



COBURG CITY COUNCIL ACTION/ISSUE ITEM

Topic: Ordinance A-252 Implementing a Transportation Utility

Meeting Date: July 27, 2021

Staff Contact: Anne Heath, City Administrator

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REQUESTED COUNCIL ACTION

2nd Reading of Ordinance A-252

Recommended Motion: "I move to Adopt Ordinance A-252, implementing a Transportation Utility Fee."

POLICIES OR CITY COUNCIL GOAL(S)

- Address Street Funding
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BACKGROUND

One of the biggest concerns that the Coburg City Council and staff hear about is the conditions of the roads in Coburg. To address this issue, the City Council approved a Pavement Management Program be designed in order to establish the condition of all streets in Coburg, and to address the treatment needed to bring streets up to an acceptable condition.

Upon receiving the completed Pavement Management Program, the City Council appointed a Citizen Committee to review the report and make recommendations for how the City would fund the repairs needed as reported in the program. The Committee designed and sent out a community survey asking which funding sources the citizens would support

In November, 2019 the voters approved the increase in Fuel Tax. This was then brought to the City Council in December for approval through an ordinance.

In the early spring of 2020 the City began working on an ordinance to implement a Transportation Utility Fee. The City held public meetings, disbursed informational materials, and began the process of reviewing a draft ordinance.

In March, 2020 the Covid-19 Pandemic struck the nation and there was much uncertainty regarding the financial effects on the City and the residents of Coburg. Therefore, the Council elected to put the Transportation Utility Fee discussion on hold.

In March of 2021, the Council held a work session in which staff direction was given to begin the process of implementing the Transportation Utility Fee.

At the June, 2021, City Council held the first reading of Ordinance, A-252 and held a public hearing. Public comment was provided regarding the charge to Community Based Fraternal Organizations. Council gave direction to staff to consider a fee schedule line possibly based upon the revenues of the organization. Staff researched this item and did not find any examples of this kind of consideration. However, given the infrequent and sporadic use of the community buildings utilized by these organizations, as well as low revenues which are regenerated out into the community, a recommendation of the staff is that there is a base fee of \$10 based upon an organization with revenues of \$25,000 or less.

ORDINANCE A -252

The draft ordinance contained in this packet is the result of the input from Councilors as well as legal representation, and professional consultants.

The Council are considering charging a base fee to residential units. In the recommended rate schedule the non-commercial users will also pay the same base fee plus an additional fee of approximately .27 per associated trip. These trips will be identified by the adopted Transportation SDC Schedule for associating business code with associated trips per 1000 square feet of business space. This fee schedule will be adopted by resolution which is under a different tab.

The Council made no recommendations for changes to the ordinance at the first reading.

COSTS ASSOCIATED WITH STREET REPAIRS

The amount that the City needs to raise per month is between \$11,000 and \$12,000, or \$132,000 to \$140,000 per year. Growth and additional residents and businesses will increase this amount in future years to cover the cost of new streets and continued maintenance on existing streets. In addition, the City staff will continue to seek and apply for grant funding to cover some of the costs associated with the street repairs and maintenance.

It is highly recommended and included in the ordinance that an annual analysis and recommendation for changes to rates take place. This would result in a resolution if in any year the Council decides to change the rates.

Based upon the current transportation project list the cost of addressing the current street conditions is \$3,500,000. Approximately \$2,650,000 of this cost should be absorbed by the non-resident customers. This includes all industrial streets and one-half of the collector streets. Residents should cover all residential streets and approximately one-half of the collectors. This

comes out to one-third or approximately \$4,000 covered by the residents, and two-thirds by the businesses. Setting a rate for residents and non-residential properties, and an additional rate for non-residential properties raises the required and projected needed funds.

In a meeting with a consultant on the billing method under this ordinance, it was highly recommended that we utilize the already approved SDC ITE Trip Schedule be utilized in determining business code and associated trips per 1000 feet. This adopted schedule is what the staff uses to determine the charge for SDC's associated with trips for a business. Therefore, it is the recommended method for determining business trips for the TUF. The SDC ITE Schedule is attached. Failure to utilize this schedule would result in inconsistent analysis of projected use of the roadway by a business.

OUTREACH TO THE PUBLIC

Staff took a multi-tiered approach to reaching out to the public regarding this subject including:

- Multiple newsletter articles
- Mini-Newsletter in Utility Bills
- Social Media Posts
- Brochures distributed twice to the community
- Volunteer Committee of Citizens which help public meetings and invited comment

MEETING WITH BUSINESSES

Staff has also reached out to the majority of businesses in Coburg to invite them into a conversation regarding the TUF and answer their questions. When possible, the staff gave them a projected cost of the TUF to their business. In addition, businesses were given the date of the 2nd reading of the ordinance and were invited to provide public comment.

APPEAL PROCESS

A simple appeal process form has been developed and is attached to the draft ordinance. This allows a business owner to specify which part of the assignment of fees they believe is incorrect. The ordinance clearly defines the process for an appeal.

STEPS FOR COMPLETION

1. Complete Second Reading in Public Hearing – Hear Public Comment
2. Adopt Ordinance
3. Approve Resolution to set fee schedule
4. Staff to assign fee to each non-resident property
5. Resident properties will be charged base rate
6. Staff will implement as soon as possible but no more than 30 days after adoption.

RECOMMENDATION AND ALTERNATIVES

Staff recommends that Council discuss and consider draft ordinance, and draft fee schedule. Staff recommends a base fee charged for residential units and a base fee plus additional fee based up ITE Business Code as well as square footage for businesses. Staff has no recommendations for changes to the ordinance.

BUDGET / FINANCIAL IMPACT

The fee will raise approximately \$130,000 in the first year.

ATTACHMENTS

- A. Draft Ordinance A-252
- B. SDC ITE Business Code and Associated Trip List
- C. Council Poll results
- D. Appeal Form

REVIEWED THROUGH

Gary Darnielle, City Attorney
Sammy Egbert, City Recorder
