

Urban Forestry Special Charge FAQ

Why does the Urban Forestry Special Charge exist?

The Urban Forestry Special Charge was created by the adoption of ORD-14-00162 on October 30, 2014, and is codified at Madison General Ordinances Sec. 4.095. Under the Urban Forestry Special Charge, a special charge on all real property in the City has been established to allow the City to recover its costs in performing the services associated with the City's urban forestry program. The City services provided by the City's urban forestry program ensure a healthy, vibrant and sustainable urban forest, which benefits all residents and properties in the City.

What will my bill be in 2015?

The Special Charge will be collected as part of the municipal services bill issued monthly by the Madison Water Utility. This bill currently includes water utility, sewer utility, and storm water utility charges. This bill will now include an Urban Forestry Special Charge. An individual parcel's special charge rate is set by its usage classification as determined by the Madison Water Utility. The 2015 schedule of monthly charges for each individual parcel usage classification is included in the table below.

Usage Classification	Monthly Rate
Residential	\$2.76
Multi Family	\$3.97
Storm Water	\$7.23
Commercial/Industrial	\$7.47
Government	\$20.61

What will my bill be in 2016 and beyond?

The monthly rates in the table above are set to generate \$1 million in net revenue to the City of Madison over the last five months of 2015. In the future, the City will collect its Urban Forestry Special Charge revenues over the course of twelve months. That is, if the Council decides to again collect \$1 million in net revenues in 2016, the monthly rates will be adjusted downward by 58.3% from the rates listed in the table below to account for revenue collection being spread out over twelve months instead of five. Alternatively, if the Council decides to continue to collect urban forestry special charge revenues at the monthly rates listed in the table above, it will be on pace to collect \$2.4 million over the course of twelve months in 2016.

How is the rate for each individual parcel set?

A parcel's Urban Forestry Special Charge rate is set through a combination of primary linear street frontage, parcel use (residential, multi-family, commercial/industrial, storm water utility only, or governmental), and the number of parcels being used for that same purpose. The special charge is apportioned using the following method.

1. The Madison Water Utility assigns a usage category to each parcel in the City that receives a storm water utility bill. As of the adoption of this policy, the categories and parcel counts are as follows:

CATEGORY	PARCEL COUNT
Residential (1-2 dwelling units)	48,977
Multi Family (3+ dwelling units)	2,561
Storm Water Only (unimproved)	5,759
Commercial/Industrial	2,649
Government	346
Grand Total	60,292

2. Each category's portion of the urban forestry special charge is determined by that category's parcels' aggregate portion of the city's primary parcel street frontage. As of the adoption of this policy, the categories and portions of street frontage are:

CATEGORY	PORTION OF STREET FRONTAGE
Residential	63%
Multi Family	5%
Storm Water	19%
Commercial/Industrial	9%
Government	3%
Grand Total	100%

3. Each parcel's portion of its category's portion is determined by dividing the category's portion of street frontage by the number of parcels in the category.
4. Each parcel's annual charge is determined by multiplying the parcel's portion of the charge (as determined in step 3) by the total annual revenue target¹ (\$1,070,000 for 2015).
5. Each parcel's monthly charge will then be determined by dividing the result of step 4 by the number of billing cycles in the year (typically twelve, but for 2015, only five cycles remain as of the adoption of this policy).

A summary of the 2015 apportionment method is provided in the table below:

Usage Classification	Percent of Total City Frontage	Share of Total Charge	Count of Customers in Classification	Annual Charge/ Customer	Monthly Charge/ Customer (5 mo.)
Residential	63%	\$676,268	48,977	\$13.81	\$2.76
Multi Family	5%	\$50,794	2,561	\$19.83	\$3.97
Storm Water	19%	\$208,295	5,759	\$36.17	\$7.23
Commercial/Industrial	9%	\$98,994	2,649	\$37.37	\$7.47
Government	3%	\$35,649	346	\$103.03	\$20.61
Grand Total	100%	\$1,070,000.00	60,292		

¹ The total annual revenue target is set 7% above the net revenue target, which is set by the Common Council, to account for net transfers between governmental agencies.

Why not directly link the rates to individual parcel's primary street frontage?

Directly tying individual parcels primary street frontage to the charge has several shortcomings:

- i) This method would place disproportionately high burden on a small number of select parcels while providing only minimal savings to a large number of parcels. For instance, if the Urban Forestry Special Charge were to be allocated by individual parcel street frontage, 440 parcels would pay more than \$100 more annually than their current charge annually while all other parcels save less than \$1.50 annually. Residential and Multifamily parcels would save, on average, \$0 if the charge was apportioned by linear street frontage.
- ii) Per Madison General Ordinances Sec. 4.095, no parcels are exempt from paying the Urban Forestry Special Charge. Apportioning the special charge by linear street frontage would lead to more than 900 parcels not paying the Urban Forestry Special Charge as they do not have positive primary street frontage. The Urban Forest provides benefits to all parcels in the City, and those parcels without positive primary street front cannot legally be exempt from paying the Urban Forestry Special Charge.
- iii) Finally, apportioning the charge by individual linear street frontage would incur significantly more upfront and ongoing administrative costs. The selected policy can be administered efficiently and immediately for less than \$10,000 in set up costs and minimal ongoing staff time. Implementing the charge by individual parcel linear street frontage, meanwhile, is estimated to cost at least three times the set up cost and would require near constant ongoing staff time throughout the year to ensure individual parcel Urban Forestry Special Charges are being administered accurately.

Why do parcels that have adjacent street trees pay the same amount as those that do not have adjacent street trees?

A healthy, vibrant, and sustainable urban forest provides benefits to all residents of Madison through a number of ways and not just to those who have parcels adjacent to City trees. Urban trees enhance the quality of oxygen, retain storm water run-off, increase property values, and overall quality of life. Thus, residents of all parcel types shall help uphold the quality of the urban forest in the City of Madison.

Why are property taxes not enough to cover Urban Forestry costs?

Maintaining a healthy urban forest does not come without a cost, and these costs are increasing as the City executes its Emerald Ash Borer Mitigation plan. The State of Wisconsin, however, limits the City of Madison in the amount of money it can raise through the property tax levy to pay for urban forestry maintenance costs. Thus, the City must seek alternative ways to raise revenues to help pay for urban forestry services it provides.

Where does the money that is collected go and what is it used for?

The Urban Forestry Special Charge revenues will be collected through Madison Municipal Services bill and be allocated into a designated fund. These funds will then be used specifically to pay for the costs already incurred by the City to support the services of the urban forestry program. These costs include mitigating Emerald Ash Borer, new trees, replacement trees, staff maintenance time, and forestry maintenance equipment.