January 29th, 2015

MS4 WIP
Baltimore City Department of Public Works
Office of Compliance and Laboratories
3001 Druid Park Drive
Baltimore, MD 21215

RE: MS4 WIP

Dear Public Works:

Center for Sustainable Economy (CSE) has reviewed and analyzed the Baltimore City MS4 Restoration and TMDL Watershed Implementation Plan (MS4 WIP) and is pleased to provide these brief comments and the attached report as feedback.

First, we appreciate all the hard work that went into preparation of this ambitious plan. Given the worrisome state of the Chesapeake Bay and the important role stormwater pollution plays in its current ecological condition we appreciate the City’s commitment to implementing the MS4 WIP as quickly as possible and in a manner that maximizes its environmental, social, and economic benefits.

As you are aware, maximizing economic and social benefits is an important goal recognized by the Environmental Protection Agency in its new Integrated Municipal Stormwater and Wastewater Planning Approach Framework, adopted last summer. That framework recognizes that communities can “manage stormwater as a resource, and support other economic benefits and quality of life attributes that enhance the vitality of communities.” In addition, and as you have recognized in the MS4 WIP as part of its adaptive management approach (Section 4.5 Prioritization of Benefits) there will be opportunities over the next several years to prioritize capital investments in ways that maximize their social and economic benefits in a cost effective manner.

Thus, depending upon how the MS4 WIP is ultimately configured, it can generate big social and economic returns. This fact is illustrated in our preliminary economic and social analysis of the MS4 WIP (which we refer to for simplicity’s sake as the
Stormwater Management Plan), which is attached. This analysis is based on the framework established by the Genuine Progress Indicator (GPI), a metric adopted by Maryland in 2010 as a measure of overall economic wellbeing and one that CSE has pioneered for application at the City level in Baltimore.

Although the analysis is preliminary and based on a number of assumptions that would need to be verified on the ground, the report suggests that:

- The SMP has the potential to generate nearly $20 million in economic benefits each year with no special emphasis on GPI-enhancing design features. Major annual benefit categories include those related to ecosystem services of streams, wetlands, parks and open space as well as volunteering, employment, and water quality.

- If GPI-enhancing design features were added – features like local hiring preference, greater emphasis on green infrastructure, and location of BMPs in residential areas – then the SMP’s annual economic contribution would rise by 29% to over $25 million per year.

- Over a 20-year period, the SMP as currently configured is likely to generate over $22 million in net benefits with a benefit-cost ratio of 1.08 and a social return on investment of over 8%.

- With GPI-enhancing features added, net benefits could be substantially larger. Our analysis shows that 20-year net benefits could be over $107 million with a benefit-cost ratio of 1.40 and social a return on investment of nearly 40%. This underscores the importance of paying attention to design features of the SMP as it is implemented on the ground and recognizing that some design features will pay off far better from a social, economic, and environmental perspective than others.

Thus, we hope that as the MS4 WIP is implemented the City considers the potential to add social and economic value in the ways highlighted in our report as each BMP is designed and funded. We welcome the opportunity to collaborate with you to achieve this goal.

Yours truly,

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