



Using Incentives to Promote Green Stormwater Practices

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Incentive Goal

Increase the Use of Green Infrastructure

- By **Developers**, who care about
 - regulatory risk, construction costs, and property sales
- By **Property Owners**, who care about
 - monthly infrastructure fees
 - property taxes
 - ease of operation and maintenance

Incentive Strategies

- 1. Increase developer's revenues**
- 2. Reduce costs to developer and property owner**
- 3. Reduce developer's risks**

Increase Developer's Revenues

- *Market Incentives*
 - Less gray infrastructure
 - More buildable lots
 - Lower costs per lot
 - Higher market value per lot
- *Incentives that target new construction*
 - Increased floor-area ratio (FAR)
 - Increased lot density

Less Gray Infrastructure

Example system savings:

- Narrow streets, sidewalks
- Fewer curbs and gutters
- Shorter sewer, water, road, and other utility connections

2nd Ave. SEA Street, Seattle

Narrower street width and fewer sidewalks reduced paving costs by 49%.



More Buildable Lots

Somerset Subdivision, MD

Eliminated a stormwater pond,
added six additional lots.

Gap Creek Subdivision, AR

Cluster development and LID
techniques allowed developers
to add 17 additional lots.



Lower Costs, Higher Value

Gap Creek Subdivision, AR

Lots sold for \$3,000 more,
cost \$4,800 less to develop
than conventional lots.

Mill Creek Subdivision, IL

Clustered site design, swales
and reduced impervious surfaces
saved about \$3,500 per lot.



New Construction Bonuses

Portland FAR Bonus

Greenroof on 60% of roof
Builders may add 3 sf of floor area per 1 sf of greenroof.

Sammamish Density Bonus

LID techniques earn points that builders can use to increase site development density or building height.



Reduce Costs to Developer and Property Owner

- *Direct subsidies for materials, construction*
 - Construction subsidy
 - Cost-share program
 - Discounts on local materials
- *Reduce permit and development fees*
- *Reduce stormwater fees*
- *Reduce taxes*

Construction Subsidy

Some cities pay builders a direct monetary subsidy when they install a greenroof.

Portland: \$5.00/SF

D.C.: \$3.00/SF (pilot project)

Chicago: \$5,000 grant

Toronto: \$5.00/SF



Cost-Share and Rebates

King County pays 50% of costs up to \$20,000.

Puget Sound Partnership has suggested giving a one-time incentive for purchasing *local* materials used in LID construction.

Austin, Chicago, and Santa Monica give **discounts or rebates** for home installation of green infrastructure.



Reduce Development Fees

System Development Credit

Some cities provide discounts to offset the charges for new development, if builder uses LID.

Bellingham, WA: 50% credit by meeting minimum LID threshold.

Gresham, OR: Partial fee credit, contingent on proper O&M.



Reduce Stormwater Fees

Many cities that collect SW fees offer incentives that waive part of the fee in exchange for using green infrastructure.

Portland (up to 100% on-site fee)

Gresham (up to 27%)

King County (up to 25%)

Philadelphia (up to 50%)

Minneapolis (up to 50%)



Reduce Taxes

NY City Property Tax Credit

Building owners who install a greenroof on 50% of rooftop earn a one-year property tax credit up to \$100,000.

MD Green Building Tax Credit

Green-build credits offset property taxes. If credits > taxes, can carry forward excess credits for 10 years.



Reduce Developer's Risks

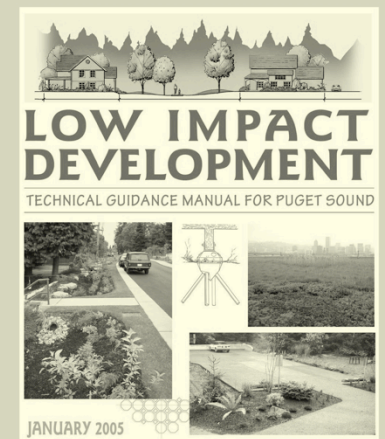
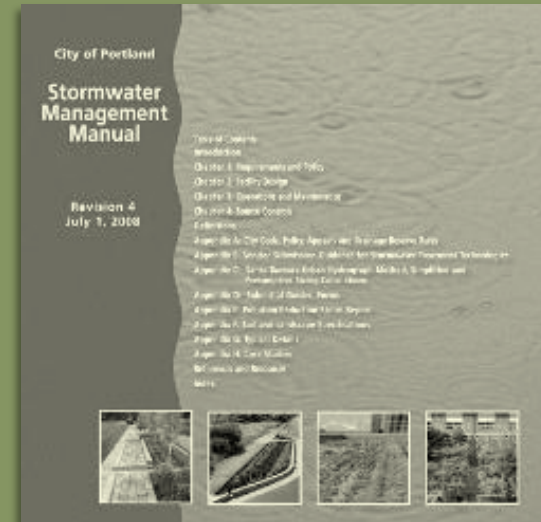
- Coordinate regulations, stormwater manuals, and engineering standards to include green infrastructure
- Streamline permitting and inspection process
- Educate public and professionals on benefits of green infrastructure

Coordinate Regulations

Regulatory barriers are commonly cited as impediment to green infrastructure.

Cities can reduce risk by

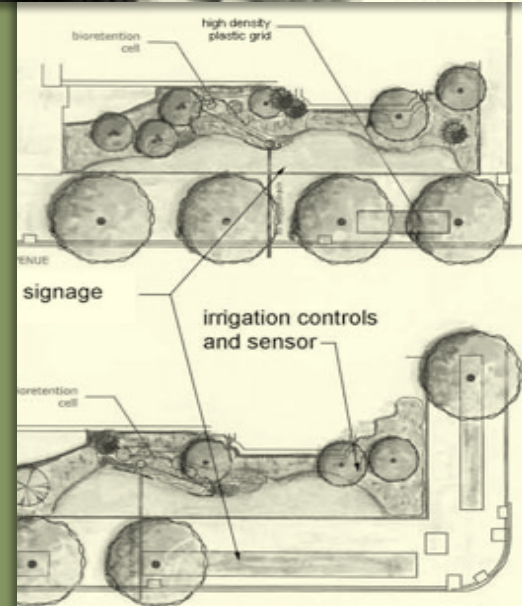
- Adopting model ordinances
- Approving SW manuals and engineering standards that include green infrastructure



Streamline Permitting

King County provides a dedicated “Green Track” for LID projects, assigned to permitting staff with expertise in LID.

Ashburnham, MA has created a simplified permit process for residential projects using LID.



Education

Educating professionals and public on green infrastructure can help raise awareness and reduce uncertainty.

Orange, MA Riverfront Park
Created an LID “Outdoor Classroom”

California Coastal Commission
LID Outreach and Training Initiative



Things to Consider

- Green infrastructure will be most successful if it's market-driven.
- Use a mechanism that's already in place.
 - Existing permit and fee programs
 - Familiar and easier to administer
- Not one size fits all.

Municipality Perspective

- Reduced revenues (fee discounts) vs. reduced infrastructure costs (construction and O&M)
- Increased staff time (expedited permitting) vs. reduced infrastructure costs
- LID benefits beyond reduced infrastructure costs

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See handout for additional resources.