



M E M O R A N D U M

DATE: September 14, 2018
TO: Mayor Kaufert, and Members of the Public Services and Safety Committee
FROM: Gerry Kaiser, Director of Public Works
RE: Transportation Fee Proposal

A transportation fee scoping group has met on several occasions to consider and review options for implementing a transportation fee to replace special assessment revenue, an issue that has been previously discussed with Council. The options considered were

- Wheel Tax
- Fee Based on Trip Generation
- Fee Based on Assessable Frontage
- Fee Based on Parcel Area
- Fee Based on Impervious Area

The last option listed has not been placed before the Council previously. The rationale behind using Impervious Area as the fee basis was two-fold:

- 1) Impervious area can be viewed as an indication of the level of development and more broadly viewed as an indicator of impact on the transportation system.
- 2) The data is available through the storm water utility.

The overall concept of the transportation fee is listed below.

- **Purpose:** The purpose of the transportation fee is to generate revenue that will allow the elimination of special assessments for Street Resurfacing, Street Reconstruction and Sidewalk Construction projects.
- **Revenue Target:** The revenue target is \$400,000 annually. There is some variability in the amount that is specially assessed for those types of projects from year to year. Over the past 10 years, the average annual amount collected for these types of special assessments is \$328,300.
- **Fee Methodology:** The fee calculated for each property would be based on the Equivalent Runoff Unit (ERU) figure currently used for the storm water utility charge. The ERU captures the amount of impervious surface measured for each property, which will serve as a proxy measurement of site development and corresponding impact on the transportation system. For the purpose of the Transportation Fee, we are terming it the Developed Area Unit (DAU).
- **Fee Amount:** The fee rate for Non-Residential property will be set 50% higher than the rate for Residential property. This mirrors the rate difference dictated in the City's special

assessment ordinance. Based on current calculations, the Residential rate is \$18 per DAU per year and the Non-Residential rate is \$27 per DAU per year.

- Fee Cap: Non- Residential Property would be capped at a maximum number of DAUs at 75 for a maximum annual fee of \$2,025.
- Minimum DAU: The minimum number of DAUs for a developed property is 1.
- Residential DAUs: Current calculations use a minimum DAU for residential property of 1. Slightly under 300 residential properties have more impervious area and are charged a higher DAU. Given the difficulty in maintaining accurate impervious area figures for residential property, I would suggest that all residential property be assigned a DAU of 1. This was not the consensus of the scoping group but is my opinion based on our experience with the storm water utility.
- Fee Waiver: The fee would be waived for properties that received special assessments for street resurfacing/street construction within the past 5 years based on the schedule below. This waiver would also apply to properties that were specially assessed for new subdivision street construction.

Year Assessed	Fee Waiver Period
2018	2019-2023
2017	2019-2022
2016	2019-2021
2015	2019-2020
2014	2019

- Billing: The fee would be included in quarterly installments on the utility bill.

Table A, attached, is a summary of the property types, the number of DAUs within that group and the estimated charge for each of those groups.

Table B, attached, shows a comparison of the fee calculation versus potential assessment charges for a small sample of properties.

Table A - Charge Summary

Total Charged Units By User Group:	COMMERCIAL	5,173.5		
	INDUSTRIAL	2,476.0		
	MULTI-FAMILY R	310.0		
	PUBLIC AUTHORITY	553.0		
	RESIDENTIAL	8,960.5		
	Total	17,473.0		
	Revenue Target:	\$400,000		
	Calculated Charge per Unit:	\$ 18.41		
	Residential Unit Charge:	\$ 18.00		
	Non-Residential Charge:	\$ 27.00		
Total Annual Charge By User Group:	COMMERCIAL	\$139,685		
	INDUSTRIAL	\$66,852		
	MULTI-FAMILY R	\$8,370		
	PUBLIC AUTHORITY	\$14,931		
	RESIDENTIAL	\$161,289		
	Total	\$391,127		
Notes:	1. All single family residential charged per current ERU charge.			
	2. All city property charged 0 units.			
	3. All city parking lots charged 0 units.			
	4. Dev Units cap:	75		
	5. Max Annual Charge:	\$ 2,025		

Table B - Transportation Fee / Special Assessment Comparisons															
Estimated Special Assessment Rates															
Resurface Rate R1/R2:	\$ 25	per assesssable foot	Developed Area Units (DAU) Cap:				75								
Resurface Rate M1/C/I:	\$ 38	per assesssable foot													
Reconstruction Rate R1/R2:	\$ 40	per assesssable foot													
Reconstruction Rate MF/C/I:	\$ 60	per assesssable foot													
Transportation Fee Rate R1/R2:	\$ 18	per Developed Area Unit													
Transportation Fee Rate M1/C/I:	\$ 27	per Developed Area Unit													
			Assessable	Assessable	Assessable	Assessable	Potential Assessments per Ordinance				Transportation Fee				
			Frontage	Frontage	Frontage	Frontage	Resurface		Reconstruction				Annual	No. of Years Equivalent	
Property Address	Land Use	Occupant	Street 1	Street 2	Street 3	Street 4	Rate	Assessment	Rate	Assessment	Rate	DAUs	Fee	Resurface	Reconstruction
423 Adams St	Residential	Residence	54.83	0.00	0.00	0.00	\$ 25	\$ 1,370.75	\$ 40	\$ 2,193.20	\$ 18	1.0	\$ 18.00	76	122
110 W. Cecil St	Commercial	H&J Investments	120.00	0.00	0.00	0.00	\$ 38	\$ 4,560.00	\$ 60	\$ 7,200.00	\$ 27	4.5	\$ 121.50	38	59
719 E. Cecil St	Multi-Family	New Properties	322.50	484.50	72.60	537.87	\$ 38	\$ 53,863.86	\$ 60	\$ 85,048.20	\$ 27	15.5	\$ 418.50	129	203
2444 Schultz Dr	Industrial	Plexus	1291.84	544.55	0.00	0.00	\$ 38	\$ 69,782.44	\$ 60	\$ 110,182.80	\$ 27	75.0	\$ 2,025.00	34	54
1155 W. Winneconne Av	Commercial	Walmart	213.43	0.00	0.00	0.00	\$ 38	\$ 8,110.34	\$ 60	\$ 12,805.80	\$ 27	75.0	\$ 2,025.00	4	6
583 E. Wisconsin Av	Residential	Residence	120.00	120.00	0.00	0.00	\$ 25	\$ 6,000.00	\$ 40	\$ 9,600.00	\$ 18	2.0	\$ 36.00	167	267
517 Caroline St	Residential	Residence	69.80	27.50	0.00	0.00	\$ 25	\$ 2,432.50	\$ 40	\$ 3,892.00	\$ 18	1.0	\$ 18.00	135	216
450 S. Commercial St	Commercial	DQ	219.34	143.32	0.00	0.00	\$ 38	\$ 13,781.08	\$ 60	\$ 21,759.60	\$ 27	4.5	\$ 121.50	113	179
600 Elm St	School	Shattuck Middle School	1260.00	600.00	1260.00	600.00	\$ 38	\$ 141,360.00	\$ 60	\$ 223,200.00	\$ 27	49.0	\$ 1,323.00	107	169
900 Geiger St	Church/School	St. Gabriel	360.00	360.00	1202.00	0.00	\$ 25	\$ 48,050.00	\$ 40	\$ 76,880.00	\$ 18	50.0	\$ 900.00	53	85
130 W. Wisconsin Av	Commercial	Red Door	30.00	0.00	0.00	0.00	\$ 38	\$ 1,140.00	\$ 60	\$ 1,800.00	\$ 27	1.0	\$ 27.00	42	67