

ENGINEERING SERVICES

# Stormwater Replacement Fund

Presentation to the Development  
Services Advisory Committee

June 9, 2022



Raleigh





# Stormwater Replacement Fund

City of Raleigh Unified  
Development Ordinance  
Section 9.2.2.G.3 outlines:

- Fund description
- Fund purpose
- Limitations on use
- How funds are expended and recouped



RALEIGH,  
NORTH CAROLINA

Part 10:  
**Unified  
Development  
Ordinance**

19TH SUPPLEMENT

INCLUDES ORDINANCE:  
353-TC-465, TC-15-21, MAR. 15, 2022

PUBLISHED MAY, 2022

ADOPTED: FEBRUARY 18, 2013



# Stormwater Replacement Fund

## Funding

At the time of either recording a subdivision plat or issuance of a building permit for a lot not established by subdivision, whichever event first occurs, the developer shall pay to the City a stormwater facility replacement fund payment, which payment shall equal 24% of the estimated cost\* of constructing all stormwater control facilities shown on applicable development plans.

\*Note: estimated cost provided by development engineer.



# Stormwater Replacement Fund

## Purpose

The purpose of the stormwater replacement fund is to ensure that adequate funds are available to the City for the maintenance, repair replacement and reconstruction of stormwater control facilities required by this UDO. Funds expended from the stormwater facility replacement fund shall be used only for the repair, maintenance, reconstruction and/or replacement of stormwater control facilities, together with the costs incurred by the City associated with any work and/or redesign of the facilities.



# Stormwater Replacement Fund

## Limitations on Use

No funds from the stormwater facility replacement fund shall be used for administration of this fee program. Monies collected from the stormwater replacement fund may be spent for maintenance, repair, reconstruction and replacement of any stormwater control facility required by this UDO and located within the City limits or its extra territorial jurisdiction.



# Stormwater Replacement Fund

## Expending, Recouping Funds

Monies expended from the stormwater facility replacement fund, together with interest, may be recouped by the City from lot owners served by stormwater control facilities maintained, repaired, reconstructed and replaced by the City or its contractors. All recouped monies and interest shall be returned to the stormwater facility replacement fund.



# Stormwater Replacement Fund

## Construction Security Also Needed

The payment of stormwater facility replacement fees is not intended as a substitute for security to ensure the construction of the facilities, which security may be required at such point in the development process as specified in City ordinances and policies.



# Stormwater Escrow Fund Summary

**City of Raleigh**  
**Stormwater Escrow**  
**Prepared 6.2.22**

Balance reported in ACFR 6.31.21	\$	19,459,099	Stormwater Replacement 16,482,632	Erosion Control Surety 1,333,370	BMP Surety 1,643,096
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This figure is shown as a liability on the balance sheet for the stormwater utility

ACFR - Annual Comprehensive Financial Report, City of Raleigh Website

<https://raleighnc.gov/services/government/annual-comprehensive-financial-report>





# Stormwater Replacement Fund

## Applicability in Raleigh

- Raleigh has about 2,600 SCMs in its jurisdiction.
- Replacement fund balance = \$19.1 M
- Replacement fund average per SCM = \$7,350
- Replacement/rehabilitation cost of SCMs = \$25,000 - \$250,000



# Other Communities – Surety Practices

City	Replacement Fund Fee (In Effect Post-Construction)	Surety or Bond (In Effect Until Construction is Complete)
Durham	20 times the annual SCM maintenance costs or 25% of the SCM construction costs	none
Charlotte/Mecklenburg	5% of 20-year maintenance incl. replacement cost must be in escrow account for owner/HOA	Installation Bond (Letter of Credit, Cash Bond, Surety Bond) at 125%; Maintenance Bond for first 2 years at 30% +\$10,000
Wake Forest	Calculated by present value of an annuity of perpetual duration based on a reasonable estimate of the annual cost of inspection, operation and maintenance of the BMPs approved under the permit.	110% of cost estimate
Cary	Evergreen letter of credit renewed annually for 15% of the construction cost of the device.	none
Morrisville	30% of construction cost estimate	125% of construction cost est



# Questions & Discussion