# Street Fee Questions

**Question 1:** What is a Street Maintenance Fee?
A Street Maintenance Fee (sometimes known as a Transportation Utility Fee, Road User Fee, or Street Utility Fee) is a monthly fee based on use of the transportation system that is collected from residences and businesses within Lake Oswego city limits. The fee is based on the number of trips a particular land use generates and is collected through the City's regular utility bill. It is designated for use in the maintenance and repair of the City's transportation system. Users of the road system share the costs of the corrective and preventive maintenance needed to keep the street system operating at an adequate level.

**Question 2:** What does the Street Maintenance Fee do?
It helps preserve the City's investment in the street infrastructure by providing revenue to maintain and repair the City's streets.

**Question 3:** Why a Street Maintenance Fee in Lake Oswego?
In the past, the largest funding source for maintenance of the City's street system was the State Gas Tax which has been used to pay for street maintenance and the energy and maintenance costs for the street lights and traffic signal systems citywide.

The City Council determined that the gas tax must be supplemented by additional funding sources to complete pavement overlays, pavement treatments and reconstruction work that are necessary to keep the street system functioning satisfactorily.

On November 4, 2003, the Lake Oswego City Council approved the implementation of a Street Maintenance Fee as the preferred alternative source of funding for the City's street infrastructure investment.

**Question 4:** What kind of street system do we have?
Of Lake Oswego's 181 miles of streets, 12% are arterials (e.g., Boones Ferry Road); 16% are collectors (e.g., Bryant Road); and 72% are residential streets (e.g., Twin Fir Road). The investment value is currently valued at $270.7 million.

**Question 5:** Why is there a need for timely maintenance of Lake Oswego's streets?
Through timely maintenance of streets, cities are better able to provide safe roads on which people may travel. Studies have shown that pavement condition worsens at an increasing rate as the pavement gets older. Restoration of pavement near the end of its service life will typically cost 4 to 5 times more than rejuvenation performed in a timely manner.

**Question 6:** How are our SMF dollars invested?
The City Council established a policy that residents within Lake Oswego city limits would be the sole beneficiaries of the investments made in the City's street system. To that end, revenue will only be invested in streets under the ownership and maintenance control of the City. Streets outside the City's boundary are maintained by other agencies.

**Question 7:** What kind of street treatments are available?
Crack Sealing - Injection of hot tar or asphalt into cracks and paving seams.
Slurry Seal - Very thin layer of liquid asphalt and sand used to seal street surfaces.
Overlay - A new layer of asphalt or concrete, which adds structural strength and seals the surface.
Rehabilitation - Surface repairs to streets. Examples include slurry seals and overlays.
Reconstruction - The most expensive street treatment, reconstruction entails extensive street repair work that involves excavating the existing street and rebuilding road bed and surface layers. At least four to five times more costly than rehabilitation.

**Question 8:** How are the Street Maintenance Fee determined?
An inventory of all the existing uses on occupied parcels in the City provided the starting point for calculating the Street Maintenance Fee rates for the City of Lake Oswego.

The Institute of Transportation Engineers (ITE) trip generation rates were then used to determine trip generation values for each use. Residential and non-residential groups were established to help generate a maintenance fee rate to be applied to each group. The trip generation rates for non-residential uses most commonly are "number of trips per thousand gross square feet of building per day".

Single Family (Detached)

- Multi-family
- Group 1 - Land uses with less than 29 vehicle-trip-miles per day per 1,000 sf. of building space
- Group 2 - Land uses with more than 29, but less than 90, vehicle-trip-miles per day per 1,000 sf. of building space
- Group 3 - Land uses with more than 90 vehicle-trip-miles per day per 1,000 sf. of building space

**Question 9:** What are the rates that each trip generation group will pay? **BASED ON 2010 DATA, INFORMATION TO BE UPDATED**
Typical Investments, rates current through June 30, 2010 (per unit or 1,000 square feet)

| Residential (per SFR*) | Multi-Family (per MFR**) | Non-Residential Group 1 | Non-Residential Group 2 | Non-Residential Group 3 |
|---|---|---|---|---|
| $4.00 | $2.68 | $2.45 | $5.51 | $20.58 |

*Single Family Residential
**Multi-Family Residential

**Question 10:** How much does the fee cost local service providers and businesses? **BASED ON 2010 DATA, INFORMATION TO BE UPDATED**
Non-residential fees vary based upon the type and gross floor area (GFA) of businesses. Typical ranges are between $4.00 and $20.58 per 1,000 sf of GFA. Some examples are shown as follows:

- Example 1: A medical-dental office building falls into non-residential Group 2. The unit of measure is 1,000 square feet of gross floor area. Assuming the office building has 10,000 square feet of gross floor area, the multiplier would be 10,000/1,000 = 10. The group rate of $5.51 multiplied by 10 equals $55.10 per month.
- Example 2: A 24-hour convenience market falls into non-residential Group 3. If the market has 5,000 square feet of gross floor area, the monthly rate for that market would be the group rate of $20.58 per month multiplied by 5 (5,000/1,000) to produce a monthly bill of $102.90.

**Question 11:** Do other Oregon cities have a Street Maintenance Fee?
Yes. The cities of Ashland, Eagle Point, Eugene/Springfield, Hubbard, La Grande, Medford, Phoenix, Talent, Tigard, Tualatin, and Wilsonville all have a Street Maintenance Fee.

**Question 12:** Who can I contact for questions regarding the Street Maintenance Fee?
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