



## Land Use & Environment Committee

### Pavement Restoration Fee

**Agenda Date:** 2/16/2017  
**Agenda Item Number:** 5.A  
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**Title**

Pavement Restoration Fee

**Recommended Action**

**Committee Recommendation:**

Not referred to a committee.

**City Manager Recommendation:**

Move to forward the proposed pavement restoration fee to City Council for consideration.

**Report**

**Issue:**

Whether to recommend forwarding the proposed pavement restoration fee to City Council for consideration.

**Staff Contact:**

Fran Eide, P.E., City Engineer, Public Works Engineering, 360.753.8422.

**Presenter(s):**

Fran Eide, P.E., City Engineer, Public Works Engineering, 360.753.8422.

**Background and Analysis:**

On March 17, 2016, staff made a presentation to the Land Use and Environment Committee (LUEC), providing the history of the Pavement Restoration Fee as well as a proposed new fee.

Representatives of Puget Sound Energy, other private utilities, and development interests voiced concerns regarding the size of the proposed fee and the impact on customers.

As a result, we formed a Pavement Restoration Fee Coordination Committee (Committee). The Committee's purpose is to develop a policy and establish coordination procedures designed to reduce or eliminate instances of utility cuts into newly installed asphalt and chip seal treatments.

The Committee met in April, July, August, September, and November of 2016. With the help of Public Works, Community Planning and Development, and IT staff, the Committee established a procedure to quickly and accurately determine the age of the pavement that a utility would be cutting into.

The Committee also discussed the fee structure. The Utilities and Transportation Commission (UTC) requires that utilities must pass such a fee on to the customer. Members of the Committee voiced their concern that this additional cost would present an undue burden on customers. They asked that we re-evaluate the proposed fee.

Staff evaluated fee information from Lacey, Tumwater, Tukwila, Seattle Department of Transportation, Phoenix, and Concord (New Hampshire). One thing that is consistent among the various agencies is a scale where the fee decreased as the pavement got older.

Ultimately, the Committee agreed on the following pavement restoration fee schedule, using a base fee of \$25.00 per square foot or portion thereof and a five-year de-escalation.

Year 1 (new treatment):	5X base fee (or \$125.00 per square foot or portion thereof);
Year 2:	4X base fee (or \$100.00 per square foot or portion thereof);
Year 3:	3X base fee (or \$75.00 per square foot or portion thereof);
Year 4:	2X base fee (or \$50.00 per square foot or portion thereof);
Year 5:	1X base fee (or \$25.00 per square foot or portion thereof).

**Neighborhood/Community Interests (if known):**

Adopting a Pavement Restoration Fee will help ensure high-quality street surfaces by minimizing pavement cuts.

The City will have a predictable process to help reduce instances of cuts in new pavement.

In addition, the proposed fee schedule is the same one being used in Tumwater and Lacey, providing consistency among the three jurisdictions.

**Options:**

1. Revise Engineering Design and Development Standards (EDDS), Chapter 4 (Transportation), and Olympia Municipal Code (OMC) Titles 4 (*Fees and Fines*) and 12 (*Streets Sidewalks and Public Places*) to establish a pavement restoration fee schedule as follows:

Year 1 (new treatment):	5X base fee (or \$125.00 per square foot or portion thereof);
Year 2:	4X base fee (or \$100.00 per square foot or portion thereof);
Year 3:	3X base fee (or \$75.00 per square foot or portion thereof);
Year 4:	2X base fee (or \$50.00 per square foot or portion thereof);
Year 5:	1X base fee (or \$25.00 per square foot or portion thereof).

The overall pavement rating for City streets will improve. Any funds collected will be used to help address pavement repair.

2. Revise Engineering Design and Development Standards (EDDS), Chapter 4 (Transportation), and Olympia Municipal Code (OMC) Titles 4 (*Fees and Fines*) and 12 (*Streets Sidewalks and Public Places*) to establish a revised pavement restoration fee schedule. The revised pavement restoration fee schedule could include a different base fee and/or a modified de-

escalation schedule and/or a flat fee, regardless of the pavement age.

The impact of establishing a modified pavement restoration fee schedule is that any benefit is delayed since staff must communicate the revised schedule with the Committee before gaining approval from the Council for implementation.

3. Do not establish a pavement restoration fee.

There will be no incentive for an applicant to avoid cutting into new pavement, resulting in an overall decline in pavement condition. There will be no additional funding to help restore street surfaces that fail prematurely.

**Financial Impact:**

If a pavement restoration fee is assessed, the applicant's fee will be calculated based upon the total square footage of the proposed trench cut. These funds will be used by Public Works Transportation to repair pavement.

Any pavement restoration fee that the City assesses to any private utility will be passed along to the consumer.

**Attachments:**

None.