

Innovative Financing for Green Infrastructure

Tuesday, November 4th, 2014 1:00 – 2:30pm EST

Speakers:

- Jennifer Cotting, Research Associate, Green Infrastructure, Environmental Finance Center, University of Maryland
- **Deron Muehring**, Civil Engineer, City of Dubuque, IA
- Lori Beary, SRF Coordinator, Iowa Finance Authority

Sponsored by U.S. EPA Office of Wastewater Management

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Webcast Agenda

Introduction

- An Overview of Green
 Infrastructure Financing,
 Jennifer Cotting
- The Bee Branch Watershed
 Flood Mitigation Project,
 Deron Muehring
- Water Resource Restoration
 Sponsored Projects,
 Lori Beary
- Q&A session
- Wrap up





Now to our speakers!

Green Infrastructure Financing: Innovative Ideas and Emerging Trends

November 4, 2014

University of Maryland Environmental Finance Center www.efc.umd.edu



The Environmental Finance Center

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The EFC: Who are we?



Applying a financing lens across sectors . . .

- **Technical Assistance**
- Stormwater
- Green Infrastructure
- Agriculture
- Air Quality
- Climate & Energy
- Sustainability
 - Program & Policy Analysis



Green Infrastructure: EFC's Point of View

A resource management approach with the capacity to:

- Reduce implementation costs
- Deliver benefits that serve multiple community priorities
- Engage the private sector
- Spur behavior change through the marketplace
- Provide return on investment to local economies



Telling the financing story through the use of graphics



1/8 cent

sales tax



properties



Non-residential based on amount of runoff



Stormwater Recreation Less Floodi

Core project was creation of a 35-acre lake and 240 acre park that serves multiple community priorities



Additional focus on engaging private property owners through voluntary programs like:

Kansas Healthy Yards certification program free technical assistance for rain barrel installation



between 2000-

2010

DEVELOPED BY THE ENVIRONMENTAL FINANCE CENTER ALL REFERENCES AVAILABLE ON OUR WEBSITE WWW.EFCUMD.UMD.EDU October 2014

Twenty communities Diverse drivers, geography, scales, approach



Green Infrastructure Finance: Components

Successful green infrastructure financing tends to rely on:

- A consensus driven plan
- Strong leadership and leading by example
- Leveraging multiple financing mechanisms
- Collaboration with a network of partners
- Careful communications, messaging , and outreach
- Making the business case for green infrastructure
- Incentivizing participation from the private sector



Community Examples

Developing a Plan

PITTSBURGH, PA

Location: Three Rivers Watershed Area: 58 square miles Founded: 1717 Population: 306,211

LONG RANGE PLANNING

As little as 1/10 of an inch of rain can overwhelm the system and cause a sewage overflow! Like many US cities, Pittsburgh has a combined sewer system subject to regulations designed to reduce overflows and improve local water quality

GREENING THE PITTSBURGH WET WEATHER PLAN An integrated watershed approach that . . .

is the result of a consensus-building process where nonprofits and public and private sector representatives devoted more than **1000** hours to discussion and plan development

promotes green infrastructure and adaptive management to deliver greater benefits to the City

recommends PWSA take on a leadership role, engage partners to expand capacity, and create a utility to provide a dedicated revenue stream

SPOKANE, WA

Location: Spokane River Watershed Area: 60 square miles Founded: 1871

Population: 209,525

INTEGRATED CLEAN WATER PLAN

City plan is addressing stormwater and wastewater simultaneously to improve Spokane River water quality

Plan looks to incorporate green practices into all City infrastructure projects to reduce costs

Around 1 billion gallons of untreated stormwater enters the Spokane River from storm drains each year

Also in Pittsburgh:

- Guidance on reuse of vacant lands
- Pilot projects that help communities visualize solutions

Also in Spokane:

- Urban tree initiative
- Stormwater utility
- SRF funding

Leadership and Setting the Example



Also in Chicago:

- Coordination with school system and DOT
- CNT partnership engages residents and businesses

I ocation Gila River Watershed **TUCSON, AZ** Area: 350.2 square miles 1718 Founded Population: 343.829 GREY AND GREEN The City is integrating green By considering where green infrastructure into: infrastructure can fit into existing capital projects 🚓 Curb cuts and basins in right of ways Tucson has made GI Chicanes, medians and traffic circles the norm for their roadways and other Street width reductions projects Parking Lots

Also in Tucson:

- Action plan for water sustainability
- LID & GI guidance manuals
 - Estimating value of benefits

Leveraging Multiple Financing Mechanisms



Cesar Chavez Groundwater Improvement

This repurposed landfill site is now home to a

Other funds included . .

\$ Urban planning grants

- \$ Waste Management Board funds 🔳
- Capital Improvement spending

acre recreational complex that includes





Also in Omaha:

- Watershed fee
- Grants
- World O! Water
- Ordinances



Partnership and Collaboration

Also in Puyallup:

- Planning for future growth
- Incentivizing residential BMPs



Communications and Outreach



MAKING NORFOLK MORE RE

Downtown Norfolk Normal tides in Norfolk have risen experiences 11/2 feet over the past century! routine flooding . even in the absence of weather events

Also in Norfolk:

- Stormwater utility, regional planning, and urban tree canopy
- Also in Warrington:
- Other grants, partnerships, leveraging local priorities

WARRINGTON, PA 13.8 cauaro milos Foundad 1734 Population: 17.580 **OPEN SPACE REFER Residents voted to borrow** To be repaid through a small property tax increase _EVERAGING FOR GREA Frants \$350.000 from **Bucks County and Partnerships** pursuing grants and other funding Partnering with the land trust community can programs expand capacity and reduce the burden to the stretches local Township dollars further Stormmater reen Irastructure Considering open space planning in the context of other community priorities such as stormwater Quality of life requirements and economic development goals can create efficiencies and reduce implementation costs www.efc.umd.edu

Bucks County PA



Engaging the Private Sector

BINGHAMTON, NY

Location: Broome County, NY Area: 11.14 square miles Founded: 1867 Population: 46,551

AURORA, IL

Location: Fox River Area: 39.38 square miles Founded: 1837 Population: 199,963

INCENTIVIZING INVESTMENT River Edge Redevelopment Zone

Zoning overlay along Fox River provides state & local tax credits for locating businesses or development, creating jobs, or remediating environmental hazards in the area

RiverEdge Park

5 million in grants leveraged

for 30-acre, \$18.5 million park at the core of the 10-year revitalization plan⁴⁴ offering public space and natural areas for entertainment and recreation

www.efc.umd.edu

SHARING THE COST ... of green stormwater projects with residents and businesses

STORMWATER MANGEMENT FUND

NFWF sponsored program where the City splits the cost of GI projects with developers and landowners up to \$25,000 for going above and beyond the required level stormwater management



GREEN STORMWATER AND LANDSCAPING Matching fund

Local foundation sponsored program where the City provides matching funds for residents, nonprofits, and small businesses who want to install small-scale GI practices such as rain gardens, rain barrels, shade trees, and pervious paving



What's Next ?

Creative Use of the SRF

SPOKANE, WA

Location:	Spokane River Watershed			
Area:	60 square miles			
Founded:	1871			
Population:	209,525			

AWARD WINNING SURGE SRF PROJECT CGO OOD from the Department of Ecology's

\$599,000 from the Department of Ecology's Water Pollution Control Revolving Fund

for the SURGE project which created

rain gardens

HALF = 20-year low interest loan HALF = forgiven loan drainage structures

Usq yards of pervious sidewalk

Emerging Bond Markets

Also in the District:

- Stormwater utility
- Credit trading program
- Technical support for residential BMPs



Regionalization

LONG CREEK, ME

Location: Long Creek Watershed Area: 3.45 square miles

SHARED PLAN. SHARED PERMIT

Long Creek Restoration Plan

The Long Creek Restoration Plan was the result of the two-year collabortive effort of four municipalities, area business, nonprofits, and state agencies

Upon EPA approval of the plan, the four municipalities created a watershed management district



By 2009, Maine required all property owners in the watershed with 1 impervious acre or more be permitted

The state offered a voluntary group permit option for propety owners in the watershed



which made plan development and stakeholder engagement possible

Summary Findings

Successful green infrastructure financing tends to rely on:

- Local ownership of the solution
- Collaboration and partnerships
- Leveraging multiple financing mechanisms
- Engaging the private sector in the solution

Emerging trends include:

- Getting creative with the State Revolving Loan Fund
- Green Bonds
- Regionalization

Contact Information



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Environmental Finance Center University of Maryland <u>www.efc.umd.edu</u>



Partnering to transform a watershed plan into a watershed reality: the Bee Branch Watershed Flood Mitigation Project Deron Muehring, Civil Engineer watershed City of Dubuque (IA)







November 4, 2014

Dubuque, Iowa





Dubuque, Iowa Watershed Address...

Vatershed Boundary

Aissis.

Arkansas River

Missouri River

Watershed Boundary

Mississippi Watershed

Watershed Address...



Bee Branch Watershed

Watershed Hydrology...





Watershed Hydrology...



Summary of Presidential Disaster Declarations in 1999 - 2011

Presidential Disaster Declaration: May 21, 1999												
Disaster # 1277				,								
Reas	Presidential Disaster Dec				ding s laratio	overe on: Jur	storm ne 19,	s tor 2002	aopeu			
Caus	Disaster # 142				1420	20						
	Reason for Declaration Elooding and storms Presidential Disaster Declaration: June 2, 2004											
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	2	Reas	On for Declaration Presidential Disaste Disaster #			Flooding, severe storms, tornadoes er Declaration: May 27, 2008			6			
		Caus				1763						
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				Reason	eason for Declaration		Flooding severe storms tornadoes		с —			
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Summary of Presidential Disaster Declarations in 1999 - 2011



- One 10-year storm,
- One 25-year storm,
- Two 50-year storms, and
- Three 100-year storms.

Based on historic rainfall data outlined in 1992 Rainfall Atlas of the Midwest (Huff and Angel)

Witnessed Flooding...



Estimated damages due to the six disasters from 1999 to 2011 totals \$69.8 million





Drainage Basin Master Plan 2001

City of Dubuque, Iowa Drainage Basin Master Plan



Fall 2001

HR

HDR Engineering, Inc. 8404 Indian Hills Drive Omaha, NE 68114 City of Dubuque, Iowa

2013 Drainage Basin Master Plan Amendment





HDR Engineering, Inc. 8404 Indian Hills Drive Omaha, NE 68114 Drainage Basin Master Plan 2013

How you address the issue is just as important as why...
Bee Branch Watershed Flood Mitigation Project

Bee Branch Watershed Flood Mitigation Project Phases			
Phase	Description	Est. Completion	Est. Cost
1	Carter Road Detention Basin	Completed 2004	\$1,076,315
2	West 32 nd Street Detention Basin	Completed 2009	\$4,158,589
3	Historic Millwork District	Completed 2012	\$7,977,311
4	Lower Bee Branch Creek Restoration	2014	\$21,274,685
5	Flood Mitigation Gate Replacement	2015	\$2,099,000
6	Impervious Surface Reduction	2034	\$57,420,000
7	Upper Bee Branch Creek Restoration	2016	\$64,823,636
8	22 nd Street Storm Sewer Improvements	2020	\$3,380,000
9	Flood Mitigation Maintenance Facility	2020	\$4,360,000
10	North End Storm Sewer Improvements	2019	\$1,160,000
11	Water Plant Flood Protection	2020	\$3,800,000
12	17 th Street Storm Sewer Improvements	2020	\$7,520,000
e Bri		Subtotal	\$179,049,536



Bee Branch Watershed Flood Mitigation Project The combined phases will:

Reduce the volume of stormwater,

watershed FLOOD MITIGATION PROJECT

Slow the rate and timing of stormwater flow through the upper watershed,

Increase safe stormwater conveyance through the flood-prone area.



Historic Millwork District Pervious Pavement System



Historic Millwork District

Total Development Outcomes



732 Housing Units
351,000 SF commercial/ retail space
29 blocks of new streets
12 blocks of improved streets

3 acres of green space

Historic Millwork District Pervious Pavement System – Complete Streets



Who does this interest?

Anone

W. 5th Stree

st-St

Loras Blvd

16th St

Millwork District Street Detention/Conveyance System

Pennsylvania Ave

0 0.25 0.5

Miles

US 20

Historic Millwork District Pervious Pavement System – Complete Streets



Who does this interest?

Anono

st-St

Loras Blvd

Millwork District Street Detention/Conveyance System

Pennsylvania Ave







16th St

Green Alleys Pervious Pavement Systems

W32nd St

Pervious Surface Reduction (Green Alleys)

6th St

Pennsýlvania Ave

20

20

Before

After

ufmann Ave

Sometimes <u>How</u> you address the issue is MORE important than why...

W-Locust St

Green Alleys Pervious Pavement Systems

un Arterial W32nd St Garea Pervious Surface Reduction (Green Alleys)



Who does this interest?



16th St



Bee Branch Watershed Flood Mitigation Project The combined phases will:

Reduce the volume of stormwater,



Slow the rate and timing of stormwater flow through the upper watershed,

Increase safe stormwater conveyance through the **Read Provide Read Pro**

Upstream Detention



Carter Road Detention Basin

Before

After



<text>







W. 32nd Street Detention Basin



Before

After

W. 32nd Street Detention Basin

Preservation/ enhancement of 6.2 acres of riparian landscape

Creation of an additional 10.5 acres of riparian landscape





Bee Branch Watershed Flood Mitigation Project The combined phases will:

Reduce the volume of stormwater,



Increase safe stormwater conveyance through the flood-prone area.









Bee Branch Creek Restoration



Lower Bee Branch Creek Restoration



Looking east from Sycamore Street

Lower Bee Branch Creek Restoration

1110



Who does this interest?



Looking east from Sycamore Street

June 2014 fish count:



15 fish species from 7 families!













45 bird species



Lower Bee Branch Creek Restoration

Replace...



Looking northwest from 15th Street

Lower Bee Branch Creek Restoration Did you know that the corners of square pegs can be rounded?

Before



Looking northwest from 15th Street

Lower Bee Branch Creek Restoration



Recreation & Transportation Alternatives





Recreation, Tourism, & Transportation Alternatives



Recreation, Tourism, & Transportation Alternatives



Connecting with Nature





Outdoor Classroom / Amphitheater

Learning · Leading · Living

Project Funding

Total Project Funding	\$200 929 536
Table adjustment for SRE loan renavment	\$121 191 631
State Flood Mitigation Sales Tax Increment	\$98,494,178
Stormwater Utility Fees	\$14,394,096
Sale of Assets and Land	\$336,358
Private Donations	\$165,244
General Obligation Bonds	\$48,227,604
Dubuque Metropolitan Area Transportation Study	\$640,000
State Recreational Trail Grant	\$100,000
U.S. DOT National Scenic Byways Grant	\$1,000,000
State RECAT Grant	\$2,250,000
State I-Jobs II Grant	\$3,965,500
U.S. DOT TIGER Grant	\$5,600,000
U.S. EDA Disaster Relief Grant	\$1,227,138
U.S. EPA Clean Water SRF Sponsorship Program	\$9,416,795
U.S. EPA Clean Water SRF	\$39,604,257

Project Partners















Learning · Leading · Living

IOWA DEPARTMENT OF

AGRICULTURE

AND LAND STEWARDSH



















WAHLERT FOUNDATION

North End Neighborhood Association








Project Partners

Always room for more...





Partnering to transform a watershed plan into a watershed reality: the Bee Branch Watershed Flood Mitigation Project

> Deron Muehring, Civil Engineer City of Dubuque (IA) <u>dmuehrin@cityofdubuque.org</u>



www.cityofdubuque.org/beebranch





facebook.com/beebranchdbq

twitter.com/beebranchdbq

Water Resource Restoration Sponsored Projects





SRF Background

- In Iowa, the SRF Program is jointly administered by Iowa Department of Natural Resources (DNR) and Iowa Finance Authority (IFA)
- Primary source of funding for municipal water and wastewater infrastructure projects









1989 - 2002

LOW-INTEREST LOANS FOR

Water and wastewater infrastructure only

2003 - Present

Water and Wastewater

Planning and Design

Lake and Wetland Restoration

Soil, Sediment, and Nutrient Management

Brownfield Cleanup

Energy and Water Efficiency

Urban Stormwater

Landfill Closure

Source Water Protection

Onsite

Septic

Systems

Sponsored Projects

Nonpoint Source



 Loans Linked Deposits Loan Participations Green Projects / Loan Forgiveness **Sponsored Projects**





SRF for Nonpoint

Loans to farmers, livestock producers, cities, watershed organizations, rural homeowners, landfills and others to protect or restore water quality



WRR Sponsored Projects

- Created by Ohio EPA
- Iowa first explored doing sponsored projects back in 2005
- Changes had to be made to the lowa Code
 - sewer revenues could only be used for the utility
- Two types of projects:
 - Non-point project within city
 - City partners with a third party for project in watershed



Typical CWSRF Loan

- City borrows \$1,000,000 for sewer project
- City makes annual principal and interest payments on loan for 20 years
- With interest and fees, the city repays \$1,227,000 over the life of loan







Sponsored Project Funds

- Current interest rate is 1.75%
- Up to 1% of interest can be used for non-point source project (interest rate will not go below .75%)
- Approximately \$100,000 per \$1,000,000 borrowed





CWSRF Loan with Sponsored Project

- City applies for both traditional wastewater project and non-point sponsored project
- City borrows \$1,000,000 to pay for sewer system upgrades PLUS amount equivalent to up to1% of interest (about \$100,000) for a total of \$1,100,000
- There is only one loan
- City makes annual principal and interest payment for 20 years. The interest rate is reduced on the loan so the amount repaid by the city is \$1,227,000



Dubuque Pilot Project





FY 2014 Projects

23 projects for \$13M in NPS projects Projects included:

Permeable pavingStream bank stabilizationGrassed waterwaysConservation buffersConstructed wetlandsRain gardens/bioswalesRestoration of riparian buffer and flood plain



FY 2015 Applications

- Applications are now taken twice a year
 March and September
- \$10 million allocated for FY15 projects







Application Requirements

The project must improve water quality in the watershed in which the publicly owned wastewater utility is located.

- Applicants must have a watershed plan
- Applicants must include a water quality organization in project development, planning and design
 - Soil and Water Conservation Districts
 - local watershed organizations
 - County Conservation Boards



Pre Application Consultation

This consultation is conducted by conference call and covers:

- Applicant eligibility based on status of CWSRF infrastructure loan
- Water resource proposed for protection or restoration
- Status of watershed assessment
- Project partners, including required participation of a conservation organization
- Eligibility of potential practices
- Approximate project schedule and budget



Watershed Plan

- Identification of impacted water body and its watershed
- Assessment of water quality issues
- Project goals and objectives
- Evaluation of alternatives
- Description of practices to be implemented
- Expected water quality outcomes
- Proposed project schedule and milestones
- Proposed evaluation measures and procedures



For More Information www.lowaSRF.com

www.iowasrf.com/about_srf/sponsored-projects-home-page/



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