



Preserving our Streets

PROPOSED STREET MAINTENANCE FEE

OBJECTIVE:

- Initiate and fund a Street Maintenance Program
- Establish a fee to residential and businesses through the utility bills for paving, resurfacing and reconstruction of city streets
- Fees would only be restricted for streets
- Avoid issuing debt on streets – 20 years
- Establishes an ongoing, consistent and dedicated fund for street maintenance

STREET MAINTENANCE FEE

- A street maintenance fee is a fee included on a utility bill to assist in funding the maintenance and development of transportation infrastructure. It has also been referred to as a transportation user fee, road use fee or street utility fee.
- Residents would pay a flat rate. Commercial rates are based on the type of property use and typical level of trips generated by a business as well as the square footage of the commercial property.
- The fee for businesses would be based on a formula that takes into account their square footage and the number of trips customers take to visit them. A larger business that generates more traffic would pay a larger monthly fee than a smaller business with fewer customers.

WHAT IT WILL PAY FOR?

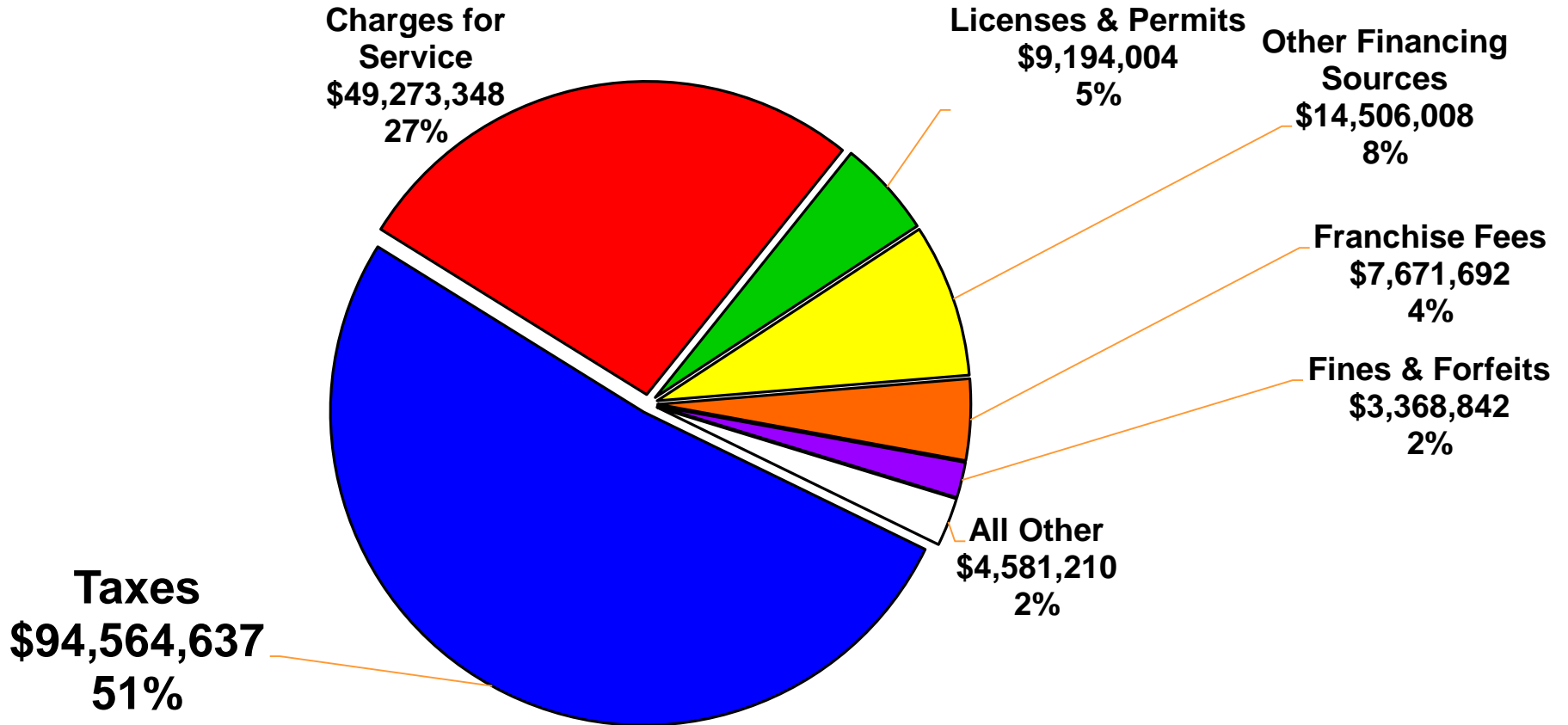
- It will pay for preventive maintenance work on streets in fair, satisfactory and good conditions. Will NOT pay for complete reconstruction or new street construction.
- That applies to all streets owned by the city including residential, collector, arterial streets, and industrial streets.
- Maintenance is the most important component of the street plan. There is no sense in rebuilding roads to watch them fall apart.

CITY STREETS & PROPOSED STREET MAINTENANCE FEE

- City Streets: 11,000 blocks / 688 miles
- Approx. 178 new blocks are added every year
- Average life span of street is 12-15 years
- Continued maintenance will extend the life of a street
- Fees would only be restricted for streets
- Avoid issuing debt on streets – 20 years
- Establishes a dedicated and consistent funding source for a street maintenance

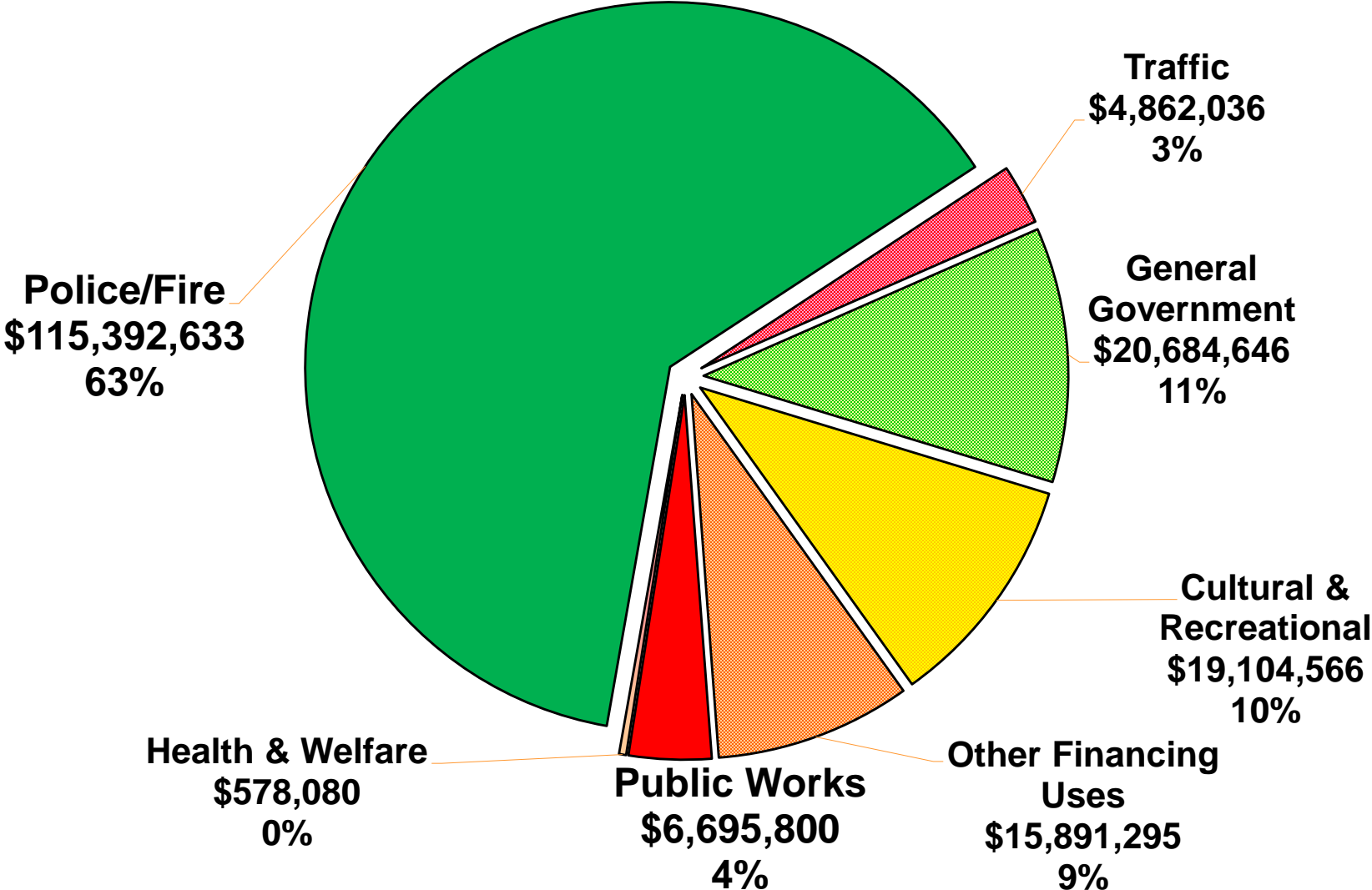
General Fund Revenues

\$183,159,741



General Fund Expenditures by Activity

\$183,209,056



Tax Rates

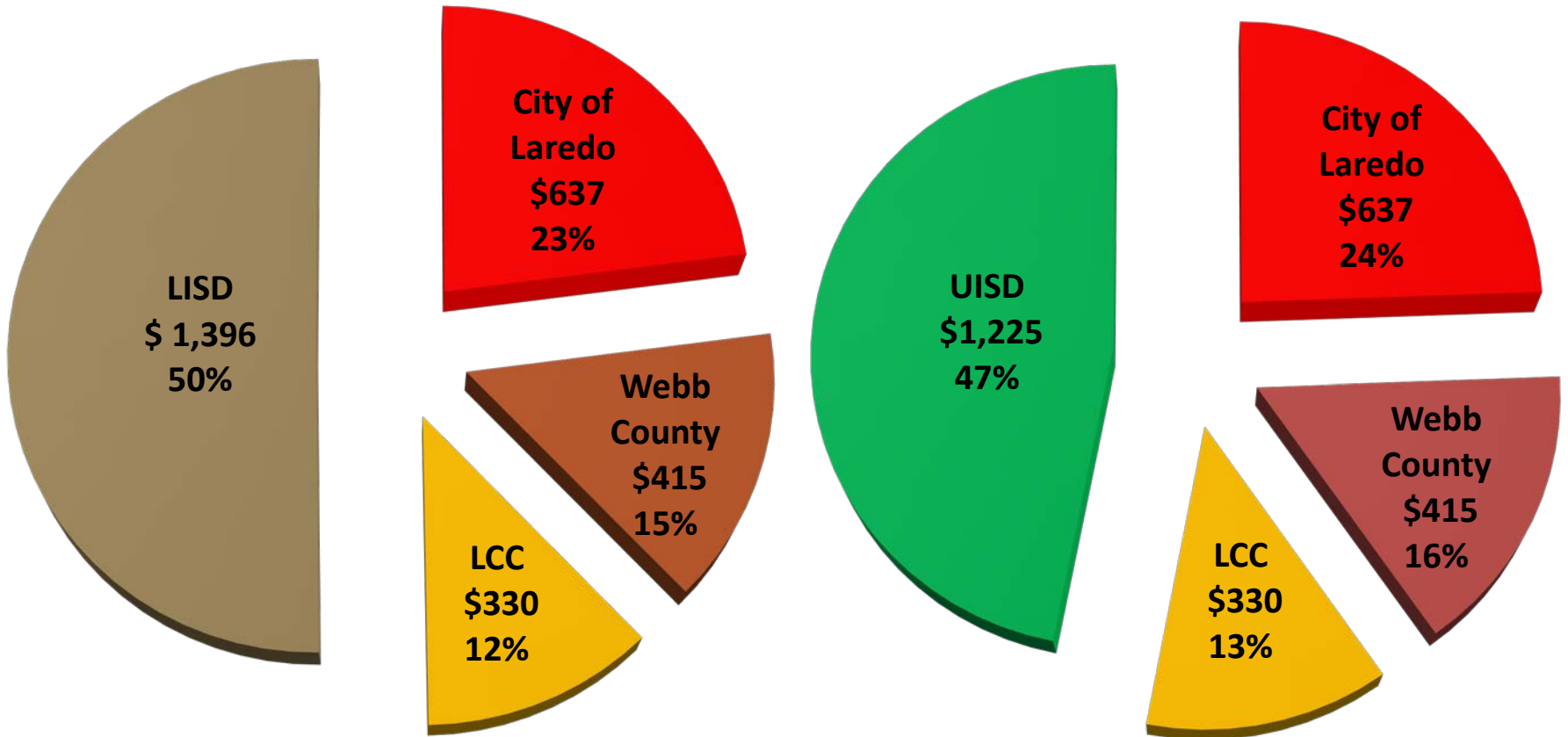
Property Value \$100,000

LISD District

\$2,770

UISD District

\$2,607



OTHER TEXAS CITIES WITH STREET MAINTENANCE FEE:

- Austin
- Bryan
- College Station
- Corpus Christi
- Corsicana
- Harlingen
- Kingsville
- Lampasas
- Taylor
- Abilene
- Lubbock



Residential Fees (Other Cities)

■ Austin	Single Family Home	\$9.97
	Residential	\$5.38
■ Corpus Christi	Commercial	\$5.38 per 1500 SF
■ Bryan	Residential	\$14.00
	Commercial	\$49.00/\$84.00/\$210.00
■ Taylor	Residential	\$8.00
	Commercial	6 tiers beginning at \$25.00
■ Harlingen	Residential	\$4.50
	Commercial	\$8.50
■ Kingsville	Residential	Based on square footage
	Commercial	from \$10 - \$125

Other Texas cities with a Street Maintenance/Improvement Fee:

Lampasas, Abilene, Arlington, Corsicana, Lubbock

City of Laredo – Proposed Fee

	FY 2017-2018	FY 2019-2020
	FY 2018-2019	FY 2020-2021
Single Family Homes		
Multi-Family Homes	\$3.00	\$4.00

	Poverty Rate	Population (Est. 2016)	Tax Rate
Austin	18.8%	947,890	0.442
Abilene	21.1%	122,225	0.747
Bryan	26.5%	83,260	0.630
College Station	35.5%	112,141	0.473
Corpus Christi	24.5%	325,733	0.606
Corsicana	30.8%	23,987	0.627
Harlingen	41.0%	65,539	0.589
Kingsville	33.3%	26,071	0.842
Lampasas	29.5%	7,722	0.395
Lubbock	29.0%	252,506	0.538
Taylor	19.0%	16,857	0.804
<i>Laredo</i>	<i>37.4%</i>	<i>257,156</i>	<i>0.637</i>
	Cities without a street maintenance fee		
San Antonio	23.7%	1,492,510	0.558
Pharr	42.1%	77,320	0.654
McAllen	31.1%	142,212	0.476
Brownsville	41.5%	183,823	0.701
El Paso	24.1%	683,080	0.760
<i>Sources:</i>	<i>City-Data.com</i>	<i>US Census</i>	<i>State Comptroller</i>

STREET MAINTENANCE FEE

- A street maintenance fee is a fee included on a utility bill to assist in funding the maintenance and development of transportation infrastructure. It has also been referred to as a transportation user fee, road use fee or street utility fee.
- Residents pay a monthly flat rate.
- Commercial pay a monthly flat rate, based on:
 - Type of business
 - Square footage of the commercial property.
 - Level of trips generated by a business
 - Formula established in *The Institute of Transportation Engineers Trip Generation Manual*

PROPOSED RESIDENTIAL MONTHLY FEES

RESIDENTIAL	71,277 Accounts			
	FY 17-18	FY 18-19	FY 19-20	FY 20-21
Proposed Monthly Fee	\$3.00	\$3.00	\$4.00	\$4.00
Monthly Revenue	\$213,831.00	\$213,831.00	\$285,108.00	\$285,108.00
Annual Residential Revenue	<u>\$2,565,972</u>	<u>\$2,565,972</u>	<u>\$3,421,296</u>	<u>\$3,421,296</u>

$$\frac{\text{SQUARE FOOTAGE}}{1000} \times \text{TRIP FACTOR} = \text{TRIP FACTOR INDEX}$$

TRIP FACTOR INDEX THEN PLACES YOU WITHIN A CERTAIN TIER'S RANGE

Tier 1 Example

Notary Public Office 2000 SF/1000 X 1.29 (single tenant office trip factor)
= 2.58 trip factor index

2.58 would fall in Tier 1 where the range is 0.00 – 8.99

TIER 1 Monthly charge \$ 10.00

Tier 2 Example

Hair Salon - $6000/1000 \times 1.93$ (trip factor) = 11.58 trip factor index

11.58 would fall in Tier 2 where the range is from 9.00 – 13.65

Monthly charge \$ 20.00

Tier 3 Example

Hotel - $50000/1000 \times .47$ (trip factor) = 23.50 trip factor index

23.50 would fall in Tier 3 where the range is from 13.66 – 27.30

Monthly charge \$ 40.00

Tier 4 Example

Auto Parts - $10000/1000 \times 4.46$ (trip factor) = 44.60 trip factor index

44.60 would fall in Tier 4 where the Trip Factor Index range is from 27.31 – 53.99

Monthly charge \$ 60.00

PROPOSED MONTHLY COMMERCIAL TIERS

TIER 1	0 – 8.99	555	Accounts		
		FY 17-18	FY 18-19	FY 19-20	FY 20-21
Proposed Fee		\$10.00	\$10.00	\$15.00	\$15.00
Monthly		\$5,550.00	\$5,550.00	\$8,325.00	\$8,325.00
Annually		<u>\$66,600</u>	<u>\$66,600</u>	<u>\$99,900</u>	<u>\$99,900</u>

TIER 2	9.00 – 13.65	268	Accounts		
		FY 17-18	FY 18-19	FY 19-20	FY 20-21
Proposed Fee		\$20.00	\$20.00	\$25.00	\$25.00
Monthly		\$5,360.00	\$5,360.00	\$6,700.00	\$6,700.00
Annually		<u>\$64,320</u>	<u>\$64,320</u>	<u>\$80,400</u>	<u>\$80,400</u>

TIER 3	13.66 – 27.30	362	Accounts		
		FY 17-18	FY 18-19	FY 19-20	FY 20-21
Proposed Fee		\$40.00	\$40.00	\$45.00	\$45.00
Monthly		\$14,480.00	\$14,480.00	\$16,290.00	\$16,290.00
Annually		<u>\$173,760</u>	<u>\$173,760</u>	<u>\$195,480</u>	<u>\$195,480</u>

PROPOSED MONTHLY FEES

TIER 4	27.30 – 53.99	560	Accounts		
		FY 17-18	FY 18-19	FY 19-20	FY 20-21
	Proposed Fee	\$60.00	\$60.00	\$65.00	\$65.00
	Monthly	\$33,600.00	\$33,600.00	\$36,400.00	\$36,400.00
	Annually	<u>\$403,200</u>	<u>\$403,200</u>	<u>\$436,800</u>	<u>\$436,800</u>

TIER 5	54.00 – Up	1,695	Accounts		
		FY 17-18	FY 18-19	FY 19-20	FY 20-21
	Proposed Fee	\$80.00	\$80.00	\$85.00	\$85.00
	Monthly	\$135,600.00	\$135,600.00	\$144,075.00	\$144,075.00
	Annually	<u>\$1,627,200</u>	<u>\$1,627,200</u>	<u>\$1,728,900</u>	<u>\$1,728,900</u>
Total Annual Commercial Revenues		<u>\$2,335,080</u>	<u>\$2,335,080</u>	<u>\$2,541,480</u>	<u>\$2,541,480</u>

PROPOSED MONTHLY FEES

TIER 6	INDUSTRIAL	905	Accounts		
		FY 17-18	FY 18-19	FY 19-20	FY 20-21
	Proposed Fee	\$100.00	\$100.00	\$105.00	\$105.00
	Monthly	\$90,500.00	\$90,500.00	\$95,025.00	\$95,025.00
	Industrial Revenue	\$1,086,000	\$1,086,000	\$1,140,300	\$1,140,300

	FY 17-18	FY 18-19	FY 19-20	FY 20-21
Residential	\$2,565,972	\$2,565,972	\$3,421,296	\$3,421,296
Commercial	\$2,335,080	\$2,335,080	\$2,541,480	\$2,541,480
Total Residential / Commercial	\$4,901,052	\$4,901,052	\$5,962,776	\$5,962,776

Industrial	\$1,086,000	\$1,086,000	\$1,140,300	\$1,140,300
TOTAL REVENUES	<u>\$5,987,052</u>	<u>\$5,987,052</u>	<u>\$7,103,076</u>	<u>\$7,103,076</u>

PROPOSED MONTHLY EXPENSES

42 FTE's	2017-2018	2018-2019	2019-2020	2020-2021
Proposed Fee	\$3.00	\$3.00	\$4.00	\$4.00
Blocks	473.5	449.5	596.5	568.5
Milling / Paving	\$1,473,674	\$1,517,884	\$1,563,421	\$1,610,323
1 - Concrete Crew	\$417,926	\$430,464	\$443,377	\$456,679
Operations Cost	\$ 232,300	\$239,269	\$246,447	\$253,840
Materials (Standard \$5,860 per/block)	\$2,774,710	\$2,713,092	\$3,708,363	\$3,640,322
Annual Expenses	<u>\$4,898,610</u>	<u>\$4,900,709</u>	<u>\$5,961,608</u>	<u>\$5,961,164</u>

	2017-2018	2018-2019	2019-2020	2020-2021
Res / Comm Accounts	\$4,901,052	\$4,901,052	\$5,962,776	\$5,962,776
Annual Expenses	\$ (4,898,610)	\$ (4,900,709)	\$(5,961,608)	\$(5,961,164)
BALANCE	\$2,442	\$343	\$1,168	\$1,612
Total Industrial Revenue	\$1,086,000	\$1,086,000	\$1,140,300	\$1,140,300

Thank you!
