



**FINANCE DEPARTMENT
MEMORANDUM**

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TO: MAYOR J. LEHMAN AND MEMBERS OF COUNCIL

FROM: E. CHEN, STORMWATER CLIMATE ACTION FUND PROJECT MANAGER, EXT. 4454

NOTED: C. MILLAR, DIRECTOR OF FINANCE AND TREASURER

D. MCALPINE, GENERAL MANAGER OF COMMUNITY AND CORPORATE SERVICES

M. PROWSE, CHIEF ADMINISTRATIVE OFFICER

RE: STORMWATER CLIMATE ACTION FUND – REQUEST FOR ADDITIONAL INFORMATION FROM FINANCE AND CORPORATE SERVICES COMMITTEE MEETING HELD JANUARY 25, 2022

DATE: FEBRUARY 7, 2022

The purpose of this Memorandum is to provide members of Council with clarification and additional information on the impacts of the Stormwater fees to various commercial property sizes and uses.

At the Finance and Corporate Services Committee meeting held on January 25, 2022, the Committee approved the recommendation in the Report to the Finance and Corporate Services Committee dated January 25, 2022, concerning the Stormwater Climate Action Fund.

However, additional clarification was requested of City staff to provide details of potential fee amounts for various sizes of commercial properties within the City of Barrie. City staff used the following examples from the modeling data and their associated potential stormwater fee:

| Property type | Imp Area (sq m) | Contributions From Taxes (Stormwater portion) | Billing Units | Estimated Stormwater Fee | Difference |
|---|-----------------|---|---------------|--------------------------|------------|
| Downtown Restaurant #1 | 370 | \$1,050 | 1.57 | \$202 | -\$848 |
| Downtown Restaurant #2 | 226 | \$449 | 0.96 | \$124 | -\$325 |
| Big Box Store (Small Impervious Area) | 70,798 | \$28,012 | 300 | \$38,699 | +\$10,687 |
| Big Box Store (Medium Impervious Area) | 115,151 | \$63,458 | 488 | \$62,943 | -\$515 |
| Commercial Mall (Large Impervious Area) | 199,052 | \$114,663 | 843 | \$108,804 | -\$7,038 |
| Vehicle Dealership #1 | 20,265 | \$4,110 | 86 | \$11,077 | +\$6,967 |
| Vehicle Dealership #2 | 39,699 | \$4,837 | 168 | \$21,699 | +\$16,862 |
| Parking Lot | 10,927 | \$ - | 46 | \$5,973 | +\$5,973 |



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Properties Included:

In addition to the small, medium, and large commercial properties, City staff also included properties that reside in Downtown Barrie (restaurants), vehicle dealerships and parking lots to provide additional context to members of General Committee around the impacts to businesses within the City. The restaurants chosen were based on their address and proximity to the City's downtown area.

From the table above, with the implementation of the stormwater charge, the Big Box Store (small impervious area) would pay \$28,012 less in property taxes. The same property would pay a stormwater charge for their impervious area totaling \$38,669. This particular property located in the North end of Barrie, is a well-known Multi-National Big Box Retail chain. In this example, shifting the funding of stormwater services from property taxes to a Stormwater Fee, will result in an increased net cost of \$10,686 to the property owner, who would now be paying based on the impervious area of their property, as opposed to the assessed value of their property.

Summary

Based on the new impervious area model, the fees would be linked to usage. If a property contributes more to stormwater runoff, then they would contribute proportionally. Solidifying the link between stormwater usage to size of impervious areas like rooftops, driveways, and parking lots.

As noted in the staff report, currently residential property owners are paying 75 per cent of the costs but residential properties comprise 54 per cent of the City's impervious areas. Therefore, residential property owners are overcontributing to the costs of stormwater management. Conversely, non-residential properties are paying 25 per cent of the costs but comprise 46 per cent of the City's impervious area. The recommended Stormwater Climate Action Fund reduces the costs for residential property owners to reflect the impervious area share of 54 percent. Non-residential costs would increase to reflect the impervious area share of 46 per cent.

In summary, in addition to improved environmental protection, the new funding model will provide a more fair and equitable way to fund the City's stormwater related activities for the residents of Barrie.