service is metered or otherwise. The percentages established in the below Table are subject to change when the sewer fund is subsidized by fees collected by the stormwater stress fee program. Provided, however, that:

*(Omitted text is unaffected by this ordinance.)*

**Section 6. Appeals**

The Department of Water Management will develop an application form and application process for appeals to the assessed stormwater fee on a property, incorporating requirements as are necessary to effectuate the intent of this Ordinance.

Any owner may file an application with the Department of Water Management contesting the calculation of impervious surface area on the lot as of the date of the application. The applicant must submit satisfactory evidence as required by the Department of Water Management, such as square footage measurements and descriptions of the relevant buildings or materials.

**Section 7. Exemptions**

Exemptions for sewer fees governed under Section 11-12-540 and Section 3-12-050 of the Municipal Code of the City of Chicago will also be made applicable to the stormwater stress fee. The Department of Water Management will develop an application process for these exceptions, incorporating requirements as are necessary to effectuate the intent of this Ordinance.

**Section 8. User Credits**


Owners of properties subject to Chapter 11-18 of the Municipal Code of the City of Chicago will be eligible for user credits to offset a portion of their assessed stormwater stress fee. The Department of Water Management will prepare an ordinance, for submission to the City Council, which determines a credits program and an application process for the credits program. Credits given to owners of properties subject to Chapter 11-18 of the Municipal Code of the City of Chicago will be capped at 20% of the assessed stormwater stress fee.

**Section 9. Review**

The Commissioner of the Department Water Management shall perform an audit of the program one year after it has been enacted. The audit will include an analysis of single-family detached residences' and single-family attached residences' water utility expenses prior to and after the enactment of the program. This analysis will also forecast single-family detached residences' and single-family attached residences' projected water utility expenses from that point forward.


**Section 10.**

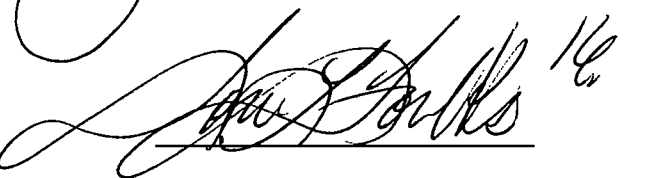
The ordinance shall be in full force and effect from and after its passage and approval.

  
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Carlos Ramirez-Rosa  
Alderman, 35<sup>th</sup> Ward

  
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16<sup>th</sup>

Susan Sablowki Daza<sup>10</sup>

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