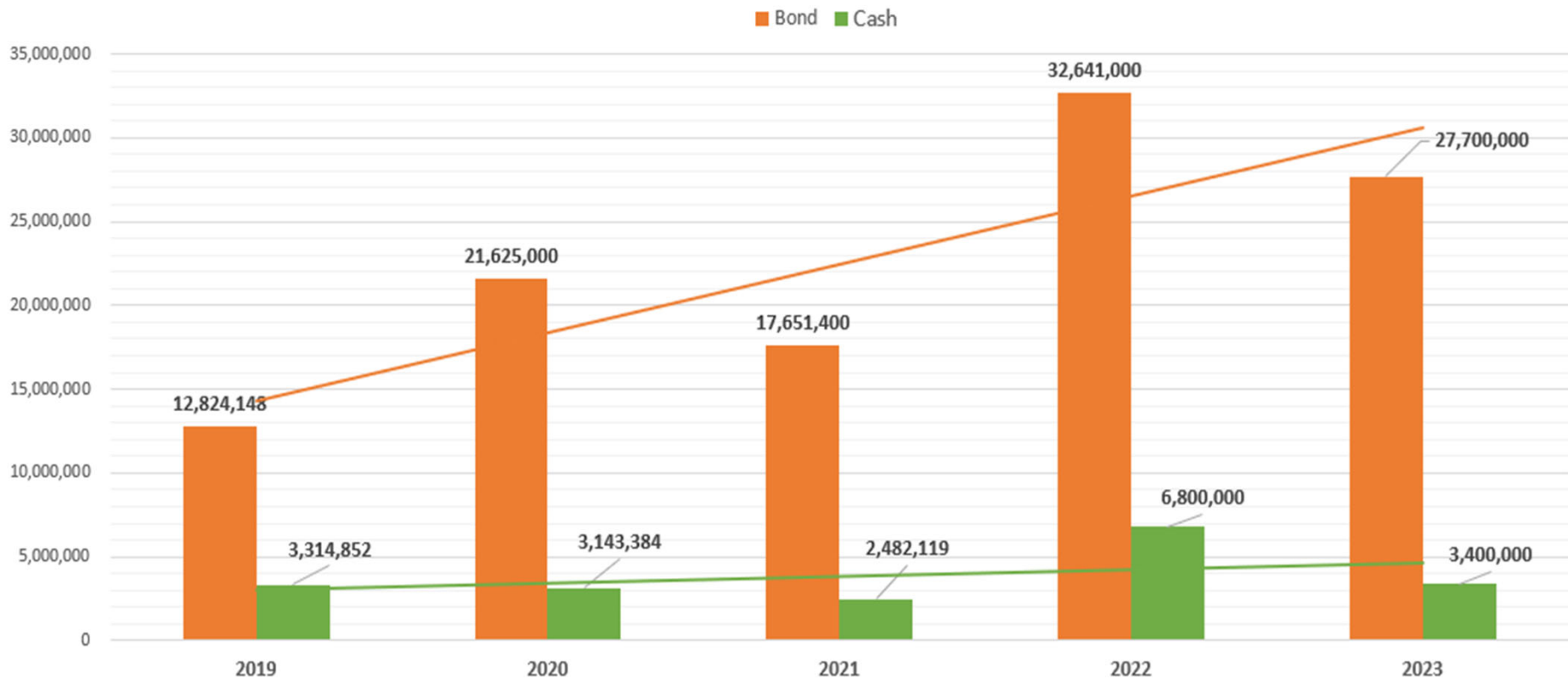


An aerial photograph of a city skyline, featuring a mix of modern and older buildings, green spaces, and a river or water body in the background. The image is in grayscale, providing a high-contrast background for the text.

# **CIP and STREET MAINTENANCE FEE**

# Pavement Management Program

## Bond VS. Cash Funding



# Pavement Management Program

## History of Funding

### Results

- Increased GOOD Streets from **18%** to **39%**
- Decreased FAIR Streets from **41%** to **29%**
- Decreased POOR Streets from **41%** to **32%**

**Street Network Condition  
2018 (FY 19)**



**Street Network Condition  
Current**



# Pavement Management Program

## Hot Mix Asphaltic Concrete (HMAC) Cost Trends

Jan 2014 \$79.88

Jan 2015 \$93.25

Jan 2016 \$80.36

Jan 2017 \$64.97

Jan 2018 \$66.88

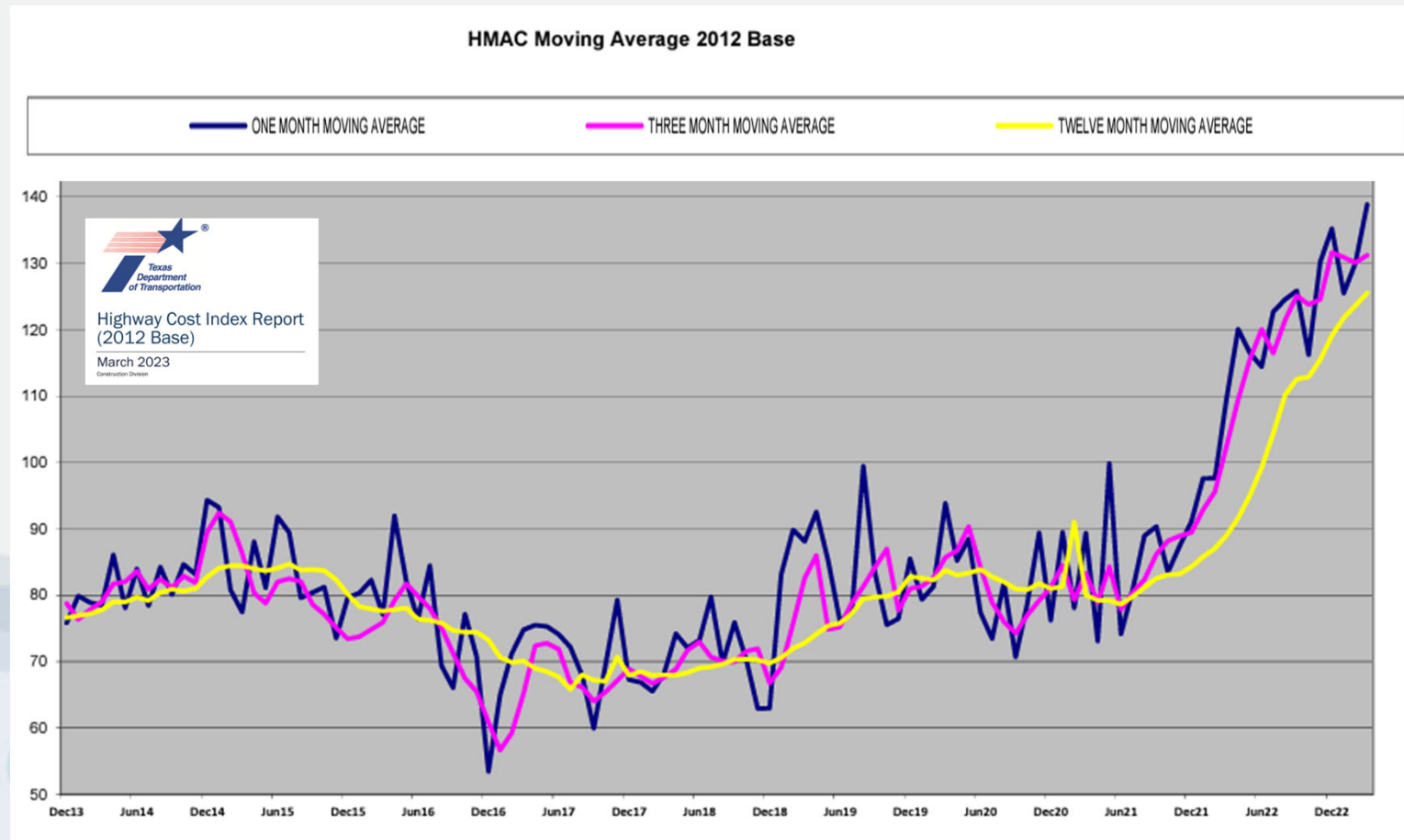
Jan 2019 \$83.13

Jan 2020 \$79.35

Jan 2021 \$89.48

Jan 2022 \$97.58

Jan 2023 \$125.51



# Pavement Management Program

## Surface Treatment Asphalt Cost Trends

Jan 2014 \$3.68

Jan 2015 \$3.18

Jan 2016 \$3.00

Jan 2017 \$2.13

Jan 2018 \$2.81

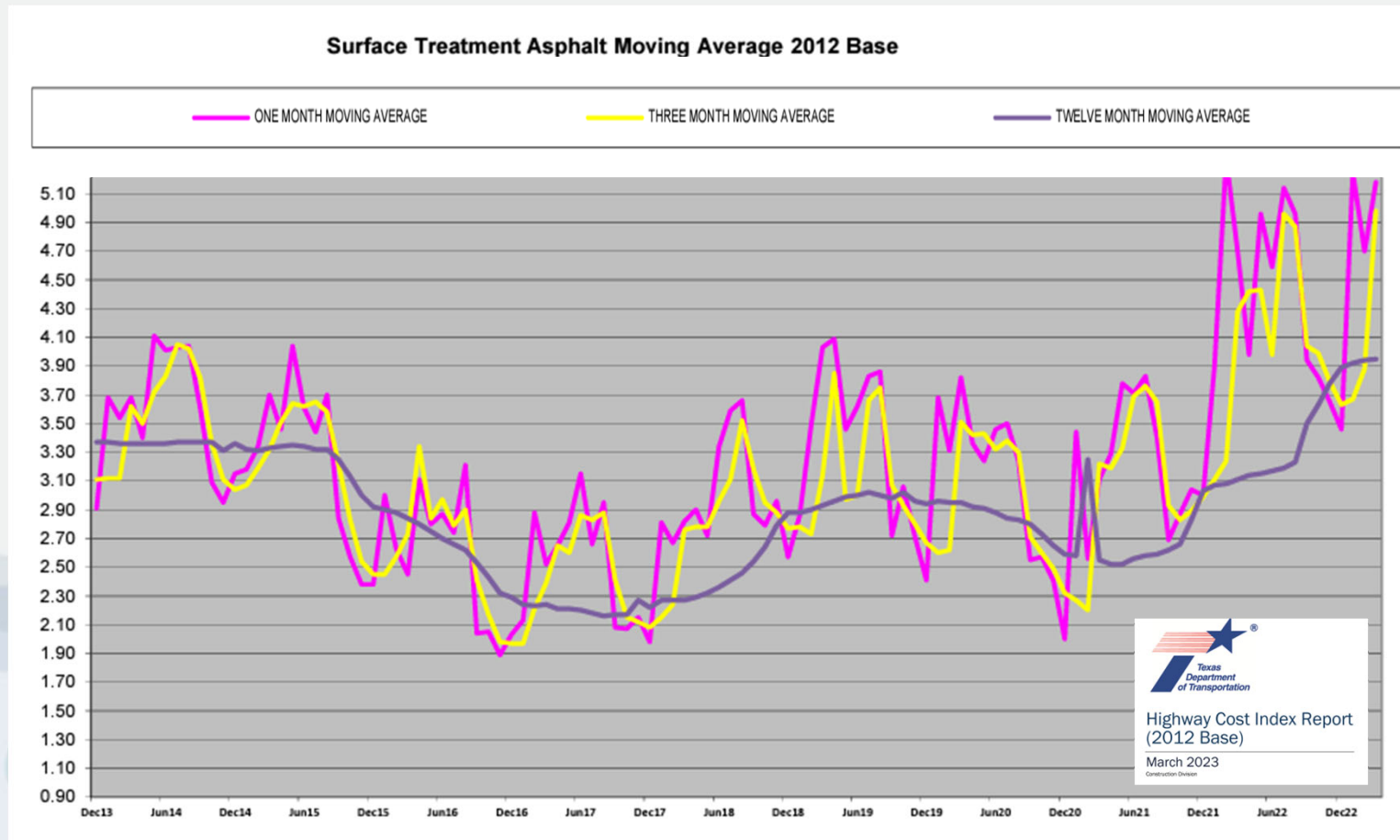
Jan 2019 \$2.86

Jan 2020 \$3.68

Jan 2021 \$3.44

Jan 2022 \$3.90

Jan 2023 \$5.25



# Pavement Management Program

## Continuously Reinforced Concrete Pavement (CRCP) Cost Trends Construction Cost Trends

Jan 2014 \$91.53

Jan 2015 \$224.12

Jan 2016 \$206.09

Jan 2017 \$148.88

Jan 2018 189.66

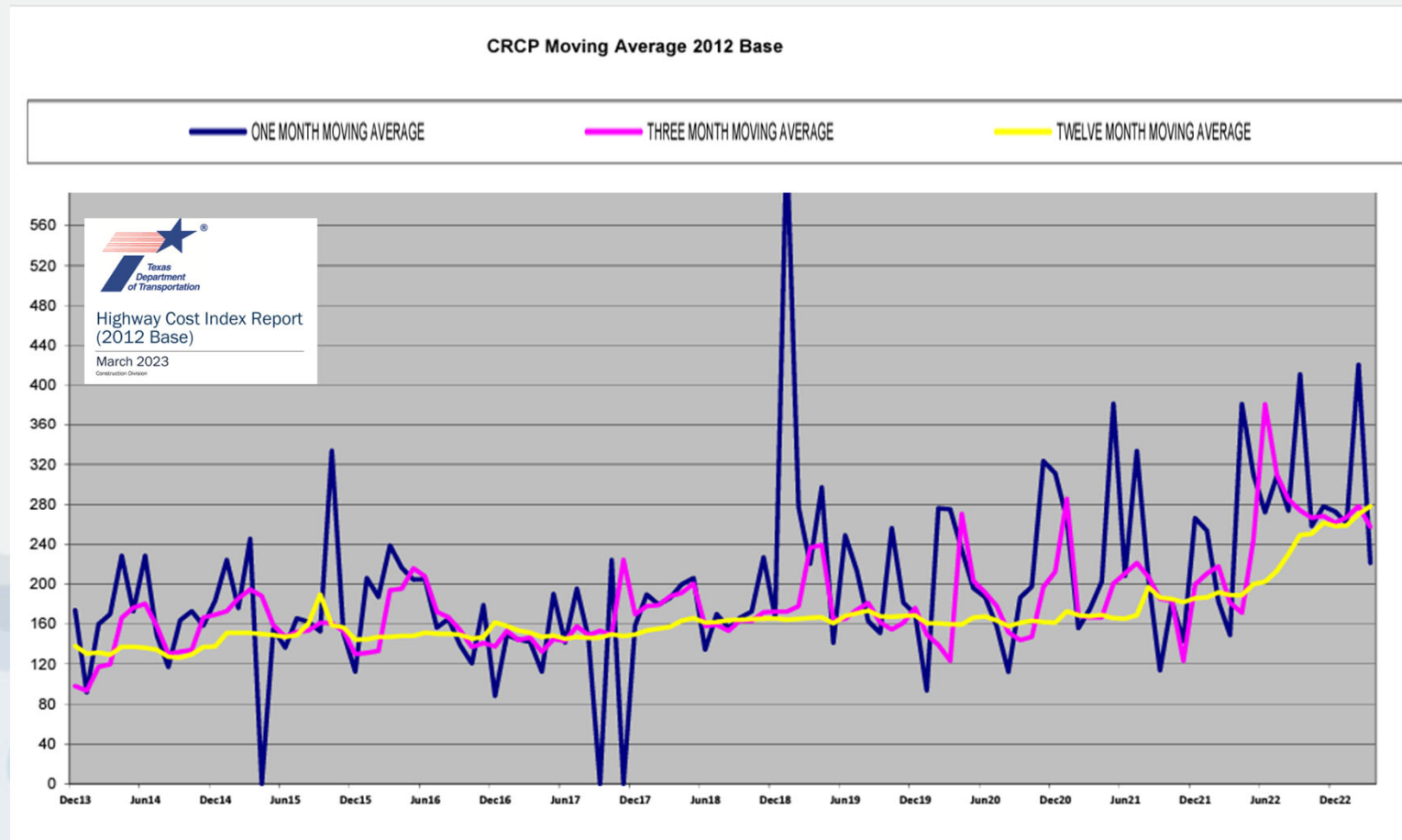
Jan 2019 \$644.65

Jan 2020 \$93.42

Jan 2021 \$265.54

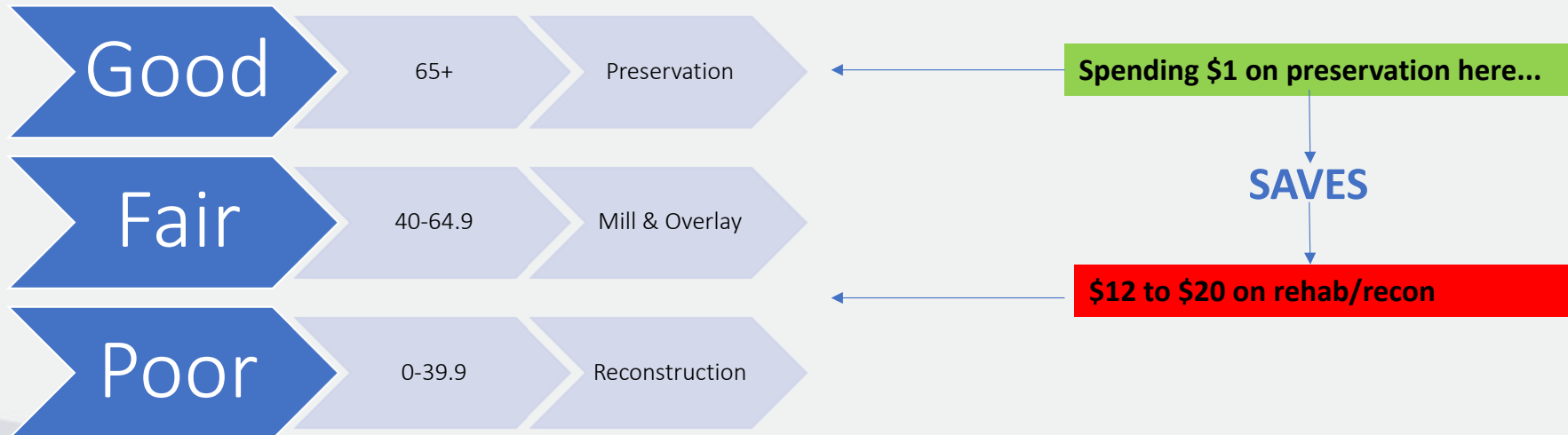
Jan 2022 \$253.52

Jan 2023 \$461.12



# Pavement Management Program

## Successful Treatment Strategies



**RIGHT** treatment at the  
**RIGHT** time to the  
**RIGHT** pavement.

# Pavement Management Program

## Update on Pavement Condition Index (PCI) Scores

2015  
Overall Network PCI

**50**  
FAIR

2023  
Overall Network PCI

**53**  
FAIR

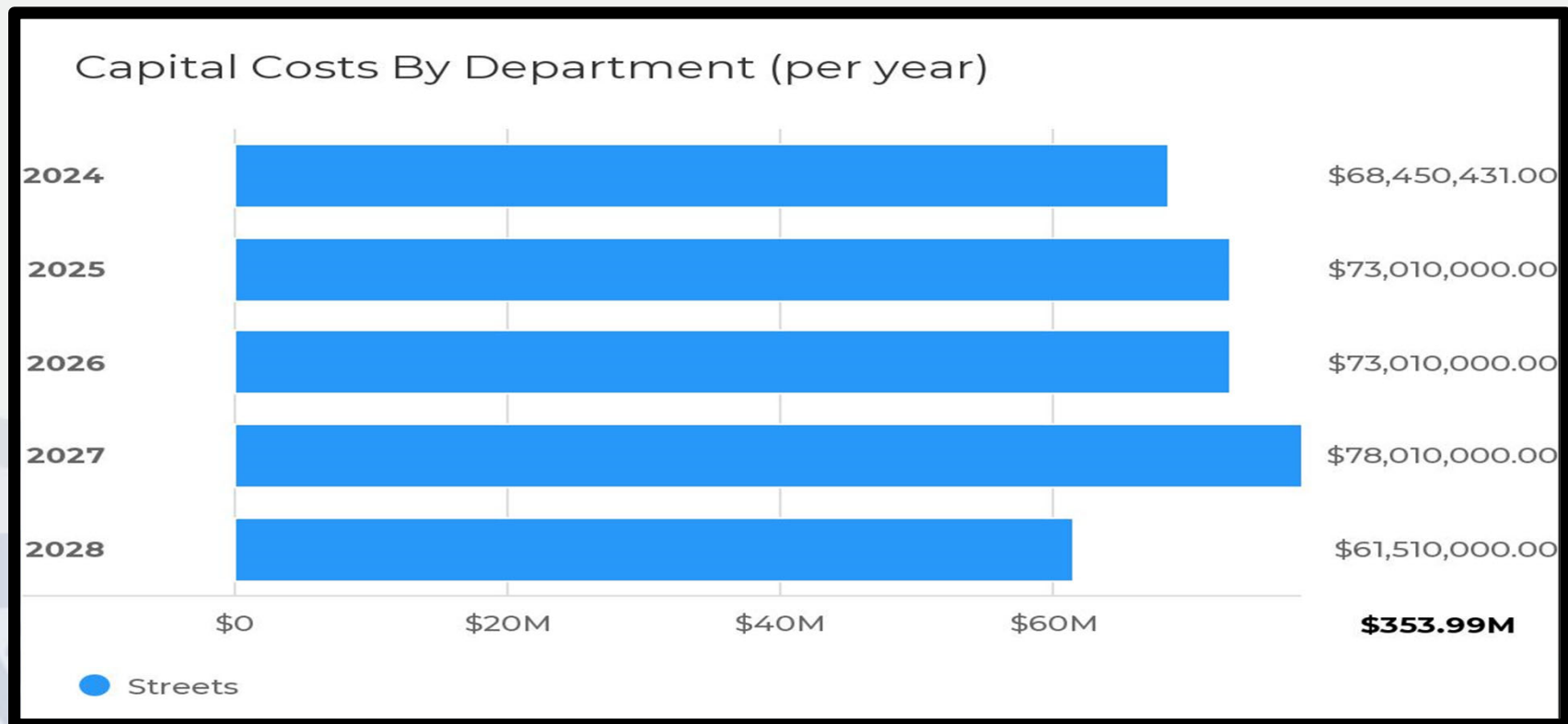
Category – Functional Class	2023 PCI	Network Lane Miles
Arterial	61	276
Collector	58	244
Local	54	983
Park-Road	72	9



# Pavement Management Program

## 2024 CIP Requests

### Streets



# Pavement Management Program

## 2024 CIP Requests

### Streets

<u>Project</u>	<u>FY24</u> <u>Funding Request</u> <u>Total</u> <u>Cost</u>
2022 Street Preservation Phase 3	GOOD stays GOOD \$ 8,778,000
2022 Street Preservation Phase 4	
2023 Street Preservation (Citywide)	
2022 Street Mill & Overlay Phase 1 (District #1) Phase 3 (District #5)	FAIR to GOOD \$ 15,028,500
2023 Operational Street Maintenance	
2023 Street Mill & Overlay	
2022 Mill and Overlay Phase 2 (District #4)	
2021 Mill and Overlay Phase 4 (Clay Avenue)	
2021 Mill and Overlay Phase 4 (17th Street)	

# Pavement Management Program

## 2024 CIP Requests

### Streets

<u>Project</u>	<u>FY24</u> <u>Funding Request</u> <u>Total</u> <u>Cost</u>
Texas Central Parkway	\$ 790,000
Webster (2nd-4th) & 2nd Street (Mary-Webster)	POOR to GOOD
(Valley Mills Drive to Southbound I35 Frontage Rd)	
Washington Avenue (Streets 18th-26th)	
Washington Avenue Streets 26th-30th)	\$ 12,333,000
Grant Match Funding	\$ 3,279,300
Neighborhood Improvements	\$ 1,000,000
Economic Development Cost Share	\$ 1,000,000
Capacity Expansion	\$ 5,095,000

# Pavement Management Program

## Unfunded or Underfunded Capacity Projects

Project	Construction Estimated Project Costs	Construction Current Funding	Construction Unfunded/ Underfunded	Engineer	Status
4th Street Reconstruction	\$ 29,311,000	\$ -	\$ 29,311,000	CP&Y	30% Design
12th Street Connection to LP340 (Texas 6)	\$ 7,785,000	\$ -	\$ 7,785,000	TBD	Planning
Austin Avenue Improvements	\$ 18,040,000	\$ -	\$ 18,040,000	Engineering Division	30% Design
Bagby Ave Ph 2 (Valley Mills to I35 SBFR)	\$ 3,434,000	\$ -	\$ 3,434,000	BGE	95% Design
Bosque Blvd. Improvements	\$ 57,626,000	\$ -	\$ 57,626,000	TBD	Planning
Chapel Road Widening	\$ 8,545,000	\$ 3,400,000	\$ 5,145,000	Walker	30% Design
Dallas Street Reconstruction	\$ 11,840,000	\$ -	\$ 11,840,000	Jacobs	Planning
Dutton & 11th Intersection	\$ 1,695,000	\$ -	\$ 1,695,000	KPA Engineers	95% Design
Dutton Ave Ph 2 (26th to V Mills)	\$ 9,092,000	\$ -	\$ 9,092,000	KPA Engineers	Planning
Flat Rock Reconstruction	\$ 7,672,000	\$ -	\$ 7,672,000	Walker	Schematic Design
Franklin 2 way Conversion	\$ 11,040,000	\$ -	\$ 11,040,000	Walker / Kimley Horn	Schematic Design
Herring(Proctor) & Lyle Intersection	\$ 2,100,000	\$ -	\$ 2,100,000	CP&Y	60% Design
LakeShore Drive Slope Stabilization	\$ 42,000,000	\$ -	\$ 42,000,000	CP&Y	Study and Report
Park Lake Improvements	\$ 16,640,000	\$ -	\$ 16,640,000	TBD	Planning
Sleeper and Maple Avenue	\$ 5,380,000	\$ -	\$ 5,380,000	Kimley Horn	30% Design
Texas Central Parkway	\$ 32,000,000	\$ 8,767,421	\$ 23,232,579	Engineering Division	30% Design
Washington Avenue (18th to 30th)	\$ 13,100,000	\$ -	\$ 13,100,000	Walker	60% Design
West Warren Street	\$ 5,200,000	\$ -	\$ 5,200,000	BGE	Planning
Windsor Avenue	\$ 10,500,000	\$ -	\$ 10,500,000	Kimley Horn	60% Review
<b>Total</b>	<b>\$ 293,000,000</b>	<b>\$ 12,167,421</b>	<b>\$ 280,832,579</b>		

# Summary of Funding Deficiencies

## City On-System Bridge Maintenance Program

Project	Construction Estimated Project Costs	Construction Current Funding	Construction Unfunded/ Underfunded	Engineer	Status
Herring Avenue Bridges Rehabilitation	\$ 8,200,000	\$ -	\$ 8,200,000	TBD	Planning
Historic Washington Bridge Structural Rehabilitation	\$ 12,100,000	\$ -	\$ 12,100,000	TBD	Planning
New Road Over UPRR Bridge Rehabilitation	\$ 5,000,000	\$ -	\$ 5,000,000	TBD	Planning
Primrose Creek Bridges and Channel Improvement Project	\$ 7,500,000	\$ -	\$ 7,500,000	TBD	Planning
Speegleville Bridge Replacement over Middle Bosque River	\$ 17,000,000	\$ 4,060,000	\$ 12,940,000	Walker Partners	Schematic Design & ROW Acq, & Environmental
Webster Avenue Bridge Replacement	\$ 3,600,000	\$ -	\$ 3,600,000	TBD	Planning
<b>Total</b>	<b>\$ 53,400,000</b>	<b>\$ 4,060,000</b>	<b>\$ 49,340,000</b>		

**Total: \$49,340,000**

An aerial photograph of a city, likely St. Louis, showing a large stadium (the Scottrade Center) in the background, surrounded by various urban buildings and green spaces. The text "Street Maintenance Fee" is overlaid in the center.

# **Street Maintenance Fee**

# Why?

- **Demand (Needs) Far Exceeds Supply (Revenue)**
  - System replacement value: \$2B
  - PCI: \$56M annually
- ***Business Unit* approach vs. General Government**
  - Cost allocated to demand for service
  - Visible/Transparent
- **Enables Shifting of Tax Supported Debt from Maintenance to Capacity Improvements**
  - Leverage \$200M-\$280M for projects– without a tax increase
  - Expands CIP from “Fixing What’s Broke” approach
    - New Streets; Widened Streets; Intersection Improvements

# What?

- Street maintenance fees provide a stable funding source for the **maintenance and operations** of transportation system.
- Includes:
  - Work performed by Street Crews
  - Street preservation including thin overlay
  - Emergency Repairs
  - Traffic Operations including signs, signals, and pavement markings
- Does not include:
  - Capacity improvements
  - Construction of new roadways



# Who?

- Street maintenance fees are typically collected through a regular local monthly water bill.
- The City proposes one of the following options for each utility customer within the City Limits:
  - Charged the full street maintenance fee;
  - Charged a **discounted** fee; or
    - Available for select single-family customers (income-based) and religious-owned properties.
  - **Exempt** from having to pay towards the fee.
    - Government-owned properties, schools/universities, properties with privately-owned drainage.
    - To mirror exemptions utilized for the City of Waco's Drainage Utility.

# How Much Will It Cost?

NO  
EXEMPTIONS/DISCOUNTS    PROPOSED EXEMPTIONS/DISCOUNTS  
SFE: 206,556                      SFE: 189,350

	<u>FY24</u> <u>Budget</u>	<u>Rate</u>	<u>Cumul.</u>	<u>Rate</u>	<u>Cumul.</u>
Public Works/Street Maintenance Division	\$8,857,034	\$3.57	\$3.57	\$3.90	\$3.90
Public Works/Traffic Division	\$4,713,221	\$1.90	\$5.47	\$2.07	\$5.97
Street Maintenance Cash	\$3,400,000	\$1.37	\$6.85	\$1.50	\$7.47
<b>TOTAL FY24 (3% over FY23)</b>	<b>\$16,970,255</b>	\$6.85	\$6.85	\$7.47	\$7.47
Program Administration	\$175,000	\$0.07	\$6.92	\$0.08	\$7.55
Billing & Collection Fee (Utilities Transfer)	\$250,000	\$0.10	\$7.02	\$0.11	\$7.66
Additional for Immediate Needs*	\$3,700,000	\$1.49	\$8.51	\$1.63	\$9.28
<b>TOTAL NEW EXPENSES</b>	<b>\$4,125,000</b>	\$1.66	\$8.51	\$1.82	\$9.28
<b>GRAND TOTAL MONTHLY FEE</b>	<b>\$21,095,255</b>	<b>\$8.51</b>	<b>\$8.51</b>	<b>\$9.28</b>	<b>\$9.28</b>
Each additional \$1 increase in Street Fee			\$2,478,671		\$2,272,203
Each additional penny increase in Street Fee			\$24,787		\$22,722
<b>FUTURE NEEDS BASED ON PCI</b>	<b>\$56,750,000</b>	<b>\$22.90</b>	<b>\$31.41</b>	<b>\$24.98</b>	<b>\$34.26</b>

*206,556 total SFE comprised of approximately 48,168 residential and 158,388 nonresidential Single-Family Equivalent (SFE) Units.*

An aerial photograph of a city, likely New York City, showing a dense urban landscape with various buildings, including a prominent tall skyscraper in the center. The image is in grayscale and serves as a background for the text.

# **Capacity Street Improvements Unfunded or Underfunded Projects**

## Leverage Through Street Fee

Total Property Tax	\$95,311,203.00
Tax Rate	0.76
<b><i>Adjusted TAV</i></b>	<b><i>\$12,540,947,763</i></b>
One Penny	\$1,254,095
Tax Rate offset from Street Fee	13.53
Rate Shifted from Ops to Debt	13.53
Revenue	\$16,970,255.15
Rate	4.50%
Term	30
Bond Capacity	\$288,865,791.47

Shifting of tax rate from Operations to Debt would be phased over a +/-5 year period.

# Capacity Street Improvements

## 18 Unfunded or Underfunded Streets Projects

Project	Construction Estimated Project Costs	Construction Current Funding	Construction Unfunded/ Underfunded	Engineer	Status
4th Street Reconstruction	\$ 29,311,000	\$ -	\$ 29,311,000	CP&Y	30% Design
Austin Avenue Improvements	\$ 18,040,000	\$ -	\$ 18,040,000	Engineering Division	30% Design
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West Warren Street	\$ 5,200,000	\$ -	\$ 5,200,000	BGE	Planning
Windsor Avenue	\$ 10,500,000	\$ -	\$ 10,500,000	Kimley Horn	60% Review
<b>Total</b>	<b>285,215,000</b>	<b>12,167,421</b>	<b>273,047,580</b>		

Adoption of the street fee would leverage approximately \$288 million for these improvements.

An aerial photograph of a city, likely New Orleans, showing various buildings, streets, and green spaces. The text "Construction Fatigue" is overlaid in a large, bold, black font in the center of the image. The background is a grayscale aerial view of the city, with a prominent tall building in the lower-left quadrant and a large stadium-like structure in the upper-left quadrant.

# Construction Fatigue

# Issues

- Motorists, Businesses and Residents are tired of construction
- Negative economic impact during construction
- Staff and contractor workload at/near capacity
- Causes:
  - City CIP
  - New Development
  - Franchise Utilities
  - Increasing Population

# Options

Options	Pros	Cons
Skip a year, catch up	<ul style="list-style-type: none"> <li>• Nothing new torn up</li> <li>• Staff workload diminished; catch up.</li> </ul>	<ul style="list-style-type: none"> <li>• Work underway not sped up</li> <li>• PCI drops 2-3 points below plan</li> <li>• Backlog grows</li> <li>• Costs up (inflation &amp; deterioration)</li> <li>• Financing cost escalating (rates)</li> <li>• Continuous Utility Issues</li> <li>• Increased Burden on field staff</li> <li>• Safety Risks increase</li> <li>• Developer &amp; Franchise utilities cannot be planned/delayed</li> </ul>
Maintain funding but for fewer projects	<ul style="list-style-type: none"> <li>• Less torn up</li> <li>• Staff workload somewhat diminished</li> <li>• Construction likely won't begin for 8-12 months</li> <li>• Major, large projects (e.g. Tx Central Pkwy) addressed</li> </ul>	<ul style="list-style-type: none"> <li>• Work underway not sped up</li> <li>• Marginal or no improvement to PCI</li> <li>• Backlog grows</li> <li>• Costs up (inflation &amp; deterioration)</li> <li>• Financing cost escalating (rates)</li> <li>• Continuous Utility Issues</li> <li>• Increased Burden on field staff</li> <li>• Safety Risks increase</li> <li>• Developer &amp; Franchise utilities cannot be planned/delayed</li> </ul>



# Options Continued

Options	Pros	Cons
Continue current CIP Plan	<ul style="list-style-type: none"><li>• PCI improves</li><li>• Backlog diminished</li><li>• Costs less (inflation)</li><li>• Fewer Utility Issues</li><li>• Less burden on field staff</li><li>• Safety Risks decrease</li><li>• More benefits to neighborhoods</li><li>• Can adjust to changing uses of roadway system</li></ul>	<ul style="list-style-type: none"><li>• More torn up</li><li>• If communication and coordination not improved:<ul style="list-style-type: none"><li>• Fatigue remains</li><li>• Economic impact continues</li></ul></li><li>• Costs likely to increase due to additional project management and coordination expense</li><li>• Developer &amp; Franchise utilities cannot be planned/delayed</li></ul>



CITY OF WACO

# Community Outreach

## Construction Management

### Public Outreach Meetings

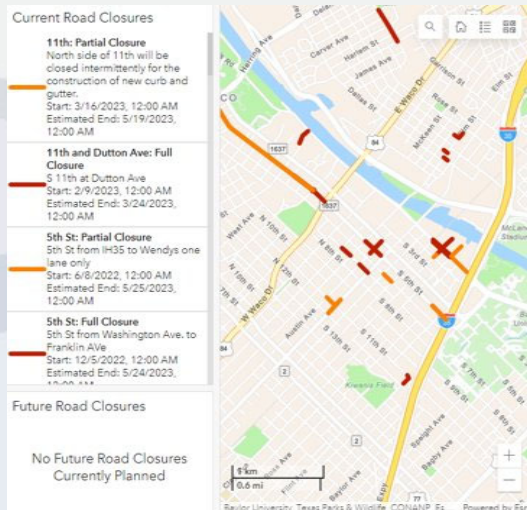
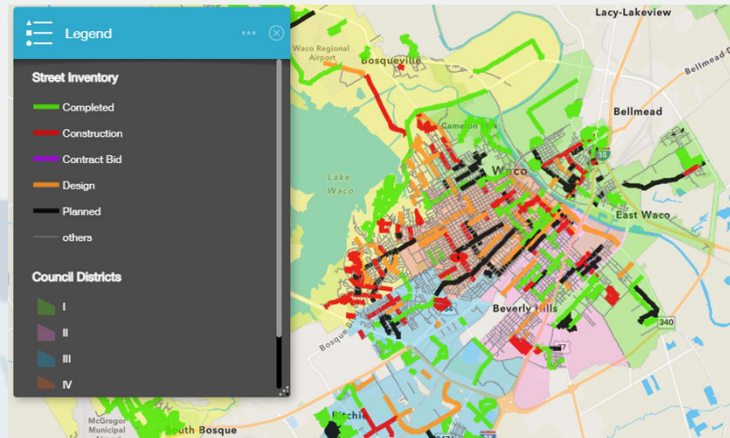
### Websites

### Email Updates Specific to Projects

### Social Media

### Construction Notifications

### Neighborhood Events and Meetings



# Future Opportunities

- Increase Coordination with:
  - Development Community
  - Franchise Utilities
- Review of contract provisions to decrease construction delays
  - Require immediate contractor mobilization upon closure
- Evaluate potential impacts to area businesses and develop a comprehensive plan of action
- Survey affected businesses post construction to assess effectiveness of our communication strategies.

An aerial photograph of a city, likely New Orleans, showing various buildings, streets, and green spaces. The word "Questions?" is overlaid in a large, bold, black font in the center of the image. The background is a grayscale aerial view of a city with various buildings, streets, and green spaces. A large, multi-story building is prominent in the lower-left quadrant. The word "Questions?" is centered over the image in a large, bold, black font.

**Questions?**