



## Fiscal Estimate Narratives

DNR 5/23/2007

LRB Number	<b>07-2113/3</b>	Introduction Number	<b>AB-0341</b>	Estimate Type	<b>Original</b>
<b>Description</b> Imposing fees for acquiring public park land, dedicating storm water treatment facilities to the public, changing the time relating to when impact fees must be paid and used, and regulating the costs of certain professional services provided through a political subdivision					

### Assumptions Used in Arriving at Fiscal Estimate

This bill requires municipalities (i.e., cities and villages) to accept the long-term maintenance cost of storm water treatment practices if a developer identifies on the plans that these practices are areas dedicated to the public and turns over the practices in good condition. The principal storm water treatment practices that serve more than one property include detention ponds and infiltration basins.

### FISCAL EFFECT

The bill has no state fiscal effect.

For local governments, the bill will increase costs for municipalities for long-term maintenance of storm water treatment practices as well as basic administrative costs for local governments that currently do not have a storm water management program. These additional costs will have to be absorbed by municipalities since there is no state aid for storm water maintenance or administrative costs.

The primary source of information that was used for calculating this fiscal estimate is a 1991 document published by the Southeastern Wisconsin Regional Planning Commission, titled "Costs of Urban Nonpoint Source Water Pollution Control Measures".

### ASSUMPTIONS:

1. Approximately 8,000 residential acres and 2,000 non-residential acres are developed each year.
2. It is assumed that developers will transfer 100% of storm water treatment practices for new development to municipalities if given the opportunity to do so.
3. Storm water detention ponds typically comprise 3% of the area of development (includes quality and quantity treatment) and cost \$72,000/acre to construct.
4. Maintenance costs for detention ponds are 3% of capital cost/yr in residential development and 6% of capital cost/yr for non-residential development. The higher percentage for non-residential takes into account the likelihood that sediment from non-residential detention ponds will have to be disposed at a landfill.
5. Infiltration basins typically comprise 1% of residential development areas and 2% of non-residential development areas and cost approximately \$100,000/acre to build.
6. Maintenance costs for infiltration basins are estimated to be \$2,500/acre.

### RESIDENTIAL DEVELOPMENT ESTIMATES

Estimated Annual Capital Costs (used as basis to estimate maintenance costs)

1. Detention ponds: 8,000 acres X 3% of the area for detention ponds = 240 acres of detention ponds X \$72,000/acre = \$17,280,000.
2. Infiltration basins: 8,000 acres X 1% of the area for infiltration basins = 80 acres of infiltration basins X \$100,000/acre = \$8,000,000.

Estimated Annual Maintenance Costs

1. Detention ponds: \$17,280,000 for ponds X 3%/ yr for maintenance = \$518,400/yr statewide to maintain detention ponds
2. Infiltration basins: 80 acres of infiltration basins X \$2,500/yr/acre = \$200,000/yr statewide to maintain infiltration basins

### NON-RESIDENTIAL DEVELOPMENT ESTIMATES

Estimated Annual Capital Costs (used as basis to estimate maintenance costs)

1. Detention ponds: 2,000 acres X 3% of the area for detention ponds = 60 acres of detention ponds X

\$72,000/acre = \$4,320,000.

2. Infiltration basins: 2,000 acres X 2% of the area for infiltration basins = 40 acres of infiltration basins X \$100,000/acre = \$4,000,000.

#### Estimated Annual Maintenance Costs

1. Detention ponds: \$4,320,000 for ponds X 6%/yr for maintenance = \$259,200/yr. statewide to maintain detention ponds

2. Infiltration basins: 40 acres of infiltration basins X \$2,500/yr/acre = \$100,000/yr. statewide to maintain infiltration basins.

#### TOTAL RESIDENTIAL AND NON-RESIDENTIAL MAINTENANCE COST ESTIMATES

1. \$518,400/yr. for maintaining residential detention ponds

2. \$200,000/yr. for maintaining residential infiltration basins

3. \$259,200/yr. for maintaining non-residential detention ponds

4. \$100,000/yr. for maintaining non-residential infiltration basins

5. Total of \$1,077,600/yr. for maintenance of residential and non-residential storm water treatment practices.

#### PRESENT COST CALCULATION

The aforementioned cost estimates are based on 1991 dollars, so an adjustment is made to inflate the costs to 2007 levels. Using the McGraw Hill/ENR building construction index, it is estimated that construction-related costs increased a total of 66% from 1991 to 2007. Therefore, the estimated \$1,077,600 in storm water maintenance costs in 1991 dollars translates to \$1,794,200 in 2007 dollars (\$1,077,600 X 66% increase).

Therefore, it is estimated that the bill would increase storm water maintenance costs for municipalities by \$1,794,200 annually.

The bill would also increase administrative costs for municipalities that accept the long-term maintenance of storm water facilities but do not currently have a storm water management program in place. The U.S. Environmental Protection Agency estimates the cost to develop a storm water management program at \$8.90 per household per year.

#### Long-Range Fiscal Implications

Assuming that 10,000 additional acres per year will be developed (8,000 residential + 2,000 non-residential) and that annual maintenance costs increase each year, municipalities will need to allocate additional funds in the future to allow for increases in storm water maintenance costs.

## Fiscal Estimate Worksheet - 2007 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

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<b>Description</b> Imposing fees for acquiring public park land, dedicating storm water treatment facilities to the public, changing the time relating to when impact fees must be paid and used, and regulating the costs of certain professional services provided through a political subdivision			
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>			
<b>II. Annualized Costs:</b>		<b>Annualized Fiscal Impact on funds from:</b>	
		Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>			
State Operations - Salaries and Fringes		\$	\$
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
<b>TOTAL State Costs by Category</b>		<b>\$</b>	<b>\$</b>
<b>B. State Costs by Source of Funds</b>			
GPR			
FED			
PRO/PRS			
SEG/SEG-S			
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</b>			
		Increased Rev	Decreased Rev
GPR Taxes		\$	\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
<b>TOTAL State Revenues</b>		<b>\$</b>	<b>\$</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>			
		State	Local
NET CHANGE IN COSTS		\$	\$1,794,200
NET CHANGE IN REVENUE		\$	\$
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
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