



STREET RECONSTRUCTION AND MAINTENANCE

Agenda Item

July 17, 2021

Background

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- City maintains 539 centerline miles (2,191 lane miles) of paved roadways with a total replacement value of \$840.4 M
- City Council adopted an ordinance for the collection of street maintenance fees on December 11, 2018
 - ▣ Current fee is \$1.70 per single family equivalent
 - ▣ Can only be used for street maintenance and not for street reconstruction

Street Conditions Assessment

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	2013 Assessment	2019 Assessment
Pavement Condition Index	84	76
Maintenance Needs	\$16.7 M	\$41.7 M
Estimated Reconstruction Needs	\$10 M	\$120 M
RECOMMENDED		
Annual Maintenance Budget	\$1.75M	\$4.28 M
Estimated PCI after 5 Years	77	76
ACTUAL		
Annual Maintenance Budget	\$0.5M	\$1.6M
Estimated PCI after 5 Years	75	67

Street Reconstruction Needs

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Street	Cost Estimate	Street	Cost Estimate
Gilmer Street	\$ 3,806,000	2 nd Street	\$ 6,308,083
Willow Springs Road	\$ 4,089,449	Florence Road	\$ 2,752,000
Bunny Trail	\$ 9,012,389	Shawn Drive	\$ 8,276,387
Watercrest Road	\$13,817,222	Elms Road	\$13,044,433
Zephyr Road	\$ 8,923,556	Gray Street	\$ 6,212,142
Bacon Ranch Road	\$ 1,766,667	Chantz Drive	\$ 2,255,333
Bermuda Drive	\$ 4,835,556	38 th Street	\$ 2,502,133
Rancier Avenue	\$18,407,667	10 th Street	\$ 5,579,733
Total Reconstruction Needs = <u>\$111,588,750</u>			

Annual Project Capacity

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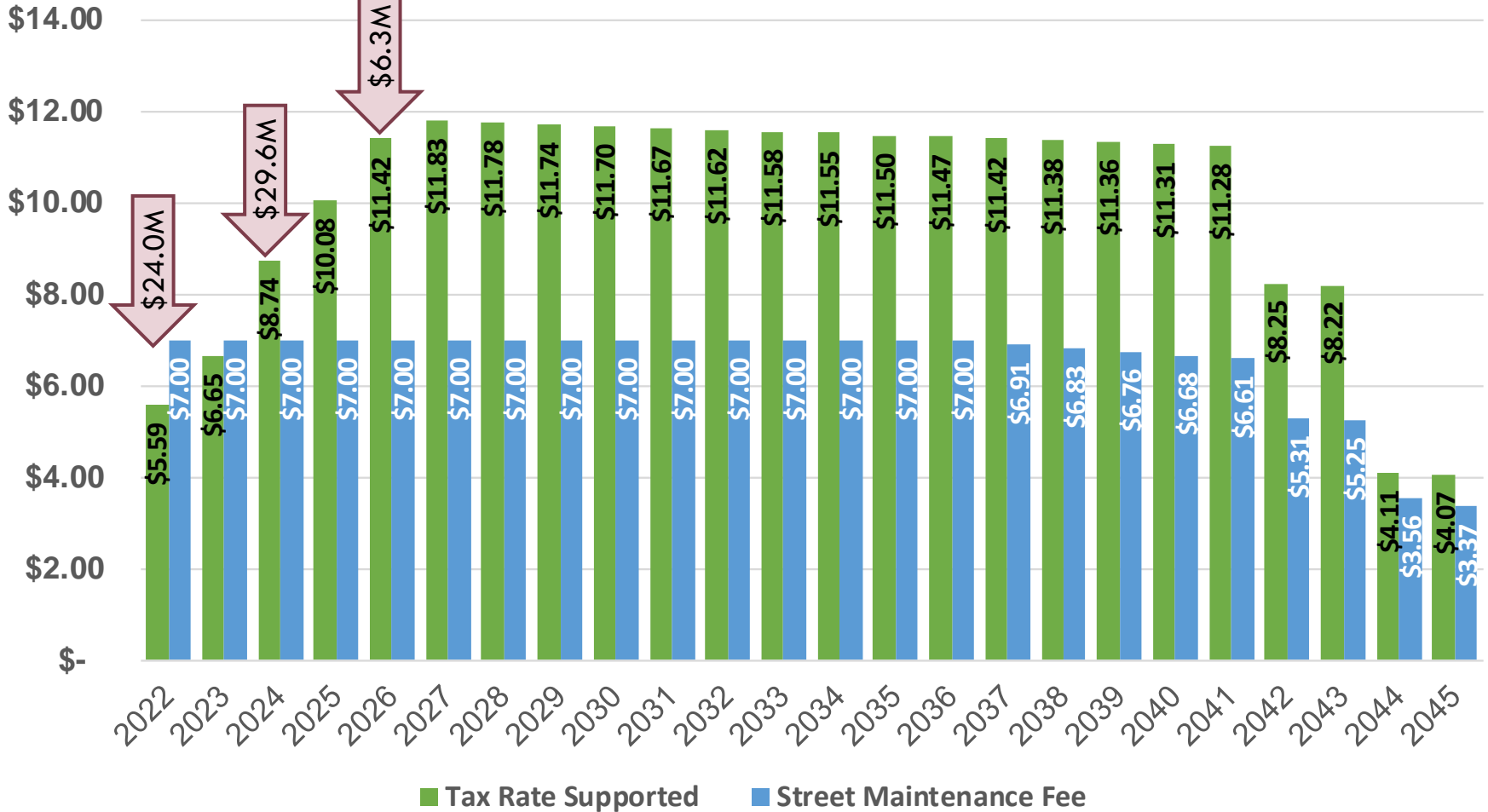
- City's Engineering staff can manage approximately \$20 million annually in roadway construction contracts
 - ▣ Review design
 - ▣ Coordinate utility relocations
 - ▣ Inspect construction work and resolve issues
 - ▣ Review and process payments
- Outside consultants would be needed if project magnitude increased significantly, increasing costs and putting a third party over quality control

Scenario -1: \$60 Million Bond Issue

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- Assumes following bond issues for street reconstruction:
 - ▣ 2021 - \$24.0 million
 - ▣ 2023 - \$29.6 million
 - ▣ 2025 - \$6.3 million
- Assumptions in next slide:
 - ▣ Street Maintenance Fee covers cost of annual street maintenance
 - Average annual street maintenance - \$4.3 million
 - Total annual street maintenance - \$103.2 million
 - ▣ Tax rate assumes average taxable homestead value of \$158,305 in FY22, increased by rolling ten-year average
 - ▣ Street Maintenance Fee assumes 2% annual increase in users

\$60 Million Bond Issue - Monthly Payment Comparison

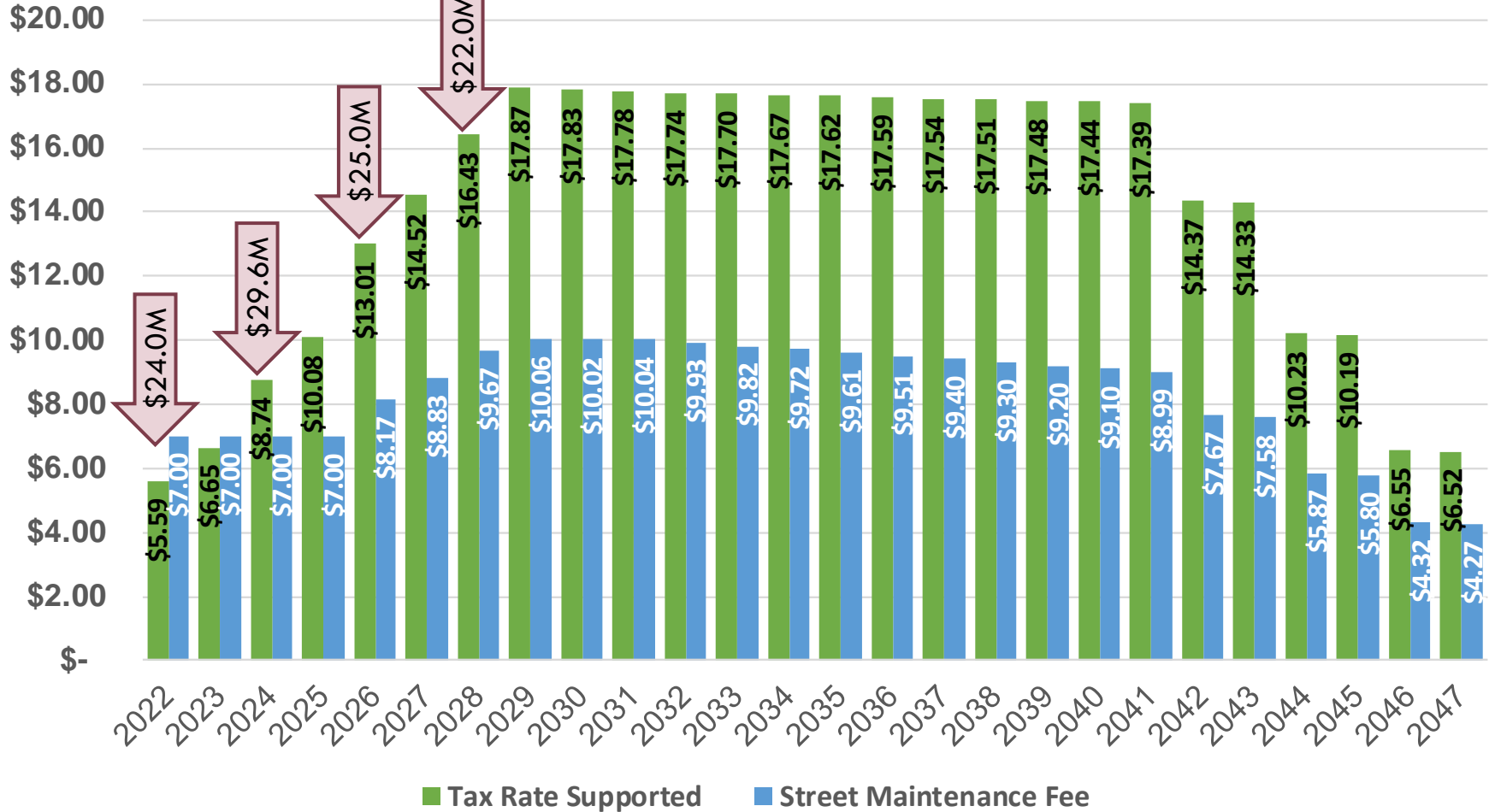


Scenario -2: \$100 Million Bond Issue

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- Assumes following bond issues for street reconstruction:
 - ▣ 2021 - \$24.0 million
 - ▣ 2023 - \$29.6 million
 - ▣ 2025 - \$25.0 million
 - ▣ 2027 - \$22.0 million
- Assumptions in next slide:
 - ▣ Street Maintenance Fee covers cost of annual street maintenance
 - Average annual street maintenance - \$4.3 million
 - Total annual street maintenance - \$111.8 million
 - ▣ Tax rate assumes average taxable homestead value of \$158,305 in FY22, increased by rolling ten-year average
 - ▣ Street Maintenance Fee assumes 2% annual increase in users

\$100 Million Bond Issue - Monthly Payment Comparison



Considerations

- ❑ Street Maintenance Fee is restrictive funding that must be used towards roadways
- ❑ Tax rate provides funding for multiple competing programs and services
- ❑ Street Maintenance Fee allocates cost of maintaining roadways across all users, taxable and non-taxable, residential and nonresidential, based on roadway impact
- ❑ Tax rate allocates cost of debt for street reconstruction across taxable residential and nonresidential, based on taxable value of property

Alternatives

- Do nothing
- Issue bonds for street reconstruction and repay with tax rate
- Issue bonds for street reconstruction and repay with Street Maintenance Fee
- Any of the above and increase annual street maintenance to recommended \$4.3 million or another amount