



Street Maintenance Fee Update Work Session

July 22, 2026

Jamie Stickel, City of Canby
Ruth Reyes, City of Canby
Tony Roos, Kittelson, P.E.

Agenda

- Context for the Street Maintenance Fee
- Why update it now?
- How is it changing?
- Timeline
- Questions



Context for the Street Maintenance Fee (SMF)

- Fee added to utility bill for residential and non-residential accounts
- First adopted in 2008; currently raises \$680K/yr.
 - Reflects travel patterns from early 2000s
 - A lot has changed: Amazon/Doordash deliveries, ride-sharing services, work-from-home patterns from COVID, etc.
 - City population has increased by 20 percent
 - New developments mean more roads to maintain:
SW 18th Ave./S. Fir Loop, NW 10th Avenue/N. Elm Street/
N. Cedar Loop, NE 17th Ave. south of NE Territorial Road



Where does SMF revenue go?

- Roadway rehabilitation and preventive maintenance
 - Crack seal with slurry
 - Chip seal
 - ADA-accessible ramps
- Goal: maintain city-wide pavement condition index (PCI) of 75
 - Costs roughly \$1M annually to achieve
 - Restoration of pavement later on costs up to 4–5x more than preventive maintenance



PCI Range	Pavement Classification
0–10	Failed
11–25	Very Poor
26–40	Poor
41–55	Fair
56–70	Good
71–85	Very Good
86–100	Excellent



Where do SMF dollars go?

- Includes majority of roads in Canby
 - Excludes 99E/SW 1st Ave.
 - 62% of streets are “local” (residential)
 - 38% experience more commercial/industrial traffic



Why update it now?

- Travel patterns have changed in 18 years
 - Changes in office, retail, and restaurant trip generation rates
 - New land uses: food trucks
 - Accounts for increased delivery trips
 - Fairness/equity in applying fees
 - Goal: redistribute bills, using updated methodology



Continually updates model to better **“represent the use of roadways by trip generators”** —ITE (Institute of Transportation Engineers)



How is it changing?

- Total funding amount
 - **\$1M/yr. (up from \$650K/yr.)**, dictated by pavement condition and costs
 - Able to phase increases over time, if desired
- Distribution of costs
 - Single-family residential home: **\$7.50/mo.**
 - All residential accounts: **\$620K/yr., total**
 - Cost for non-residential accounts: **based on total trips estimated (per 1000 S.F.) (\$380K/yr.)**
 - Higher trip generating land uses will pay more per trip than lower trip generation land uses

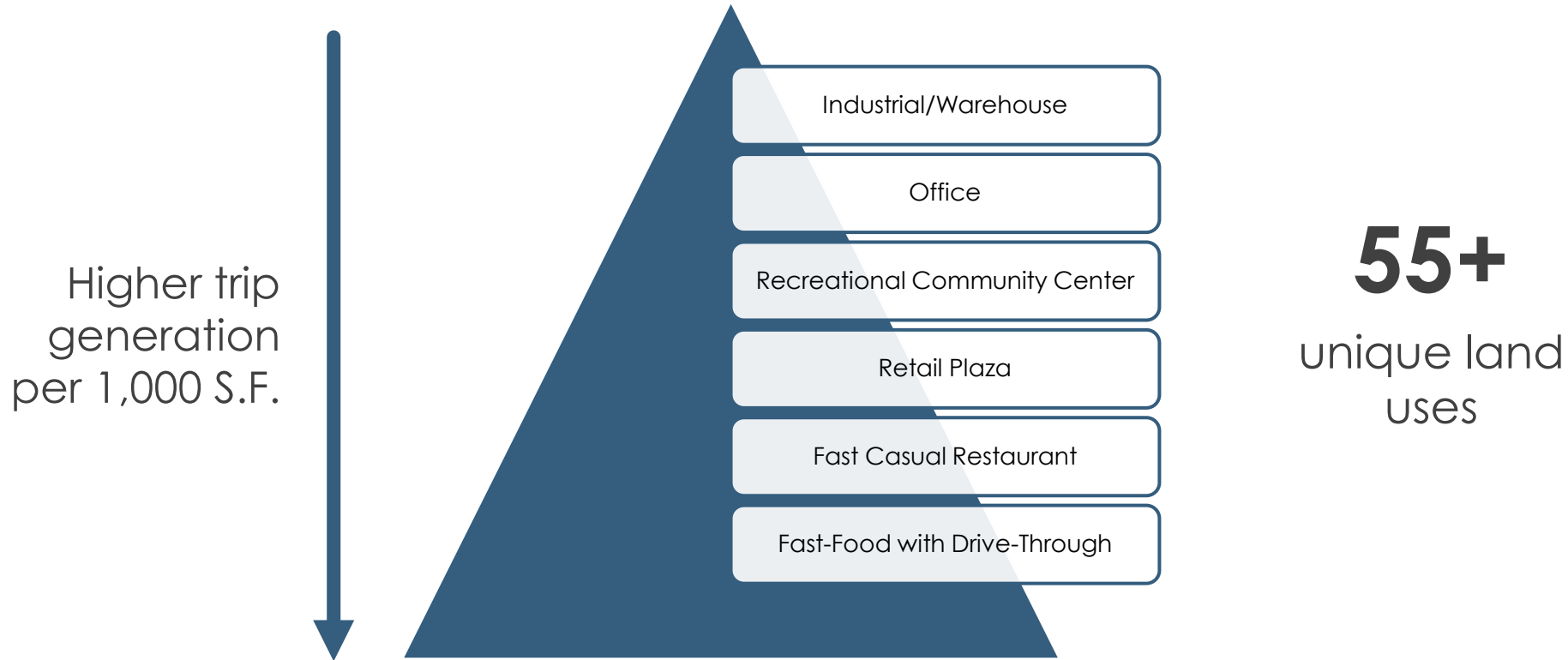


Residential Account Charges

- **Canby (current): \$5.00/mo.**
- Lake Oswego: \$4.00/mo.
- **Canby (proposed): \$7.50/mo.**
- Wilsonville: \$7.62/mo.
- Tualatin: \$7.74/mo.
- Hubbard: \$8.21/mo.
- Oregon City: \$16.47/mo.
- West Linn: \$18.53/mo.



Example Trip Generation Categories



What about industrial? Manufacturing?



- Many of these sites are several hundred thousand S.F. in size
- Despite their large footprint, these sites only generate a fraction of the trips per 1,000 S.F., relative to smaller retail and restaurant sites
- ITE does *not* factor in heavy vehicles in its trip generation

1.38
trips/1,000 S.F.
Warehouse

116.51
trips/1,000 S.F.
*Fast-Food with
Drive-Through*



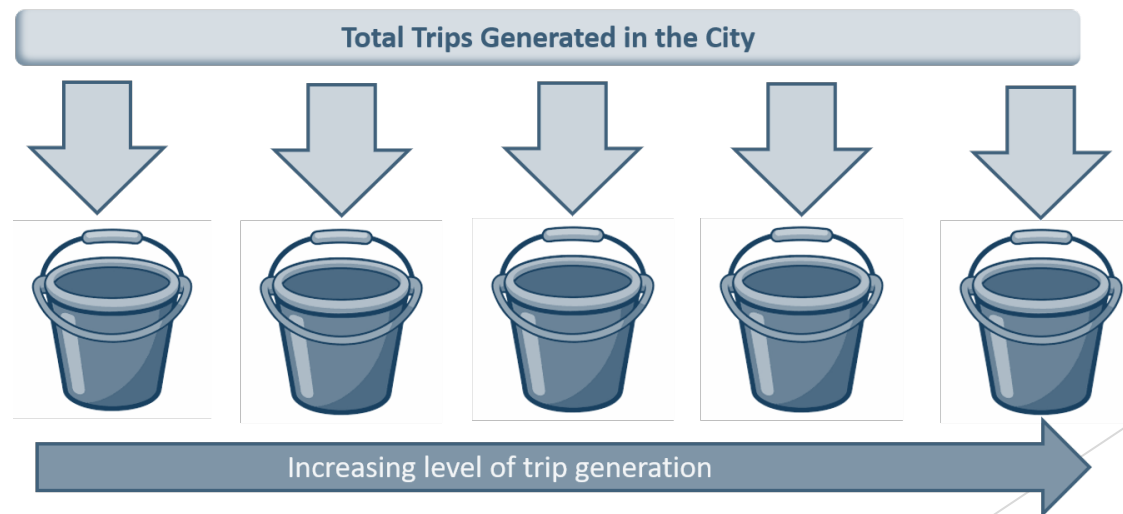
Example Fee Calculation

$$\text{Monthly Fee} = \text{Building S.F.} \times \text{Trip Generation Rate} \times \text{Fee per Trip}$$

Value from ITE

- Minimum non-residential account bill: **\$7.50/mo.**
- Other residential accounts vary (multi-family, mobile home, etc.)

Variable Fee within Class



Rate Table, by Land Use

Monthly rates calculated
using previous formula

ITE Code	Description	Trips	Quantity	Units	Rate: (\$/unit/month)	Annual Planned Revenue	Projected Revenue with Minimums	% of Share	Trips/Unit (ITE rate)	\$/trip/year
Residential Land Uses										
210	Single-Family Detached Housing	45,314	4,985	Dwelling Unit	\$ 7.50	\$ 448,906	\$ 448,650	46.2%	9.09	\$ 9.91
215	Single-Family Attached Housing	2,483	378	Dwelling Unit	\$ 5.42	\$ 24,603	\$ 24,585	2.5%	6.57	\$ 9.91
220	Multifamily Housing (Low-Rise) - Not Close to Rail Tr.	7,682	1,237	Dwelling Unit	\$ 5.13	\$ 76,100	\$ 76,150	7.8%	6.21	\$ 9.91
240	Mobile Home Park	3,597	457	Dwelling Unit	\$ 6.50	\$ 35,630	\$ 35,646	3.7%	7.87	\$ 9.91
253	Congregate Care Facility	1,246	301	Beds	\$ 3.42	\$ 12,345	\$ 12,353	1.3%	4.14	\$ 9.91
254	Assisted Living	83	20	Beds	\$ 3.42	\$ 820	\$ 821	0.1%	4.14	\$ 9.91
620	Nursing Home	465	152	Beds	\$ 2.53	\$ 4,608	\$ 4,615	0.5%	3.06	\$ 9.91
	<i>Subtotal (all Residential buckets)</i>	60,870	7,530					62%		
Non-Residential Land Uses										
1	Class 1	8,099	2966	1000 sq ft GFA	\$ 1.59	\$ 56,601	\$ 57,363	5.8%	3	\$ 6.99
2	Class 2	6,995	687	1000 sq ft GFA	\$ 5.93	\$ 48,886	\$ 51,621	5.0%	10	\$ 6.99
3	Class 3	7,827	453	1000 sq ft GFA	\$ 10.07	\$ 54,700	\$ 54,968	5.6%	17	\$ 6.99
4	Class 4	8,840	267	1000 sq ft GFA	\$ 19.30	\$ 61,780	\$ 61,870	6.4%	33	\$ 6.99
5	Class 5	6,188	118	1000 sq ft GFA	\$ 30.51	\$ 43,246	\$ 43,240	4.4%	52	\$ 6.99
6	Class 6	8,502	47	1000 sq ft GFA	\$ 105.57	\$ 59,418	\$ 59,416	6.1%	181	\$ 6.99
Non-Residential Land Uses (Class 7)										
320	Motel	124	37	Rooms	\$ 1.95	\$ 867	\$ 866	0.1%	3	\$ 6.99
445	Movie Theater	1,580	8	Screens	\$ 115.02	\$ 11,042	\$ 11,042	1.1%	198	\$ 6.99
520	Elementary School	1,588	1399	Students	\$ 0.66	\$ 11,098	\$ 11,080	1.1%	1	\$ 6.99
522	Middle School/Junior High School	545	522	Students	\$ 0.61	\$ 3,809	\$ 3,821	0.4%	1	\$ 6.99
525	High School	1,288	1328	Students	\$ 0.56	\$ 9,001	\$ 8,924	0.9%	1	\$ 6.99
926	Food Cart Pod	240	8	Food Carts	\$ 17.47	\$ 1,677	\$ 1,677	0.2%	30	\$ 6.99
944	Gasoline/Service Station	372	18	Fueling Positions	\$ 12.04	\$ 2,600	\$ 2,601	0.3%	21	\$ 6.99
945	Gasoline/Service Station with Convenience Market - GFA (2-4k)	696	22	Fueling Positions	\$ 18.42	\$ 4,864	\$ 4,863	0.5%	32	\$ 6.99
	<i>Subtotal (all Non-Residential buckets, Classes 1-7)</i>	52,884	7,879					38%		
Total		113,754				\$ 972,600	\$ 976,170	100%		\$ 8.55
Assumptions										
	Revenue Target	\$ 972,600								
	Residential Share	62%		7,530 total residential accounts						
	Non-Residential Share	38%		401 total commercial accounts						

Can change **revenue target** and **residential-non-residential breakdown** easily, for inflation or phasing approaches



Proposed Bills above \$400/mo.

Land Use	Current Bill	Proposed Bill	Change
Multipurpose Recreation Facility	\$1,303	\$1,835	\$532
Free-Standing Discount Superstore	\$702	\$1,641	\$939
Movie Theater	\$420	\$920	\$500
High-Cube, Short-Term Storage Warehouse	\$1,109	\$845	-\$264
High School	\$1,306	\$744	-\$562
Recreational Community Center	\$390	\$554	\$164
Post Office	\$171	\$540	\$369
Supermarket	\$291	\$531	\$240
Fast-Food with Drive-Through	\$40	\$506	\$466
Drugstore with Drive-Through	\$248	\$452	\$204
Automated Car Wash	\$13	\$440	\$427
Free-Standing Discount Superstore	\$89	\$423	\$334



Proposed Bills with Greatest Increase

Land Use	Current Bill	Proposed Bill	Change
Free-Standing Discount Superstore	\$702	\$1,641	\$939
Multipurpose Recreation Facility	\$1,303	\$1,834	\$531
Movie Theater	\$420	\$920	\$500
Fast-Food with Drive-Through	\$40	\$506	\$466
Automated Car Wash	\$13	\$440	\$427
Post Office	\$171	\$540	\$369
Free-Standing Discount Superstore	\$88	\$423	\$335
Fast-Food with Drive-Through	\$26	\$334	\$308
Fast-Food with Drive-Through	\$23	\$288	\$265
Fast-Food with Drive-Through	\$22	\$276	\$254
Convenience Market	\$22	\$274	\$252
Fuel Station with Convenience Market	\$7	\$258	\$251

Some **current bills** are significantly lower than what is expected, given the trip generation rate



Proposed Bills with Greatest Decrease

Land Use	Current Bill	Proposed Bill	Change
High School	\$1,306	\$744	-\$562
Utility	\$474	\$84	-\$390
Junior High School	\$585	\$318	-\$267
High-Cube Cold Storage Warehouse	\$1,109	\$845	-\$264
Utility	\$277	\$49	-\$228
High-Cube Cold Storage Warehouse	\$259	\$99	-\$160
Utility	\$130	\$23	-\$107
Warehouse	\$423	\$322	-\$101
Utility	\$178	\$79	-\$99
Elementary School	\$287	\$197	-\$90
Manufacturing	\$372	\$283	-\$89
Motel	\$155	\$72	-\$83

Many **current bills** are high for industrial uses, which have a small trip generation rate spread out over many thousands of square feet



Other Oregon SMF Rates for Single Family

City	2026 SFR Monthly Rate	Population (approx.)	Road Miles Maintained	Annual Revenue
Lake Oswego	\$4.00	~41,000	178	
Newberg	\$6.60	~26,000	65.5	\$1.2M
Tualatin	\$7.74	~28,000		
Hillsboro	\$7.97	~110,000	260	\$4.9M
Tigard*	\$9.11	~58,000	160	\$5M
Wilsonville	\$11.24	~27,300		\$2.77M
Milwaukie	\$12.13	~22,000		
Oregon City	\$16.47	~39,000	146	\$3.25M
West Linn	\$19.46	~27,000	107	



Next Steps

- Discussion/Report to Council
- Adoption/Code Amendment
 - Minimum Rate
 - Tie fee increase to urban consumer price index: currently, 2.9 percent/yr.
- Draft Rates for Public Review
- Implement: January 2027



City of Canby
the garden spot

Street Maintenance Program

Rate Increase Notice

1,2026

Attention:

This letter serves as official notification that the City of Canby has adopted an update to City Ordinance Chapter 3.30 (Street Maintenance Program). This update modernizes the city's funding model for street infrastructure by adopting the 12th Edition of the Institute of Transportation Engineers (ITE) Manual.

The purpose of this program is to ensure long-term, sustainable funding for the maintenance of Canby's street infrastructure. Under the new ordinance, fees are determined by the proportional traffic impact (Trip Generation) of each specific land use.

Summary of Rate Changes for Account 4537001 :

Current rate:

Category	Building Sq Ft	Rate	Total Monthly Fee
CAT 4	23,370	.008352	195.19

New Billing effective /1/2026:

Qty	Business/ Service Address	ITE Code	Category	Sq Ft	Rate
1					
2					

Customers will receive letters explaining recent changes, linking them to an FAQ page on the City's website, with two months to file an appeal





Questions?

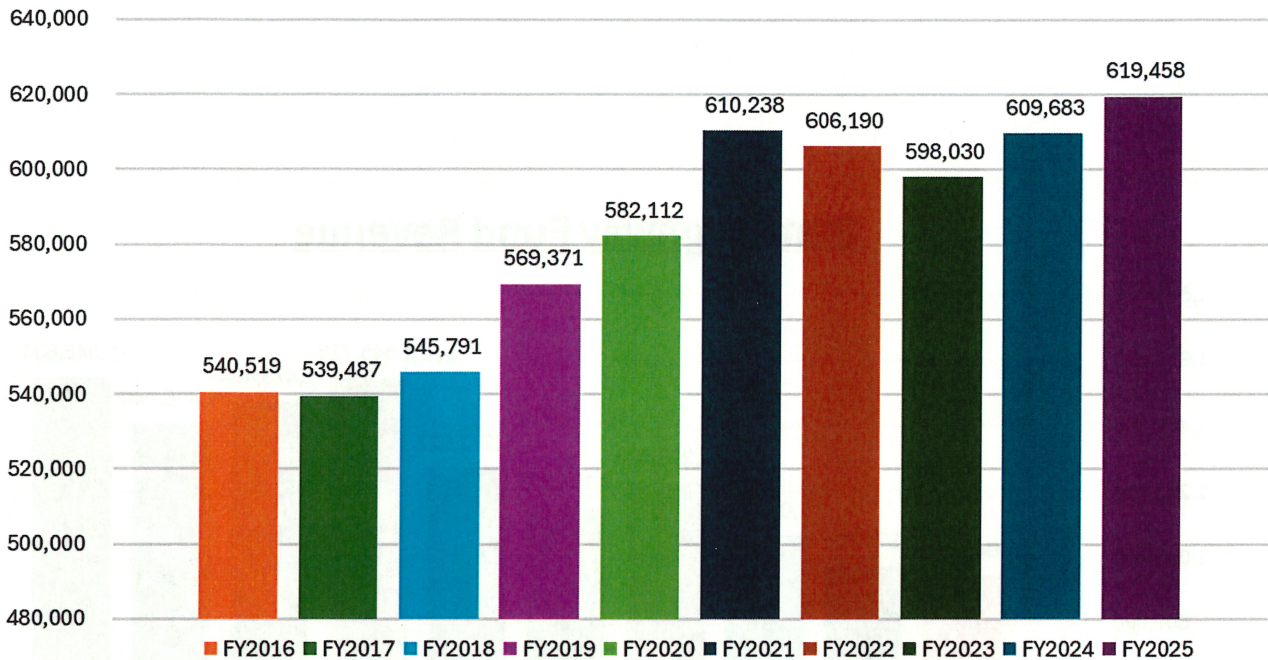
Budget Detail

Street Fund

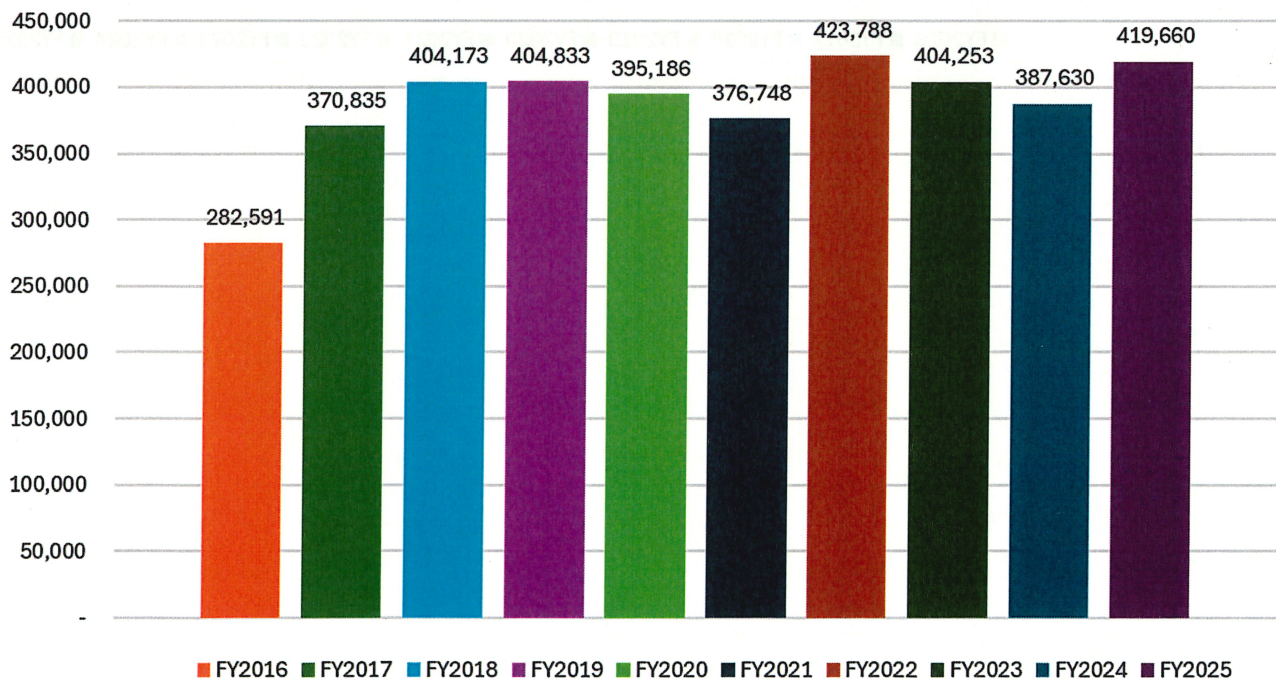
STREET FUND	FY2024 Actual	FY2025 Actual	FY2026 Amended Budget	FY2027 Proposed	FY2027 Approved	FY2027 Adopted
RESOURCES						
BEGINNING BALANCE (Cash Carryover)	8,304,346	10,015,395	9,109,917	8,463,364	8,463,364	8,463,364
REVENUE						
State Highway Fund	1,406,049	1,548,834	1,485,000	1,500,000	1,500,000	1,500,000
Local Gas Tax	387,630	419,660	415,000	430,000	430,000	430,000
County Vehicle Registration Fee	350,966	350,053	320,000	325,000	325,000	325,000
Federal Fund Exchange	129,466	236,058	100,000	240,000	240,000	240,000
Miscellaneous Fees	250	550	300	500	500	500
Street Maintenance Fee	609,683	619,458	575,000	650,000	650,000	650,000
Erosion Control Fees	22,072	30,327	23,000	21,360	21,360	21,360
Driveway/Curb/Sidewalk Inspect	7,100	8,500	7,000	7,000	7,000	7,000
Street Excavation/Opening Fee	1,175	925	1,000	1,000	1,000	1,000
Urban Forestry Program Revenue	10,264	125	5,000	200	200	200
Street Sign Program Revenue	2,590	-	2,000	2,000	2,000	2,000
Traffic In Lieu Fees	30,693	204,400	-	-	-	-
Miscellaneous-Income	350,557	397,325	10,000	-	-	-
Damaged Property Claim Revenue	569	-	-	-	-	-
Interest Revenues	430,584	484,457	320,000	325,000	325,000	325,000
Total Street Revenue	3,739,648	4,300,672	3,263,300	3,502,060	3,502,060	3,502,060
TRANSFERS IN						
Transfer from SDC	261,379	870,748	6,292,000	4,764,369	4,764,369	4,764,369
Total Street Transfers In	261,379	870,748	6,292,000	4,764,369	4,764,369	4,764,369
TOTAL STREET RESOURCES	12,305,373	15,186,815	18,665,217	16,729,793	16,729,793	16,729,793
REQUIREMENTS FOR STREETS						
PERSONNEL SERVICES						
Regular Salaries and Wages	525,589	541,210	451,500	703,196	703,196	703,196
Seasonal/Temp Wages	7,695	37,854	-	-	-	-
Overtime	12,433	17,848	20,000	20,000	20,000	20,000
Employee Benefits	-	-	-	-	-	-
Insurance Benefits	91,101	89,108	92,500	117,482	117,482	117,482
Taxes/Other	56,931	66,354	67,750	74,328	74,328	74,328
PERS Contributions	127,649	124,962	128,250	196,753	196,753	196,753
Clothing Allowance	1,600	-	1,200	1,200	1,200	1,200
Total Street Personnel Services	822,997	877,336	761,200	1,112,959	1,112,959	1,112,959
FTE	6.0	7.5	5.5	7.9	7.9	7.9

SPECIAL CALLED JOINT WORK SESSION 7/22/2026
STREET MAINTENANCE FEE

Street Maintenance Fee Revenue



Local Gas Tax Revenue



SPECIAL CALLED JOINT WORK SESSION 7/22/2026
STREET MAINTENANCE FEE

