



NOTICE OF PUBLIC HEARING PROPOSED INCREASE TO THE EXISTING STORM DRAIN FEE

This Notice informs you, as record owner of property within the City of Manhattan Beach, that the City Council will hold a Public Hearing to discuss a proposed increase to the existing storm drain fee (the “**Increased Fee**”) that was originally established in 1996. The Public Hearing will be held at the following time and location:

November 7, 2023 at 6:00 PM
City Council Chambers
1400 Highland Avenue, Manhattan Beach, California

All interested persons are invited to attend the Public Hearing and express opinion about the Increased Fee. If there is no majority written protest, as described in Section IV of this Notice, the City Council may call a property owner mailed ballot election to approve the Increased Fee. The City Council cannot impose the Increased Fee without holding such an election.

I. BACKGROUND

In 1996, the City began levying an annual storm drain fee on each parcel of real property in the City, which is collected via the Los Angeles County consolidated property tax bill. The fee is levied to finance the costs of ongoing operations, maintenance, repairs, and improvements, to the stormwater facilities and services. The typical annual fee of \$19.12 per parcel was based on a 1996 engineering analysis of the City’s storm drain requirements, and has remain unchanged since 1996.

The cost of operating the City’s stormwater system (“**System**”), which is required by State law, has vastly increased since the storm drain fee was originally established in 1996. The revenues from the existing storm drain fee are insufficient to fully fund existing operations, maintenance, repairs, and future improvements to the System. Storm drain fee revenues are currently projected to be approximately \$350,000 annually with estimated average annual expenditures of approximately \$1.2 million, excluding capital projects. The City’s Stormwater Fund has been operating at a deficit and has required General Fund subsidies since Fiscal Year 2015-2016 (in the last five years, the General Fund has provided over \$6 million in subsidies). If the storm drain fee is not increased, the Stormwater Fund is currently projected, over the next six years, to need approximately \$11.6 million of General Fund subsidies, with \$8.4 million attributed to capital projects as described in Exhibit A hereto. With additional stormwater projects on the horizon, forecasts indicate that the General Fund will be severely impacted if no action is taken to address the lack of funding.

A Proposition 218 voter approval process will need to be conducted in order to increase the existing storm drain fee. On September 5, 2023, the City Council adopted its Resolution No. 23-0118, initiating a Proposition 218 process for the proposed Increased Fee.

In addition, Resolution No. 23-0118 approves a Storm Drain Utility Fee report, dated August 16, 2023, and prepared by Harris & Associates (the “**Report**”), which describes the methodology of how the Increased Fee is calculated, a copy of which is on file in the office of the City Clerk.

II. THE STORM DRAIN SYSTEM

The City operates a storm drain system, which channels water generated as a result of storm water flows from streets and properties to its ultimate drainage, the Pacific Ocean. A properly functioning storm drain system is critical for preventing flooding and property damage throughout the City and is engineered to keep trash out of, and avoid unnecessary pollution of the waterways and ocean.

The System is comprised of streets, curbs and gutters, drainage swells, settling basins, pump stations, pipelines, continuous deflection separators (CDS), and other improvements, many of which are located under the City's streets. Many of these system elements are very old, and in need of repair or replacement. Modernization of the System, and replacement of existing infrastructure is expected to require approximately \$8.4 million in capital expenditures over the next five years.

III. THE INCREASED FEE

The purpose of the Increased Fee is to: (i) construct storm drain system improvements (including, but not limited to, those depicted in Exhibit A hereto), that will provide improved flood protection or prevention of pollution to the ocean, or are necessary or useful for compliance with regulatory requirements; (ii) maintain, service, repair, and operate the storm drain system and periodically replace or upgrade system elements; (iii) finance associated capital costs (including debt service and incidental and administrative cost associated with financings); and (iv) fund administrative costs related to the storm drain fee and of the storm drain system and improvements. Increased Fee proceeds could only be used by the City for these purposes.

The proposed rate of the annual Storm Drain Fee is:

\$0.04602 per square foot of Impervious Area

The Impervious Area of a parcel is the portion of the parcel that is covered by impermeable surfaces such as buildings, roofs, paved roadways, sidewalks, driveways, parking lots, brick, asphalt, concrete, pavers, covers, slabs, sheds, pools and other constructed surfaces or hardscape features. Impermeable Areas do not include areas with permeable surfaces such as vegetated areas, grasses, bushes, shrubs, lawns, bare soil, tree canopy, natural water bodies, wetland areas, gravel, gardens and planters on bare soil, rocky shores, and other natural areas.

Impervious surfaces block the ability of the soil on a parcel to absorb rainwater, so the Impervious Area of a parcel is a good measure of that parcel's use of the storm drain system.

The City is using the Impervious Area as determined by Los Angeles County with respect to its Measure W parcel tax (a 2.5 cents per square foot of impermeable surface parcel tax) for the County's Safe, Clean Water Program, approved by voters on November 6, 2018.

The rate of \$0.04602 per square foot of Impervious Area was calculated by dividing \$2,165,008 (which is the average revenue requirement For Fiscal Years 2024-2025 through 2028-2029), by the total Impervious Area in the City impacting the City's storm drain system of or 47,043,493.20 square feet.

The Increased Fee would apply citywide. In order to keep pace with inflation, this Increased Fee includes, and will be subject to, annual adjustments, beginning in Fiscal Year 2025-2026, based on the increase in the Consumer Price Index from December to December, during the preceding year, for All Urban Consumers, Los Angeles-Long Beach-Anaheim area, All Items, as published by the United States Department of Labor, Bureau of Labor Statistics. The Increased Fee, if approved, will be collected annually on the property tax bill beginning with the tax bill for Fiscal Year 2024-2025.

The Increased Fee for your property, as well as the presumed Impervious Area of that property, is shown on Attachment A, which is a part of this Notice.

If a property owner disagrees with the calculation of the Increased Fee, based on the parcel area or Impervious Area assigned to the property, please utilize the County of Los Angeles' Safe Clean Water Tax Lookup & Appeal tool at:

<https://apps.gis.lacounty.gov/bos/m/?viewer=SafeCleanWaterAppeal>

IV. PROTESTS

All property owners or tenants who are directly liable for the Increased Fee will be given the opportunity to protest the Increased Fee. If prior to the conclusion of the Public Hearing, written protests against the proposed Increased Fee have been filed (and not withdrawn) by the owners of a majority of the parcels subject to the Increased Fee, the process will stop and the Increased Fee will not be implemented.

The City cannot accept written protests by e-mail or fax. In order to be counted in determining whether there is a majority protest, written protests must be received by the City Clerk prior to the conclusion of the Public Hearing in the following manner:

- (i) By delivery to the Office of the City Clerk located at 1400 Highland Avenue, Manhattan Beach, CA 90266 during business hours. If delivered to the Office of the City Clerk, the written protest must be received by no later than 5:00 pm on November 7, 2023 in order to be counted.
- (ii) By mail addressed to the Office of the City Clerk at the address listed above. If mailed, the Office of the City Clerk must receive the written protest by no later than 5:00 pm on November 7, 2023 in order to be counted.
- (iii) By delivery during the Public Hearing on November 7, 2023, no later than the close of the Public Hearing.

A written protest must: (i) state that it is a protest against the Increased Fee; (ii) state the name of the parcel owner or tenant who is directly liable for the Increase Fee that is submitting the protest; (iii) identify the Assessor's Parcel Number or Street Address of the parcel with respect to which the protest is made; and (iv) include the original signature and legibly printed name of the person submitting the protest. Only one written protest per parcel will be counted.

In the case of an owner who is a corporation or is otherwise not a natural person, the protest must include, instead of the information set forth in (iv) above, the name of the owner entity submitting the protest, the legibly printed name and original signature of the person executing the protest on behalf of that owner entity, and an identification of the capacity in which that person executes the protest on behalf of the owner entity.

If a parcel is owned by more than a single person or entity, any owner may submit a written protest. A tenant who is directly liable to pay the Increased Fee can submit a written protest.

If the owner of any Identified Parcel is not shown on the Assessment Roll, such owner may file a protest for such parcel by filing with the City Clerk evidence of ownership satisfactory to the City Attorney. Any such proxy or evidence must be received by the City Clerk prior to the conclusion of the public hearing.

An executor, administrator, or guardian may file a protest for an Identified Parcel on behalf of the estate it represents. If such representative is shown on the Assessment Roll as paying taxes and assessments levied against the parcel, that fact shall establish the right of such representative to file the protest. If such representative is not shown on the Assessment Roll, the representative must file with the City Clerk written documentation satisfactory to the City Attorney establishing the legal representation. Any such documentation must be filed with the City Clerk prior to the conclusion of the public hearing.

The City Council will not move forward with proceedings regarding the Increased Fee if there is a majority protest against the Increased Fee. A majority protest exists if valid written protests are timely submitted and not withdrawn with respect to a majority (50% plus one) of the parcels subject to the Increased Fee.

In the absence of a majority protest, the City Council may order an election on the Increased Fee. One ballot will be provided for each parcel subject to the Increased Fee. Ballots will be mailed to the record owners of the parcels. The City Council may implement the Increased Fee if approved by a majority of the returned ballots.

The Report and more information about the Increased Fee and the process for adopting the Increased Fee can be found online at www.manhattanbeach.gov/stormdrainfee.

If you have any question regarding this Notice, please contact Julie Bondarchuk, Financial Controller at (310) 802-5564 or email at jbond@manhattanbeach.gov.

EXHIBIT A
STORM DRAIN CAPITAL IMPROVEMENT PROJECTS

STORMWATER CIP BUDGET (2024-2029)	PROJECTED COST
Annual Storm Drain Repairs	\$3,622,073
Replace various sections of stormwater drain line.	
Storm Drain Capital Best Management Practices (BMPs)	\$1,635,810
Installation of storm drain debris collection devices to prevent trash from entering storm drain pipes.	
Peck Avenue Storm Drain Improvements	\$1,530,000
Construction of a new storm drain line along 21st Street to the existing storm drains on Meadows Avenue and Peck Avenue.	
Shelley Street Storm Drain Improvements	\$700,000
Construction of storm drain piping, and additional catch basins with water quality inserts to improve water quality.	
Beach Cities Green Streets	\$362,500
Multi-jurisdiction project to construct a regional stormwater quality improvements project.	
Golf Course Storm Drain Lift Station Electrical Upgrades	\$350,000
Procure and replace the electrical elements at the Westdrift Golf Course Storm Drain Lift Station.	
CCTV Storm Drain System	\$150,000
Use CCTV to perform an assessment of the City's storm drain system.	
TOTAL PROJECTED COSTS	\$8,350,383