## STAFF REPORT

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| **Agenda Item:** | 15 | **Name:** | Erin Auzins |
| **Proposed No**.: | 2016-0471 | **Date:** | December 6, 2016 |

**SUBJECT**

Proposed Motion 2016-0471 would accept a report regarding incentives for the use of low impact development techniques. The report and motion respond to a requirement of Ordinance 18257, Section 25, which adopted updates to the County’s stormwater regulations.

**SUMMARY**

The Proposed Motion and attached report responds to the requirements of Ordinance 18257, which updated the County’s stormwater ordinance. Section 25 of this ordinance required a report regarding a pilot program to incentivize the use of low impact development techniques.

The report analyzes six potential pilot projects that would involve retrofitting existing development on a range of land use types in unincorporated King County. These potential project sites were selected based on cost, willingness of the property owner to participate, and feasibility of the use of low impact development techniques. The report recommends a grant program, which was also proposed by the Executive as part of the 2017-2018 biennial budget, and associated Surface Water Management fee rate increase. While the Council did not approve the entire requested fee increase, Executive staff report that this grant program is still intended to be funded at $250,000 for the biennium.

**BACKGROUND**

In March 2016, the Council adopted Ordinance 18257, which updated the County’s stormwater regulations. One major change in Ordinance 18257 was the requirement for Low Impact Development Best Management Practices (LID BMPs), for development projects that construct 2,000 square feet or more of new or replaced impervious surface or 7,000 square feet or more of land disturbing activity. While reviewing Ordinance 18257, Council determined that the Executive should consider ways to incentivize the use of LID BMPs, and added a report requirement in Section 25 of the Ordinance:

*“A. The executive shall transmit a report that identifies potential pilot projects to implement incentivizing the use of low impact development techniques. The report shall include:*

*1. Identification of a minimum of five pilot projects that further the goals of incentivizing the use of low impact development techniques; and*

*2. Evaluation of the pilot projects against the following criteria:*

*a. the policy goal the pilot project would achieve;*

*b. the anticipated costs of the pilot project and the expected impact on the surface water management fee rates;*

*c. the anticipated benefits of the pilot project, including benefits to water quality and to potential customers taking advantage of the pilot project;*

*d. identification and evaluation of measures to evaluate the effectiveness of the project, if implemented; and*

*e. the length of time to implement the pilot project.*

*B. The report and a motion accepting the report shall be transmitted to the council by August 31, 2016, in the form of a paper original and an electronic copy to the clerk of the council, who shall retain the original and provide an electronic copy to all councilmembers, the council chief of staff, the policy staff director, and the lead staff for the transportation, economy and environment committee, or its successor.”*

**ANALYSIS**

The Executive transmitted a report and motion responding to each component of the requirement in Ordinance 18257.

**A. Identification of Potential Pilot Projects to Incentive the Use of LID techniques.**

1. Identification of a minimum of five pilot projects.

The report identifies six potential pilot projects. Each of these projects would retrofit an existing, developed site, to introduce LID BMPs. Executive staff report that they looked at retrofit projects exclusively (and not new or redevelopment projects), because, “The Surface Water Design Manual already requires that LID techniques be implemented to the maximum extent feasible on new development and redevelopment projects.” The potential pilot projects include:

* Vashon Grocery Store Site – Install 1830 linear feet of "Limited Infiltration" trench
* Enumclaw Restaurant Site – Install a 2280 square foot "Rain Garden"
* Rural Private Airport Site – Install 800 linear feet of "Full Infiltration" trench
* Rural Church site – Install 268 linear feet of "Limited Infiltration" trench
* Typical Single-Family Residential – Rural – Install 91 linear feet of "Full Infiltration" trench
* Typical Single-Family Residential – Urban – Install 110 linear feet of “Limited Infiltration” trench

The report describes these types of projects:

* “Full Dispersion or Full Infiltration – Full Dispersion involves preserving forest area on 65 percent or more of the site and dispersing/spreading runoff into the forest area where it is retained and infiltrated by the spongy duff on the forest floor and/or consumed by the vegetation. Full Infiltration involves infiltrating the runoff from impervious surface via gravel-filled trenches or drywells.
* Limited Infiltration, Rain Garden (also called Bioretention), or Permeable Pavement – Limited Infiltration is like Full Infiltration, except it may be used where Full Infiltration is not feasible due to soils with low to moderate permeability Rain Gardens are small vegetated ponds that retain and infiltrate runoff. Permeable Pavement allows stormwater to pass through the pavement into a reservoir under the pavement where it infiltrates.”

2. Evaluation of the pilot projects

For each of the potential pilot projects, the report provides information on each of the criteria identified in the report. The report states that all of the projects achieve the goals of King County Comprehensive Plan Policy E-495, responding to the first evaluation criteria.[[1]](#footnote-1) Similarly, the water quality benefits and benefits to property owners are, “relatively consistent across projects, with some variation between sites. Generally, LID facilities help increase stormwater infiltration, recharge the local groundwater, and provide additional summer flow in local streams”. Further, each of the proposed projects has quantifiable performance measures, which are related to how well they function in controlling the flow of stormwater during storm events.

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| Project | Cost / Rate Impact | Implementation Time |
| Vashon Grocery Store | Capital: $191,800Annual: $250 | Construction: 1-2 weeks |
| Enumclaw Restaurant | Capital: $21,200Annual: $200 | Construction: 2-4 days |
| Rural Private Airport | Capital: $86,500Annual: $250 | Construction: 6-8 days |
| Rural Church | Capital: $35,400Annual: $ 250 | Construction: 2-4 days |
| Typical SFR – Rural | Capital: $14,600Annual: $250 | Construction: 2-4 days |
| Typical SFR – Urban | Capital: $17,500Annual: $250 | Construction: 2-4 days |

The report includes an evaluation of the time to recover the cost in three different scenarios: 1) under the current surface water management (SWM) rate discounts available, 2) using a 90 percent discount model (currently only available for projects that provide much greater stormwater runoff control than can be achieved by using only LID BMPs), and 3), assuming the County pay 50 percent of the cost of the project and apply a 90 percent discount. Only under this third scenario does the “recovery period begins to approach a point at which it may serve as a financial incentive to a property owner”.

**Grant Program**

The County has a grant program in place for non-residential properties that would pay up to $20,000 to convert impervious surface to pervious surface. Since the program was created in 2001, no property owner has applied for funding. The report states that “staff believe that a higher grant cap and a greater degree of cost share would spur more interest in an expanded grant program”. The report states that the 2017/2018 biennial budget proposal for Surface Water Management will include a $250,000 pilot program for cost sharing stormwater retrofit projects, focusing on these six properties, to “assess at what level of participation of cost-share we can successfully incentivize investments in LID Technology”.

The report states that this pilot grant program would begin in the first quarter of 2017, and run through the biennium. If successful, the report states that a revised grant program would be launched in the next biennium (in 2019), pending Council approval of a budget proposal and program requirements.

**2017-2018 Biennial Budget**

The Council adopted the 2017-2018 Biennial Budget[[2]](#footnote-2) on November 14, 2016. One of the revenue ordinances to implement the budget was Ordinance 18401, which adopted new SWM fees for all properties within unincorporated King County. The SWM fees proposed by the Executive, and the budget for SWM, anticipated the grant program identified by this report.

The SWM fee increase proposed by the Executive was reduced by Council (from a 50 increase to a 40 percent increase for a single-family residential parcel). As a result, the budget for SWM will need to be reduced by $2.2 million over the biennium. Of this, $1.2 million was unallocated in the budget. Executive staff report that the grant program is still intended to be funded at the level proposed in the budget, of $250,000 for the biennium.

**ATTACHMENTS**

1. Proposed Motion 2016-0471 with attachments
2. Transmittal Letter
3. Fiscal Note

**INVITED**

* John Taylor, Acting Division Director, Water and Land Resources, DNRP
1. In the adopted 2012 KCCP: “E-495 King County should protect groundwater recharge quantity by promoting low impact development and other methods that infiltrate runoff where site conditions permit and where pollution source controls and stormwater treatment can prevent potential groundwater contamination.” [↑](#footnote-ref-1)
2. Ordinance 18409 [↑](#footnote-ref-2)