



Transportation Utility Fee 4 Years Later

NPWMA 2012 Conference

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Overview

- **Background**
- **Original Program**
- **Program Modifications Since Inception**
- **Unresolved Challenges in Program**
- **Other Jurisdiction Programs**

Public Official Support

Didn't happen overnight.

Modeling conditions/needs was critical.

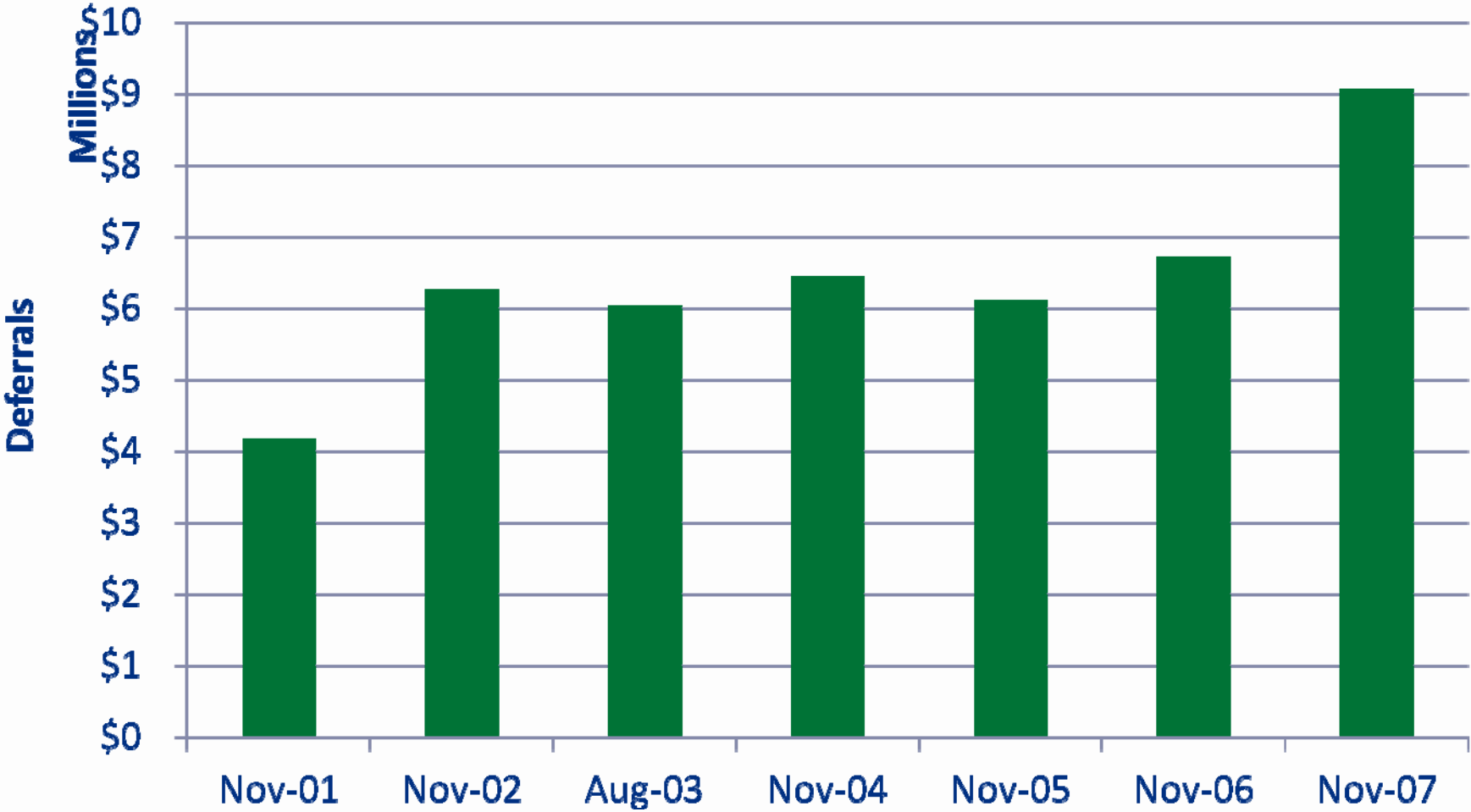
Providing a simplified understanding of pavement management.

- House Analogy

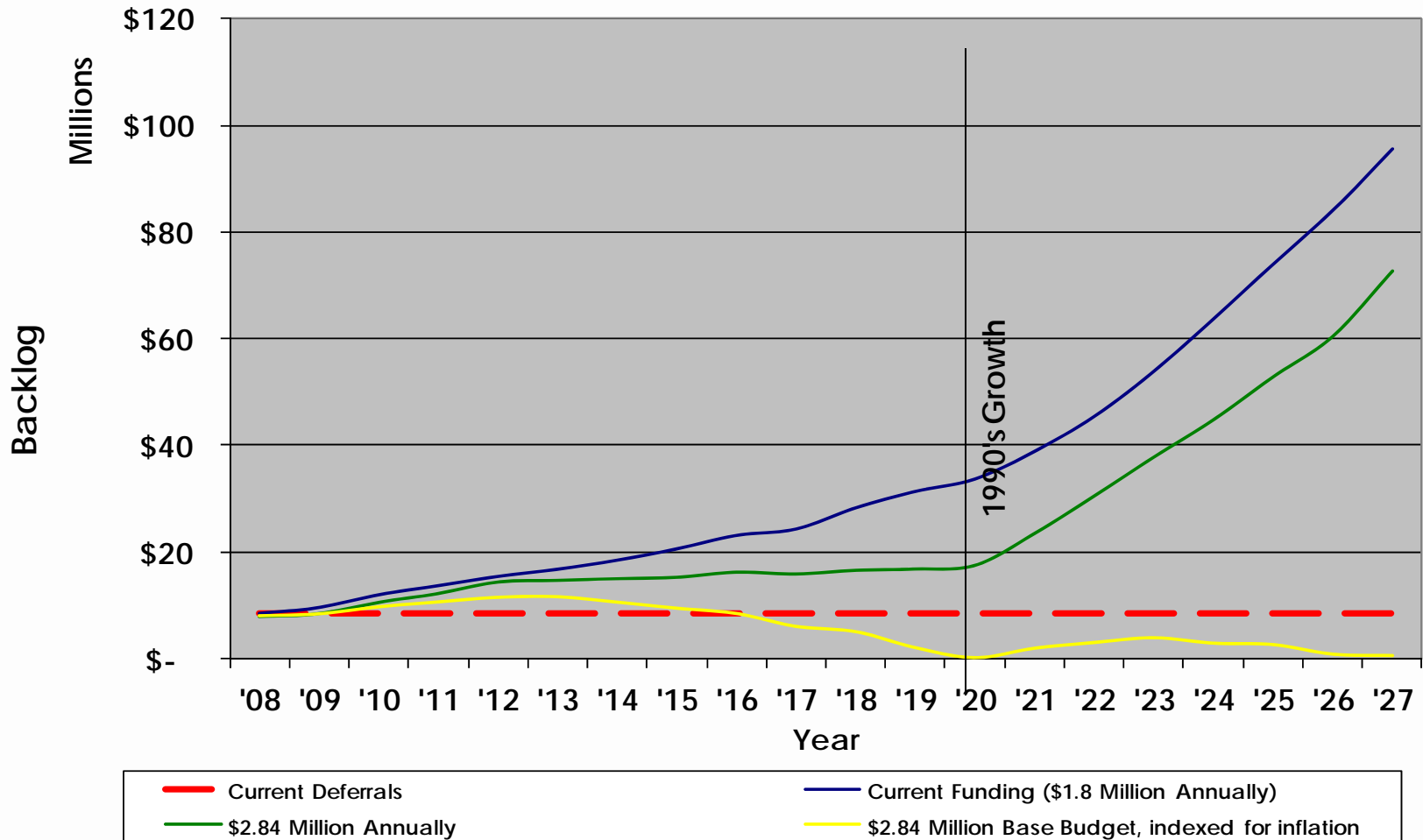
Updating the council annually on the effects of decisions.

- Historical deferrals.
- Model budget scenarios.
- Look for your critical message.

Historical Deferrals



Projected Maintenance Backlog



Background

Fee Development/Outreach: April 2007 to July 2008

Program approved by Council: July 2008

Effective: March 2009

Modification #1: Reduced Multi Family Rate July 2009

First Evaluation: October 2010

Modification #2 & #3: Recalibrated/Base Charge: May 2011

Modification #4: 4% Increase: April 2012

Original Program

Cost Allocation Residential/Non-Residential

- Fee based on estimated benefits to user.
 - Estimated cost allocation for maintenance various classifications (arterial, collector, etc.)
 - Estimated travel usage residential, commercial, etc on each roadway classification.
 - High level estimates from Metro traffic modeling.
- Allocation
 - 52% Residential Customers
 - 48% Non-Residential Customers

Original Program

Fee determination

– Residential

- Committee determined all residential units should pay the same amount.
- Fee:
 - 52% Monthly Revenue Target/# Dwelling Units
 - \$3.10/Month/Dwelling Units

Original Program

Fee determination

– Non Residential

- Trip generation for every non-residential land use had to be determined.
 - Information not readily available.
 - Building footprints determined through aerial photography.
 - Physically visited sites to determine the land use and number floors.

Original Program

Fee determination

– Non Residential

- Land uses with similar ITE trip generation characteristics grouped (Bins)
 - Bin 1: less than 7 trips/1000 sq.ft
 - Bin 2: 7-21 trips/1000 sq.ft.
 - Bin 3: 25-53 trips/1000 sq.ft
 - Bin 4: 53-151 trips/1000 sq.ft.
 - Bin 5: 151-400 trips/1000 sq.ft
 - Bin 6: greater than 400 trips/1000 sq.ft.
 - Bin 7: Special for ITE Trip generations not based on sq.ft.

Original Program

Fee determination

– Non Residential- Continued

- % of bin trips/total non residential trips equivalent to bins cost share of non residential fee.
 - Bin 7: trip generation per business capped at 1500 trips.
- Rates:
 - Bins 1-6: Bins cost share/1000 sq.ft. in bin
 - Bin 7: Bins cost share/trips in bin
 - » \$0.05/trip

Original Program

52%
Residential

48%
Non-Residential

Single
Family

Multi Family

1 Solar World

2 School District

3 Target

4 Civic Center

5 Wells Fargo

6 McDonalds

7 Regal Cinemas

2 Land Use
Categories

7 Land Use
Categories

Original Program

BIN	TRIPS/TGSF	MONTHLY FEE/TGSF	NOTES
1	<7	\$ 0.22	NON RESIDENTIAL FEE, PER TGSF
2	7 TO <21	\$ 0.53	NON RESIDENTIAL FEE, PER TGSF
3	21 TO <53	\$ 1.78	NON RESIDENTIAL FEE, PER TGSF
4	53 TO < 151	\$ 3.73	NON RESIDENTIAL FEE, PER TGSF
5	151 TO <400	\$ 10.18	NON RESIDENTIAL FEE, PER TGSF
6	>=400	\$ 18.41	NON RESIDENTIAL FEE, PER TGSF
7	OTHER	\$ 0.05	NON RESIDENTIAL FEE, PER TRIP
8	RESIDENTIAL/MULTI-FAMILY	\$ 3.10	RESIDENTIAL FEE, FEE PER DWELLING UNIT

Discounts & Waivers

Single Family Residential

– Motor Vehicle Discount

- No vehicle registered to address.
- 30% discount
- Total Participants: 7

– Transit Pass Discount

- One tenant in household has purchased annual TriMet pass.
- 30% discount
- Total Participants: 41

Discounts & Waivers

Single Family Residential-continued

– Hardship Waiver

- Household income less than 60% of Oregon median.
- One full year waiver.
- Total Participants: 336
- Apartments: 3 Complexes (162 units)

– Unemployment Waiver

- One party in household laid off within 30 days of application
- 6 Month waiver.
- Total Participants: 95

Discounts & Waivers

Non-Residential

– Employer Transit Pass Discount

- Employer purchases annual TriMet passes.
- Up to a 30% discount
- Total Participants: 7

– Employer DEQ ECO Program Discount

- Employer programs in place to reduce vehicle trips.
- Up to a 30% discount
- Total Participants: 4

Discount & Waiver Impact

Discount/Waiver Type	Revenue Reductions Apr-09 to Jun-10	Percentage of Revenue Reductions
Residential Hardship	\$24,117	59.4%
Residential Unemployment	\$2,070	5.1%%
Residential Motor Vehicle	\$78	0.2%
Residential Transit	\$454	1.1%
Non Residential Transit/ECO	\$13,884	34.2%
Total	\$40,605	

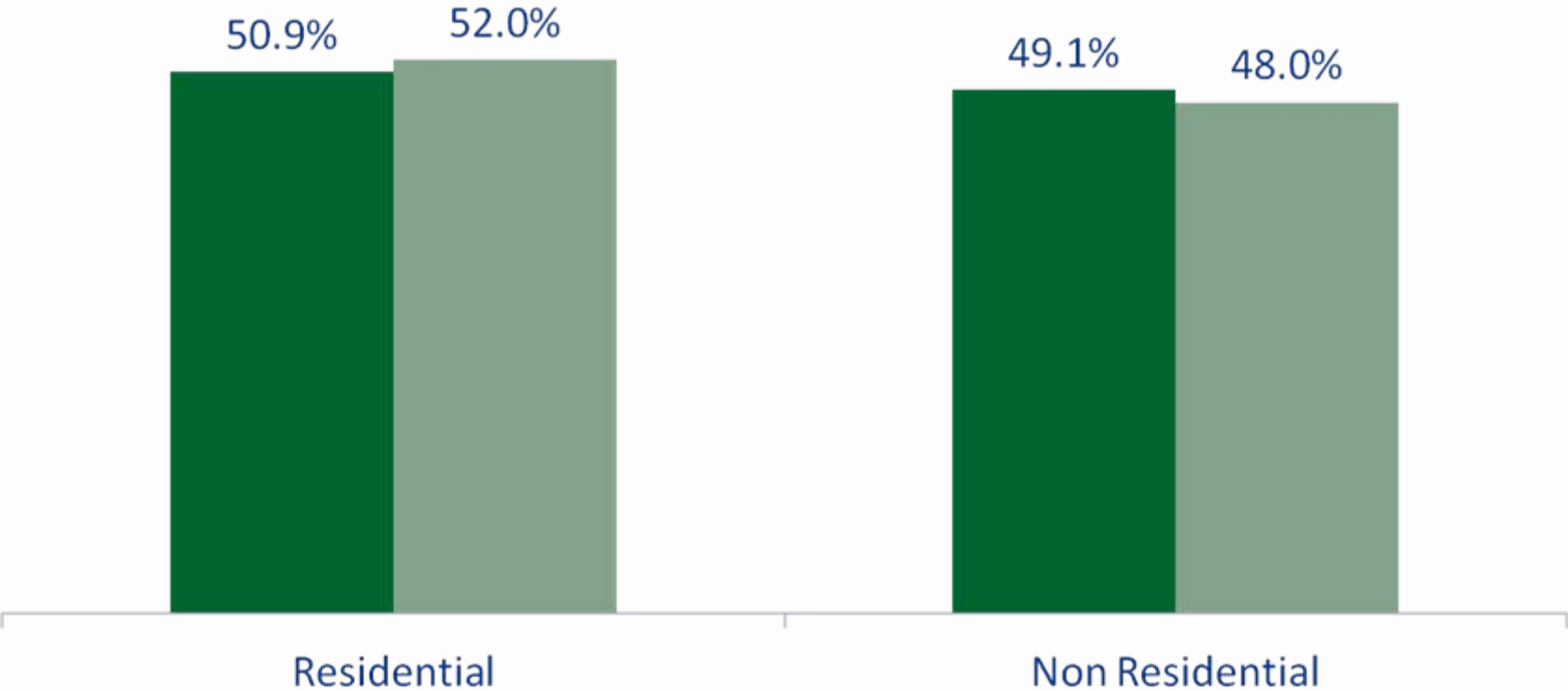
Program Modification #1

- Reduced Multi Family Rate
 - Instigating Factor: Discounts & Waivers
 - Additionally: Multi-Family Trip rates per unit are less than Singly-Family
- Two Tier Residential Rate Established
 - \$3.10 Single-Family
 - \$2.80 Multi-Family

Program Modification #2

- Non-Residential Base Charge
 - 20% (Approximately 240) Non-Residential Customers were paying less than Multi-Family
 - Smallest Bill \$0.11/month.
 - Cost us \$1.35/month to bill.
 - May 2010: Established a Base Non Residential Charge equal to Multi-Family Rate.

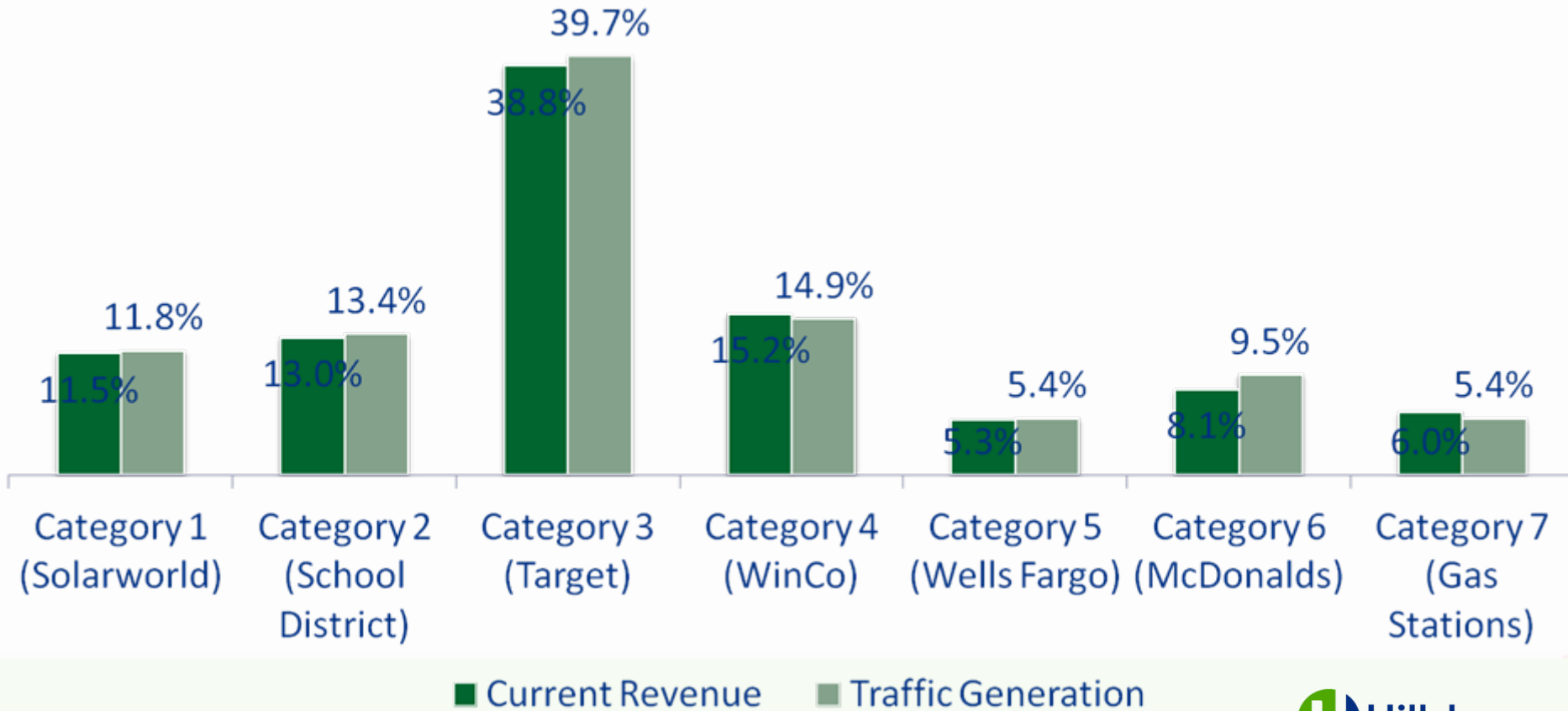
Program Modification #3:



■ Current Revenue ■ Traffic Generation

Current Revenue should equal Traffic Generation

Program Modification #3:



Program Modification #3:

Category (Bin)	Rate Basis	Current Rates	May 1, 2011 to March 31, 2012 Recalibration w/Base
Non Residential			
Non Residential Base:		\$ -	\$2.83
1	1000 sq.ft.	\$0.22	\$0.20
2	1000 sq.ft.	\$0.53	\$0.47
3	1000 sq.ft.	\$1.78	\$1.56
4	1000 sq.ft.	\$3.73	\$3.47
5	1000 sq.ft.	\$10.18	\$9.14
6	1000 sq.ft.	\$18.41	\$18.52
7	trip	\$0.05	\$0.04
Residential			
8 (SFR)	unit	\$3.10	\$3.14
9 (MFR)	unit	\$2.80	\$2.83

Program Modification #3:

Category (Bin)	Business	Units	Current Fee	May 1, 2011 to March 31, 2012 Recalibration w/Base
1	SOLARWORLD	531020sq.ft.	\$ 116.82	\$ 109.03
2	HILLSBORO SCHOOL DISTRICT	76200sq.ft.	\$ 40.39	\$ 38.64
3	TARGET	121510sq.ft.	\$ 216.29	\$ 192.39
4	WINCO	78190sq.ft.	\$ 291.65	\$ 274.15
5	WELLS FARGO	6910sq.ft.	\$ 70.34	\$ 65.99
6	MCDONALDS	5050sq.ft.	\$ 92.97	\$ 96.36
7	REGAL CINEMAS	1500trips	\$ 75.00	\$ 62.83
8	SINGLE-FAMILY RESIDENTIAL	1 Units	\$ 3.10	\$ 3.14
9	MULTI-FAMILY RESIDENTIAL	200 Units	\$ 560.00	\$ 566.00

Program Modification #4:

Category (Bin)	Rate Basis	Proposed Rates	
		May 1, 2011 to March 31, 2012	After April 1, 2012
		Recalibration w/Base	4% Revenue Increase
Non Residential			
	Non Residential Base:	\$2.83	\$2.87
1	1000 sq.ft.	\$0.20	\$0.21
2	1000 sq.ft.	\$0.47	\$0.49
3	1000 sq.ft.	\$1.56	\$1.63
4	1000 sq.ft.	\$3.47	\$3.64
5	1000 sq.ft.	\$9.14	\$9.58
6	1000 sq.ft.	\$18.52	\$19.42
7	trip	\$0.04	\$0.04
Residential			
8 (SFR)	unit	\$3.14	\$3.18
9 (MFR)	unit	\$2.83	\$2.87

Program Modification #4:

Category (Bin)	Business	Units	May 1, 2011 to March 31, 2012	After April 1, 2012
			Recalibration w/Base	4% Revenue Increase
1	SOLARWORLD	531020 sq.ft.	\$ 109.03	\$ 112.58
2	HILLSBORO SCHOOL DISTRICT	76200 sq.ft.	\$ 38.64	\$ 40.10
3	TARGET	121510 sq.ft.	\$ 192.39	\$ 201.18
4	WINCO	78190 sq.ft.	\$ 274.15	\$ 287.67
5	WELLS FARGO	6910 sq.ft.	\$ 65.99	\$ 69.08
6	MCDONALDS	5050 sq.ft.	\$ 96.36	\$ 100.92
7	REGAL CINEMAS	1500 trips	\$ 62.83	\$ 64.32
8	SINGLE-FAMILY RESIDENTIAL	1 Units	\$ 3.14	\$ 3.18
9	MULTI-FAMILY RESIDENTIAL	200 Units	\$ 566.00	\$ 574.00

**Transportation Utility Fee Rate Comparison
Oregon Jurisdictions**

CITY	POPULATION	CENTERLINE MILES OF ROADWAY	FEE TITLE	FY 10-11 REVENUE	ANNUAL REVENUE PER CAPITA	ANNUAL REVENUE PER MILE OF ROADWAY	METHODOLOGY	RESIDENTIAL REVENUE %	NON RESIDENTIAL REVENUE %	SFR	MFR	100000 SQ.FT. MANUFAC TURING	30,000 GENERAL OFFICE BUILDING	20,000 SPECIALTY RETAIL	100,000 SUPERMARKET	10,000 DRIVE IN BANK	5000 FAST FOOD RESTAURANT W/DT	NOTES
Hubbard	3,175	13	Transportation Utility Fee				Flat fee per sewer EDU			\$ 4.50	\$ 4.50							
Tigard	48,035	148	Street Maintenance Fee	\$ 1,200,000	\$ 24.98	\$ 8,108.11	Fee per Parking Space. Flat rate residential	55%	45%	\$ 5.45	\$ 5.45							1
Bay City	1,286	5	Street Maintenance & Repair Fee	\$ 46,435	\$ 36.11	\$ 9,287.00	Flat fee per sewer EDU			\$ 5.00	\$ 5.00							
Clatskanie	1,710		Street Utility Fee	\$ 58,089	\$ 33.97					\$ 5.50	\$ 5.50							
Oregon City	30,995	135	Pavement Maintenance Utility Fee	\$ 1,889,232	\$ 60.95	\$ 14,046.33	ITE Trip Generation	73%	27%	\$ 9.00	\$ 6.32							
Ashland	21,485		Transportation Utility Fee	\$ 1,301,964	\$ 60.60		ITE Trip Generation (Grouped)			\$ 7.71	\$ 5.88	\$ 620.00	\$ 210.00	\$ 210.00	\$ 1,050.00	\$ 95.00	\$ 138.00	
Corvallis	54,462	351	Transportation Maintenance Fee	\$ 413,000	\$ 7.58	\$ 1,176.64	ITE Trip Generation	75%	25%	\$ 1.36	\$ 0.94	\$ 8.02	\$ 6.94	\$ 18.61	\$ 214.70	\$ 51.76	\$ 52.09	
Dufur	595		Street Maintenance Fee	\$ 15,000	\$ 25.21		Flat fee per account			\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	
Eagle Point	8,320		Transportation Utility Fee				Building Square Footage			\$ 6.00	\$ 6.00	\$ 106.00	\$ 36.00	\$ 26.00	\$ 106.00	\$ 16.00	\$ 11.00	
Grant Pass	34,533		Transportation Utility Fee	\$ 772,124	\$ 22.36		ITE Trip Generation (Grouped)			\$ 3.20	\$ 2.13	\$ 32.00	\$ 32.00	\$ 64.00	\$ 920.00	\$ 320.00	\$ 320.00	
La Grande	12,327	81	Street User Fee				Flat fee per account			\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	
Lake Oswego	36,619	183	Street Maintenance Fee	\$ 1,555,000	\$ 42.46	\$ 8,506.56	ITE Trip Generation (Grouped)			\$ 6.40	\$ 4.58	\$ 369.00	\$ 110.70	\$ 165.80	\$ 3,097.00	\$ 309.70	\$ 154.85	
Medford	74,907	270	Street Utility Fee	\$ 6,000,967	\$ 80.11	\$ 22,225.80	ITE Trip Generation			\$ 7.72	\$ 5.42	\$ 308.27	\$ 266.55	\$ 715.32	\$ 8,250.00	\$ 1,988.45	\$ 2,001.85	2
Milwaukie	20,291	75	Street Maintenance Fee	\$ 1,100,000	\$ 54.21	\$ 14,666.67	ITE Trip Generation			\$ 3.35	\$ 2.10	\$ 133.70	\$ 115.60	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	
North Plains	1,935	14	Transportation Utility Fee	\$ 18,000	\$ 9.30	\$ 1,285.71	# Employees & Truck Deliveries	32%	68%	\$ 1.80		\$ 1,033.74	\$ 344.52	\$ 50.58	\$ 344.52	\$ 50.58	\$ 344.52	3
Philomath	4,543		Road Maintenance Fee	\$ 53,000	\$ 11.67		ITE Trip Generation	75%	25%	\$ 2.00	\$ 1.60	\$ 11.85	\$ 8.80	\$ 11.85	\$ 21.60	\$ 11.85	\$ 11.85	4
Phoenix	4,855		Street User Fee	\$ 117,415	\$ 24.18		ITE Trip Generation			\$ 2.10	\$ 1.37	\$ 5.73	\$ 49.55	\$ 132.96	\$ 1,073.52	\$ 195.88	\$ 40.93	5
Talent	6,236		Transportation Utility Fee				ITE Trip Generation			\$ 3.93	\$ 2.72	\$ 264.86	\$ 106.70	\$ 91.20	\$ 937.15	\$ 93.71	\$ 158.67	
Tualatin	26,054	77	Road Utility Fee	\$ 655,685	\$ 25.17	\$ 8,515.39	ITE Trip Generation (Group)	87%	13%	\$ 3.42	\$ 2.86	\$ 77.00	\$ 51.80	\$ 89.80	\$ 1,110.00	\$ 297.10	\$ 365.65	6
Wilsonville	19,509	62	Road Maintenance User Fee	\$ 626,988	\$ 32.14	\$ 10,112.71	ITE Trip Generation	30%	60%	\$ 4.03	\$ 2.62	\$ 71.48	\$ 71.48	\$ 125.92	\$ 312.64	\$ 71.48	\$ 125.92	7
Hillsboro	91,212	223		\$ 1,705,548	\$ 18.70	\$ 7,661.94		52%	48%	\$ 3.18	\$ 2.87	\$ 21.00	\$ 14.70	\$ 32.60	\$ 364.00	\$ 95.80	\$ 97.10	
			Average	\$ 1,031,085	\$ 33.51	\$ 9,599.35				\$ 4.77	\$ 4.10	\$ 203.64	\$ 94.91	\$ 131.00	\$ 1,180.01	\$ 250.97	\$ 265.89	
			High	\$ 6,000,967	\$ 80.11	\$ 22,225.80				\$ 9.00	\$ 6.32	\$ 1,033.74	\$ 344.52	\$ 715.32	\$ 8,250.00	\$ 1,988.45	\$ 2,001.85	
			Low	\$ 15,000	\$ 7.58	\$ 1,285.71				\$ 1.36	\$ 0.94	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	

\$ XX.XX Rates Higher than Hillsboro's
\$ XX.XX Rates Lower than Hillsboro's

- 1 Rates effective 1/1/12
- 2 Need to verify there are no caps on commercial customers but revenue generation seems to be in line with this level of charges.
- 3 Fees may vary for like uses as fee is dependent on number of employees and the number of trucks. Staff has had to make assumptions on employee and truck delivery numbers.
- 4 Fees will vary within a use based on truck deliveries. Staff has made assumptions on truck deliveries.
- 5 Fee discounts trip generation by pass-by trips. Code references an Appendix which defines trip rates which staff has not acquired. We have assumed that trip rates and pass by used are per ITE.
- 6 Uses same bin structure as Hillsboro.
- 7 Same basic structure as Philomath with higher rates.

Residential/Non-Residential Split

- Politically acceptable.
- Number of Customers.
- Assigning certain roadway classifications costs to each use.

Rate Basis

- Sewer Equivalent Dwelling Units.
- Parking Spaces.
- Predominately ITE Trip generation.
 - Grouped multi rate structure for non-residential
 - One rate per trip for non-residential.

Potential Future Modifications

- Revised logic between for residential/non-residential split.
- Elimination of non-residential bin structure.
- Establish a cost index.

Resources

- City of Hillsboro
 - <http://www.ci.hillsboro.or.us/TUF/Default.aspx>
 - Email: Tina.Bailey@hillsboro-oregon.gov
- Transportation Utility Fees: Possibilities for the City of Milwaukee, Spring 2007
 - <http://www.lafollette.wisc.edu/publications/workshops/2007/tuf.pdf>
- TUF Solutions for Local Street Funding
 - League of Oregon Cities, January 2008