

Frequently Asked Questions Veneta Transportation Utility Fee (TUF)

Q: What is a Transportation Utility Fee?

A: A Transportation Utility Fee (TUF) is just like a sewer or storm water utility base fee. It is a mechanism for which every user of the City streets contributes to the cost of preserving them. Even someone without a car or bike gets services, like mail delivery and garbage collection, via City streets.

Q: Why do we need one?

A: Pavement Assessment Inc. recently completed a street pavement assessment for the City. The assessment established a baseline of the street pavement condition and outlined a six-year strategy for maintenance and preservation. The study estimated \$2.7 million in needed maintenance and repairs for Veneta streets. City Council approved a six year street pavement preservation program to address the backlog of needed repairs. \$425,000 per year is required in order to stabilize the street system at its current pavement condition rating of 83. A Pavement Condition Index (PCI) level of 83 is well above the point of significant street deterioration.

Q: What will the TUF money be used for?

A: The revenue generated from the TUF will be used for pavement maintenance, repair, reconstruction and improvements. Projects can generally be categorized into two types: Slurry Seal and Major M&R (maintenance and repair). The majority of slurry seal projects are slated for the first year. M&R projects will occur year two through six.

- Slurry Seal: is a very thin layer of asphalt and sand used to seal street surfaces to prevent water from reaching the subsurface and provides a new riding surface to be worn down over time by street traffic without affecting the structure below.
- Major M&R: are activities that are applied to the entire pavement section to correct or improve existing structural or functional requirements. Major M&R includes reconstruction and structural overlays. The PCI value after major M&R is assumed to be 100.

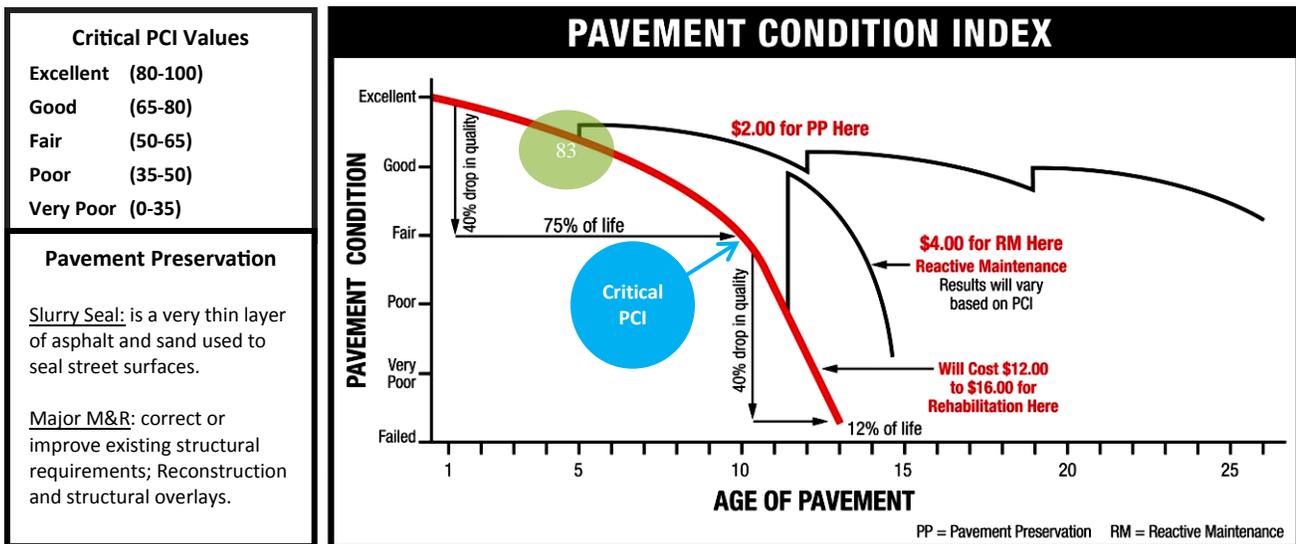
For any brand new street, the expected lifespan is between 20-30 years. This is how long it will hold up until the street needs reconstruction. The lifespan of the street can be extended two to three times longer with proper pavement maintenance done at the right time. This is a significant savings since maintenance and preservation is about 10-times less expensive than major street reconstruction.

Q: Why are you working on streets that are in good condition? Why not start with worse off streets like Perkins, 8th Street or East Bolton?

A: Pavement preservation and maintenance is key to prolonging the life of streets, the City will focus on streets that are still in fair, average, and good condition. This is meant to stop any further deterioration beyond the critical PCI value. Once a street deteriorates to the point where it needs major repairs, it's typically ten times costlier to fix it than to do timely pavement maintenance.

Streets or sections of streets already in very poor condition such as Perkins Rd and 8th Street will not improve with the application of slurry seal. Major M&R is scheduled at a later date. Slurry seal projects are being done first to prevent further deterioration. Additional consideration is that some streets, like 8th Street, require sewer to be installed under the street before any major street repairs and reconstruction can be scheduled.

The graph below illustrates a typical pavement deterioration curve. After about 75% of the life of a street, deterioration of the pavement occurs rapidly. This point is considered the critical PCI. Repairs done beyond the critical PCI are almost ten-times more expensive to do than pavement preservation applied before the critical PCI number is reached. The average Pavement Condition Index of the Veneta street system was 83 on a scale of 0 to 100. As shown in the graph, repairs done while the pavement is in Fair to Good condition (above the critical PCI) are cheaper and prolong the life of the pavement condition an additional 10-20 years before major repairs are needed.



Q: Who pays?

A: All residents and businesses inside Veneta City limits would be charged a Transportation Utility Fee. The fee would be collected on monthly utility bills, with the existing water, wastewater and storm water fees.

Q: How much will I pay?

A: There are generally two methods of calculating the TUF. One method is a flat rate charged to all users of the transportation system and the other is a trip generation method.

The trip generation method charges users (usually commercial and industrial users) for the extra traffic they generate; so for example, commercial businesses that generate large volumes of traffic would pay more than a single-family home. The model estimates the average number of vehicle trips generated by a property based on how that property is used and its size.

The City Council is considering one flat rate, \$3 increasing to \$4 over three years for single family and multi-family dwellings and \$6 for non-residential user, increasing to \$7 over three years. More information about the fee structure will be published once Council works through details in the next couple months. The City will hold an open house in October to present more details of the TUF.

Q: Do other cities have a TUF? Are they all the same?

A: The League of Oregon Cities has provided survey information about other cities' Transportation Utility Fee. As of March 2015, thirty cities in Oregon collect a TUF. All TUFs are not the same. Each city is using either a flat rate, trip generation rate, or a combination of both. Cities use the revenue for different types of project. Some cities use funds strictly for maintenance projects, while others use it for a variety of transportation projects like bicycle and pedestrian improvements and street lighting.

Q: How much revenue will be generated by the TUF?

A: At full implementation the TUF is expected to generate \$80,000 - \$90,000 in revenue for the City's Street Fund.

Q: When will I have to pay the fee?

A: Before the fee can be collected, City Council has to pass an Ordinance specifying the TUF amount. Council is scheduled to review an Ordinance in October 2015 for adoption in November 2015. The Ordinance will most like become effective January 2016. Collection of the fee would begin February 2016.. The public will be able to provide testimony in favor or against the Ordinance. City Council meeting agendas are posted on the City's web site at this link: <http://www.venetaoregon.gov/meetings>

Q: Where can I get more information?

A: Updated information about the TUF and pavement preservation work will be posted on the City's web site at: <http://www.venetaoregon.gov/>

The City will hold an open house on October 22, 2015 at 6:30 PM to present more details of the TUF. Public information will be published in the Fern Ridge Review, on the City's web site, City Newsletter and on utility bills.

You can also contact Kay Bork, Community Development Director at kbork@ci.veneta.or.us