

**ORDINANCE NO. 1967**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON, AMENDING THE MUNICIPAL CODE BY ADDING A NEW CHAPTER 3.30 – PRIVILEGE TAX AND IMPOSING A PRIVILEGE TAX ON ELECTRIC UTILITIES.**

**WHEREAS**, electric utility franchisees benefit from the use of City rights of way and impact those rights of way by using a portion of the right of way and by regular use of the rights of way by trucks and other equipment installing, moving and repairing the franchisees' facilities; and

**WHEREAS**, the City has prepared a Street Maintenance Program, attached as Exhibit A:

**NOW, THEREFORE, THE CITY OF MILWAUKIE DOES ORDAIN AS FOLLOWS:**

Section 1. The Milwaukie Municipal Code is amended by adding a new Chapter 3.30 – Electric Utility Privilege Tax to read as follows:

**CHAPTER 3.30**

**ELECTRIC UTILITY PRIVILEGE TAX**

(A) An electric utility privilege tax is imposed on all electric utilities having or required to have a franchise in the City. The privilege tax is one and one-half percent of the electric utility's adjusted gross revenues, as defined by the ordinance granting the franchise to the utility. The City Manager shall notify its current franchisee in writing of the adoption and terms of the Electric Utility Privilege Tax. Payment of all Privilege Tax proceeds collected by an electric utility shall be paid to the City on the same schedule as the utility's franchise fee payments.

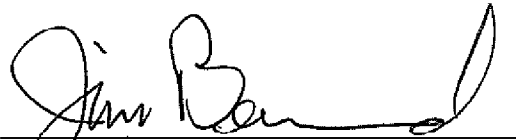
(B) All proceeds of the electric utility privilege tax shall be used for the street surface maintenance program established under Chapter 3.25.

Section 2. This ordinance shall take effect 30 days after passage, but the tax imposed by Section A shall be payable only on revenues received for service after July 1, 2007.

Read the first time on December 19, 2006, and moved to second reading by 4 – 1 vote of the City Council.


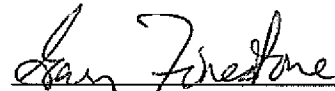
Read the second time and adopted by the City Council on 1/2/2007

Signed by the Mayor on 1/2/2007

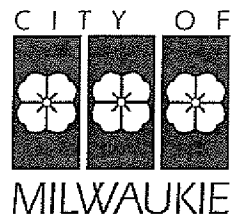
  
\_\_\_\_\_  
Jim Bernard, Mayor

ATTEST:

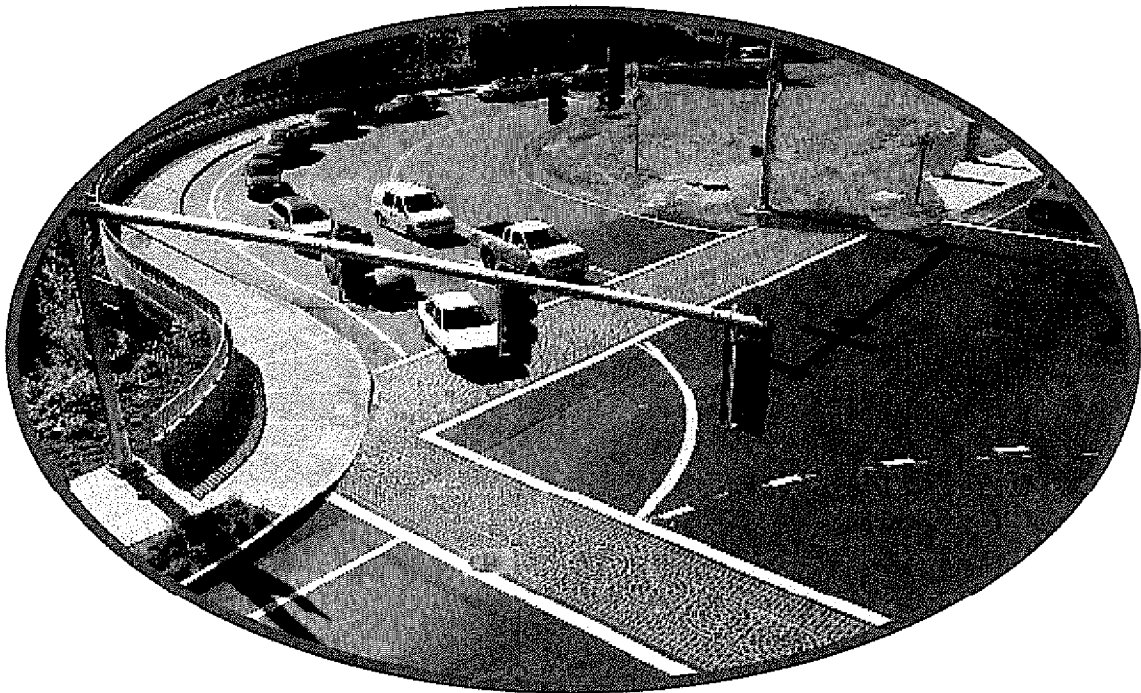
APPROVED AS TO FORM:  
Ramis, Crew, & Corrigan, LLP

  
\_\_\_\_\_  
Pat DuVal, City Recorder  
\_\_\_\_\_  
City Attorney

## EXHIBIT A



# STREET SURFACE MAINTENANCE PROGRAM



December 2006

Authorized per City Council Resolution No. 35-2006  
and Ordinances No. \_\_\_\_\_, \_\_\_\_\_ & \_\_\_\_\_

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Appendix A: Transportation Utility Fee: The Oregon Experience, Prepared by Carl D. Springer and John Ghilarducci

Appendix B: Pavement Management Budget Options Report, Prepared by Engineering Information Services, Inc.

## **1. Problem Definition**

*Milwaukie's local streets are in a state of rapid decline, some have already failed, and funding is not adequate to turn the situation around. If nothing is done, the roads will worsen and the cost to remedy the situation will skyrocket.*

Milwaukie city officials are responsible for maintaining 138 lane miles of paved roadway. The replacement value of Milwaukie's street system was estimated at \$65 million in 2004 – a figure that is rapidly rising with the escalation of construction costs.

A July 2004 report by the consulting firm EIS Inc. rated Milwaukie's overall street network condition as a 67 (out of 100), which placed the City's street network in the upper range of the "satisfactory" condition. However, EIS Inc. also concluded that the cost of the city's deferred street maintenance was growing rapidly and that the City was not allocating sufficient funds to address street maintenance needs. EIS projected that by 2006, absent a new maintenance effort, the overall street network condition would fall to 63. Because maintaining streets is much more cost-effective than rebuilding them after they have failed, deferred maintenance costs can build up very quickly as streets pass the point at which they can be rehabilitated.

The City of Milwaukie is not alone in this predicament. The 2004 Regional Transportation Plan describes the problem this way:

... revenues from the State Highway Trust Fund, which is funded from the state gas tax revenues and related truck fees and vehicle registration fees, has become the primary source of transportation funding for many jurisdictions in the region. The problem the region is facing by relying primarily on this revenue source is that it is subject to two factors that reduce its purchasing power over time: inflation and increasing fuel efficiency. Therefore, the gas tax cost per mile driven in Oregon (in current \$) has decreased from 2.6 cents per mile in 1970 to 1.3 cents per mile today.<sup>1</sup>

## **2. Existing Conditions**

### ***A. Street Network***

Based on a 2004 visual inspection by EIS Inc., 60% of Milwaukie's streets were in good condition, 17% were in satisfactory condition; and 22% were in fair to poor condition. That 2004 data was combined with a 2006 staff score and the results of an earlier study to arrive at a "composite" condition score. (The earlier study, conducted in 1995, tested sub-surface conditions, which were not reflected in the 2004 assessment.)

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<sup>1</sup> Regional Transportation Plan, Chapter 5: Growth and the Priority System, page 5-34.

Pavement conditions were ranked again, based on the composite score, and then divided into four groups, from poor to good. This ranking placed 55% of the street system in good condition, 18% in satisfactory condition, and 27% in the fair and poor categories.

Good condition streets require the least costly preventive maintenance (crack sealing) in order to extend the useful life of the pavement surface. At the opposite extreme, many of the 27% of the streets in the fair to poor category require full or partial reconstruction, which typically involves rebuilding the base and adding all new pavement. The 18% in satisfactory condition require rehabilitation, which typically involves grinding off the deteriorated top layer, adding a layer of "fabric," and a pavement overlay.

### ***B. Street Fund***

The Oregon State Gas Tax, which is assessed per gallon on motor vehicle fuel sold statewide, is the Street Fund's primary revenue source for flexible funding. The tax has not been increased since 1993. In 1995-1996, the City's share of Gas Tax revenues was \$906,065; the projection for 2006-2007 is \$959,646. The second source of flexible revenues for the Street Fund is franchise fees, collected from other City utilities (water, storm and wastewater). Franchise fees total about half of Gas Tax revenues (\$490,198 in 2004-2005; \$546,650 projected for 2006-2007).

While Street Fund revenues have remained largely flat, the cost of road construction and maintenance has increased substantially, particularly in recent years. According to the Federal Highway Administration's surfacing price index, \$128 worth of surfacing projects in 1995 would cost \$215 today.<sup>2</sup> Milwaukie's share of state gas tax proceeds are down nearly 40% over the past decade when adjusted for this inflation in costs. Clackamas County's 2006 construction bids are coming in at approximately 30% higher than just one year ago.

In recent years, the City has enjoyed success competing for grants and loans for specific capital projects. In the 2006-2007 budget, these accounted for just over \$1 million in revenue. Such funds are dedicated to specific projects and cannot be expended on maintenance.

Street expenditures in 2004-2005 totaled \$2.2 million. These expenditures broke down as follows:

- 32% to capital expenditures;

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<sup>2</sup> "Price Trends for Federal-Aid Highway Construction," Third Quarter 2005, U.S. Department of Transportation, Federal Highway Administration. Available on-line at: <http://www.fhwa.dot.gov/programadmin/pt2005q3.pdf>.

- 20% to contributions to support or administrative functions (transfers to Engineering and Community Development Administration, and General Administrative Services Charge);
- 17% to maintenance;
- 13% to street light electricity costs;
- 9% to overhead (the vast majority for vehicle fuel, maintenance, and replacement fee); and
- 8% to reserves for future capital projects.

The Street Department maintains multiple aspects of the street system. Based on FTE assignments and allocable materials and services costs, staff estimates that in 2004-2005, out of a total maintenance budget of \$378,000: 24% went to right-of-way maintenance (mowing, removing branches, etc.); 23% was devoted to emergency street repairs (i.e., filling potholes and patching); 16% was spent on sign and signal maintenance; 15% went to street sweeping; 13% went to street marking and striping; and 8% was devoted to preventive surface maintenance (crack sealing as needed).

The preventive surface maintenance expenditures do not include any rehabilitation or reconstruction projects, which the city cannot currently afford. In recent years, the city's CIP has included an "unfunded" \$200,000 line item for overlay (rehabilitation) projects in the unfunded category. Though the \$200,000 figure has been somewhat arbitrary, these past CIP's are a record of the City's ongoing recognition of the street network's unmet maintenance need.

### **3. Authority**

City Ordinance No. \_\_\_\_ establishes the Street Surface Maintenance Program ("SSMP") and a Street Maintenance Fee. City Ordinance No. \_\_\_\_ establishes a one and one-half percent (1.5%) PGE Privilege Tax. Ordinance No. \_\_\_\_ establishes a local gasoline tax of two (2) cents per gallon. (Details on the operation of these revenues are below in Sectiona 10, 11, and 12, respectively.) The ordinances dedicate all revenues from these sources to street surface maintenance and repair and those activities necessary to carry out the program, such as condition assessment and inspection.

### **4. Program Goals**

#### ***A. PCI Index Goals***

Pavement Condition Index, or PCI, is a measure of the status of street surface, ranging from 0 to 100. A newly constructed street would have a PCI of 100 and failed street would have a PCI of 25 or less. The "Good" range is from 70 to 100. An ideal (the most

cost-effective) maintenance program is possible with a network average in the low 80's. The goal of the City of Milwaukie Street Surface Maintenance Program is to bring all major streets to a point where the cost efficiencies of good preventive maintenance are enjoyed, approximately 75 or above, and maintain them at that level. Progress towards this goal will be assessed in the annual program report.

#### ***B. Deferred Maintenance Goals***

The goal of the SSMP is to reduce the deferred maintenance backlog and, ultimately, to eliminate it. This requires both reconstruction projects and rehabilitation projects (overlays). Eliminating deferred maintenance on larger streets will be prioritized. Reconstructions on local streets would be addressed only after all Preventive Maintenance needs have been addressed and after larger streets are brought up to the "good" range.

#### ***C. Maintenance Goals***

The SSMP's maintenance goal is to prevent any street from deteriorating to the point of requiring reconstruction. (Many Milwaukie streets that require reconstruction were not constructed with adequate bases). This requires an aggressive program of crack sealing and rehabilitation as required. These activities will be prioritized over reconstructions of already failed streets.

#### ***D. Stopgap Goals***

"Stopgap" refers to emergency repairs to keep streets in a serviceable condition (e.g., pothole patching). These are temporary and do not extend the pavement life. Current Street Fund revenues are adequate to perform needed stopgap repairs. The SSMP stopgap goal is to continue to adequately fund and repair trouble spots throughout the City, with the expectation that this need will diminish as the network is improved.

#### ***E. Program Cost Goals***

The overall revenue goal is \$1.2 million per year for the first ten years, or \$12 million total (2006 dollars). The annual cost of maintaining only major streets thereafter could be achieved at roughly half that budget. A continuation of the higher level of funding would allow the City to address local streets as well. The program progress report will allow Council to reassess the level of revenue and activity annually.



## **5. Responsibilities**

By ordinance, the following responsibilities are established within the city government:

The Engineering Director and the Streets Supervisor are jointly responsible for annually developing and updating a cost-effective 5-year SSMP project schedule. The Engineering Director is responsible for ensuring that the schedule is properly integrated into the CIP and that the schedule is coordinated with other City capital projects. The Engineering Director is responsible for sharing the CIP with non-city utilities and coordinating all City capital projects with the various private utilities to the extent possible.

The Engineering Director is responsible for the contracting of services to complete projects funded by the Program.

The Engineering Director is responsible for assigning non-residential utility customers to Trip Generation Categories, using his or her best professional judgment and the criteria provided for in the ordinance, and for ruling on requests for category adjustments. (See Sections 10 B and 10 C for more detail.)

The Engineering Director is responsible for implementation and enforcement of steps to minimize utility cut damage to streets, including a five-year moratorium on capital projects on recently reconstructed, rehabilitated, or newly built City streets. The Public Works Operations Director is responsible for City utility compliance with street cut repair policy

The Community Development and Public Works Director is required to provide an annual report on the Street Surface Maintenance Program to City Council and the public each spring. See Section 7 for the elements of that report.

The Finance Director is responsible for billing, collection, and dedicated allocation of Street Surface Maintenance Program revenues.

## **6. Project Selection**

As part of the annual Capital Improvement Plan development process, the Public Works and Engineering departments update the SSMP project schedule for the coming five years. In addition, a more detailed schedule of crack sealing and similar preventive maintenance projects for the up-coming summer is developed. The project list development begins with the recommended maintenance program produced by a Pavement Management System (PMS) software application. The Engineering Director and Street Operations Supervisor select a package of treatments that best match the

recommendations generated by the PMS software with local knowledge of street condition, the cost benefits of grouping multiple projects (both coordinating with other utility projects and tackling adjacent streets where possible to minimize mobilization costs), and other project needs (for instance, recently built new projects that require overlays to match grades).

In allocating resources among projects, staff prioritizes projects with the greatest return (i.e., street life extension versus cost). Remaining funds are dedicated to reconstruction projects on significant routes. These routes are prioritized according to their functional classification within the City Transportation System Plan, with adjustments made by the project selection team based on school routes, freight routes, emergency routes, safety considerations, traffic patterns, and cost-effective contracting practices.

Table 1 (below) provides a model for the first two 5-year SSMP project schedules. Staff anticipates refining and adjusting this plan based on continued research on best practices, unpredictable weather events, and shifting patterns of traffic.

By tracking and recording completed repair and maintenance projects in the PMS database, the Engineering Department maintains the quality of the data used to inform the project selection process. In addition, the entire database is updated every 3 to 5 years with the results of a complete visual inspection of the street network condition. Finally, on an occasional basis (every 10 –15 years) the City contracts for “deflection” testing to assess the sub-surface condition of streets.

Table1. Model SSMP Project Schedule, Years 1 - 5.

<u>Year</u>	<u>Activity</u>	<u>2006 PCI</u>	<u>Activity Type</u>	<u>Cost Estimate</u>
Year 1	Billing & Program Setup		SSMP Program Expense	\$25,000
	Pavement Assessment (Deflection)		SSMP Program Expense	\$80,000
	Oak Street (224 to Monroe)	55	Overlay/Rehab	\$85,802
	37th Ave. (Lake to Wister)	53	Overlay/Rehab	\$72,162
	Washington St (McLoughlin to Oak)	69	Overlay/Rehab	\$181,098
	42nd (Harvey to JCB)	55	Overlay/Rehab	\$137,283
	Logus (Stanley to 51st)	60	Overlay/Rehab	\$55,019
	Crack/Slurry/Fog Seals		Preventive Maintenance	\$125,000
	<b>Total</b>			<b>\$761,364</b>
	<b>Revenue Est (+ prev bal)</b>			<b>\$800,000</b>
	<b>Balance</b>			<b>\$38,636</b>
Year 2	King Road (43rd to Hollywood)	40	Reconstruct	\$770,816
	Crack/Slurry/Fog Seals		Preventive Maintenance	\$125,000
	<b>Total</b>			<b>\$895,816</b>
	<b>Revenue Est (+ prev bal)</b>			<b>\$1,038,636</b>
	<b>Balance</b>			<b>\$142,820</b>
Year 3	Linwood Ave. (Railroad to Monroe)	79	Overlay/Rehab	\$334,423
	Lake Road (Shell Ln to Kuehn)	53	Overlay/Rehab	\$311,491
	Roswell (32nd to 42nd)	52	Reconstruct	\$252,165
	Crack/Slurry/Fog Seals		Preventive Maintenance	\$150,000
	<b>Total</b>			<b>\$1,048,079</b>
	<b>Revenue Est (+ prev bal)</b>			<b>\$1,142,820</b>
	<b>Balance</b>			<b>\$94,740</b>
Year 4	Washington Street (37th to 40th)	66	Overlay/Rehab	\$27,878
	27th (Lake to Washington)	72	Overlay/Rehab	\$103,545
	Harrison Phase 1 (McLoughlin to 42nd)	44	Reconstruct	\$740,000
	Crack/Slurry/Fog Seals		Preventive Maintenance	\$150,000
	<b>Total</b>			<b>\$1,021,423</b>
	<b>Revenue Est (+ prev bal)</b>			<b>\$1,094,740</b>
	<b>Balance</b>			<b>\$73,318</b>
Year 5	Pavement Assessment (Visual)		SSMP Program Expense	\$20,000
	Harrison Phase 2 (McLoughlin to 42nd)	44	Reconstruct	\$200,000
	Railroad Ave Phase 1 (Harrison to Harmony)	44	Reconstruct	\$531,000
	Crack/Slurry/Fog Seals		Preventive Maintenance	\$175,000
	<b>Total</b>			<b>\$926,000</b>
	<b>Revenue Est (+ prev bal)</b>			<b>\$1,073,318</b>
	<b>Balance</b>			<b>\$147,318</b>

Table 1 Continued. Years 6 -10

<u>Year</u>	<u>Activity</u>	<u>2006 PCI</u>	<u>Activity Type</u>	<u>Cost Estimate</u>
Year 6	43rd (King to Howe) and Howe (to 42 <sup>nd</sup> )	73	Overlay/Rehab	\$121,074
	River Road (McLoughlin to Lark)	76	Overlay/Rehab	\$95,129
	Railroad Ave Phase 2 (Harrison to Harmony)	44	Reconstruct	\$150,000
	Monroe Street Phase 1 (224 to City limit)	41	Reconstruct	\$431,000
	Crack/Slurry/Fog Seals		Preventive Maintenance	\$175,000
	<b>Total</b>			<b>\$972,203</b>
	<b>Revenue Est (+ prev bal)</b>			<b>\$1,147,318</b>
	<b>Balance</b>			<b>\$175,115</b>
Year 7	International Way (37th to Harmony)	70	Overlay/Rehab	\$373,000
	Monroe Street Phase 2 (224 to City limit)	41	Reconstruct	\$300,000
	Crack/Slurry/Fog Seals		Preventive Maintenance	\$200,000
	<b>Total</b>			<b>\$873,000</b>
	<b>Revenue Est (+ prev bal)</b>			<b>\$1,175,115</b>
	<b>Balance</b>			<b>\$302,115</b>
Year 8	Harvey Street (32nd Ave past 42nd Ave)	26	Reconstruct	\$303,000
	Home and Wood Avenues	48	Reconstruct	\$688,351
	Crack/Slurry/Fog Seals		Preventive Maintenance	\$200,000
	<b>Total</b>			<b>\$1,191,351</b>
	<b>Revenue Est (+ prev bal)</b>			<b>\$1,302,115</b>
	<b>Balance</b>			<b>\$110,764</b>
Year 9	Pavement Assessment (Visual)		SSMP Program Expense	\$30,000
	McBrod Avenue (17th to Ochoco)	27	Reconstruct	\$370,000
	Major Route Overlays TBD		Overlay/Rehab	\$400,000
	Crack/Slurry/Fog Seals		Preventive Maintenance	\$225,000
	<b>Total</b>			<b>\$1,025,000</b>
	<b>Revenue Est (+ prev bal)</b>			<b>\$1,110,764</b>
	<b>Balance</b>			<b>\$85,764</b>
Year 10	Major Route Overlays TBD		Overlay/Rehab	\$400,000
	Mailwell Avenue (Main St. to Commerce Park)	28	Reconstruct	\$190,000
	Crack/Slurry/Fog Seals		Preventive Maintenance	\$225,000
	<b>Total</b>			<b>\$815,000</b>
	<b>Revenue Est (+ prev bal)</b>			<b>\$1,085,764</b>
	<b>Balance</b>			<b>\$270,764</b>

Cost estimates include 4.2% inflation in construction costs per year. All reconstruction and rehabilitation costs include a 25% contingency and a 2% inspection cost.

## **7. Annual Reporting**

The Public Works and Community Development Director provides an annual report to City Council. The report includes a narrative description of the overall condition of the street network, findings from new condition assessments, a detailed project schedule for the upcoming year, an updated 5-year project schedule, the project selection criteria, and a report on the previous years projects, projects underway, and the overall program's progress. The Public Works and Community Development Director is required to update Council on the feasibility of the program given trends in revenues and costs.

A summary of the report to Council will be distributed to the community through the website, the Pilot, and Neighborhood Associations.

## **8. Project Implementation**

"In-house" preventive maintenance by City of Milwaukie street crews addresses scattered, relatively small-scale crack sealing needs. Larger projects, such as a street seal or reconstruction project, are contracted through a competitive bid process, as per City and State rules and regulations. Contract work is overseen and managed by Engineering and Streets department staff. Project inspection, including inspection of asphalt mixes, is carried out by City staff or independent, third party contractors. City staff provide contracting guidelines to ensure that requirements are clear, procedures for documenting and correcting unacceptable work are in place, and all performance requirements are reflected in contracts. Forthcoming City of Milwaukie Public Works Standards include a written policy specifying asphalt composition, proportions of mixtures, and required compaction. Adequate funds for contingency, engineering, and inspection are included in the cost estimates used to develop the five-year project schedule.

In order to extend the life of overlay and street reconstruction projects, the City is updating policies on utility cuts and other cuts in the right-of-way. The SSMP ordinance directs the Engineering Director to establish and enforce a moratorium of five years on utility capital projects beneath streets that have been rehabilitated, reconstructed, or newly built. The ordinance also makes clear that the Engineering Director is responsible for sharing the City's Capital Improvement Plan with private utilities on an annual basis. The following practices are under review, to be presented to Council in 2007 with the Public Works Standards and/or the fee schedule update:

- Utility cut permit applicants currently provide a deposit to guarantee patch quality for one year. The City will establish a policy making clear at what point such a deposit will be forfeit and used by the City to repair faulty patches. The amount and duration of the deposit will be reviewed and corrected as part of

the annual fee schedule update. A sliding fee based on cut size will be considered.

- The new Public Works Standards will include a higher standard of repair for any patch made to City streets in the moratorium period.

## **9. Dedication of Funds**

As per the implementing ordinances, all new revenues are dedicated exclusively to street surface maintenance and repair. All new Program revenues will be accounted for in a new fund dedicated exclusively to street surface maintenance. PGE makes its franchise fee payments to the City on an annual (calendar year) basis, the first payment is due by April 2008 and will only include one-half of a year of revenue.

The ordinance requires a reduction of local SSMP fees and/or taxes to balance any new revenue streams dedicated to street maintenance created at the state, county, regional or any other governmental level.

Dedicated street surface maintenance and repair funds are available to pay for contracted services to maintain or improve street surface condition (such as street maintenance, rehabilitation and repair activities, including seal, overlay and reconstruction projects); services in support of that mission (including inspection of contracted work and utility cuts; regular street condition inspections; and training and other services necessary to make the most efficient use of available funds); and additional costs involved in setting up revenue mechanisms such as additional programming necessary to include the street maintenance fee on the City utility bill.

## **10. Street Maintenance Fee**

### ***A. Residential Street Maintenance Fee***

By Ordinance No. \_\_\_\_, the street maintenance fee is fixed for single family residences (\$3.35 per month) and multi-family apartments (\$2.10 per month per dwelling unit).

**Table 2. Residential Street Maintenance Fee Categories**

<i>Category</i>	<i>Typical customer</i>	<i>Unit</i>	<i>Trips Per Unit</i>	<i>Monthly Bill Per Unit</i>
Single Family Residential	Detached house	dwelling units	9.57	\$3.35
Multi-Family Residential	Apartment or condo	dwelling units	6.00	\$2.10
Elderly Housing	Retirement community	dwelling units	4.00	\$1.40
Congregate Care	Long term care facility	dwelling units	2.00	\$0.70

***B. Non-Residential Street Maintenance Fee***

By Ordinance No. \_\_\_\_, the non-residential street maintenance fee is calculated based on the number of square feet of building area (or alternative unit, such as gas pumps, or members) and a charge per thousand square feet. Each non-residential customer is assigned a category based on the type of business or organization. The fee is based on building size and the number of trips that such an operation typically generates, based on the widely-used figures reported in the most recent edition of the International Traffic Engineers (ITE) manual Trip Generation. See Table 3 below.

The monthly non-residential fee is capped at \$250 per property, adjusted annually for inflation.

**Table 3. Non-Residential Street Maintenance Fee Categories**

Category	Typical customer	Unit	Trips Per Unit	Monthly Bill Per Unit
1	Elem/Middle School; Lodge	students	0.75	\$0.26
		members	0.75	\$0.26
2	Heavy Industrial; High School	k sq feet	2.00	\$0.70
		students	2.00	\$0.70
3	Manufacturing; Warehouse; Religious Institution	k sq feet	4.00	\$1.40
4	Light Industrial; Office	k sq feet	8.00	\$2.80
5	Hospital; Business Park; Auto Care	k sq feet	16.00	\$5.60
6	Recreation Facility; Special Retail; Supermarket	k sq feet	32.00	\$11.20
7	Govt Office; Restaurant; Gas Station	k sq feet	64.00	\$22.40
8	Fast Food; Convenience Store; Bank	k sq feet	128.00	\$44.80
9	Multipurpose recreational facility	acres	200.00	\$70.00
10	Movie theater	screens	100.00	\$140.00

k sq feet: thousand of square feet of building area

### ***C. Street Maintenance Fee Review Process***

After a preliminary trip category assignment is made using the ITE standards, a letter is mailed to the utility customer notifying them of the category assigned. Customers are notified that if they believe their categorization overstates actual trip generation, they can request a review of their account. The Engineering Director will conduct the review, considering all relevant evidence presented by the customer related to their actual trip generation patterns. Such evidence may include business records, parking lot usage, or traffic studies. The Engineering Department leads the fee review process, with assistance from Planning and Community Development. The Engineering Director makes the final determination based on the evidence provided.



Any customer that is not satisfied with the fee review outcome may appeal the categorization to Council, as provided for in the ordinance.

#### ***D. Street Maintenance Fee Billing***

The Finance Department is responsible for including the street maintenance fee within the City utility billing system. It is included as a line item on each City utility bill, calculated based on building square feet and a per square foot charge (based on the category structure described above) or fixed according to the residential user rates. The fee goes into effect July 2007.

#### ***E. Low Income Exemption***

The SSMP includes a complete exemption from the street maintenance fee for those households qualifying for the previously established "Low Income Utility Program".

### **11. PGE Privilege Tax**

By Ordinance No. \_\_\_\_, PGE begins collecting the additional 1.5% Privilege Tax in July 2007. To allow local businesses an adequate planning horizon, advance notice is to be provided upon adoption of the ordinance. Privilege Tax revenues are included in PGE's annual franchise fee payment to the City, due prior to April 1 of the calendar year following collection.

### **12. Local Gas Tax**

City ordinance No. \_\_\_\_ establishes a \$.02 per gallon tax on gasoline sold within the City. The Oregon Department of Transportation Fuels Tax Group collects the tax from local dealers on behalf of the City of Milwaukie. ODOT collects the additional tax from distributors making bulk deliveries of fuel to service stations and other wholesale customers of motor vehicle fuel in the City. Payments are made to the City on a quarterly basis with a reduction for ODOT administrative costs.