



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



Overview: What are TUFs?

1

Transportation Utility Fees (TUFs)



Building Occupants



Municipal Government

...periodic fees paid by property owner/building occupant to municipality based on use of local transportation system

TUFs are also called:

Transportation Maintenance Fees

Street Maintenance Fees

Road Use Fees

Pavement Maintenance Utility Fees

Street Restoration & Maintenance Fees

Street Utility Fees

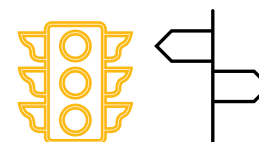
Application of TUFs

3

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



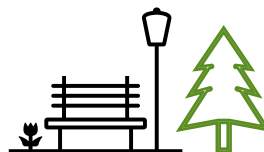
Street Maintenance and
Pavement Preservation



Other Street
Infrastructure



Sidewalks and Bike
Paths



Landscaping



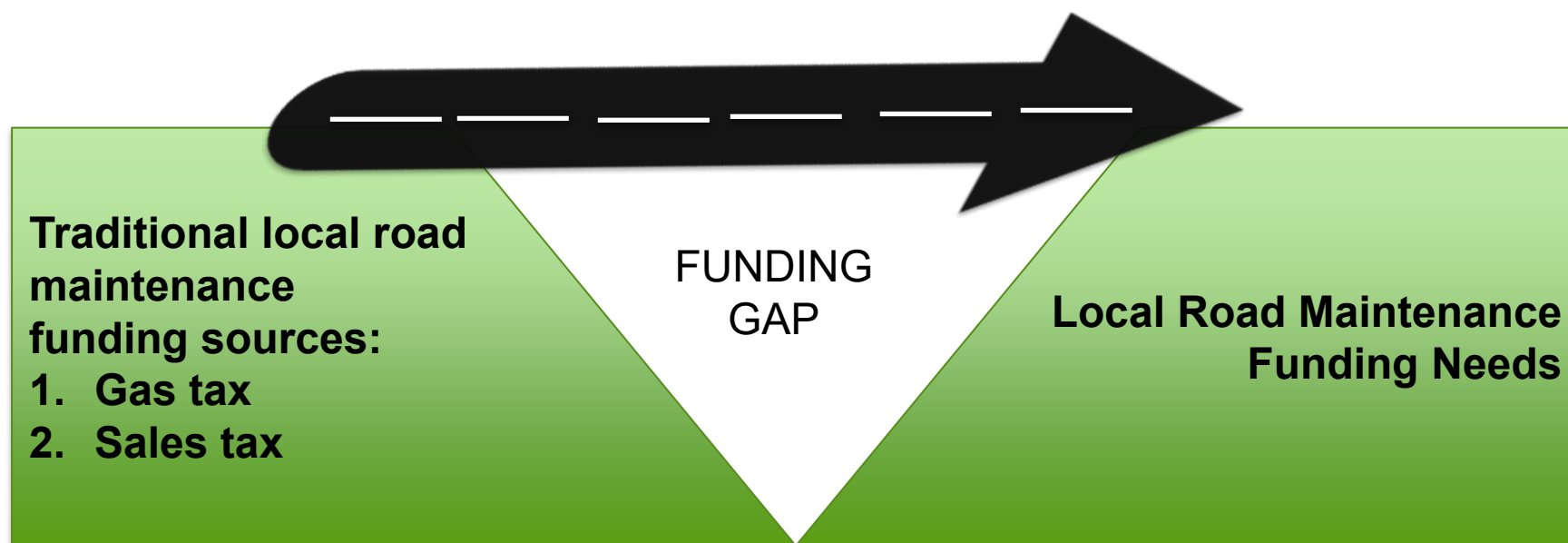
Correcting Street
Deficiency

Overview: Why use TUFs?

1

Closing the Funding Gap

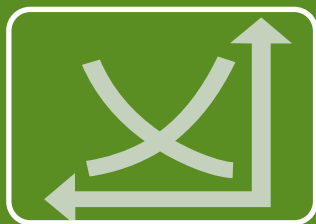
- Traditional funding sources insufficient to meet local road maintenance funding needs



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



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



Overview

- Establishing TUFs
- Administering TUFs

Establishing a TUFs Program

2



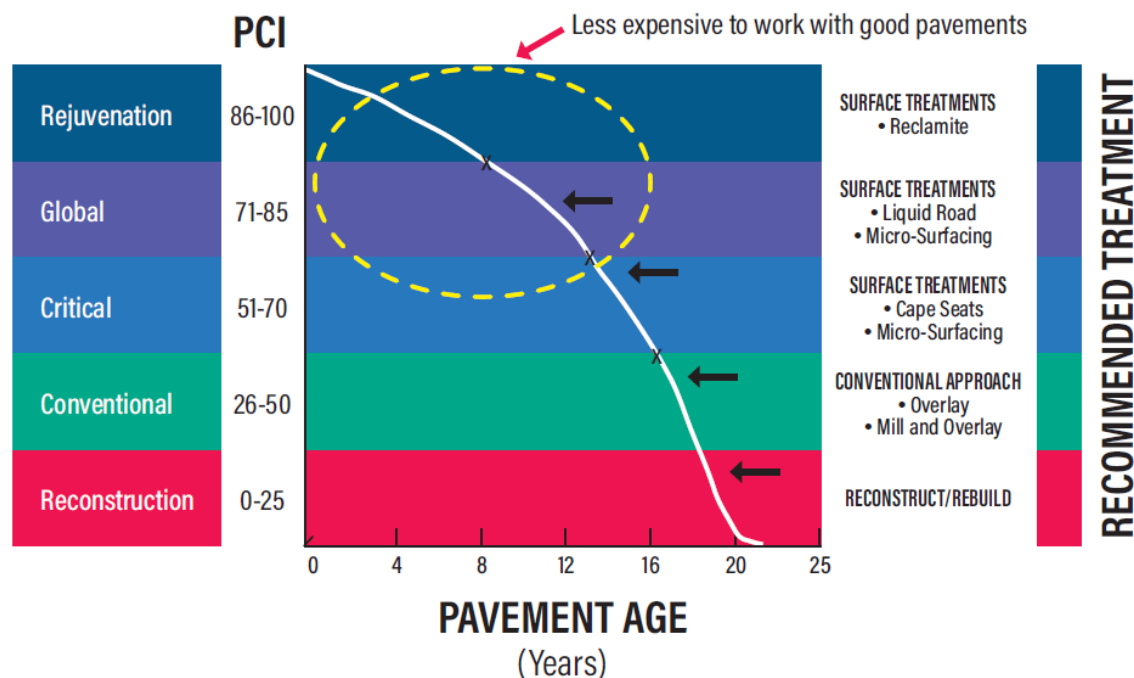
Establishing a TUFs Program

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

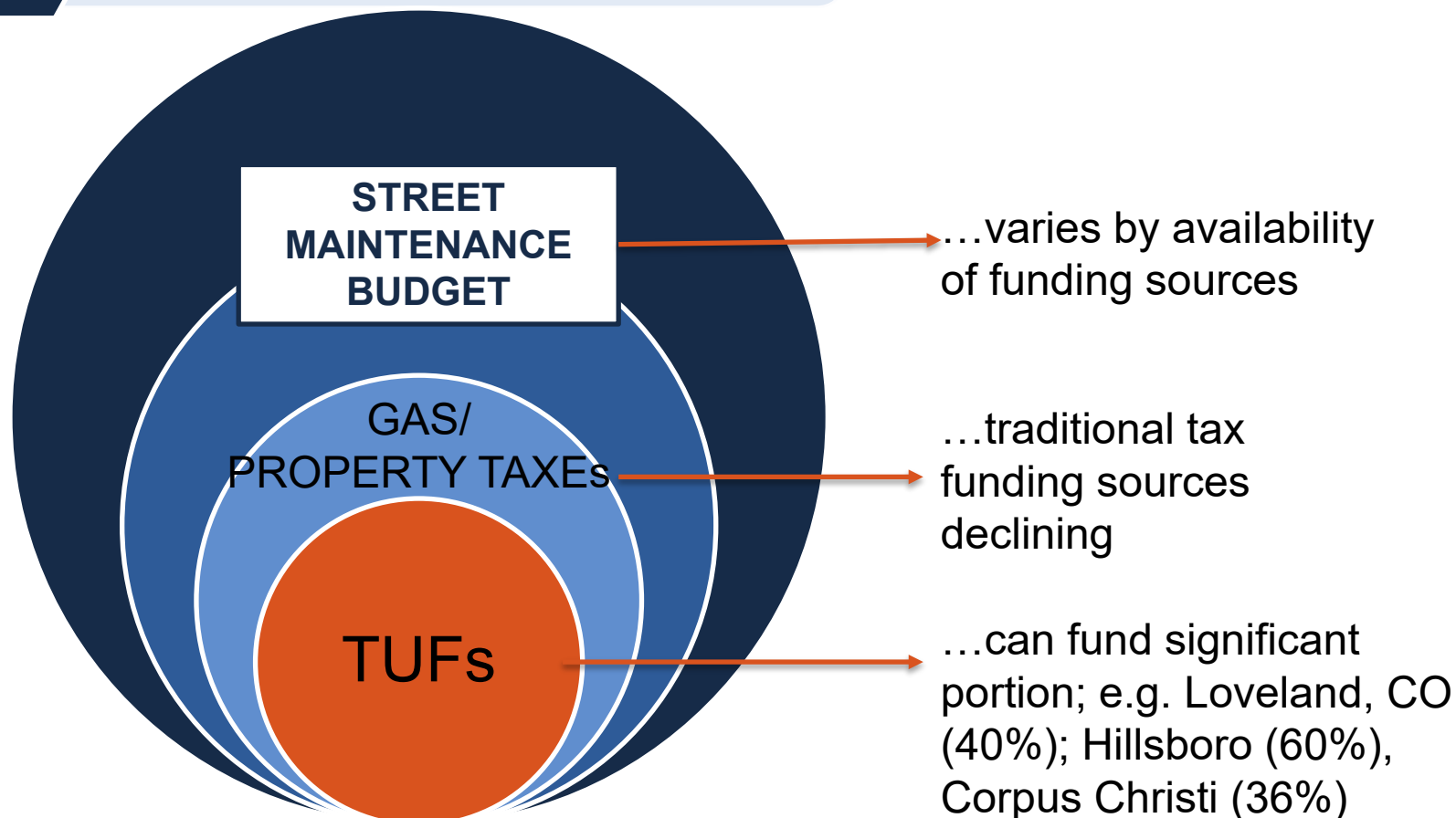
- Fully fund pavement maintenance program to **eliminate all backlog in 20 years.**
- **Free state and local gas tax revenue** for bicycle and pedestrian infrastructure projects.

Establishing a TUFs Program

2

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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

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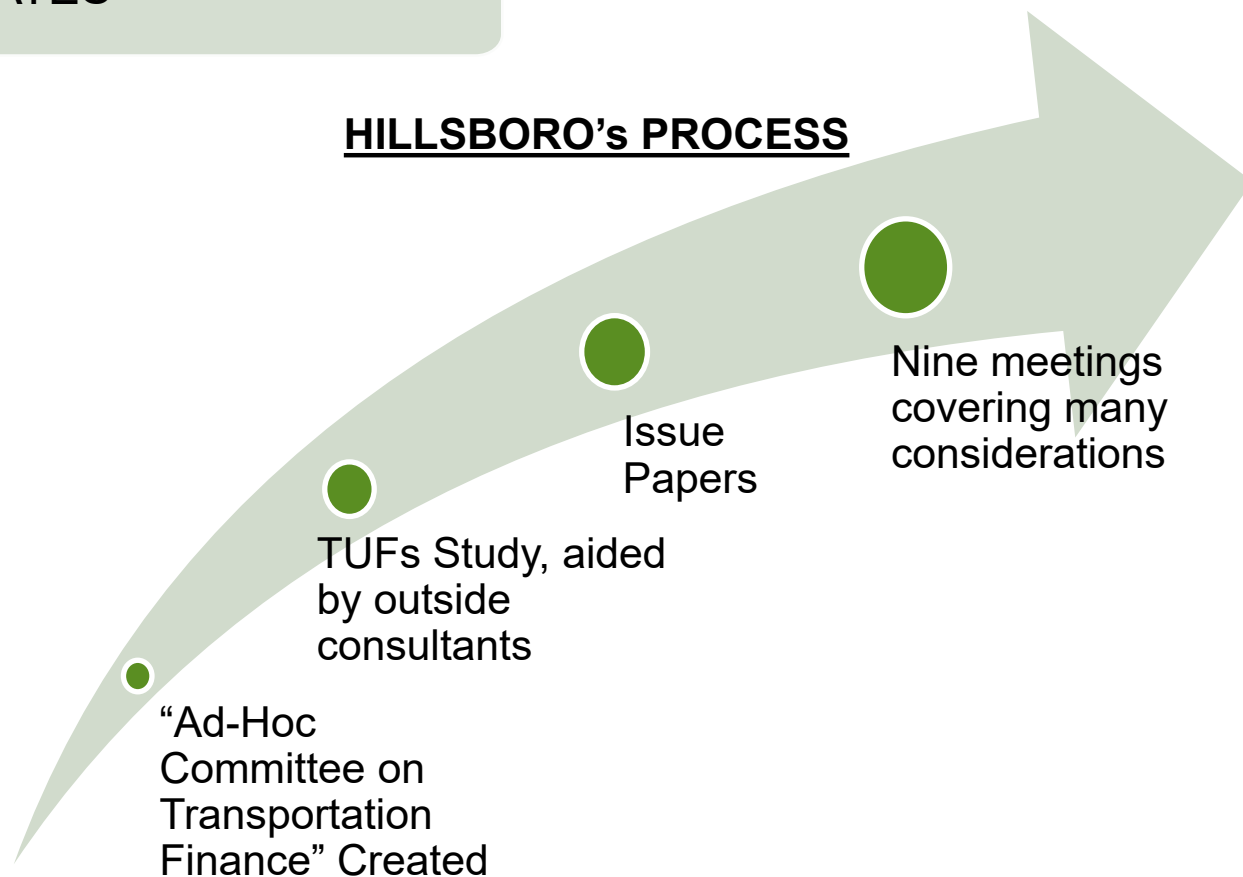
SETTING RATES

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

Establishing a TUFs Program

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ADOPTING ORDINANCE & NOTIFYING PUBLIC

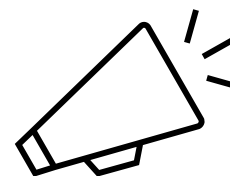


TUF Ordinance*

To incl, e.g.:

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

*can change after adoption



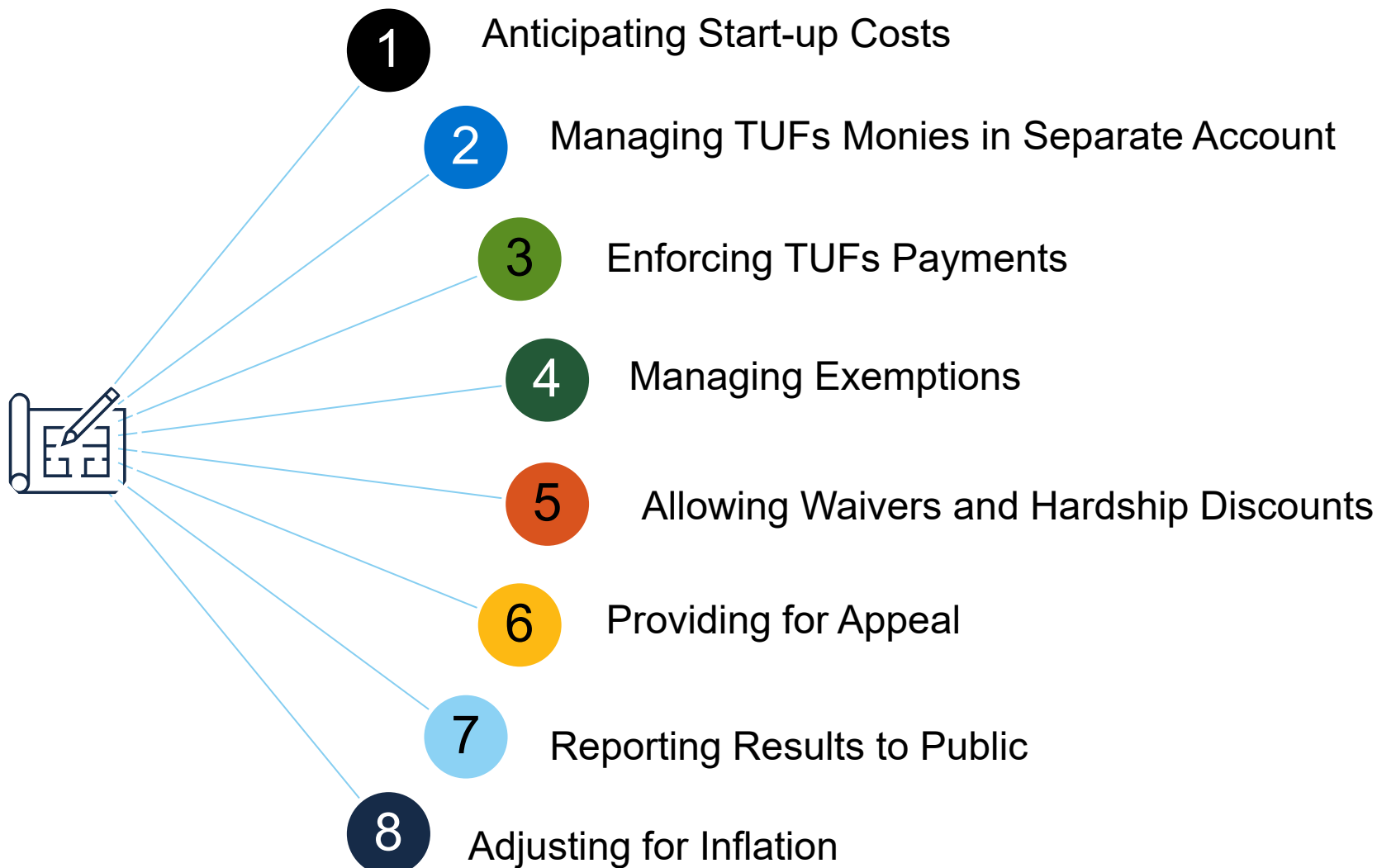
Explain Program to Public

e.g.:

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

Administering TUFs

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Administering TUFs

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1 Anticipating Start-up Costs & Challenges

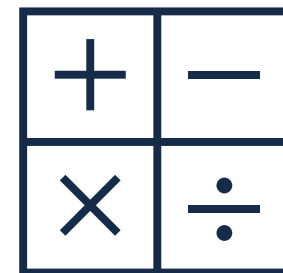


Maintenance
Needs

Preparing/Updating Studies



Surveying/classifying
properties



Setting fees



Staff time (present/implement)



Development of info materials

Administering TUFs

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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

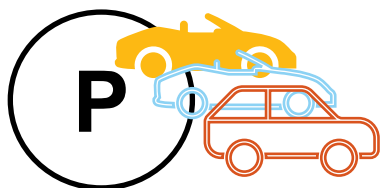
- Enforcement terms similar to other utilities
- E.g. Loveland has Utilities (Enterprise Funds) and bills monthly for:
 - Water, Wastewater, Power, Stormwater, Solid Waste (Residential)
 - Street Maintenance Fee treated with “equal standing”

Administering TUFs

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4 Managing Exemptions

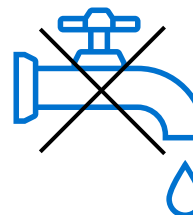
...exemptions granted are primarily for:



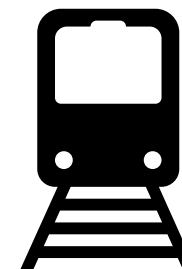
**City/Public
Parking Lots**



Farms



**Properties not
receiving water**



Railway RoW



Park Spaces



Public Schools



**Vacant
Properties**

Administering TUFs

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4 Managing Exemptions

...Examples

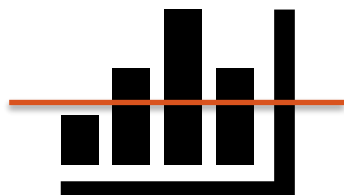
City	Exemptions
Loveland, CO	<ul style="list-style-type: none">• No exemptions
Hillsboro, OR	<ul style="list-style-type: none">• City and TriMet parking lots• Developed parks assessed• Farming property• Railroad ROW

Administering TUFs

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5 Allowing Waivers and Hardship Discounts

...waivers/discounts typically granted for:



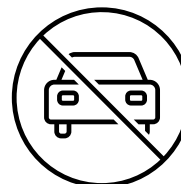
Income
below
threshold



Recently
Unemployed



Low-income
elderly



Do not own
vehicle

Administering TUFs

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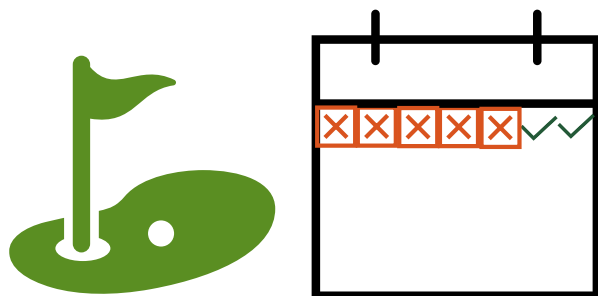
5 Allowing Waivers and Hardship Discounts

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

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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

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7 Reporting Results to Public



Annual Reports



Websites



Videos



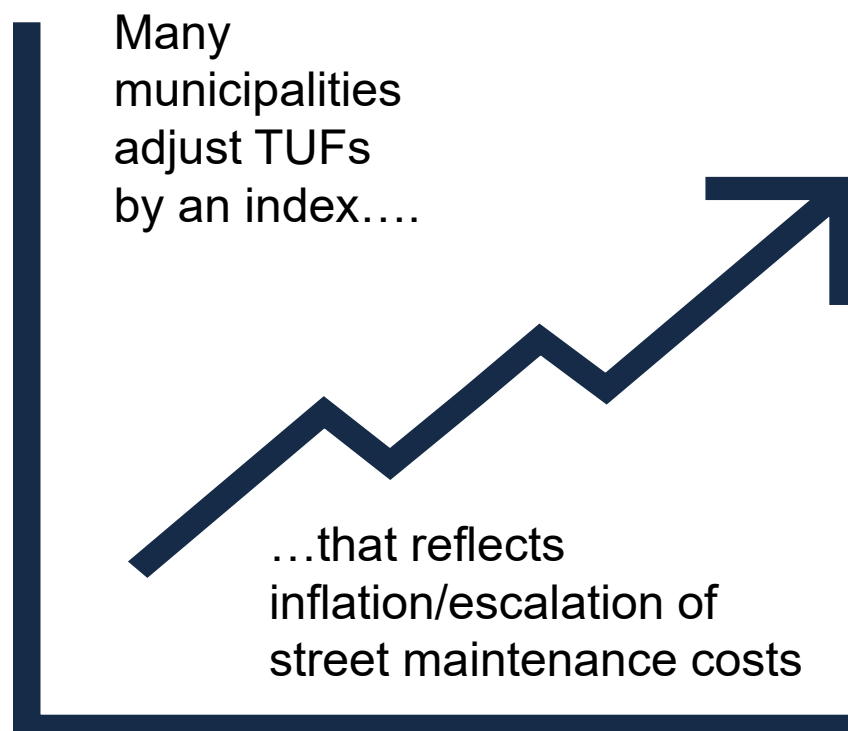
Killeen, TX produced an educational YouTube video describing need for street maintenance and funding

<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



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)



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”*

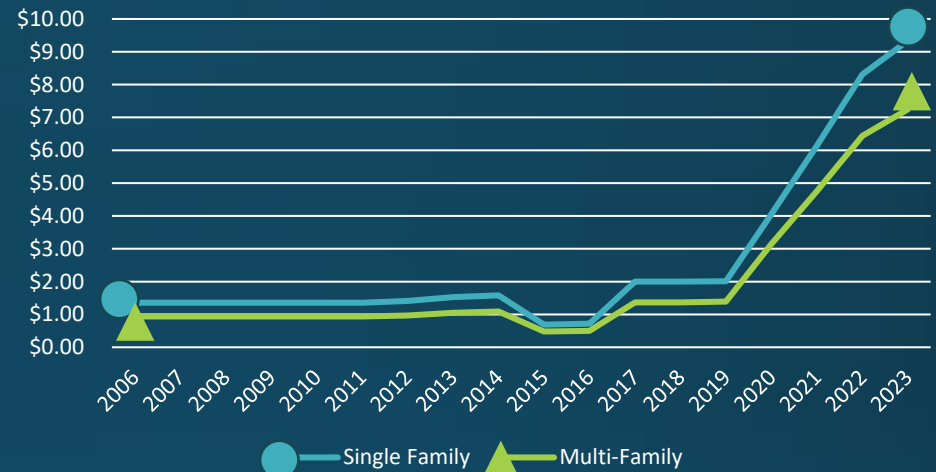


TMF Over Time

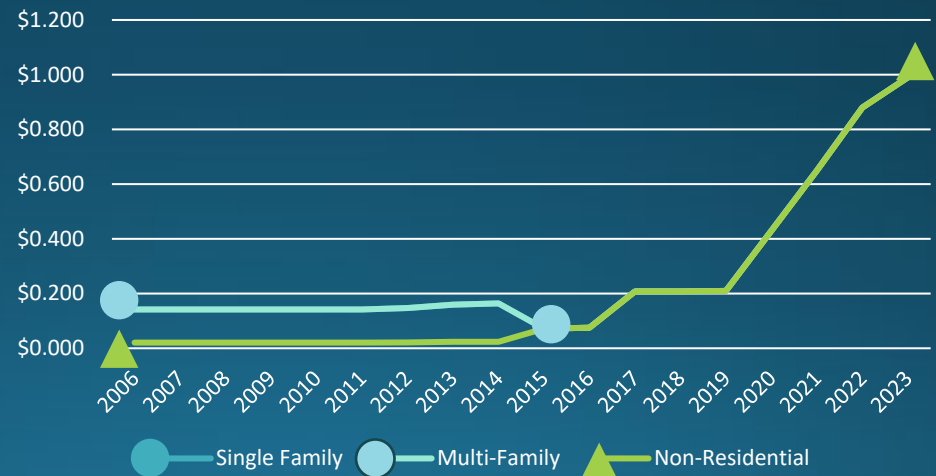
	Single Family (per unit)	Multi-Family (per unit)	Non-Residential (per trip)	Increase / Decrease
2006	\$1.36	\$0.94	\$0.021	N/A
2007	"	\$0.94	"	N/A
2008	"	\$0.94	"	N/A
2009	"	\$0.94	"	N/A
2010	"	\$0.94	"	N/A
2011	"	\$0.94	"	N/A
2012	\$1.41	\$0.97	\$0.022	3.8%
2013	\$1.53	\$1.05	\$0.024	8.6%
2014	\$1.58	\$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



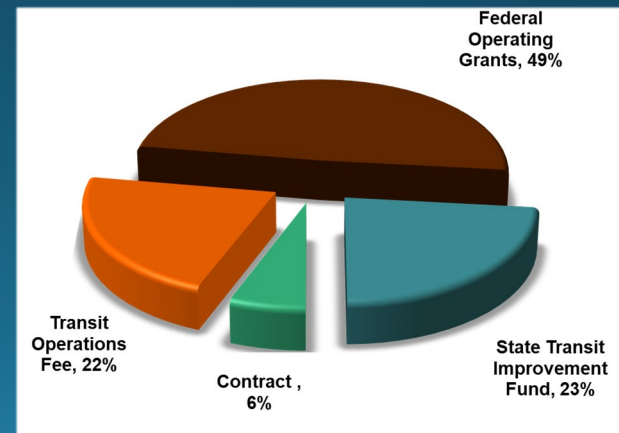
TMF Per Trip Rates Over Time



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)

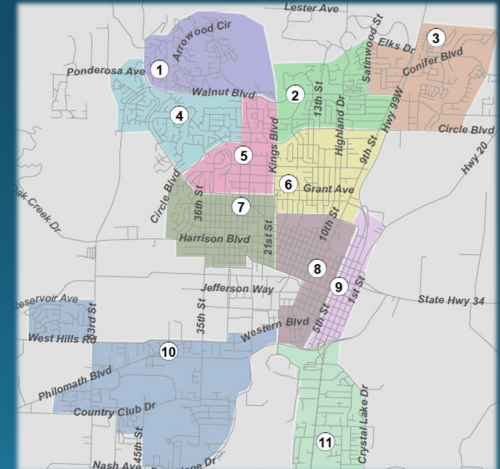
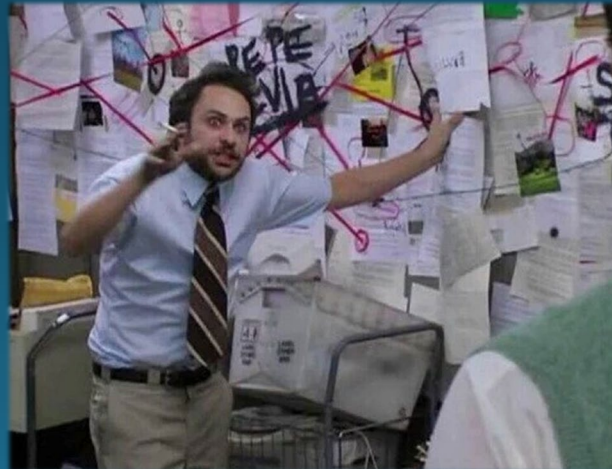
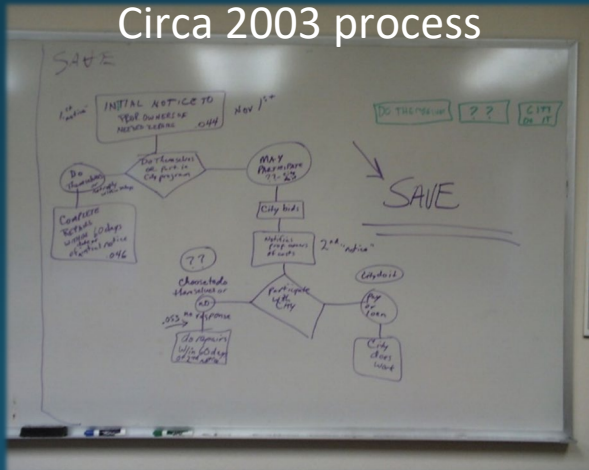


Sidewalk Maintenance Fee



- 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

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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

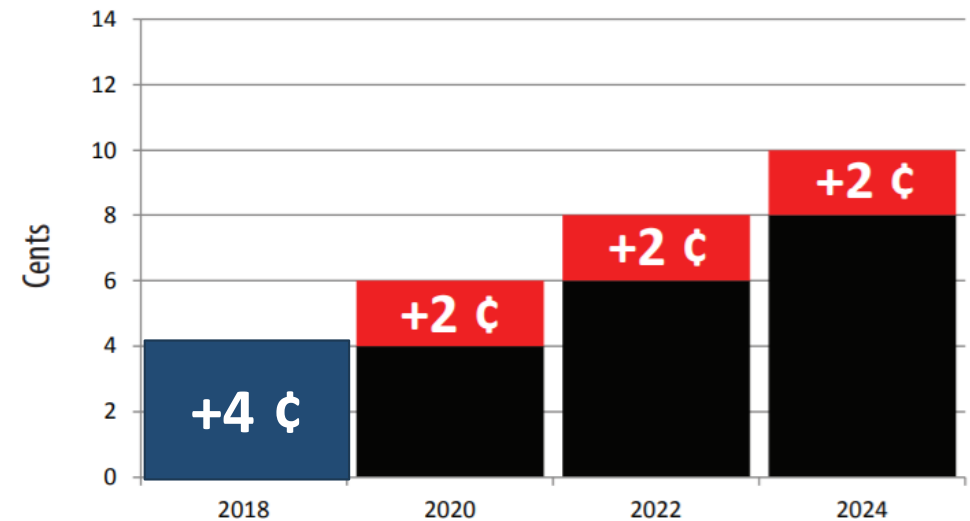


City of Oregon City

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.



City of Oregon City

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

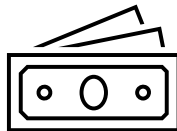


City of Oregon City

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



City of Oregon City

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



City of Oregon City

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



City of Oregon City

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



City of Oregon City

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%)

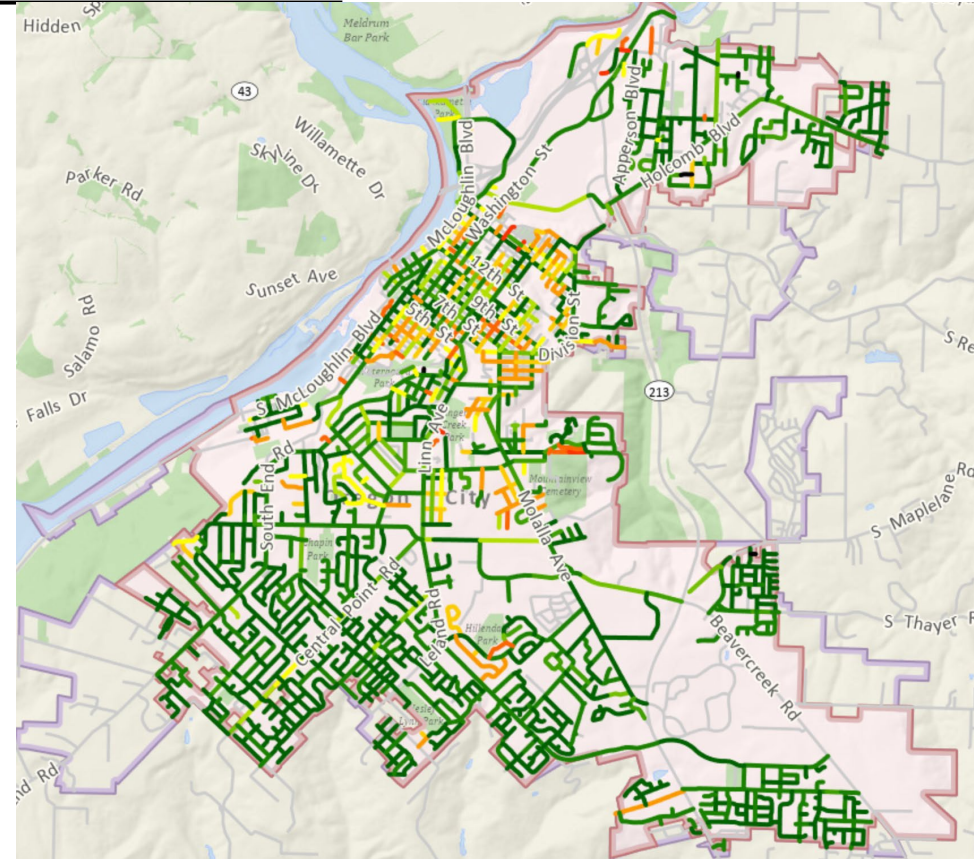


City of Oregon City

Transportation Funding : PMUF

PCI ratings (2022):

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

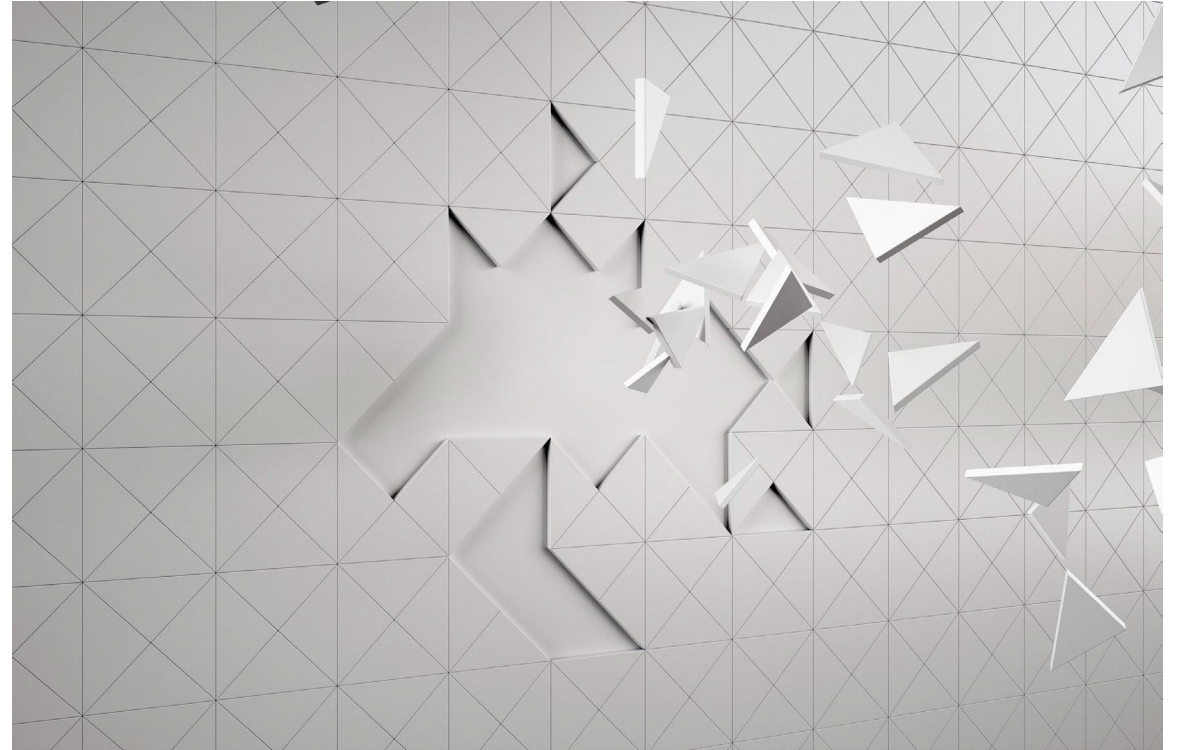


City of Oregon City

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



City of Oregon City

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



City of Oregon City

Questions?

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City of Oregon City