



M E M O R A N D U M

DATE: October 11, 2018
TO: Mayor Kaufert, and Members of the Public Services and Safety Committee
FROM: Gerry Kaiser, Director of Public Works
RE: Transportation Assessment Replacement Fee Details

To implement the Transportation Assessment Replacement Fee that would be authorized by Ord. 2018-17, decisions need to be made on a number of details. Below is a listing of identified issues.

1. Should the rate be set as a single tier system or a two-tier system?

Options: A single-tier system would function comparably to a utility charge in which the same rate applies to all and the difference in payment is strictly based on the number of units being charged.

A two-tier system would function similarly to our current special assessment ordinance structure in which the rate charged is based on the land use. In the case of special assessments, R1/R2 properties pay one rate and all other properties pay a different rate.

Discussion: As with other items on the list, it important to come to a consistent philosophy behind the purpose of the TARF. The basis for using the ERU measurement is to have it serve as a proxy measurement of site development and corresponding impact on the transportation system. As such there is not a need to be restricted by the current method of assessment. The number of ERUs will dictate the charge to a property, therefore all properties can be treated equally from a rate standpoint. A single-tier rate also simplifies data development and maintenance. A two-tier system would be appropriate if there is a belief that the traffic generated per ERU for non-residential property is significantly greater than it is for residential property. While that may be true for some uses – for example, a fast food restaurant – it is not necessarily true for all non-residential uses.

Based on the current data, a single-tier system would have a rate of \$22 per ERU and a two tier system would have rates of \$18.50 and \$27.75 per ERU.

Staff Recommendation: Use a single-tier rate structure.

2. ERU assignment for single-family residential property.

Options: Charge single-family residential property for 1 ERU or charge them based on their actual number of ERUs.

Discussion: At the creation of the storm water utility, the ERUs charged to single-family residential property was based on actual impervious area with the result placing the property in a range of either 0.5 ERU, 1 ERU or more than one ERU. In working with that arrangement, it has become apparent that the data accuracy needed to support that structure is lacking and the staff time needed to maintain a desirable level of accuracy outstrips the benefit. Based on current data, there are 287 properties that are over 1 ERU and 361 properties that are less than 1 ERU, a total of about 6.5% of the total property count.

Staff Recommendation: Set the single-family residential property charge for 1 ERU.

3. Charge for Vacant/Undeveloped property.

Options: Vacant property could be charged all or a fraction of an ERU or could be established as no charge.

Discussion: As with Question 1, this is another factor where the overall philosophy of the fee comes into play. If the ERU is being used as an indicator of development and hence transportation system impact, then this charge should be zero for undeveloped land. If it is viewed in the same light as a special assessment where benefiting properties are charged, then some fraction of the ERU could be charged.

Staff Recommendation: Assign vacant or undeveloped property a zero charge. Initiate a charge upon purchase of a building or parking lot permit.

4. Transportation Assessment Replacement Fee cap.

Options: Cap the maximum amount that any property will pay or have the fee be uncapped.

Discussion: The proposal brought to the Committee of the Whole meeting recommended a cap of \$2,000. The purpose of setting a cap was to limit the burden on any one property for payment. Any cap will necessarily increase the fee for all other properties since the amount of revenue to be generated remains the same.

Without the \$2,000 cap, there are 26 properties that would pay a fee higher than that amount. The primary data issue to track with a cap are cases where a single use may reside on multiple parcels each of which is individually below the cap but collectively are above the cap (Bergstrom Chevrolet on Green Bay Road is an example). The second issue with establishing a cap is the cap amount. If the cap were set at \$1,000, about 56 properties would be affected.

Staff Recommendation: Establish a \$2,000 fee cap.

5. Exemptions.

Options: Allow an exemption or waiver of fee payment for certain properties or require fee payment for all properties each year.

Discussion: The only exemptions discussed have been for residents that recently paid a special assessment for the following: new street construction, street reconstruction, or street resurfacing. The table presented at the Committee of the Whole meeting showed a 5-year exemption. There will be less up-front

research to create this exemption if the ownership at the time of the special assessment isn't considered.

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

Staff Recommendation: Provide a 5-year fee waiver for properties that received a recent special assessment.