



Transportation Utility Fee Frequently Asked Questions

Updated May 23, 2018

What is the Transportation Utility Fee and when will I see it on my monthly municipal services billing statement? A Transportation Utility Fee (TUF) is sometimes called a Street Maintenance Fee, Road or Street User Fee, or Street Utility Fee. It is exactly that – a fee that provides funding for the maintenance of the existing road system. Local communities, many in Oregon, have adopted these fees to provide a direct and consistent source of funding for maintaining their local roads. The City of Newberg adopted the fee in May 2017, and the fee will appear on monthly statements later in 2017.

Who pays the Transportation Utility Fee? The fee is collected from all properties in the city because all of us benefit from a well maintained road system. The simplest and most cost-effective way to collect the fee is through the municipal services statement – so all properties that receive a statement will pay. This includes residential properties, all businesses, and even non-profit organizations. Tenants who do not receive the property's municipal services statement may not see the fee directly, but all developed properties are assessed the fee.

How will Newberg residents and businesses benefit? Street repairs! The city will be able to increase annual road maintenance activities. Poor pavement conditions can be damaging on tires, deter business investment, and cost the community more in the long run if not addressed. For example, if minor cracks are not sealed, they will turn into potholes, and then the road will further deteriorate. The fees will be applied to both maintaining streets in relatively good condition (minor cracks) and repairing streets in poor condition (major potholes and deterioration). A well maintained road system allows for safe and efficient movement of people, goods, and services. The goal is to see improved pavement conditions throughout Newberg over the next ten years.

Doesn't the City already receive money for road maintenance from the State of Oregon through the gas tax? Yes. Every community in Oregon receives a share of the state gas tax. However, this funding has not kept up with the growing maintenance needs of our aging roads and the need to take care of even more roads after they are built. Gas tax funding can also fluctuate from year to year. Cities across Oregon have been establishing new revenue sources to address local maintenance needs. Newberg's Transportation Utility Fee will increase revenue for local road maintenance by about \$1.2 million annually. This is more than twice the annual amount that has been spent in the city on road maintenance. However, the city has over 65 miles of roads and the annual maintenance need is estimated at still more. Funding conversations will continue.

How much do residents pay per month? Single-family residences will pay \$4.99/month. Multi-family properties, such as apartment buildings or condominiums, and manufactured homes will pay a little less, still on a per-unit basis.

How much do non-residential properties pay per month? The monthly fee for each non-residential property is unique. All non-residential properties will fall in one of six classes that are based on vehicle trips generated. Each class has an established fee rate, which is then multiplied by the unique square footage from tax records. For example a hair salon will be in a different class than a gas station or a grocery store, so the fee rate will be different. A small grocery store and a large grocery store will have the same fee rate, but the square footage factor means that the larger store pays a higher monthly fee. Other Oregon cities use similar land use classes for their fees. The unique fee information will be sent directly to properties to review this summer. There is a process to appeal the non-residential fee assessment based on correcting the property use or square footage.

Are there any waivers for those with economic hardships or for those who do not own a vehicle? There will be some circumstances that allow for a resident to apply for a 50% fee waiver. Households that earn less than 80% of the HUD median household income or that have had a recent unemployment can fill out the fee waiver application. Residences that do not have a vehicle may also apply for a 50% fee waiver. These waivers are only up to 50% of the fee because all residents still benefit from the road system, i.e. the road system allows mail delivery and garbage hauling service for all properties.

Are there waivers for vacant properties? The city recognizes that properties can sometimes sit vacant, in between sales or tenant occupancies. Vacant properties are not a source of vehicle trips, so vacant properties are eligible for a full waiver of the fee.

Which roads are being repaired? Each year the city will create a list of projects that look at need, opportunity, and cost-effectiveness. For example, a road repair project may be scheduled to be efficient with the timing of a sewer repair project. Some maintenance activities will happen on roads that appear to be good or fair condition. This maintenance prevents them from becoming more expensive repairs in the future. Most importantly, the city will be able to prioritize repairs that have been delayed for years due to cost. At least 30% of the available TUF funds will be spent on roads in poor condition. Roads owned by other jurisdictions, such as the County or State, will not be repaired using these local funds. Each year a list of anticipated street repairs will be made available and posted to the city's website. The goal is to make the most of the available money and benefit roads in all Newberg neighborhoods over the coming years.

How can we be assured that the fee is paying for road maintenance? The City Council approved this program to see progress on road maintenance. The new ordinance that authorizes the fee also requires the citizen rate review committee to review the TUF program every other year. They may recommend changes to the fee or the program. There will also be annual program reports to Council, including projects completed and planned and overall progress in maintaining the city's road system. The public is invited to attend these public presentations and can provide testimony on the program.

Who do I contact for more information?

There will be many questions as the new fee program begins. If you have questions, please contact:

City of Newberg Public Works Engineering
(503) 537-1273 or engineering@newbergoregon.gov
or visit the "Newberg Pavement Maintenance and Transportation Utility Fee" web page at
www.newbergoregon.gov/engineering