

Street Utility - A New Local Option for Cities (HB 1947)

What is it?

A street utility is just that, a utility. Most utilities work the same: if a citizen or business benefits from the use of the utility then they pay for it. Usually the more they use the utility, the more they pay. For example, customers are charged by the amount of power or water they consume.

With a street utility, everyone uses the street system. A charge is based on how many trips a customer uses in the system. In most cases, the trips charges are based on a trip generation manual developed by the Institute of Transportation Engineers, and the trips factors are very accurate.

The cost per trip must be equal for all users or customer classifications, and the fees generated can only be used to fund the operation, maintenance, and replacement of the transportation system. The transportation system includes all infrastructure related to that system including:

- Pavement management and maintenance;
- Signs and markings;
- Non-motorized facilities (pedestrian and bicycle movement);
- Traffic control and signalization;
- Lighting for safety of the traveling public; and
- Other structures required as a part of each agencies transportation system and level of service that has been set for the community.

The fees are not general taxes but are proportionate to the benefits enjoyed or burdens created by identified user classes. The fees are dedicated solely to that purpose.

Who implements it?

All cities would be authorized to implement a street utility authority if a street utility is in the interest of public health and safety and is supported by other findings that include

pavement condition scores. The transportation system must be maintained, operated, and replaced as it ages to assure the continued use of the system to the level of service established by each agency.

A city must demonstrate its city streets are failing to meet, or would no longer meet established criteria for pavement rating, or other safety standards for lighting, traffic control, pedestrian and bicycle movement, as allowed by state law or other industry and community standards not in conflict with state law.

How are rates determined?

Rates apply to residents and businesses within a street utility area or areas. They are based on household unit or type (classification) of business and must be uniform for the same class of person receiving transportation services or imposing burdens on the transportation system. Other factors are:

- The correlation between property uses and the estimated number of automobile trips;
- User location, i.e. proximity to arterial streets and residential streets;
- Incidental trips vs. destination trips;
- Reductions or exemptions on residential properties to the extent of their occupancy by low-income senior citizens;
- May provide reductions or exemptions on governmental entities and school districts;
- May provide for user rate reduction based on mitigation through impacts fees; and
- May provide for user rate reduction where there is demonstrated trip reduction measures, i.e. carpool, vanpool arrangements.

continued

Are rates predictable? How much are they?

Yes. Each rate classification is required to be established using trip generation tables.

Each city establishes its own rates. For a typical urban city experiencing over 500,000 trips on its system and experiencing a failing transportation system:

- Single family residence: \$2 to \$8 a month (Oregon cities are about \$3 a month)
- Senior housing and multifamily housing ranges from 10% to 60% of a single family residence.
- Industrial and manufacturing buildings and parks could expect \$10 a month for every 10,000 square feet.
- Commercial building categories, such as restaurants, office buildings, and general commercial buildings could expect \$15 to \$35 a month per 10,000 square feet.
- Shopping centers, could expect \$150 a month per 10,000 square feet (which would be apportioned among the businesses within the shopping center).

What about citizen and business accountability?

- Street utility charge funds are required to be used for transportation purposes only.
- A citizen's appeal board is required under this proposal.
- A street utility advisory board must be included as part of the ordinance.

Why is a street utility funding option necessary?

I-695, I-747, and I-776 stripped away revenue that cities used to maintain, operate, replace, and improve their transportation systems. For the City of Kent, as an example, the amount is approximately \$4,000,000 per year. The cumulative effect for Kent is \$32,000,000 since 1999.

For questions or more information

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