Business Impact Estimate

This form should be included in the agenda packet for the item under which the proposed ordinance is to be considered and must be posted on the City's website by the time notice of the proposed ordinance is published.

Ordinance No. 2026-575

An ordinance of the City of Gainesville, Florida, amending Division 1 "Stormwater User Fees," in Article V, Chapter 27, to align the definitions and methodology for calculating stormwater user fees with the definitions and methodology set forth in the Stormwater Initial Assessment Resolution; authorizing the imposition of stormwater services charges against government properties in those fiscal years when the City Commission collects stormwater charges as special assessments; establishing a procedure for billing and collecting stormwater services charges from government properties in those fiscal years when the City Commission collects stormwater charges as special assessments; confirming the imposition of stormwater charges against government properties in those fiscal years when the City Commission collects stormwater charges as user fees; providing for severability; providing directions to the codifier and providing an immediate effective date.

This Business Impact Estimate is provided in accordance with section 166.041(4), Florida Statutes. If one or more boxes are checked below, this means the City is of the view that a business impact estimate is not required by state law[1] for the proposed ordinance, but the City is, nevertheless, providing this Business Impact Estimate as a courtesy and to avoid any procedural issues that could impact the enactment of the proposed ordinance. This Business Impact Estimate may be revised following its initial posting.

☐ The proposed ordinance is required for compliance with Federal or State law or regulation;
☐ The proposed ordinance relates to the issuance or refinancing of debt;
☐ The proposed ordinance relates to the adoption of budgets or budget amendments, including revenue sources necessary to fund the budget;
☐ The proposed ordinance is required to implement a contract or an agreement, including, but not limited to, any Federal, State, local, or private grant or other financial assistance accepted by the municipal government;
☐ The proposed ordinance is an emergency ordinance;
☐ The ordinance relates to procurement; or
☐ The proposed ordinance is enacted to implement the following:

[1] See Section 166.041(4)(c), Florida Statutes.

a. Development orders and development permits, as those terms are defined in section 163.3164, F.S., and development agreements, as authorized under sections 163.3220-163.3243, F.S.;
b. Comprehensive Plan Amendments and land development regulation amendments initiated by an application by a private party other than the City;
c. Sections 190.005 and 190.046, Florida Statutes, regarding community development districts;
d. Section 553.73, Florida Statutes, relating to the Florida Building Code; or
e. Section 633.202, Florida Statutes, relating to the Florida Fire Prevention Code.

In accordance with the provisions of controlling law, even notwithstanding the fact that an exemption noted above may apply, the City hereby publishes the following information:

1. Summary of the proposed ordinance (must include a statement of the public purpose, such as serving the public health, safety, morals and welfare): This Ordinance establishes a process for the imposition, billing, and collection of stormwater charges against government properties that receive stormwater services from the City of Gainesville in years in which a special assessment is imposed to collect stormwater charges from non-government owned properties. The purpose is to recover revenue loss that is anticipated to result from transitioning from a user fee to a special assessment to collect stormwater services charges in the fiscal year that begins October 1, 2026. This Ordinance also revises Division 1, “Stormwater User Fees,” of Article V, Chapter 27 of the Code of Ordinances, which sets forth the definitions and methodology for calculating stormwater user fees. The methodology in Division 1 will be used to calculate stormwater user fees in those fiscal years when the City Commission chooses to collect stormwater charges as user fees. After hearing a presentation from Public Works staff on May 28, 2026, the City Commission approved the use of a new methodology for calculating stormwater charges. The Stormwater Initial Assessment Resolution, which is the first step in the annual process for imposing a stormwater services special assessment, adopted the new methodology. Division 1 of Article V should be updated to reflect the new methodology in order to align it with the Stormwater Initial Assessment Resolution. This will avoid inconsistency between the Stormwater Initial Assessment Resolution and Division 1 of the Code of Ordinances, which could be applied in future fiscal years to collect stormwater charges as user fees.

2. An estimate of the direct economic impact of the proposed ordinance on private, for-profit businesses in the City of Gainesville, if any: (a) An estimate of direct compliance costs that businesses may reasonably incur;

(b) Any new charge or fee imposed by the proposed ordinance or for which businesses will be financially responsible; and
(c) An estimate of the City of Gainesville's regulatory costs, including estimated revenues from any new charges or fees to cover such costs.

Businesses currently pay for stormwater as a monthly fee, which is collected through the general utility bill. Beginning October 1, 2026, monthly stormwater fees will no longer be collected on the general utility bill. Instead, a special assessment will be imposed upon the property owner and will be included on the annual tax bill. For businesses that occupy or rent government owned properties, a separate annual bill will now be sent directly to the government owner. It is unknown whether the government owner will pass the stormwater charge along to the business that occupies the property.

In transitioning from collecting stormwater fees on the utility bill to collecting stormwater charges as a special assessment on the tax bill, the City will incur additional costs associated with the tax bill collection method, also referred to as "the uniform method." These include the Tax Collector's fee, Property Appraiser's fee, and statutory early payment discount applied to property tax bills, which collectively add approximately $661,952 in annual costs to the stormwater management budget. These additional costs will be distributed fairly among all properties that receive stormwater management services and incorporated into the ERU rate.

Each parcel of developed property is assessed based upon the estimated amount of stormwater runoff generated by impervious and semi-impervious area on the property. Impervious area includes buildings, parking lots, driveways, patios, decks, walkways, and athletic courts. Semi-impervious area includes land that has been cleared, graded, graveled, filled or compacted.

Stormwater services are based upon the number of ERUs (equivalent residential units) assigned to a property. The amount of impervious and semi-impervious area is expressed in terms of ERUs (equivalent residential unit). One (1) ERU is defined as 2,300 square feet of impervious area. Generally, the number of ERUs for each property is calculated by dividing the impervious area by 2,300 square feet. However, certain property types are assigned a fixed rate regardless of how many square feet of impervious area they have.

Pursuant to the new methodology, single-family properties, duplexes, and mobile homes will continue to be charged a flat fee. Condominiums and apartment complexes (previously categorized as "multi-family properties" in the ordinance), will shift from being charged a flat fee of 1 ERU per condominium dwelling unit and 0.6 ERU per apartment dwelling unit to being charged on a measured area basis. This means that under the new methodology, the number of ERUs assigned to condominiums and apartment complexes will be calculated in the same as the manner ERUs are calculated for non-residential and commercial properties.

The fiscal impact of the methodology change for condominiums and apartments will depend on the amount of impervious area and semi-impervious area a property has. The new methodology is focused upon measuring a building's horizontal footprint rather than the total number of dwelling units. The transition to measured impervious area will mean that common areas, such as clubhouses, pools, and parking lots within condominium and apartment complexes will be included in the ERU calculation. For a high-rise apartment complex with a minimal horizontal impervious area, the ERUs under the new methodology will likely be lower. Conversely, for a one-story condominium with multiple common area structures, the number of ERUs will likely be higher.

Properties charged on a measured area basis are eligible to receive retention credits, which are calculated based upon the amount of stormwater retained on site. Retention credits reduce the total number of ERUs assigned to a property.

The City's cost to provide stormwater management services to all developed properties, including government properties, is $11,606,488.00. The new methodology does not change the City's cost to provide stormwater management services; it only allocates those costs differently among developed properties.

The City will collect stormwater charges as special assessments in fiscal year 2026-2027. Government properties will be billed at the same rate per ERU that is charged to non-government property owners. This rate is $138.71 ERU. This annual rate is $0.11 higher than the annualized rate charged in fiscal year 2025-2026.

Although this Ordinance changes the methodology for calculating user fees in Division 1, this Ordinance does not itself impose a fee. In the event the City collects stormwater fees as user fees in a future fiscal year, the new methodology in Division 1 will be used to calculate the user fees. The amount of the user fee, if billed in a future fiscal year, is set forth in Appendix A, which is also being amended as part of this Ordinance in order to align the amount of the user fee with the amount of the special assessment.

3. Good faith estimate of the number of businesses likely to be impacted by the proposed ordinance:

Approximately 5,790 non-homestead condominiums and apartment complexes will be affected by the methodology change. Non-homestead condominiums were included in the estimate because they could be rental properties.

It is unknown how many government owned properties are leased to or occupied by private businesses.

4. Additional information the governing body deems useful (if any):

The City is legally required to provide stormwater services to all properties within the incorporated area. The cost to provide stormwater management services to all developed properties is $11,606,488.00. This amount includes costs (approximately $900,000) associated with providing stormwater management services to government properties. Because a special assessment cannot be imposed against government properties, the City could lose up to $600,000 in revenue compared to last year due to transitioning from a user fee to a special assessment. It is assumed the City of Gainesville's general government departments will continue to pay approximately $300,000 in stormwater fees. Any shortfall in the necessary budget to provide adequate stormwater services would need to be funded by other revenue, including but not limited to ad valorem taxes. In an effort to reduce the anticipated revenue loss from government properties, the City will send separate bills to government properties, and government property owners will receive the same statutory discounts for early payment as other property owners.