



New Ideas for Generating Revenues

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Road
Maintenance
Fee





What Is It?

- ▶ Fee for “consumption” of transportation system
- ▶ Fee is based on demand for service
- ▶ 9 cities in Oregon with a fee



When and Why Implemented?

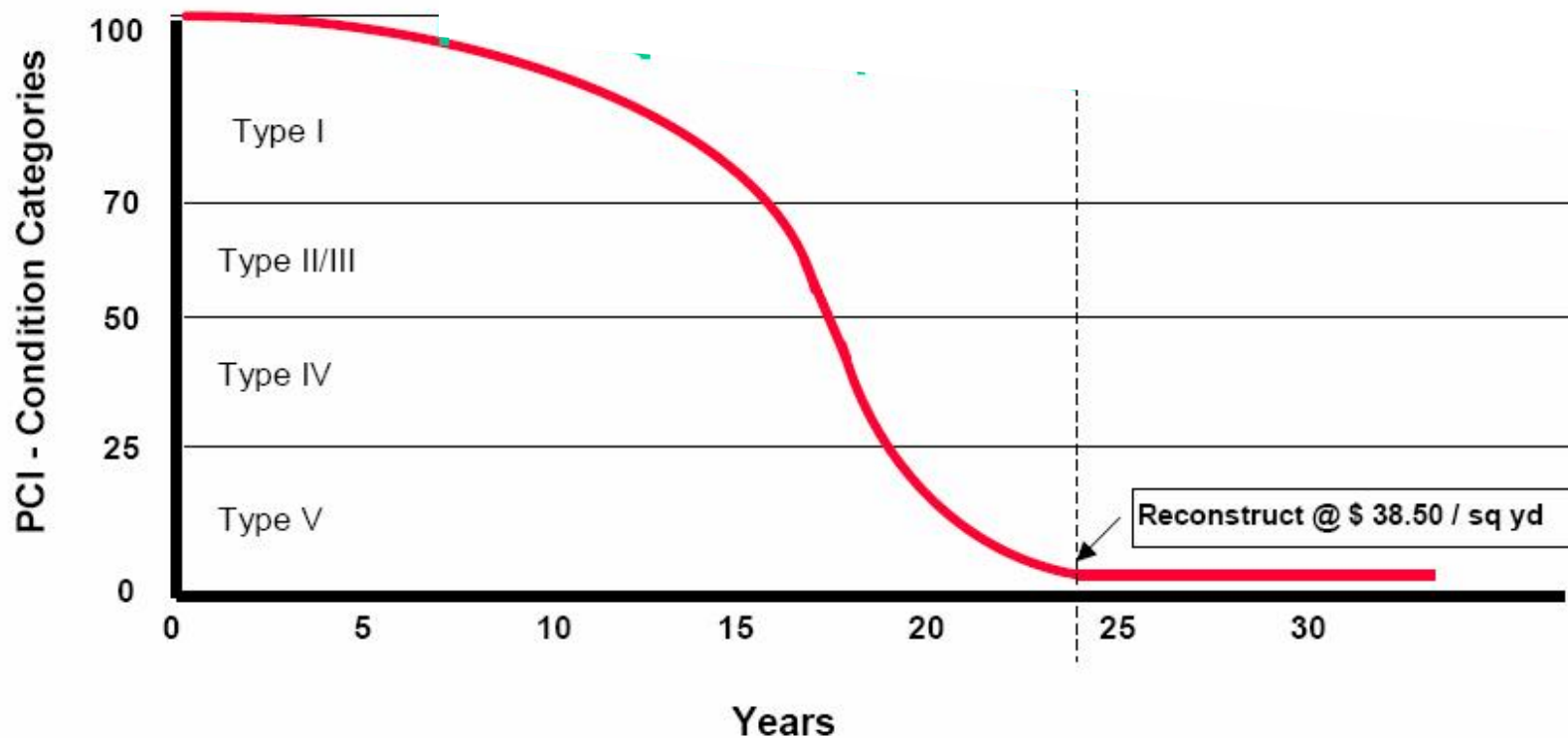
- ▶ Started 1997
- ▶ Generates \$600,000/year
- ▶ Gas Tax was insufficient
- ▶ Rapid growth ➡ accelerated wear
- ▶ Heavy trucks ➡ added burden
- ▶ PCI rating 65-75 range

PCI vs Costs

Recommended Preventive Maintenance Strategy:

- 3 Consecutive Slurry Seals, 6 year intervals @ \$2.40/sq yd
 - +
• Overlay \$11.50/sq yd
- Total: \$18.70

The condition of the pavement remains in good to excellent throughout the analysis period





How Billed, Who Pays?

- ▶ Part of monthly utility bill
- ▶ Virtually all utility customers
- ▶ Exemptions:
 - ▶ Bus systems
 - ▶ Schools
 - ▶ Churches with little M-F activity
 - ▶ Vacant land



Rates?

- ▶ Residential \$4.03
- ▶ Multi-family \$2.62/unit
- ▶ Business \$10.46 to \$285.88

Methodology?

- ▶ Structured as a fee
- ▶ Appeal process for business category
- ▶ Rates set so residential generates same as business revenues
- ▶ Restricted use, none to administration



Forecasted Rates

<u>Categor</u>	<u># Cust.</u>	<u>Monthly</u>	<u>Annual</u>	<u>% of</u>
1 SFH	2,536	\$4.48	\$136,335	28.2%
2 MFH	3,008	65% \$2.91	\$105,039	21.8%
3 Bus.	60	\$11.62	\$8,366	1.7%
4 Bus.	71	\$34.07	\$29,028	6.0%
5 Bus.	72	\$71.48	\$61,759	12.8%
6 Bus.	29	\$125.92	\$43,820	9.1%
7 Bus.	22	\$184.90	\$48,814	10.1%
8 Bus.	13	\$317.64	\$49,552	10.3%

Rates and counts as of Jan 1997



Methodology?

- ▶ Business fit into one of 6 categories
- ▶ Three factors determine category
 - ▶ **Intensity** (vehicle trips per 1000 SF)
 - ▶ **Magnitude** (gross sqft of business)
 - ▶ **# Trucks** (trucks serving the location)

Point Factors

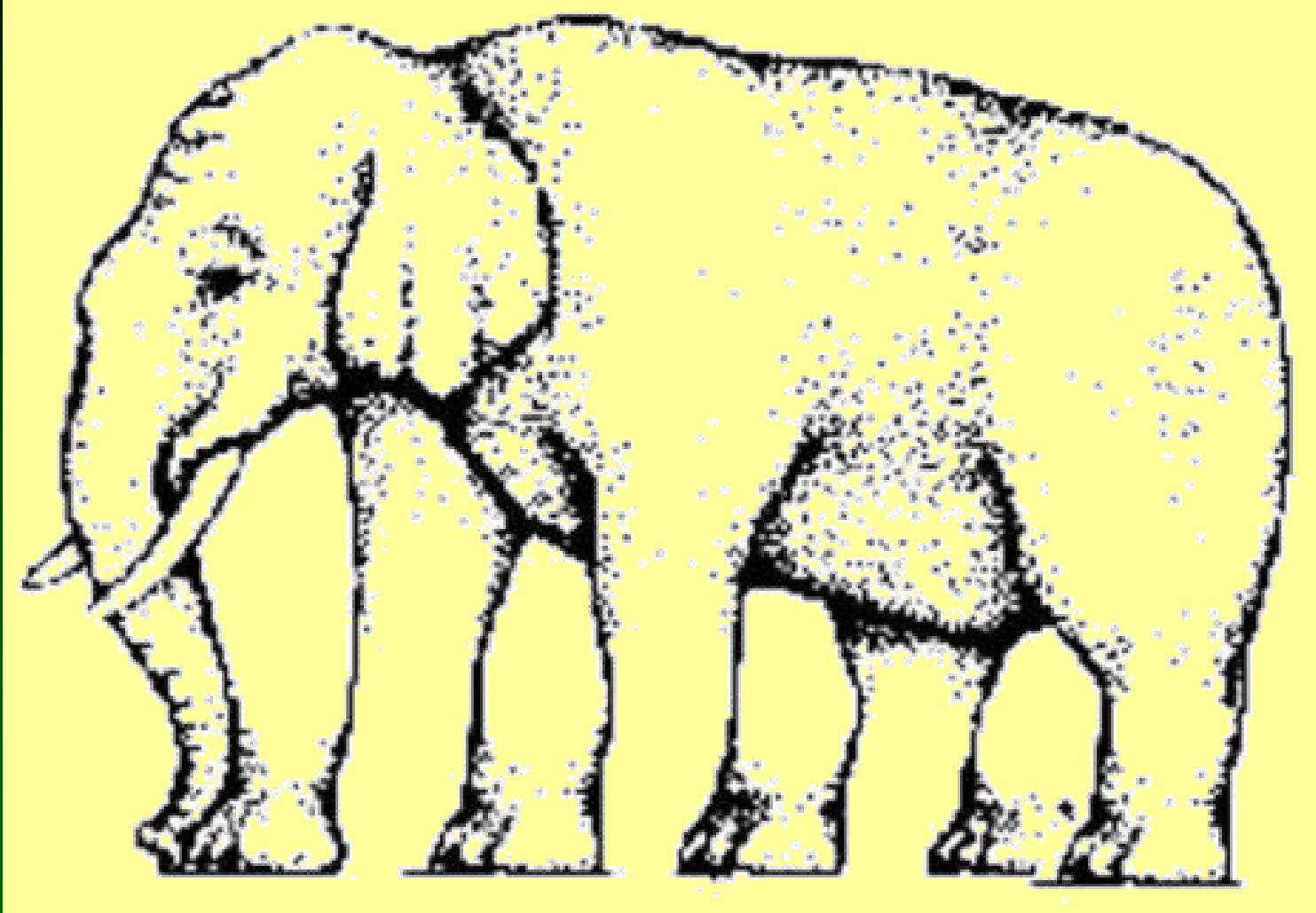
Intensity (Trips/100	Magnitud e	# Trucks (per day)	Points
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Values come
from ITE Manual

Institute of
Transportation
Engineers

100,000





Business Example

Office Building (intensity),

20,0

<10


truck

Intensity (Trips/100 0 SF)	Magnitu de (Gross SF)	# Trucks (per day)	Points
> 0	> 0	> 0	1
≥ 11	≥ 5,000	≥ 1	2
≥ 33	≥	≥ 10	4
≥ 100	15,000	≥ 30	6
≥ 300	45,000	≥ 90	8

135,000



Business Example



<u>Category</u>	<u>Composite</u>	<u>Monthly Bill</u>
3	< 5	\$10.46
4	5 – 14	\$30.66
5	15 – 29	\$64.33
6	30 – 44	\$113.33
7	45 – 59	\$166.41
8	60 - higher	\$285.88



Conclusion

- ▶ Benefits to city
- ▶ Feedback from rate payers
- ▶ Resource to start your own:
 - ▶ Institute of Transportation Engineers (ITE)
www.ite.com
 - ▶ Oregon League of Cities, 2001 study
www.orcities.org/Publications/SpecialPublications/ Transportation Utility Fee (51 pages, \$5 fee, very comprehensive, sample ordinances)



Contact Information

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