



Memorandum

Date: August 22, 2013

To: Gail Holmes, Chair
Members, Economic Development Committee

From: Chris Jordan, City Manager

Subject: Non-Residential Street Maintenance Fees

Thank You

First and foremost, thank you for your great work on the City Council's economic development goals. We are appreciative of your support of the 'Cut the Red Tape' project, and we look forward to your continued involvement with the Arch Bridge master planning and redevelopment project.

New Project for EDC

On Monday, August 19, 2013, the City Council made a concerted investment in pavement maintenance in West Linn. The Council voted to increase the residential street maintenance fee (SMF) by 75 percent in the current fiscal year, and by five percent in the next four fiscal years. This will result in a \$4.42 increase in the SMF, effective in September. The non-residential (i.e. commercial, industrial, and public institution) SMF was not increased, and was maintained at the current rate and amount.

The City Council requested that the Economic Development Committee evaluate and recommend any potential increases in the non-residential SMF. When the SMF was initially implemented, specific code language (included as an attachment) was added to ensure that non-residential properties in West Linn did not shoulder a disproportionate fee burden.

The code language is written in such a way that the maximum non-residential fee is capped; and potential increases are limited to a three percent increase annually. However, an unintended consequence of this code language is that fee increases, over time, have diminished the proportional impact of the commercial SMFs, and commercial traffic often has the biggest impact on West Linn pavement condition.

The City Council is requesting the EDC review the existing code language and fee calculations, with a careful eye on the impacts of any proposed SMF increases or calculation changes on commercial and industrial customers. While pavement maintenance is a priority of the City Council, so is economic viability of our local businesses.

West Linn's Chief Financial Officer Richard Seals can provide you with the financial information needed for your discussions. In addition, we welcome any other questions that you might have leading up to your discussion. Ultimately, the City Council seeks the EDC's perspective and recommendation, most likely at a work session in mid- to late-November 2013.

Attachment:

Section 4.572 of Ordinance 1557

4.572

CALCULATION OF ROADWAY MAINTENANCE SERVICE FEE FOR NON-RESIDENTIAL USES

The roadway maintenance service fee for non-residential uses shall be based upon the most recently published edition of Trip Generation prepared by the Institute of Traffic Engineers (ITE).

The City Council shall establish the most appropriate rate, and may use sliding scales, maximum caps, or other techniques in setting appropriate rates.

The structure square footage used for purposes of calculating the appropriate roadway maintenance service fee for non-residential uses shall be the structure square footage documented in city records, including building permits, business licenses, or other available data. At the responsible party's request, the City shall conduct an on-site survey to determine the appropriate square footage measurement for calculating the appropriate roadway maintenance service fee.

The maximum fee for any individual business establishment shall be \$440 per month, which may be increased by a maximum of three percent annually. The maximum fee for any public or institutional establishment shall be \$300 per month.

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