



MAYOR & COUNCIL COMMUNICATION

December 20, 2022

Subject: Continuation of Green Stormwater Infrastructure Fee and Storm to Shade Program (City Wide)

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Issue – As discussed during today's Study Session, staff seeks Mayor and Council authorization to continue the Green Stormwater Infrastructure (GSI) Fee adopted in February 2020, and to continue the Storm to Shade Program supported by the GSI Fee.

City Manager's Office Recommendation – The Mayor and Council are respectfully requested to adopt the attached ordinance, which memorializes the Mayor and Council's direction to remove the expiration date of the GSI Fee within City Code, and directs staff to carry out the public notice requirements and to prepare an ordinance to amend Tucson Code.

Background – On February 5, 2020, Mayor and Council established a GSI Fee to be issued to City residents and businesses via the Utility Services Statement, with revenues to be accumulated in a dedicated GSI Fund for the purpose financing the construction and maintenance of GSI projects citywide. The GSI Fee and Fund were approved as a pilot from April 2020 through June 2023. The implementation of the GSI program (now known as Storm to Shade) was delayed by the COVID-19 pandemic, with the program's first staff member (GSI Program Manager) hired in January of 2021.

Exhibit A provides a report on the status of the GSI program, the GSI Fund, and the program's accomplishments as of September 30, 2022. Time is reserved during the Study Session of this same day (December 20, 2022) for Mayor and Council to discuss and provide direction to staff regarding the administration of the program.

Present Considerations – Approval of the attached ordinance will direct staff to carry out the steps required to remove the sunset date of the GSI Fee and establish Storm to Shade as a permanent City program.

Plan Tucson Considerations – This proposal addresses sixteen policies in the areas of *Public Safety; Public Health; Water Resources; Energy and Climate Readiness; Green Infrastructure; and Land Use, Transportation, and Urban Design*, as detailed in Attachment B.

Financial Considerations – The GSI Fund is a separate fund consisting of those assets set aside for the purpose of financing, initiating, and operating the GSI Program. This fund consists of accumulated revenue generated by a GSI Fee as established by the Mayor and Council and any interest earned thereon, consistent with limits and controls placed on fund interest by other provisions of the City Charter, the City Code, State law, and Federal law. The GSI Fee appears in Section 27-55 of the Tucson City code.

The Director of Finance is the custodian of all the GSI Fund's assets. Payment from the fund is made by the Director of Finance on demands prepared by City staff and authorized by the City Manager or City Manager's designee for purposes of funding the GSI Program.

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Monies in the GSI Fund are deposited in the City of Tucson's Investment Pool, which is a pool of all City receipts that is invested by the Finance Department to provide interest on those receipts while still allowing liquidity in each fund.

Any balance in the GSI Fund at the end of any fiscal year shall remain in this fund to be available for future authorized uses. Any shortages in the GSI Fund at the end of any fiscal year shall be debited from the City's General Fund. The Director of Finance is responsible for maintaining a system of accounts for the funds in accordance with generally accepted accounting principles.

The GSI Fee is issued only to residents and businesses within City limits via the Utility Services Statement, at a rate of \$0.13 per Ccf of water usage. Utility customers within the City who do not have water charges on their bill are charged based on their sewer winter quarter average, or an average water use for their Environmental Services customer class.

Legal Considerations – The attached Ordinance memorializes the Mayor and Council's direction to remove the expiration date of the GSI Fee within City Code, and directs staff to carry out the public notice requirements and to prepare an ordinance to amend Tucson Code. Upon completion of the public notice process, staff will schedule an item on a future Mayor and Council Regular Session agenda for adoption of the Code amendment removing the June 30, 2023 sunset date.

Respectfully submitted,



Timothy M. Thomure, PE, ENV SP
Assistant City Manager

TT/JK/JM
John Kmiec, Director, Tucson Water

Attachments: A: Storm to Shade Pilot Program Report
B: Plan Tucson Policies Addressed by GSI
Ordinance