

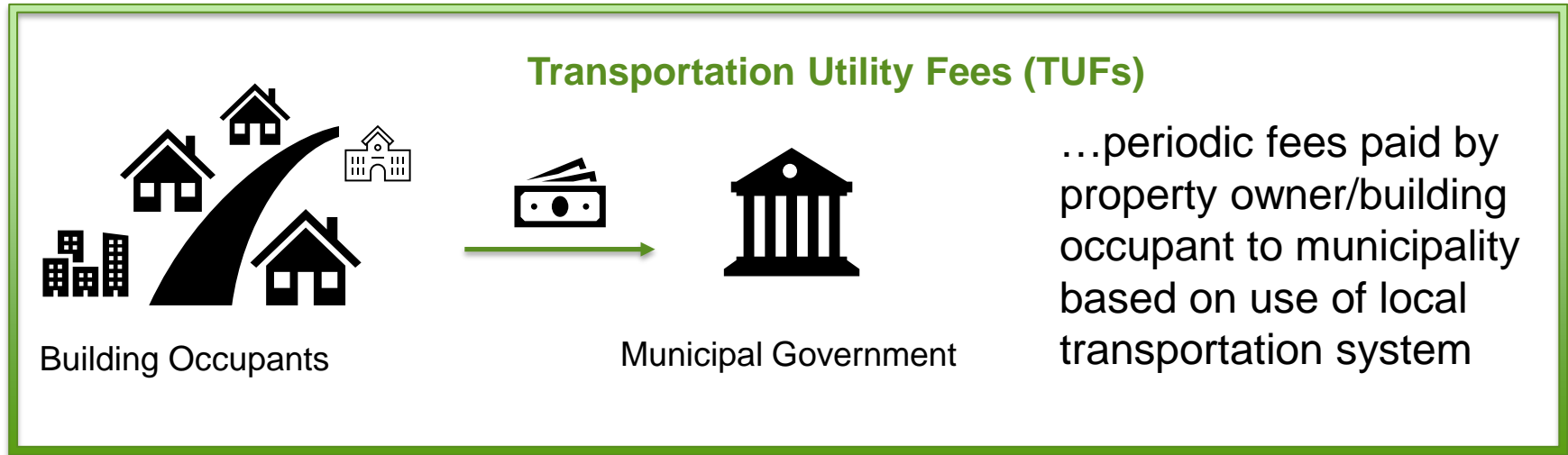


***Transportation Utility
Fees Introduction
Sasha Page, Rebel
Sasha.Page@rebelgroup.com***



Overview: What are TUFs?

1



TUFs are also called:

Transportation Maintenance Fees

Street Maintenance Fees

Road Use Fees

Pavement Maintenance Utility Fees

Street Restoration & Maintenance Fees

Street Utility Fees

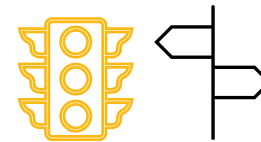
Application of TUFs

3

TUFs are primarily used for the maintenance of local transportation facilities.



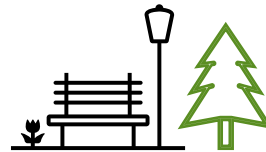
Street Maintenance and
Pavement Preservation



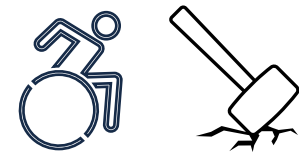
Other Street
Infrastructure



Sidewalks and Bike
Paths



Landscaping



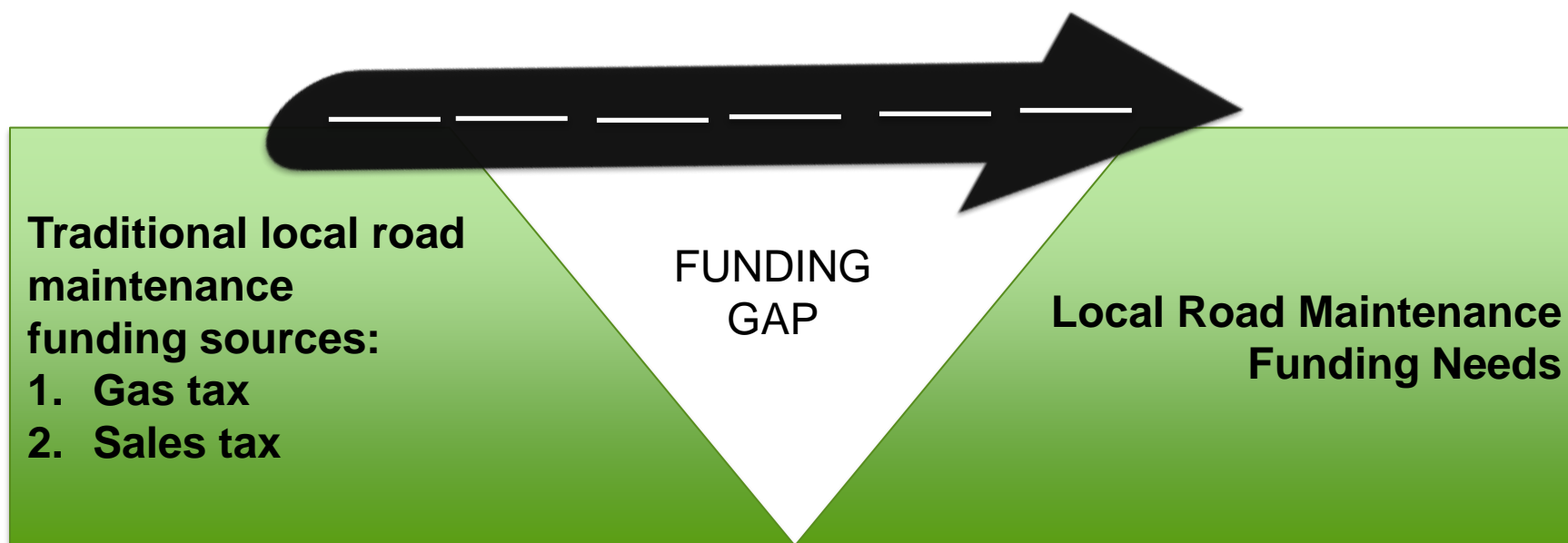
Correcting Street
Deficiency

Overview: Why use TUFs?

1

Closing the Funding Gap

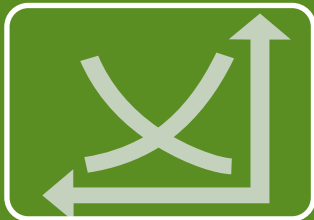
- Traditional funding sources insufficient to meet local road maintenance funding needs



Overview: Why use TUFs?

1

Efficiency, equity, and stakeholder benefits



Economic Efficiency

- Better link use and payment
- Efficient ways of collecting payment (utility bill)



Equitable

- Those who benefit pay
- Exemptions (low income, nonusers)



Stakeholder Benefits

- Transparency in how TUFs monies are spent builds trust

City of Oregon City, Oregon : Pavement Maintenance Utility Fund & other Funding Opportunities

Josh Wheeler, PE – Assistant City Engineer



Transportation Funding in Oregon City

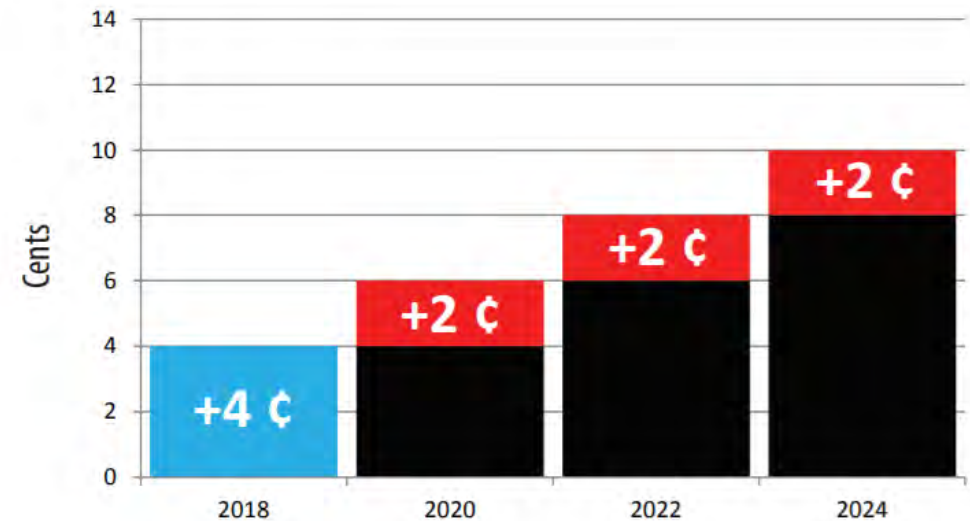
- Gas Tax
- System Development Charges (SDC)
- Pavement Maintenance Utility Fund (PMUF)
- Clackamas County Vehicle Registration Fees
- Miscellaneous Opportunities



Transportation Funding : Gas Tax

- State of Oregon
 - Keep Oregon Moving – HB2017
 - 2023 Gas Tax is \$0.38 per gallon
- Local City/County Taxes
 - Some communities have implemented local gas tax
 - Oregon Coast cities have a seasonal gas tax

Gas tax will increase 10 cents in four steps—with the last three increases conditioned on meeting accountability requirements.



Transportation Funding : Bicycle Tax

- State of Oregon
 - Keep Oregon Moving – HB2017
 - New tax on bicycles

Bicycle Tax

\$15 fee on new adult bicycles that cost \$200 or more will generate \$1.2 million a year for separated biking and walking paths.



City of Oregon City

Transportation Funding : Public Transportation

- State of Oregon
 - Keep Oregon Moving – HB2017
 - New payroll tax for public transportation

Public Transportation Payroll Tax

Less than \$1 a week for the average worker from a 1/10 of 1% tax on wages will generate \$115 million a year for better public transportation.



City of Oregon City

Transportation Funding : SDCs

- Oregon City

- Authorized by ORS 223.302
- System Development Charges
 - i.e. Impact Fees

- Three Components

- Vehicle
- Bicycle/Pedestrian : General
- Bicycle/Pedestrian : Residential



City of Oregon City

Transportation Funding : SDCs

- Transportation System Plan (TSP)
 - Eligible Capital Projects
 - Must add capacity

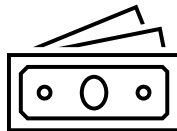


City of Oregon City

Transportation Funding : PMUF

- Pavement Maintenance Utility Fund (PMUF)

- Established by Ordinance 08-1007
- Established in 2008
- Added to utility bill



- 2008

- Study determined \$11.00 per customer was needed to maintain pavement
- To lessen burden, rate began at \$4.50 per single family residential unit
- Raised annually until it became \$11.22 in July 2012



Transportation Funding : PMUF

- Expenses

- Annual Resurfacing Program
- Annual Rehab Program
- Annual Crack Sealing Program
- Annual Chip Seal/Slurry Seal Program
- Fund Transfers to Utility Billing and other related staff
- 5-year plan
- 3-year PCI Ratings



Transportation Funding : PMUF

- Funding : 2022/2023 rate:
 - Single Family Residential - \$15.07
 - Multi Family Residential - \$10.58
 - Non-Residential - \$.258 x applicable # of trips per day based on type of use and building square footage
 - Schools - charged based on number of students



Transportation Funding : PMUF

PMUF Program :

- 139 centerline miles
- 2008 – PMUF started
- 2012 – First Pavement Plan
- 2015 – Plan Update
- 2019 – New Plan
- 2023 – Time for a new plan!
- Annual Budget: \$1.4M - \$2.8M

YEAR	AVERAGE PCI
2011	60
2012	61
2013	68
2014	67
2015	66
2016	76
2017	76
2018	75



Transportation Funding : PMUF

PMUF Program :

- Annual Budget: \$1.9M - \$2.95M
- Excludes other paving work
- Increase PMUF 3.0%/year
- Continue coordinating utility work
- Partner with larger projects
- Consider private roads maintained by HOA
- Consider new technologies

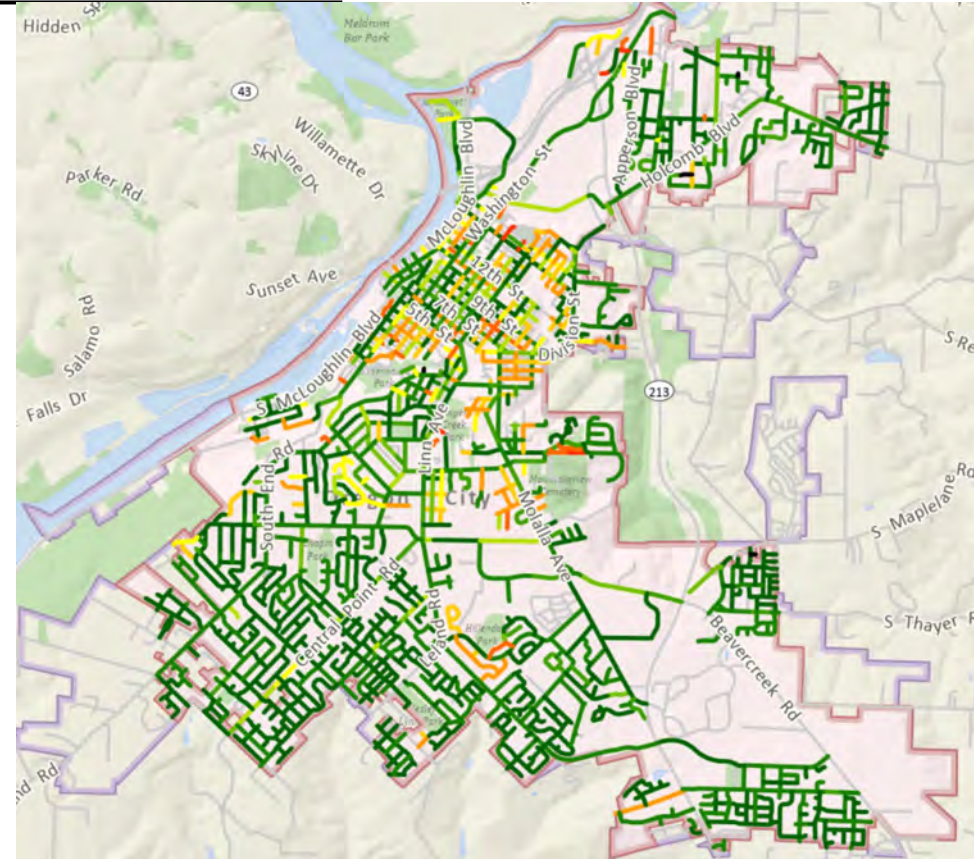
	2024
PCI	71 (down 3)
Deferred Maintenance	\$19.2M (up \$6.6M)
% of Network in Very Good Condition (PCI>70)	74.8% (down 1.3%)
% of Network in Very Poor Condition (PCI<25)	8.1% (up 3.6%)



Transportation Funding : PMUF

PCI ratings (2022):

- 61-100 - Green
- 41-59 - Yellow
- 11-40 - Orange
- 0-10 - Red

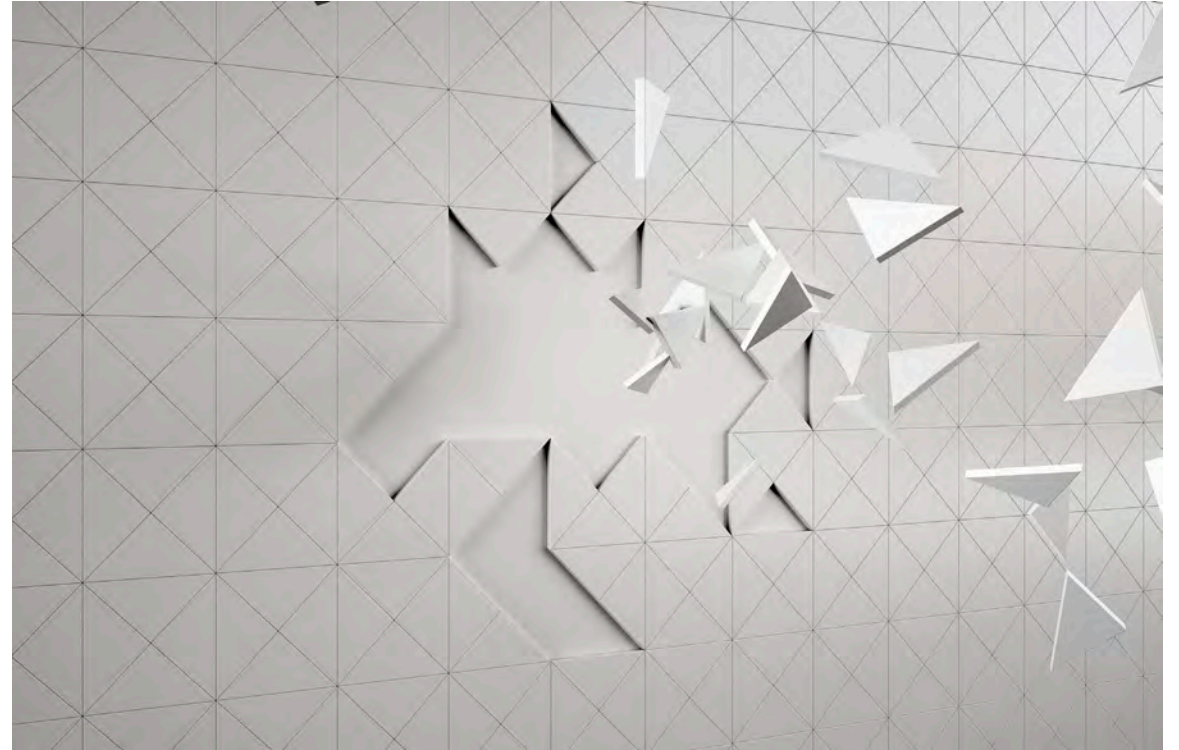


City of Oregon City

Transportation Funding : PMUF

Challenges :

- More and more City, County, and State new taxes
- Continual tax increases all around
- Commission desire to end the PMUF Fee
 - Not Codified
 - Only a Resolution



Transportation Funding : Miscellaneous

Other Programs :

- Vehicle Registration Tax
- SRTS Grants
- Streetscape Grants
- CDBG Grants
- Sidewalk Reimbursement Program (Gas Tax)



City of Oregon City

Transportation Funding : Vehicle Registration

- Multi-purpose
- Right of Way only
- Grant Matches
- \$Approx. 200,000 per year



City of Oregon City

Transportation Funding : Grants

Other Programs :

- Specific guidelines
- Very competitive
- Funding Matches
- Administrative Heavy



City of Oregon City

Transportation Funding : Sidewalk Program

- Tree caused a trip hazard
- \$1500 per location
- Full replacement required
- Taxable
- \$200,000 per year
 - No additional taxes to cover





City of Oregon City

Questions?

Josh Wheeler, P.E.
Assistant City Engineer
City of Oregon City
971-204-4634
jwheeler@orccity.org



City of Oregon City



City of Corvallis, Oregon
Transportation Utility Fees
Rory Rowan, PE
Transportation Division Manager

Community & Context

- ~60k pop. (inc. 20k students)
- 10th largest city in state
- Home to Oregon State University
- Oregon is a home rule state (vs. Dillon's rule)



Oregon State
University

Corvallis Fees History

- 2006 – Transportation Maintenance Fee (TMF)
- 2011 – Sustainability Initiatives Funding
 - TMF renewed
 - Transit Operations Fee
 - Sidewalk Maintenance Fee (SMF)
 - Urban Forestry Fee (UFF)
- 2012 – TMF indexed to inflation (ENR)
- 2020 – TMF eligible uses changed
- 2023 – SMF & UFF increased for first time

Transportation Maintenance Fee

- Per trip rate, based on ITE
- Less than \$500k annually first 10 years
- Now approaching \$5 million/year
- Leverage Surface Transportation Block Grant (STBG)
- *“...shall be used to complete pavement preservation activities or street reconstruction activities on city streets as selected from a pavement management system. At least one percent...will be used for pedestrian and bicycle safety projects”*

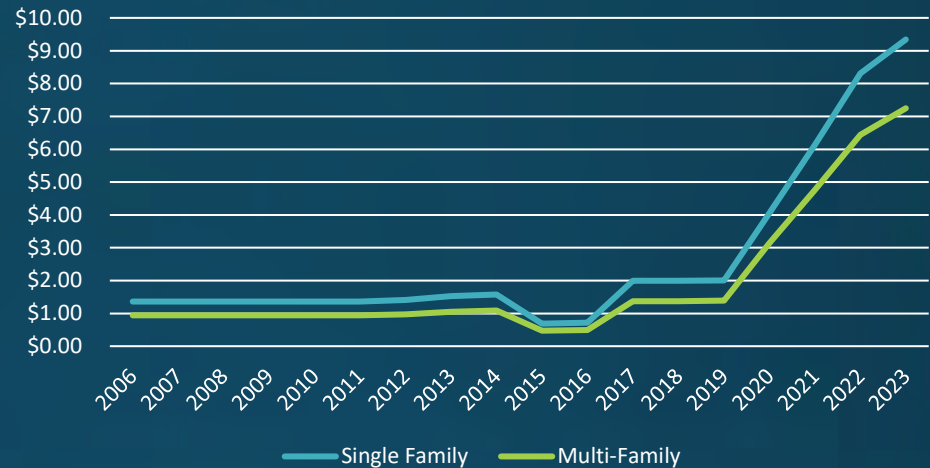


TMF Over Time

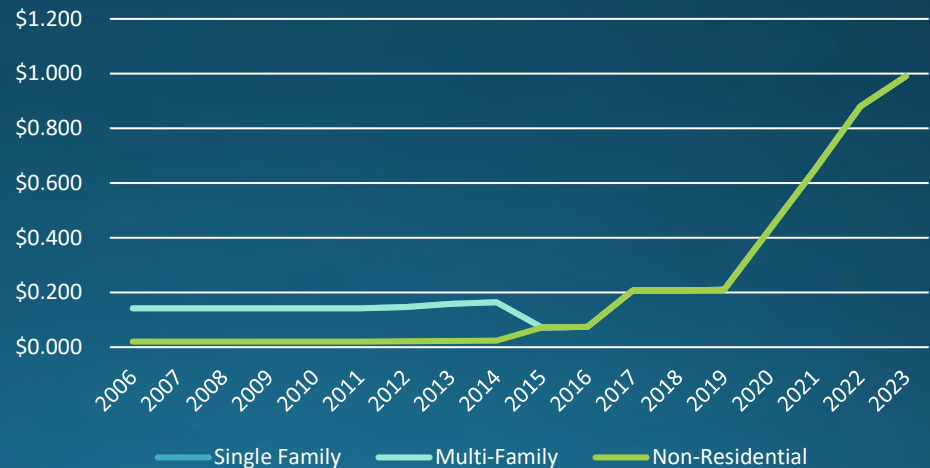
	Single Family (per unit)	Multi-Family (per unit)	Non-Residential (per trip)	Increase / Decrease
2006	\$1.36	\$0.94	\$0.021	N/A
2007	"	\$0.94	"	N/A
2008	"	\$0.94	"	N/A
2009	"	\$0.94	"	N/A
2010	"	\$0.94	"	N/A
2011	"	\$0.94	"	N/A
2012	\$1.41	\$0.97	\$0.022	3.8%
2013	\$1.53	\$1.05	\$0.024	8.6%
2014	\$1.58	\$1.09	\$0.024	2%
2015	\$0.69	\$0.48	\$0.072	-56% / -56% / +200%*
2016	\$0.72	\$0.50	\$0.075	4%
2017	\$2.00	\$1.37	\$0.208	176%
2018	"	"	"	N/A
2019	\$2.01	\$1.39	\$0.21	1%
2020	\$4.06	\$3.15	\$0.43	111%
2021	\$6.14	\$4.76	\$0.65	51%
2022	\$8.31	\$6.44	\$0.88	35%
2023	\$9.34	\$7.25	\$0.99	12.5%

* In 2015 per trip rates were equalized, decreasing residential and increasing non-residential customer fees.

Residential Per Unit TMF Rates Over Time



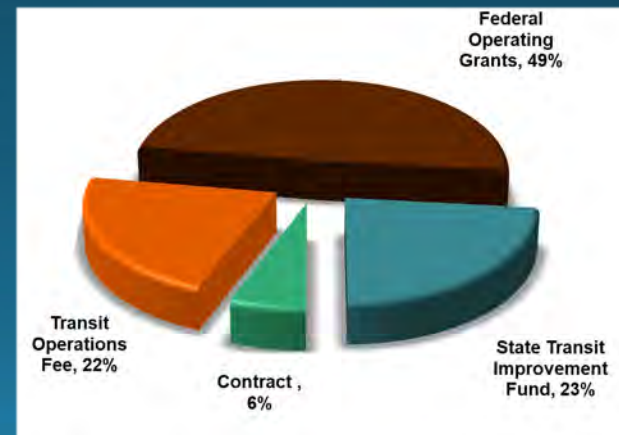
TMF Per Trip Rates Over Time





Transit Operations Fee

- Allowed for start of fareless service in 2011
- Fee indexed to the price of gasoline
- Leverages Federal Transit Administration (FTA) and Oregon transit payroll tax funds
- Currently \$4.72/month/house (2022 OR fuel price)

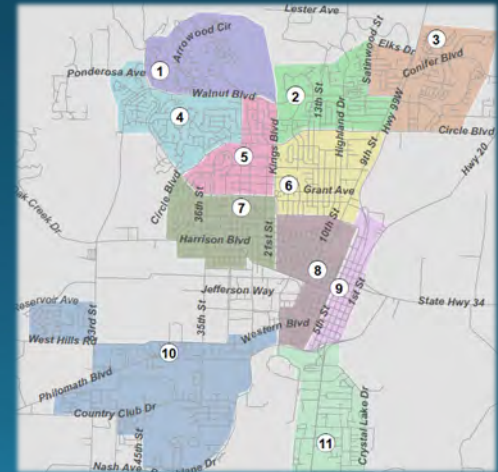
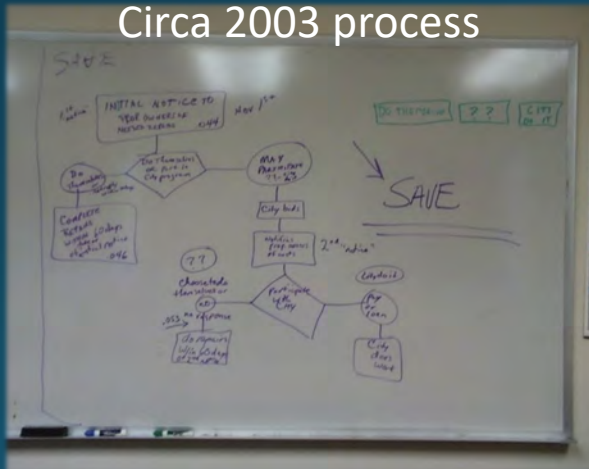


Sidewalk Maintenance Fee



- Replaced decentralized responsibilities
- City inspects an annual district
- Bundles repairs into a contract
- Currently \$1 per month for every utility account

Circa 2003 process



Benefits



- All utility accounts pay, even tax exempt
- Neutralizes modes not paying “fair” share argument
- Non-restricted revenue source
- Fee, not a tax...no restriction on public employee “lobbying” (pro and a con)
- Can be easier to adjust (ordinance, resolution, etc.)

Lessons Learned & Future



- Index to inflation
- Adjustments by resolution, not ordinance
- Have a plan
- Loss of existing revenues
- Crack and slurry seal
- Other operations (signs, markings, etc.)

Contact



Rory Rowan, PE

Transportation Division Manager

City of Corvallis, Oregon

541-766-6916

rory.rowan@corvallisoregon.gov





*Transportation Utility
Fees Establishment
and Administration*
Sasha Page, Rebel
Sasha.Page@rebelgroup.com



Overview

- Establishing TUFs
- Administering TUFs

Establishing a TUFs Program

2



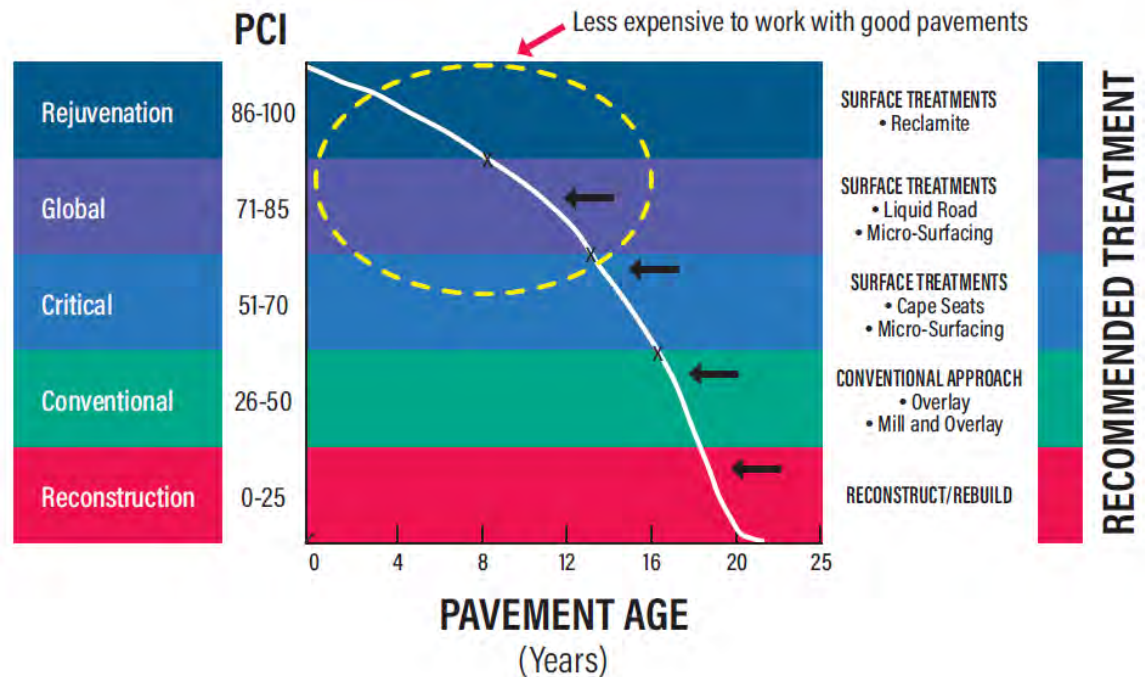
Establishing a TUFs Program

2

1

DETERMINING MUNICIPALITY OBJECTIVES

- What does the municipality want to fund with TUFs program? Is a certain PCI targeted?
- Is coordination required with other utilities? Will coordination with other utilities change program?



Pavement Deterioration Curve Example, Killeen, TX TUFs Presentation

Establishing a TUFs Program

2

1

DETERMINING MUNICIPALITY OBJECTIVES

LOVELAND, CO



City Council appointed “Transportation Finance Committee” in 1999 to address challenges associated with transportation financing for new infrastructure and ongoing O&M.



COMMITTEE INCLUDED:

3 City Council members | 3 members of the development community | 3 citizens | 2 consultants



RECOMMENDATIONS

Invest ++ funds to increase frequency for each street from 7 to 10 years:

- Increase annual street maintenance funding by \$800K to \$2.7M (30%)
- Imposing “Street Maintenance Fee” on each property. Calculations included Traffic Volume and Truck Traffic for separate uses.

Establishing a TUFs Program

2

1

DETERMINING MUNICIPALITY OBJECTIVES

HILLSBORO, OR

Situation in 2007 (at proposal)

- **\$9 million** in deferred pavement maintenance
- **\$28 Million** in deferred maintenance by 2018 w/o additional funds
- **Missing sidewalks on 35%+** of streets and bicycle lanes on major roadways



TUF proposal

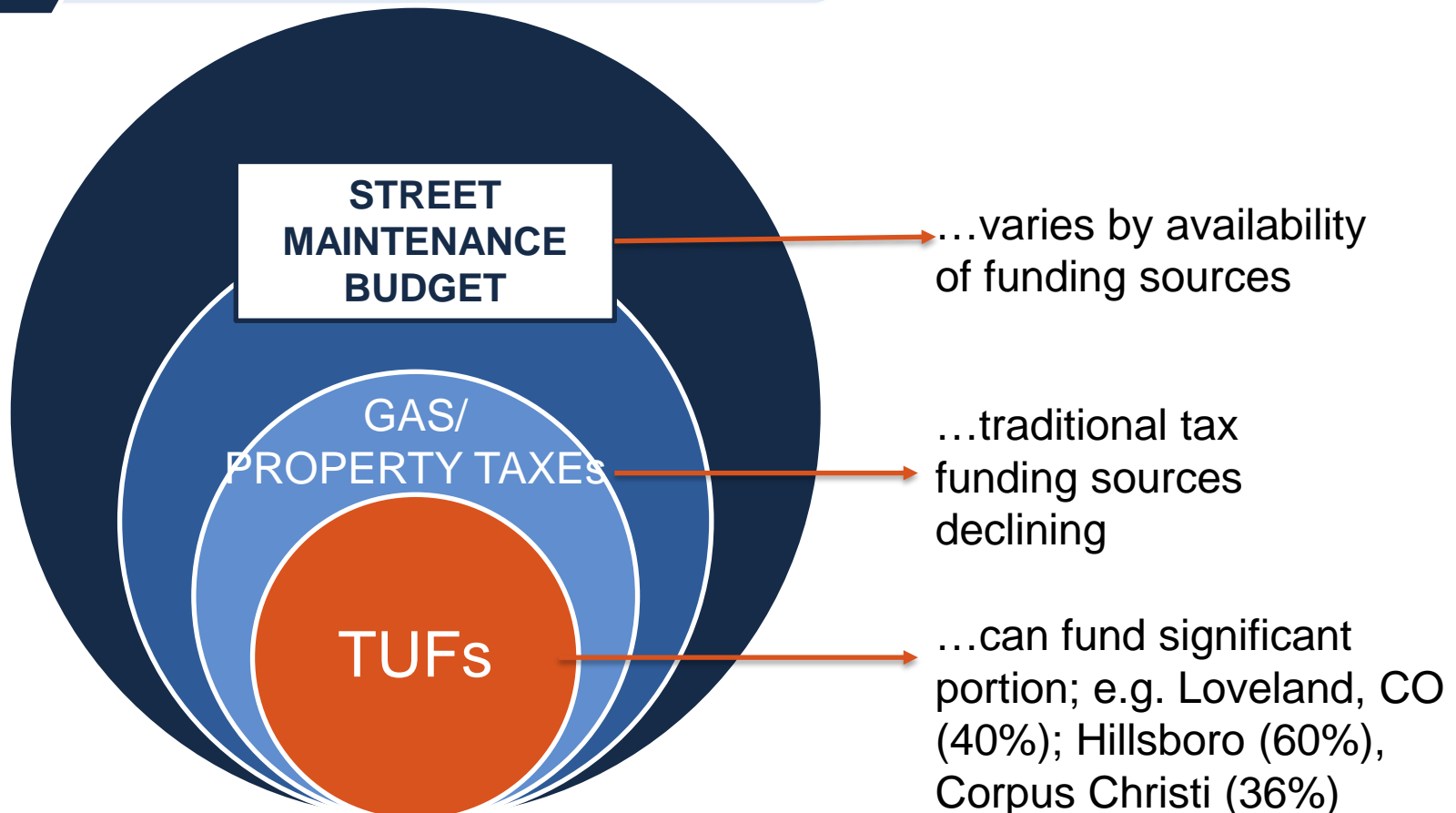
- Fully fund pavement maintenance program to **eliminate all backlog in 20 years.**
- **Free state and local gas tax revenue** for bicycle and pedestrian infrastructure projects.

Establishing a TUFs Program

2

2

DETERMINING COST & BUDGET



Establishing a TUFs Program

2

2

DETERMINING COST & BUDGET

Loveland: Overall need was identified and funding from Street Maintenance Fee was combined with:

- Highway Users Tax Fund (Gas Tax) - funding directly from all fuel purchases
- General Fund (Sales Tax revenue) -- Contribution from residents **and** visitors)

Hillsboro:

INITIAL	<ul style="list-style-type: none"> • Pavement Management: Model annual budget needs to meet goal of eliminating deferrals by 2020. • Bicycle and Pedestrian Budget = Balance of Gas Tax Revenue
AS ADOPTED/ TODAY	<ul style="list-style-type: none"> • Pavement Management: Model annual budget needs to eliminate deferrals (currently by 2024) <ul style="list-style-type: none"> • Deduct: Available gas tax contributions, general fund contributions. • Bicycle and Pedestrian fixed amount.

Establishing a TUFs Program

2

3

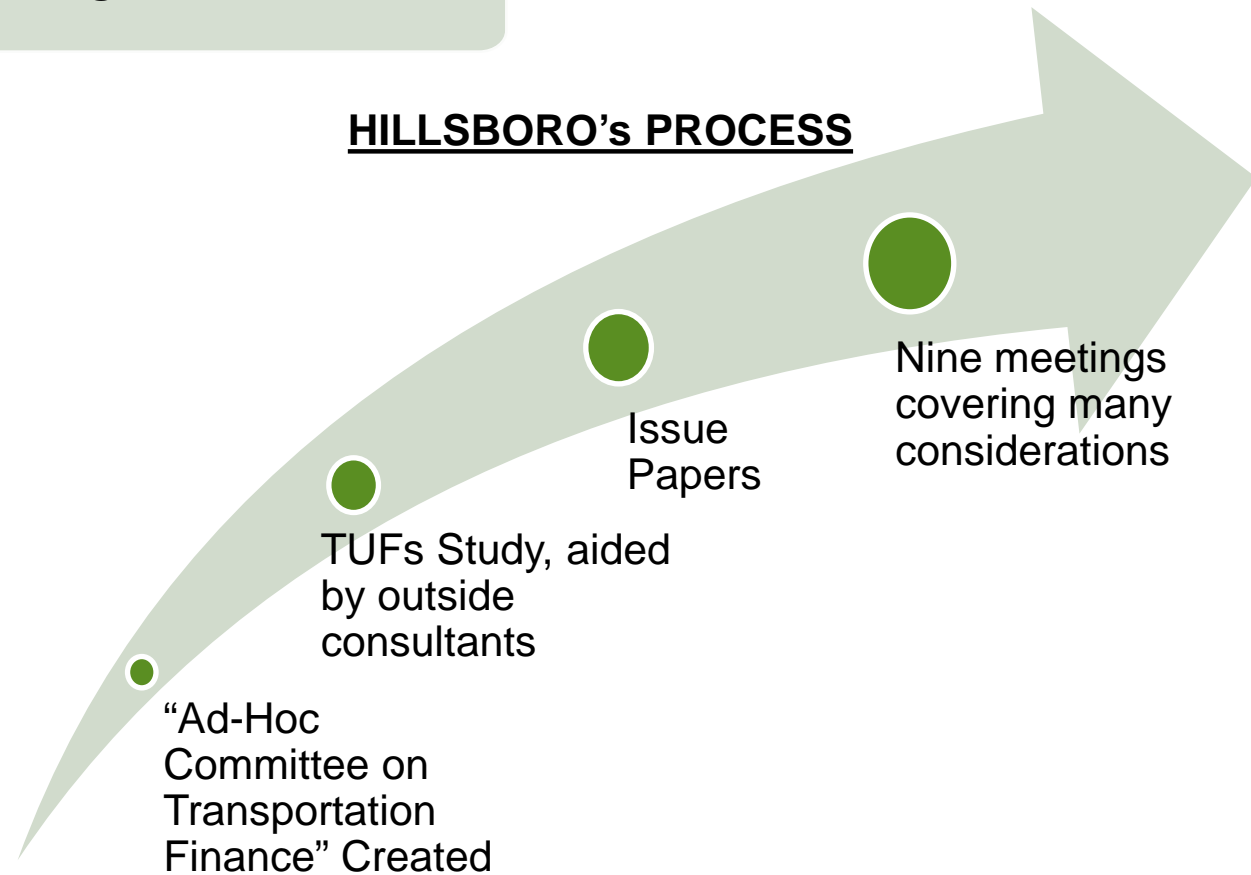
SETTING RATES

Study whether/how to implement TUFs



- Municipal staff
- Legislature
- Ad hoc citizens group

HILLSBORO's PROCESS



Establishing a TUFs Program

2

4

INFORMING THE PUBLIC



Presentations



**Websites with
study reports**



Public hearings



**Info
materials**



New Sidewalk Improvements and Bicycle Lanes

Highlights: *Using Redirected Gas Tax*

- Adding 8.4 miles of sidewalk improvements.
- Improving school walking routes by adding curbs and gutters and sidewalks.
- Developing 6.3 miles of family friendly bike lanes by 2019.
- Adding street trees and street landscaping to create a buffer zone between cars and pedestrians.
- Improving pedestrian and bicycle connections near mass transit.
- Improvements to Jackson School Road include some turn lane pockets, 6 feet of new bicycle lanes on both sides of the street and 5 feet of sidewalks with planter strips on both sides of the road.
- Golden Road, a major walking connection to Century High School and Brown Junior High, will see 6 feet of roadway improvements for bicycle lanes, planter strips, sidewalk infill and street lighting as necessary.



Public Hearing

7:00 p.m., June 17, 2008, Civic Center Auditorium



CITY OF HILLSBORO

Questions? Comments? Call 503.681.6146

email at TransportationUtilityFee@ci.hillsboro.or.us
Visit our web site at www.ci.hillsboro.or.us

Example of brochure from Hillsboro, OR



CITY OF HILLSBORO

Hillsboro's Current Transportation Need:

- A backlog of street maintenance projects that will increase without more money.
- Limited funding for sidewalk and bicycle improvements.

Should We Spend a Little to Save a Lot?

- Our streets are like the siding of our houses. Not keeping up with repairs means it becomes more expensive the longer we wait.
- The cost to repair our current backlog of street maintenance projects is approximately \$9.1 million. Without additional funds, we will fall farther behind and the cost will balloon to \$28.3 million by 2018.
- Delayed maintenance costs 4 to 5 times more than preventative maintenance.
- Preventative maintenance saves money and extends the life of our streets by almost 40%—a significant return on the public's investment.

Learn more inside...



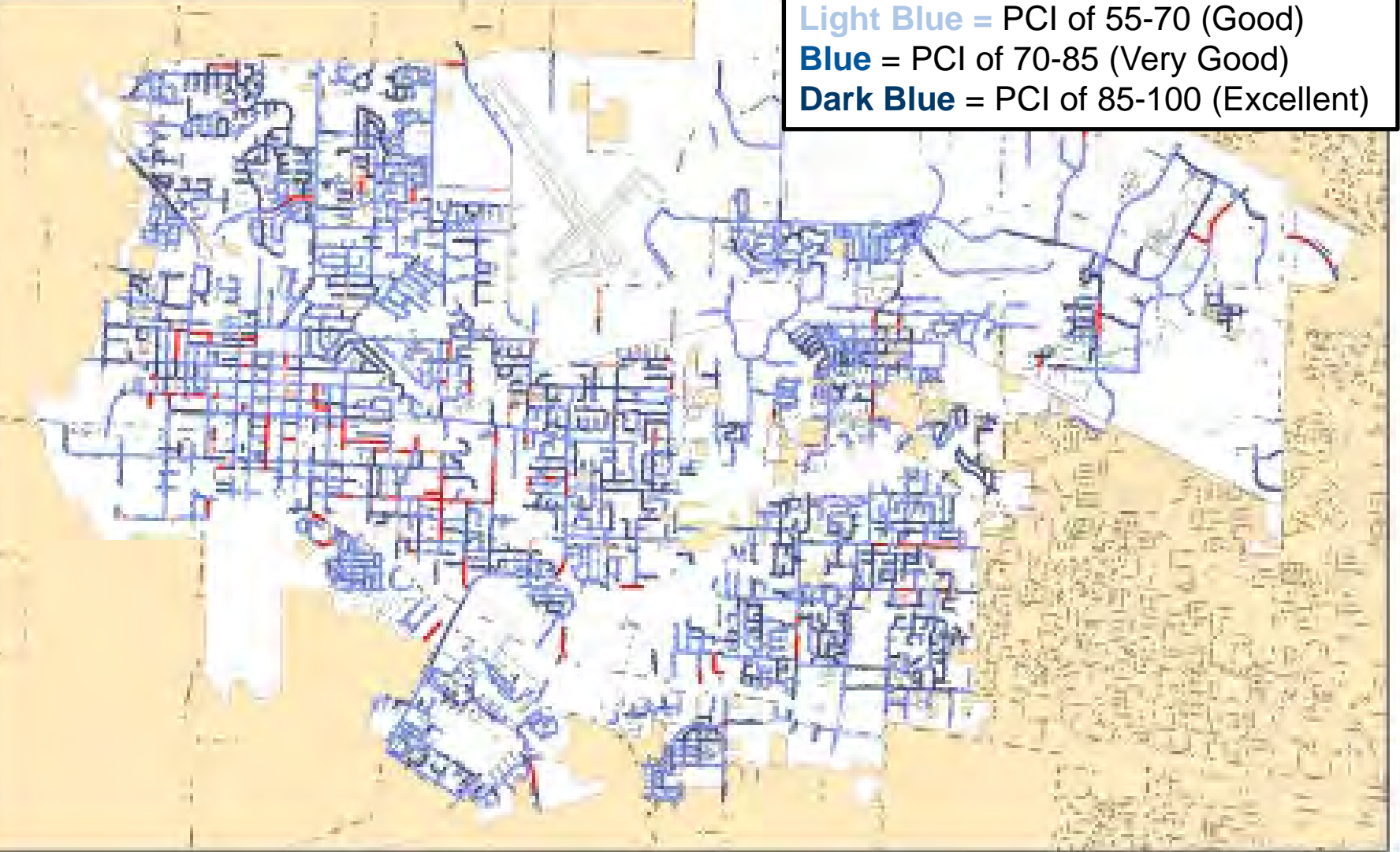
Weathering

Cracking

Pot Holes

Color Scheme:

- Red** = PCI of 0-10 (Failed)
- Pink** = PCI of 10-25 (Very Poor)
- Light Pink** = PCI of 25-40 (Poor)
- Gray** = PCI of 40-55 (Fair)
- Light Blue** = PCI of 55-70 (Good)
- Blue** = PCI of 70-85 (Very Good)
- Dark Blue** = PCI of 85-100 (Excellent)



Projected 2017 Pavement Conditions with Transportation Utility Fee Funding

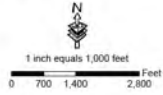
As of January 2008

Pavement Condition Index

- 0-10 (Failed)
- 10-25 (Very Poor)
- 25-40 (Poor)
- 40-55 (Fair)
- 55-70 (Good)
- 70-85 (Very Good)
- 85-100 (Excellent)

Other Roadway

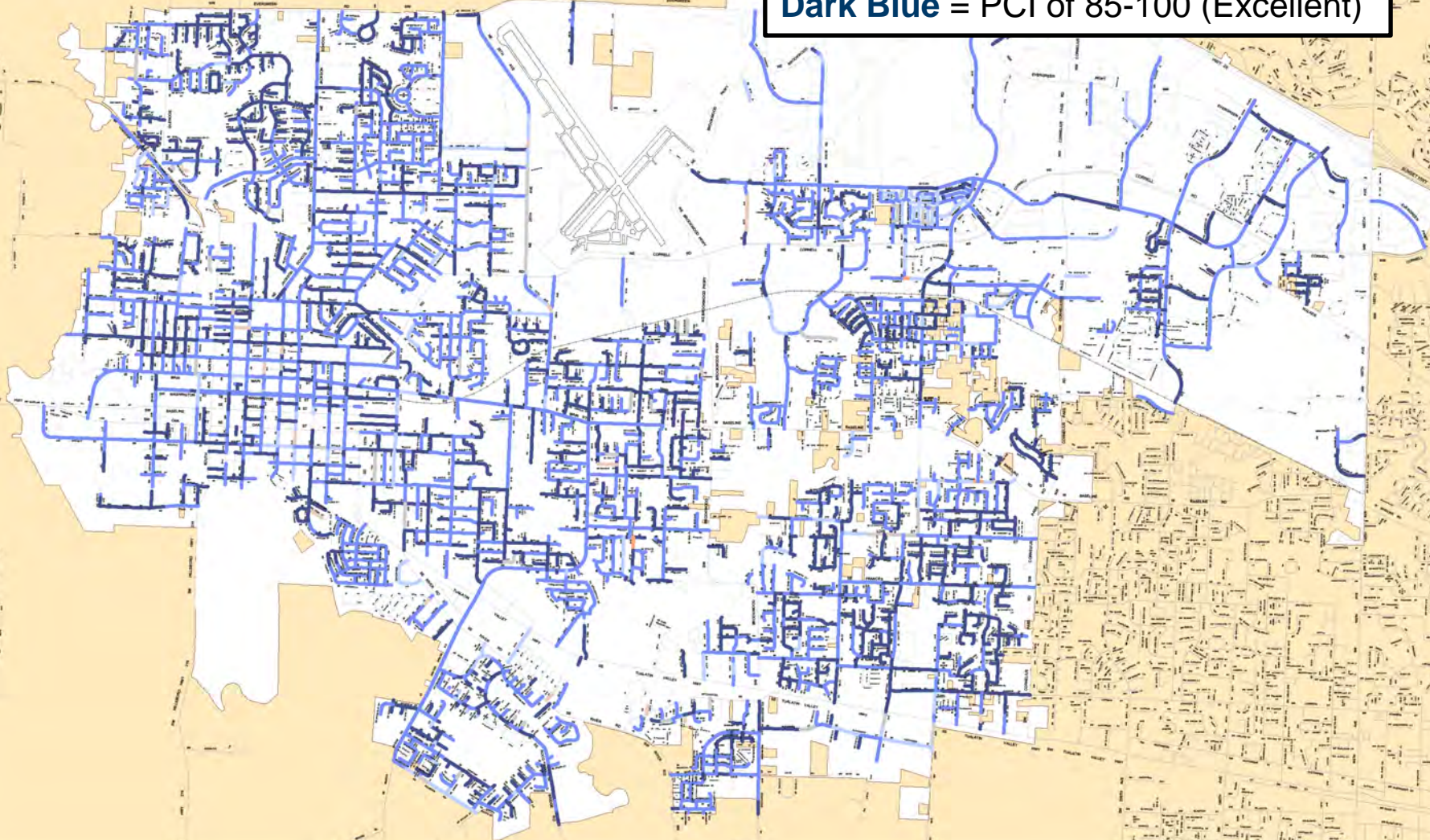
- Unrated or Non-City Roadway
- Light Rail
- Private Roadway
- Unimproved ROW
- City Limits



DISCLAIMER
This map was derived from several databases.
The City cannot accept responsibility for any errors.
Therefore, there are no warranties for this product.
However, notification of errors would be appreciated.

Color Scheme:

- Red** = PCI of 0-10 (Failed)
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- Blue** = PCI of 70-85 (Very Good)
- Dark Blue** = PCI of 85-100 (Excellent)



Establishing a TUFs Program

2

5

ADOPTING ORDINANCE & NOTIFYING PUBLIC

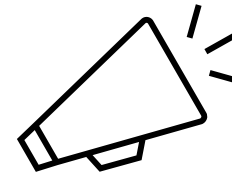


TUF Ordinance*

To incl, e.g.:

- Program purpose
- TUF uses
- Program Management
- Collection process

*can change after adoption



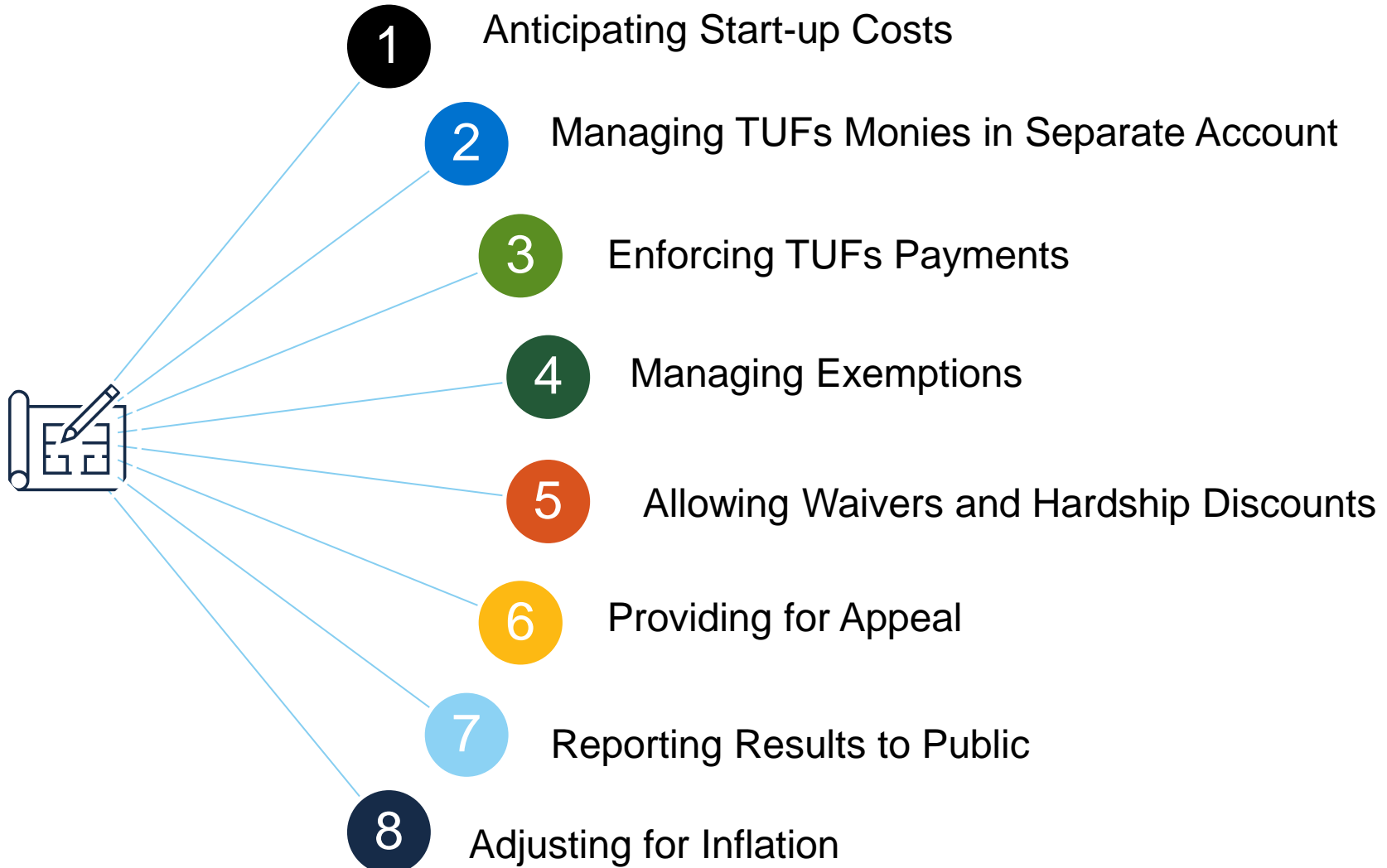
Explain Program to Public

e.g.:

- On utility bill
- Mailers
- Establish business leader's group
- Social media
- Phone hotline – Recorded message

Administering TUFs

5



Administering TUFs

5

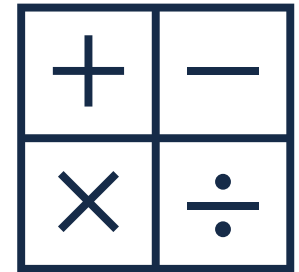
1 Anticipating Start-up Costs & Challenges



Preparing/Updating Studies



Surveying/classifying
properties



Setting fees



Staff time (present/implement)



Development of info materials

Administering TUFs

5

2 Managing TUFs Monies in Separate Account

- Per state or local law, TUFs receipts deposited into accounts separate from general fund



General Fund



TUFs

3 Enforcing TUFs Payments

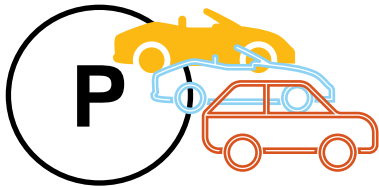
- Enforcement terms similar to other utilities
- E.g. Loveland has Utilities (Enterprise Funds) and bills monthly for:
 - Water, Wastewater, Power, Stormwater, Solid Waste (Residential)
 - Street Maintenance Fee treated with “equal standing”

Administering TUFs

5

4 Managing Exemptions

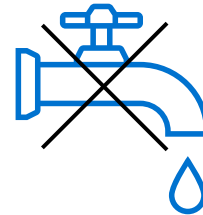
...exemptions granted are primarily for:



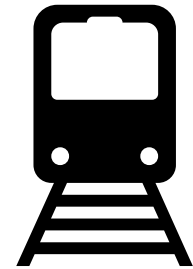
**City/Public
Parking Lots**



Farms



**Properties not
receiving water**



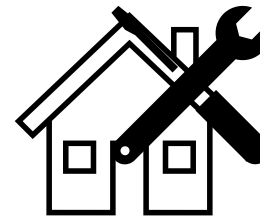
Railway RoW



Park Spaces



Public Schools



**Vacant
Properties**

Administering TUFs

5

4 Managing Exemptions

...Examples

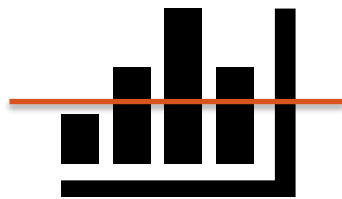
City	Exemptions
Loveland, CO	<ul style="list-style-type: none">• No exemptions
Hillsboro, OR	<ul style="list-style-type: none">• City and TriMet parking lots• Developed parks assessed• Farming property• Railroad ROW

Administering TUFs

5

5 Allowing Waivers and Hardship Discounts

...waivers/discounts typically granted for:



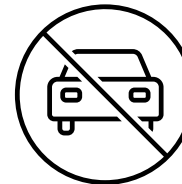
Income
below
threshold



Recently
Unemployed



Low-income
elderly



Do not own
vehicle

Administering TUFs

5

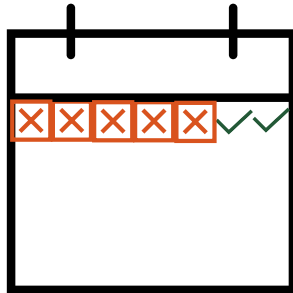
5 Allowing Waivers and Hardship Discounts

Municipality	Waivers/Discounts
Hillsboro, OR	<ul style="list-style-type: none"> • 30% discount for residential users with an annual transit pass; • Up to 30% for non-residential customers who provide a % of employees with annual passes • 30% discount for users with no vehicle • Up to 30% discount for non-residential customers who have a trip reduction strategy in place and can demonstrate reductions.
Loveland, CO	No Waivers or Hardship Discounts

Administering TUFs

5

6 Providing for Appeal



A TUF levied on a Lake Oswego golf course assumed traffic all days of the week. However, the golf course only had weekend traffic. The golf course appealed for a different classification.

Process for Appeals:

- **Hillsboro, OR:**
 - Owner can appeal TUFs for among other reasons complications related to mixed use properties
 - Appeal can be made to city council
 - No formal appeals to date; generally resolved at staff level

Administering TUFs

5

7 Reporting Results to Public



Annual Reports



Websites



Videos



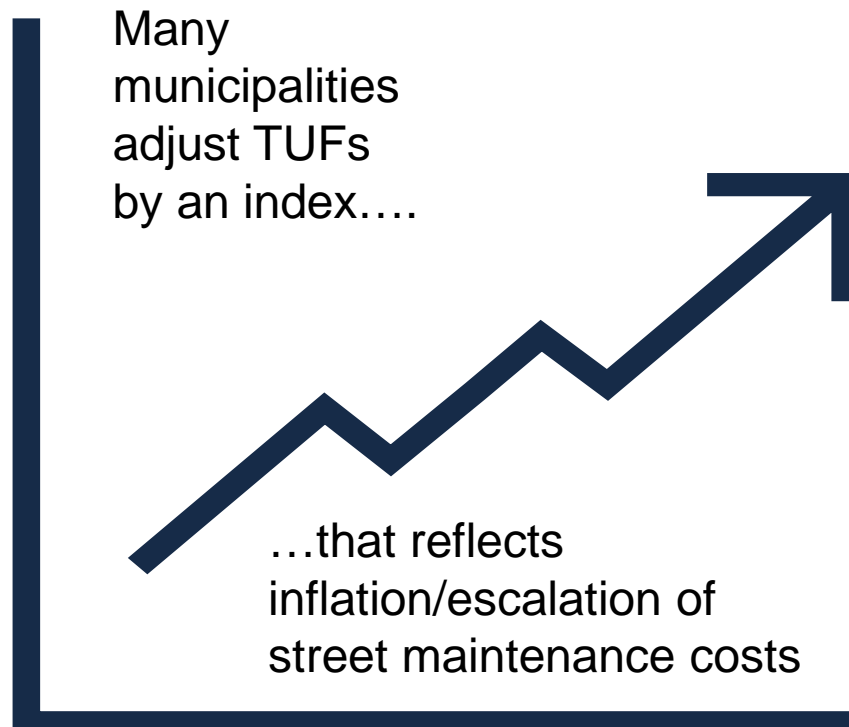
Killeen, TX produced an educational YouTube video describing need for street maintenance and funding

<https://youtu.be/yA4qH2WFpN4>

Administering TUFs

5

8 Adjusting for Inflation



For those indexing:

- use index source
- parameters for adjustment (e.g. not less than 2%, no more than 7%)

Hillsboro increases based on need not index

Loveland increases based on need

- Public Hearing

Questions?

Getting TUF On Our Streets

This Project Funded By The Transportation Utility Fee



*Example of
sign used in
Hillsboro to
announce
projects
funded by
TUFs*

www.hillsboro-oregon.gov/Roadways

Links to Resources

- Transportation Utility Fees: Maintaining Local Roads, Trails and Other Transportation Primer:

https://www.fhwa.dot.gov/ipd/value_capture/vcsp/fhwa_hin_19_005/

- General Resources on Value Capture:

https://www.fhwa.dot.gov/ipd/value_capture/resources/value_capture_resources/general.aspx