

Howard County Commercial Stormwater Solutions (CSS) Work Group

August 17, 2016

9:00AM – 11:00 pm

Attendees:

Work Group: Carl Gutschick, Leonardo McClarty, Cole Schnorf, Mark Southerland (chair)

Staff: Jim Caldwell (OCS—Director), Lindsay DeMarzo (OCS – staff for the work group)

Introductions

Mark Southerland opened the meeting with a reminder that the work group is working toward a final report to be submitted to the County Executive and County Council on September 30. To that end, Mark S and Lindsay provided a strawman document for review prior to the meeting.

Discussion

The group made the following comments related to the strawman:

- Review and comments by Chip Doetsch and Peter Mangione are important because they represent owner-occupied, commercial properties, which might have a different perspective than leased properties. We should determine how many of each type of property there is in the county.
- We should determine the cost of adding a permit reviewer to handle stormwater projects. [Note that Anne Arundel County recently announced the launch of the expedited review program that allows citizens to hire, at their own expense, certified private sector engineers to review land use construction plans. The results of an expedited review will be verified by the county on an accelerated basis and approved by county staff.]
- The members agreed that a stormwater credit program based on extensive redevelopment, such as described last meeting for DC, would generally only be applicable to Downtown Columbia and Main Street Ellicott City, and would not be the basis of the countywide program. Current regulations for Downtown Columbia require management of stormwater on site.
- Regulations for redevelopment in Howard County require that 50% of final impervious on site be managed for stormwater. Montgomery County requires that 100% be managed. We should determine if this has reduced the amount of redevelopment in Montgomery County.
- To date Montgomery County has constructed all its stormwater projects on public land, which contributes to it being more expensive and not meeting the permit deadline.
- Because it is difficult to get individual property owners who are not planning to redevelop to construct stormwater projects on their land, it is more practical to look for existing stormwater ponds that can be enhanced. An aggregator approach with competitive bidding may be the most

efficient for this. [Note that DC Stormwater Reduction Credit program is providing \$500,000 to a consultant to identify promising commercial properties for stormwater projects.]

- Prince George’s County Public Private Partnership (P3) program (Clean Waters Partnership) managed by Corvias was created because the County believes that private construction will be more timely and cost-efficient than government construction. The program is using simple, standard designs of different stormwater project types to accelerate implementation.
- Given that the costs of design of a stormwater project are small relative to construction costs, it may not be a cost savings to combine these into design-build.
- Investor-owned properties must maintain a return on investment that limits their ability to contribute financially to stormwater projects. Therefore, it is likely that all such properties would require that design and construction of stormwater projects be reimbursed 100%.
- The group agreed that a turnkey program like the existing Howard County nonprofit stormwater program would be a good model for the County’s commercial program. The County has an inventory of projects from its current watershed plans that could be used by bidders to propose costs to treat impervious acres on commercial properties. They also stated that the program does not need to allow the contractor to receive full payment for 90% of the treated acres bid; it would be up to the contractor to budget his risk when expecting payment prorated to the final acres treated.
- The group agreed that a fee reduction or tax incentive would likely be needed rather than simply recognition of their efforts with “green certification.”
 - Tax incentive option could be similar to that applied to LEED buildings
 - The group had earlier discussed the possibility that commercial owners could depreciate the stormwater facility on their taxes. [Note NRDC is currently in discussions with Department of Treasury as to the tax rules applying to stormwater projects on private property that provide for the public good.]
 - Another option would be to allow construction of a stormwater project on a nonprofit property as a charitable donation for tax purposes
 - It was also stated that the County should not be expected to pay for construction of the project and reduce or eliminate the stormwater fee on the property. The public would likely see this as special treatment for the commercial sector.
 - This might be addressed by providing a stormwater fee reduction in exchange for owner maintenance of the stormwater project.
 - Another option open to the County is to create regulations that mandate stormwater management of legacy impervious on commercial and/or residential properties

- In any case, extensive education of property owners should be undertaken on the needs to manage stormwater and the benefits it provides to individuals and the community
- It is important for the County to balance its revenues against incentives so that it can accomplish its program. The estimated shortfall of \$88M (\$40M fee income vs. \$128M costs over 5 years of the permit) is likely to be considerably larger, since the cost of stormwater projects will increase above the \$65,000 per treated acres used in the estimates, as the easiest to manage sites are completed.
- It was stated that the report should include a discussion of the possible outcomes for the County, commercial sector, and community of NOT meeting the MS4 permit requirements. Currently EPA is negotiating a consent decree with Montgomery County, which did not meet its MS4 permit requirements. Potential consequences include the following:
 - Daily fines on Howard County
 - Withdrawal of federal and state highway funding to Howard County
 - Reduction or elimination of new construction permits in Howard County
 - Imposition of individual stormwater permits on commercial properties
 - Creation of special protection areas with stricter stormwater regulations.

Logistics

The group agreed that a second meeting to discuss the strawman was needed to accommodate more members of the work group in early September. The final meeting to discuss the draft report will be rescheduled from just after Labor Day to later in September. Lindsay sent out a doodle scheduling poll and accommodated 9 of the 11 members for each meeting, which are now scheduled for Sept 2 (10am) and 21 (2pm).

Mark S and Jim will be presenting the results of the work group at the Chesapeake Watershed Forum on October 1 and are soliciting participation by other members of the work group. Please contact Mark S if you are available.

Closing

The meeting adjourned at 11:00 pm.