



STREET MAINTENANCE FEE

OR-18-017

December 4, 2018

Background

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- City Council was briefed on Street Maintenance Funding on October 23, November 6, and November 13.
- On November 13, City Council directed staff to prepare an ordinance establishing a Street Maintenance Fee and Street Maintenance Fund to collect approximately \$1.6M annually.
- This ordinance establishes a street maintenance fee for \$1.70 per SFE per month.

Formula

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- $MMC \times N \times SFE \times \% \text{ Funded} = \text{Monthly Bill}$
 - ▣ $MMC = \text{Monthly Maintenance Cost per Unit } (\$6.47)$
 - ▣ $N = \text{Number of Units}$
 - 1 SF Home, 1,000 SF gross floor area, 1 stall (car wash), 1 room (hotel/motel)
 - ▣ $SFE = \text{Single Family Equivalent}$
 - Comparison of the traffic generated by a use to a typical single family home
 - Defined in Section 25-225
 - ▣ $\% \text{ Funded} = \text{amount to be recovered by fee } (26.35\% \text{ of } \$6,221,640 \text{ or } \$1,639,402)$
 - ▣ $\text{Monthly Bill} = \text{Amount due on a monthly basis}$

Implementation

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- Ordinance will be effective immediately upon adoption.
- The implementation process will take approximately six (6) months.
 - ▣ Develop standard operating procedures for new accounts, billing, appeals, etc.
 - ▣ Data transfer for +/-50,000 accounts.
 - ▣ Create coding module for billing system.
 - ▣ Ensure proper land use codes have been assigned.
 - ▣ Allow citizens and businesses an opportunity to plan accordingly for the new fee.
- The collection of the fee will begin in July 2019.

Alternatives

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- Reconsider the previous motion of direction regarding street maintenance funding and continue discussion on the topic.
- Adopt the ordinance establishing a Street Maintenance Fund and Street Maintenance Fee.

Recommendation

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- City staff recommends that the City Council approve the ordinance amending Chapter 25, Streets, Sidewalks, and Miscellaneous Public Places by establishing a Street Maintenance Fund and providing for collection of street maintenance fees.