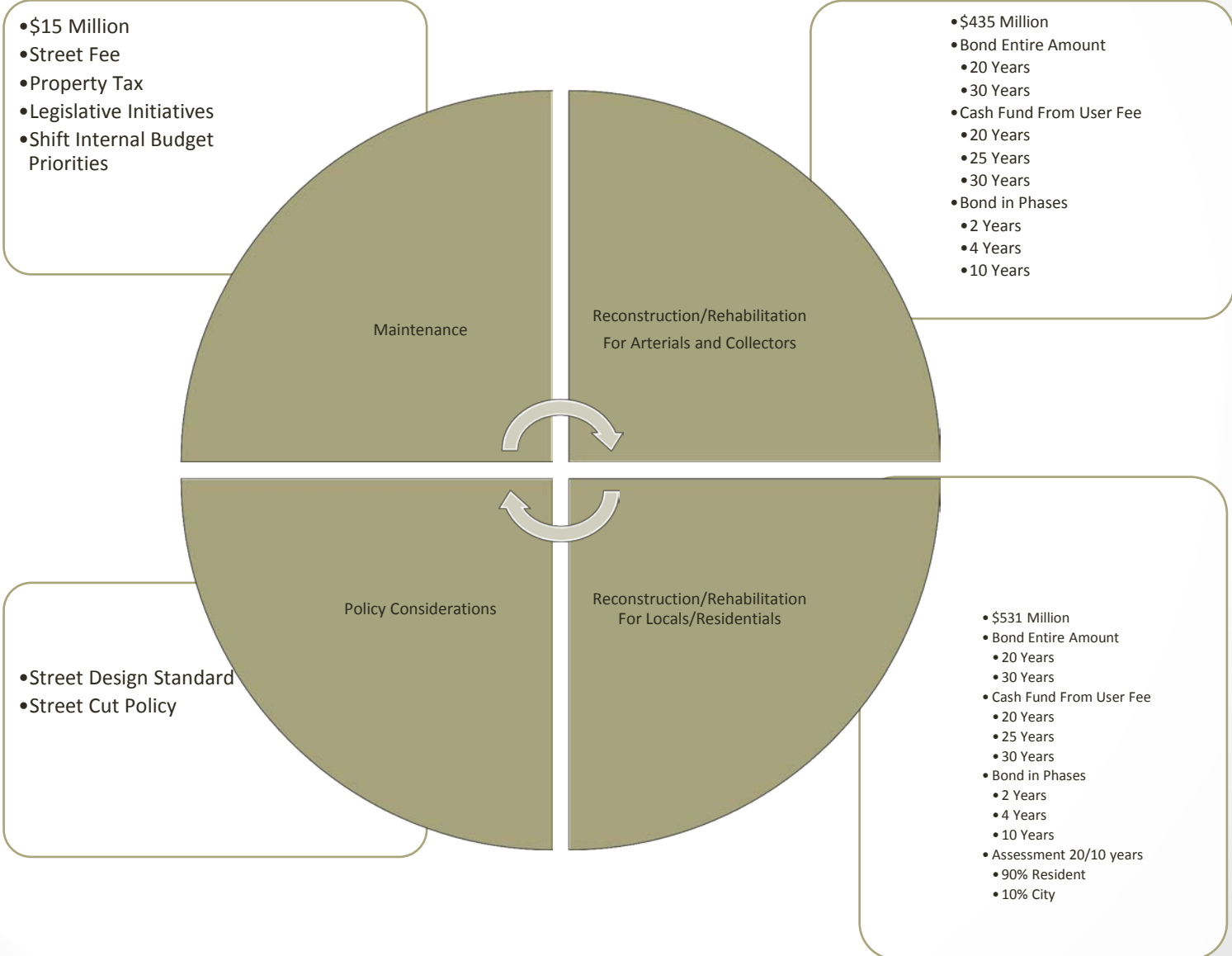


# Street Improvement Funding - Street User Fee

CITY COUNCIL PRESENTATION  
December 18, 2012



# Street Work Plan – Funding Program Alternatives



# Street Maintenance Work Plan

## STREET MAINTENANCE - 5 YEAR PLAN - \$15M OVERLAY AND SEAL COAT SQUARE YARD QUANTITIES

	Year 1	Year 2	Year 3	Year 4	Year 5	Grand Total	Yearly Target
Overlay	394,830	392,474	388,522	387,921	389,310	1,953,057	389,858
Seal Coat	1,098,962	1,099,928	1,095,081	1,099,909	1,098,337	5,492,218	1,098,240

- Notes:
1. These quantities reflect areas throughout the city.
  2. Street areas need to be evaluated for ADA, C&G, utility conditions, and structural integrity prior to any work.
  3. Each year these streets need to be reviewed for effective work and schedule progression.
  4. Every year street conditions will change.
  5. Seal Coat quantities are in addition to \$2.5M (Approx. 500K SY) of Seal Coat budgeted annually in Street Operations
  6. Program triples amount of seal coat done and implements currently non-existent overlay work annually.

# Street User Fee Policy - Fund Issues

- ✓ Direct street user fee revenues to Special Revenue Street Fund
- ✓ Supplemental source of revenue directed solely to street maintenance
- ✓ Develop street maintenance budget work plan
- ✓ City investigate other funding mechanisms as future sources of funding
- ✓ Street user fee to be adjusted downwards based on implementation of alternative funding sources

# Street User Fee Policy - Basis of Measurement

- ✓ Building square footage - NCAD tax records
- ✓ Land use designation – NCAD tax records
- ✓ Trip Factors – Institute of Traffic Engineers (ITE) trip generation rates

# Street User Fee Policy - Rate Design

- ✓ Based on Equivalent Residential Unit (ERU)
- ✓ Consolidate land use designations to 5 categories
- ✓ Assign and apply Trip Factors
- ✓ Tier Non-Residential (4), capping 4<sup>th</sup> tier
- ✓ Tier Residential (3)

# Street User Fee Policy - Exemptions

- ✓ City, County, State or Federal Properties
- ✓ Independent School District Properties
- ✓ Non-metered properties
- ✓ Properties with inactive water meters

# Street User Fee Policy - Appeals/Adjustments/Credits

- ✓ Appeal only active meter status
- ✓ Adjustments effective upon download of corrected data from NCAD records
- ✓ No retroactive adjustments
- ✓ No credits



# Street User Fee Policy - Billing Application

- ✓ Charge all active non-irrigation water meters
- ✓ Bill customer where individually metered
- ✓ Bill water account holder where master metered
- ✓ Apportion building square footage for properties served by multiple meters
- ✓ Establish “Street Fee Only” accounts where property is ICL, but does not take City billable services

# Street User Fee Policy - Collections Enforcement

- ✓ Failure to pay may subject user to discontinuance of utility services
- ✓ Delinquent users may be subject to a lien being placed on their properties

# Street User Fee - Draft Rate Design Staff Recommendation

Option 6					
Tier Res/4 Tier Non-Res.					
				<u># of Records</u>	<u>Estimated* (Rate x ERU)</u>
<u>Residential</u>					
Tier	SF	ERU			
1	<=1,000	0.6	17,208		
2	1,001 - 2,500	1	53,706		
3	> 2,500	2	6,106		
<u>Non-Residential</u>					
Tier	SF	ERU			
1	<=2,000	1	4,959		
2	2,001 - 8,200	3	3,518		
3	8,201 - 30,000	9	1,001		
4	>30,000	20	377		
<u>Residential</u>					
Revenue:	\$ 6,075,026	41%			
<u>Non-Residential</u>					
Revenue:	\$ 8,919,196	59%			
Total Rev.:				\$ 14,994,222	

\*Based on unvetted data base of 144,000 records

$$\text{Street User Fee} = (\text{Rate} \times \text{ERU}) \times \text{Trip Factor} \quad \text{per meter per month}$$