



AGENDA MEMORANDUM

Finance Department

City Council Regular Meeting Date: January 13, 2026

To: City Council
From: Steve C. Chaipel, Deputy City Manager/CFO
Date: December 29, 2025

SUBJECT: Stormwater Assessment Fee – Resolution 26-004

BACKGROUND: During the fiscal year 2026 budget adoption process, the City Council expressed interest in exploring funding methodologies that could supplement the City's stormwater management program. To assist the City Council and residents in understanding the potential expense of potential stormwater management projects, the fiscal year 2026 adopted budget separated stormwater expenditures into a specific [Stormwater department](#) organized under the Public Works Department. Additionally, the adopted [capital improvement plan](#) segregates stormwater projects.

Surface Water Management Master Plan Update

At the [October 7, 2025 City Council meeting](#), staff presented an update to the City's surface water (stormwater) management master plan, which the City Council approved via Resolution 25-060. The approved plan recommends short-term and long-term capital improvements and resiliency projects to improve the City's stormwater drainage. The following tables show projects and estimated costs from that report.

Itemized cost estimate for elevating roads (pdf page 56):

Bid Line Item	Dixie Beach	Bailey Road	Tarpon Bay Road
Mobilization	\$1,291,000	\$307,000	\$418,000
Maintenance of Traffic	\$645,000	\$154,000	\$209,000
Sheet Pile	\$10,962,000	\$2,646,000	\$3,717,000
Import Fill	\$1,300,000	\$268,000	\$216,000
Asphalt Overlay	\$375,000	\$91,000	\$128,000
Asphalt Milling	\$247,000	\$60,000	\$114,000
Road Striping	\$27,000	\$7,000	\$9,000
30% Contingency	\$3,873,000	\$921,000	\$1,255,000
<i>Sub-Total</i>	<i>\$18,720,000</i>	<i>\$4,454,000</i>	<i>\$6,066,000</i>
Total		\$29,240,000	

Sanibel is and shall remain a barrier island sanctuary

Table 8. Capital Improvement Plan.

Short, Intermediate, or Long-term	Master Plan Future Capital	Project Type	Design Cost	Design FY	Construction Cost	Construction FY
Short	Beach Road Weir Flap Gate Modifications	Weir System	\$ 65,000	TBD	\$ 250,000	TBD
Short	Tarpon Bay Weir Flap Gate Addition	Weir System	\$ 65,000	TBD	\$ 250,000	TBD
Short	*Tradewinds Subdivision Drainage	Area Specific Project	Design Complete	--	\$ 4,500,000	TBD
Short	Bailey Road Drainage	Area Specific Project	\$ 35,000	TBD	\$ 150,000	TBD
Short	*Sanibel Slough Dredging	Slough Dredging	\$ 212,000	25	\$ 1,630,000	26
Short	*Clam Bayou Box Culvert Replacement	Box Culvert	\$ 800,000	26	\$ 4,000,000	27
Short	*East Periwinkle Box Culvert Replacement	Box Culvert	\$ 750,000	28	\$ 4,000,000	29
Short	*Beach Road Weir Rehabilitation	Weir System	Design Complete	--	\$ 750,000	26
Short	<i>Annual Swale Maintenance</i>	<i>Ongoing Maintenance</i>	--	--	\$ 250,000 – \$ 500,000	<i>Annually</i>
Intermediate	Beach Road Weir Pump Station	Weir System	\$ 300,000	TBD	\$ 2,500,000	TBD
Intermediate	Tarpon Bay Weir Pump Station	Weir System	\$ 300,000	TBD	\$ 4,900,000	TBD
Intermediate	Beach Road Weir Gate Automation	Weir System	\$ 150,000	TBD	\$ 800,000	TBD
Intermediate	Tarpon Bay Weir Gate Automation	Weir System	\$ 150,000	TBD	\$ 800,000	TBD
Intermediate	West Gulf Drive Drainage	Area Specific Project	\$ 240,000	TBD	\$ 2,400,000	TBD
Long	Road Elevating (Dixie, Bailey, Tarpon)	Road Elevation	\$ 2,924,000	TBD	\$ 29,240,000	TBD
FY26 Total			\$ 800,000		\$ 2,380,000	
Total			\$ 5,991,000		\$ 56,170,000	

Note: Asterisk () indicates item in City's current CIP plan.*

As shown above, the recommendations will require significant financial resources to fund design, engineering and construction work in accordance with the plan.

Stormwater Assessment Fee

Sanibel's geography as a barrier island, combined with its commitment to environmental protection and water quality, makes stormwater management a critical component of long-term resilience. At its October 21, 2025 meeting, the City Council was presented with some introductory information on a potential stormwater assessment program. That information can be accessed by [clicking here](#). At that meeting, the Council expressed a desire to explore the establishment of a stormwater assessment program.

Municipalities across Florida commonly rely on dedicated stormwater utilities, supported by assessments or fee structures, to maintain compliance and fund infrastructure needs. Determining how to set up and maintain such a program requires specialized knowledge and consultation. These fees are commonly imposed on an annual basis and collected by the county tax collector as residents and business remit their tax payments.

At its [December 16, 2025](#) meeting, the City Council authorized \$25,000 in funding for a consultant to assist the City in determining the appropriateness of a stormwater assessment program.

DISCUSSION: The assessment approach is especially useful in providing funding for stormwater management. As discussed in several public meetings, as a barrier island we face unique drainage challenges and rising maintenance costs. A dedicated stormwater assessment would ensure that the City has reliable, long-term funding for the City's stormwater management program that the City may borrow against (for project funding).

The City has long established assessment fees for other public works projects, such as the dredging of waterways, garbage collection, and canal trimming.

The Assessment Process

The process to adopt a stormwater assessment program is defined by the State of Florida and is the same for all types of assessments. The typical process includes the following steps. The bold text indicates the step being discussed today.

- Defining the service and confirming a special benefit exists
- Determining a funding methodology that allocates the fees to benefitting properties on a fair and rational basis
- **Adopting an initial resolution that notifies property owners of the intent to levy the assessment (must be done prior to March 1 of the preceding year the assessment is to be collected)**
- Providing mailed and published notice to affected property owners
- Holding a public hearing and adopting a final resolution prior to September 1 of the preceding year the assessment is to be collected.

How Other Local Governments Are Funding Stormwater Projects

As discussed in prior meetings, for information on how other entities are assessing and collecting these fees, information was obtained from the [Florida Stormwater Association](#) (FSA) website. The FSA was organized in 1993 and serves to provide education, training, and advocacy for stormwater utilities throughout the state.

The FSA publishes an annual survey of utility systems that asks various questions on operations and funding. While the responses to these surveys are voluntary and do not include every operation in the state, the report does provide good information for City Councilmembers to review while considering a stormwater assessment for Sanibel. The 2024 report includes 137 responses from the estimated 171 utilities throughout the state. The full report is attached to this agenda item.

How Southwest Florida Local Governments Are Funding Stormwater Projects

- [City of Fort Myers](#): The fee is based on total impervious area per parcel. A calculation is performed to determine a standard impervious unit (SIU) and then that rate is multiplied by a set billing rate. (Average Single Family Home - \$155.52 per year).
- [City of Cape Coral](#): Both vacant and improved properties are billed as part of the stormwater management system. The stormwater fee is based on the square footage of the property and is equated to an Equivalent Residential Unit (ERU), multiplied by the rate set each year by Council. An ERU is 10,000 sq. ft and is the standard unit used to calculate a property's fees. The stormwater fee is billed once a year as a non-ad valorem tax on the annual property tax bill that covers October 1st through September 30th. (Average Single-Family Home - \$163.90 per year).
- Town of Fort Myers Beach: establishes a monthly ERU-based stormwater utility fee annually by resolution. (Average Single Family Home (4,414 sq. ft.) \$37.64 per month - \$451.68 annually).
- [City of Naples](#): The fee is calculated using a utility-based approach as opposed to an annual assessment. Fees are included in the [monthly utility billing](#). Naples divides the city into several stormwater assessment basins to better align user charges with operational expenses. (Average Single Family Home \$48.50 every 2 months - \$291.00 annually).

Based on the FSA report and the information presented above, there is flexibility in how a stormwater assessment could be established and used to support the City's future stormwater projects. The consultant that the City has funded will assist in this process. The expected timeframe for the completion of the report is 1-2 months.

FUNDING SOURCE: N/A

RECOMMENDED ACTION: Approve Resolution 26-004.