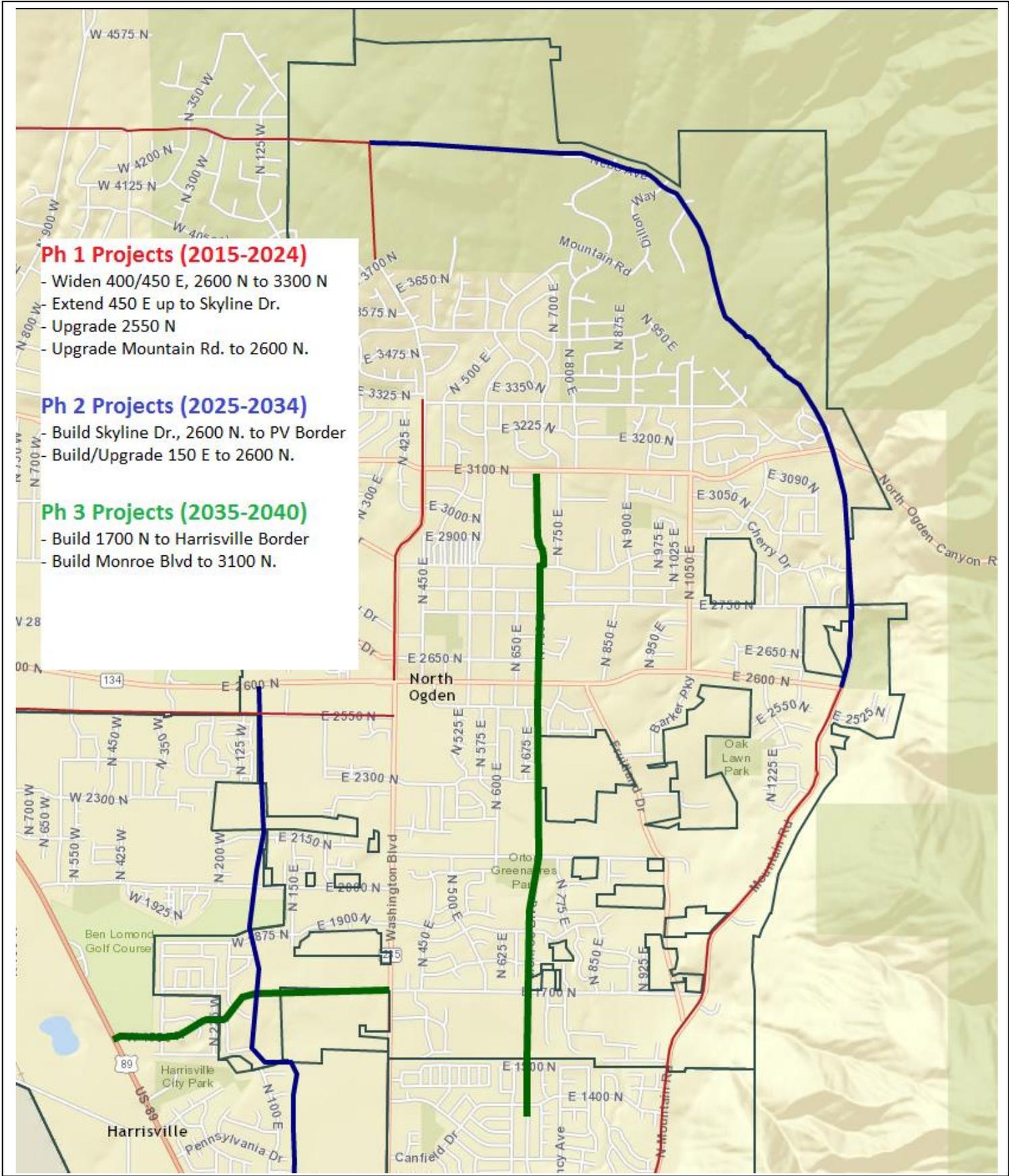

NORTH OGDEN CITY
MEMO

TO: CITY COUNCIL
FROM: BRENT TAYLOR, MAYOR
SUBJECT: ROAD PROJECTS AND TRANSPORTATION UTILITY FEE
DATE: 5/1/2015

I am proposing a \$3 transportation utility fee as a mechanism for gathering additional revenues for road maintenance and for future road construction projects. North Ogden has significant road maintenance needs, as well as future road construction project needs. Because of lower road maintenance funding during the Recession, we have many road projects that have “deferred maintenance” and that have been pushed down the road over the years. This has resulted in many of our roads now needing more costly forms of road maintenance. (See map on p. 3 below that shows expected maintenance projects in a 10 year span).

The map on the following page shows various important road projects on the draft Regional Transportation Plan. The major future roads include: extension of Monroe Blvd., widening of 450 East/400 East above 2600 North, the extension of 450 East to the future Skyline Dr., the construction of Skyline Dr., and various operational enhancements to existing streets, including 2550 North and Mountain Road. The cost of some of these projects will be covered through development. For example, major portions of Skyline Dr. and Monroe Blvd. are expected to be constructed at developer expense as part of the normal subdivision process. However, other parts of these projects will likely need to be completed by the city, and certain projects, such as the widening of 450 East/400 East will not be paid for at all through development. The city will need to arrange for funding of such projects in existing neighborhoods.

The cost of the maintenance and construction projects that have been identified easily run into the tens of millions of dollars, and I believe we need additional funding mechanisms to ensure the city has the finances to complete these projects.



Ph 1 Projects (2015-2024)

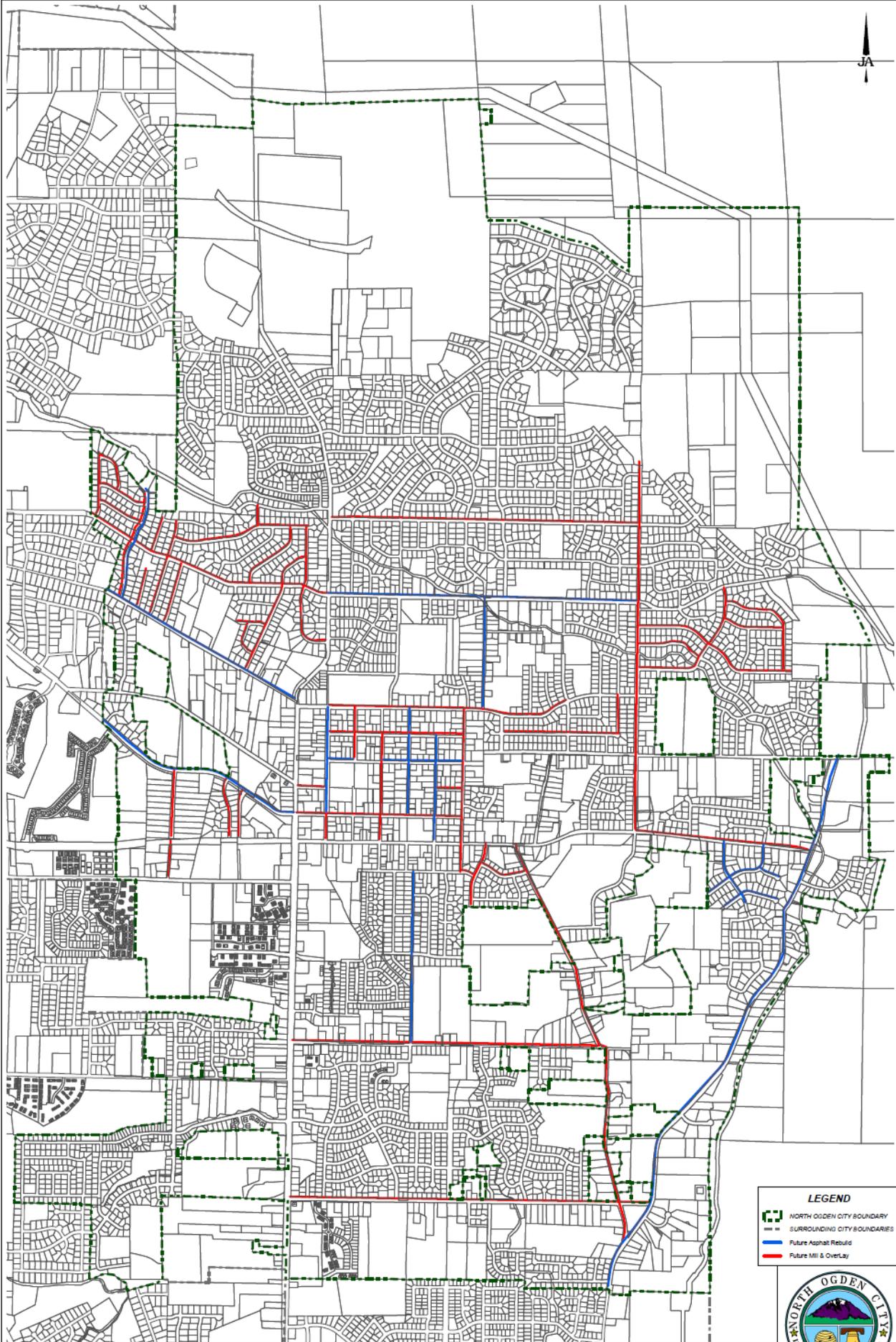
- Widen 400/450 E, 2600 N to 3300 N
- Extend 450 E up to Skyline Dr.
- Upgrade 2550 N
- Upgrade Mountain Rd. to 2600 N.

Ph 2 Projects (2025-2034)

- Build Skyline Dr., 2600 N. to PV Border
- Build/Upgrade 150 E to 2600 N.

Ph 3 Projects (2035-2040)

- Build 1700 N to Harrisville Border
- Build Monroe Blvd to 3100 N.



LEGEND

-  NORTH OGDEN CITY BOUNDARY
-  SURROUNDING CITY BOUNDARIES
-  Future Asphalt Rebuild
-  Future Mill & Overlay



SCALE: GRAPHIC
1 in = 700 ft

DATE: 02/27/2016

DESIGNED: [initials]
DRAWN: [initials]
CHECKED: [initials]

J&A CONSULTING ENGINEERS
1718 East 9800 South
South Ogden, Utah 84403 (801) 476-9707

NORTH OGDEN CITY CORPORATION
STREET MAINTENANCE PLAN
FUTURE 10 YEAR PROJECT LOCATION MAP

SHEET: **00**
OF SHEETS

Future Expenditures

Maintenance: I have asked our City Engineer to give an estimate of the 10 year resurfacing estimate, but costs are somewhere in the neighborhood of \$7-10 million projected over the next ten years.

Construction: Here are some details on future construction projects in the next few decades. The size of these projects will require state & federal grants to complete them. These grants are becoming increasingly competitive, and we need to put our best foot forward to be awarded grants. Having matching city funds will greatly enhance our grant application success—and we need a dedicated revenue source for these matching funds. If we can raise \$1 million in savings through city revenue sources, for example, we will have a much better chance of qualifying for a \$7 million dollar grant.

Project	Estimated Cost (2015)	Notes
Widen 450/400 East	\$10 million	Development will cover 0% of cost; city + federal state grants will need to finance widening. State and federal grants are likely.
Extend 450 East to Skyline Dr.	\$4 million	Development should cover 85% of estimated cost, unless Skyline Dr. is completed before private development is ready to develop further north
Construct Skyline Dr.	\$30 million	Development should cover 80% or more of cost; state and federal grant eligible
Construct Monroe Blvd.	\$20 million	Development is expected to cover 60% or more of estimated cost; will depend on pace of development. State and federal grants are likely.
Mountain Road Operational Improvements	\$5 million	Development will cover 0% of costs; state and federal grant eligible
2550 North Operational Improvements	\$2.5 million	Development will cover 25% of costs; state and federal grant eligible

Revenue Sources

The city has a variety of funding mechanisms to address current and future road needs. These include:

- Class B & C state road funds (generated by the “gas tax”), which includes a increase passed this year by the State Legislature
- Property & sales tax revenues (General Fund revenues)
- Impact fees on new developments (we currently do not have)
- Utility Transportation Fee (we currently do not have)
- Cuts in other areas to shift funds towards roads
- State & Federal road grants: this is the best funding source for major road projects, but funds are limited and higher “matches” will greatly enhance our chances of success. To offer higher “matches,” we need additional road revenues

Revenue Sources:

The following outlines existing and potential road funding revenue sources:

Existing B&C	\$555,000
Estimated Additional B&C \$ from Gas Tax Increase	\$103,570
Estimated Revenue if 0.25% sales tax increase passes	\$180,472
If we implement a Transportation Utility Fee	\$208,800
If we implement a Transportation Impact Fee of \$1,000	\$75,000
Property & Sales Tax	Depends on Council allotment and other priorities
State/Federal Road Grants	Varies; possibly in the millions per project

Conclusion

The need for additional revenue for our roads is significant. At current funding levels we will continue to fall behind on road maintenance, and will have a difficult time setting aside significant fund amounts for future construction projects. I recommend that we look to several revenues sources for solving our transportation infrastructure needs. This would include B&C + Transportation Utility Fee + Transportation Impact Fee. If we implement these two new fees, we would generate approximately \$300,000 annually for our roads. This money would not go towards any other project—it would all be for our roads. This additional revenue is desperately needed.

We are currently in the process of reviewing the city's Impact Fee structure. Currently we do not charge a transportation impact fee. The average fee for cities of our size is \$1,024. If we implemented a fee of 1,000 it would generate an average of \$75,000 per year.

Of course this comes at a time when the future of the Local Option Transportation Sales Tax is uncertain. If the 0.25% Sales Tax also passes (which I think is a 50-50 proposition), the additional revenues would only help with catching up on road projects and saving for major future road projects. If the tax passes voter approval, the soonest we would start to see revenues would be late in 2016.

I realize no tax or fee is ever popular. The City Council has made great strides in recent years to adequately fund our utility fees. This has included fee increases, which were necessary to ensure long-term fiscal sustainability of our utility programs. Without these hard choices, our utility funds would not be in the excellent shape they are today. I believe the time has come for this same vision to be applied to our roads. The sooner we start saving towards these major projects, the easier it will be. We can avoid bonding for major road projects in the future by developing funding mechanisms to start setting aside money now.