



Land Use & Environment Committee

Pavement Restoration Fee Update

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Title

Pavement Restoration Fee Update

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 February 16, 2017, staff made a presentation to the Land Use and Environment Committee (LUEC), providing an update on the Pavement Restoration Fee as well as our annual meeting with the Private Utility representatives. Representatives of Puget Sound Energy and other private utilities expressed their appreciation for the work done to date and being at the table to shape the new fee.

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 Pavement Restoration Fee Coordination Committee met in November 2017. I provided an updated schedule for adoption of the new fee structure, as well as an update on the City's proposed 2018 construction projects.

With the help of Public Works, Community Planning and Development, and Information Technology staff, standard procedures were developed which will help us quickly and accurately process permits that include cutting pavement.

The following pavement restoration fee schedule, presented at the February 16, 2017 meeting, is recommended. The structure, consistent with neighboring cities, uses 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. Forward the proposed pavement restoration fee to City Council for consideration as follows: 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. Forward a modified pavement restoration fee to City Council for consideration. 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