



# MILLCREEK

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## Transportation Utility Fee (TUF)

*City Council Work Session*

1/12/2026

A high-angle, color photograph of a cityscape. In the foreground, there's a mix of residential and commercial buildings, including a large shopping center with multiple storefronts. A major road with several lanes of traffic cuts through the scene. In the background, a range of mountains with some snow on their peaks is visible under a clear blue sky.

# WELCOME

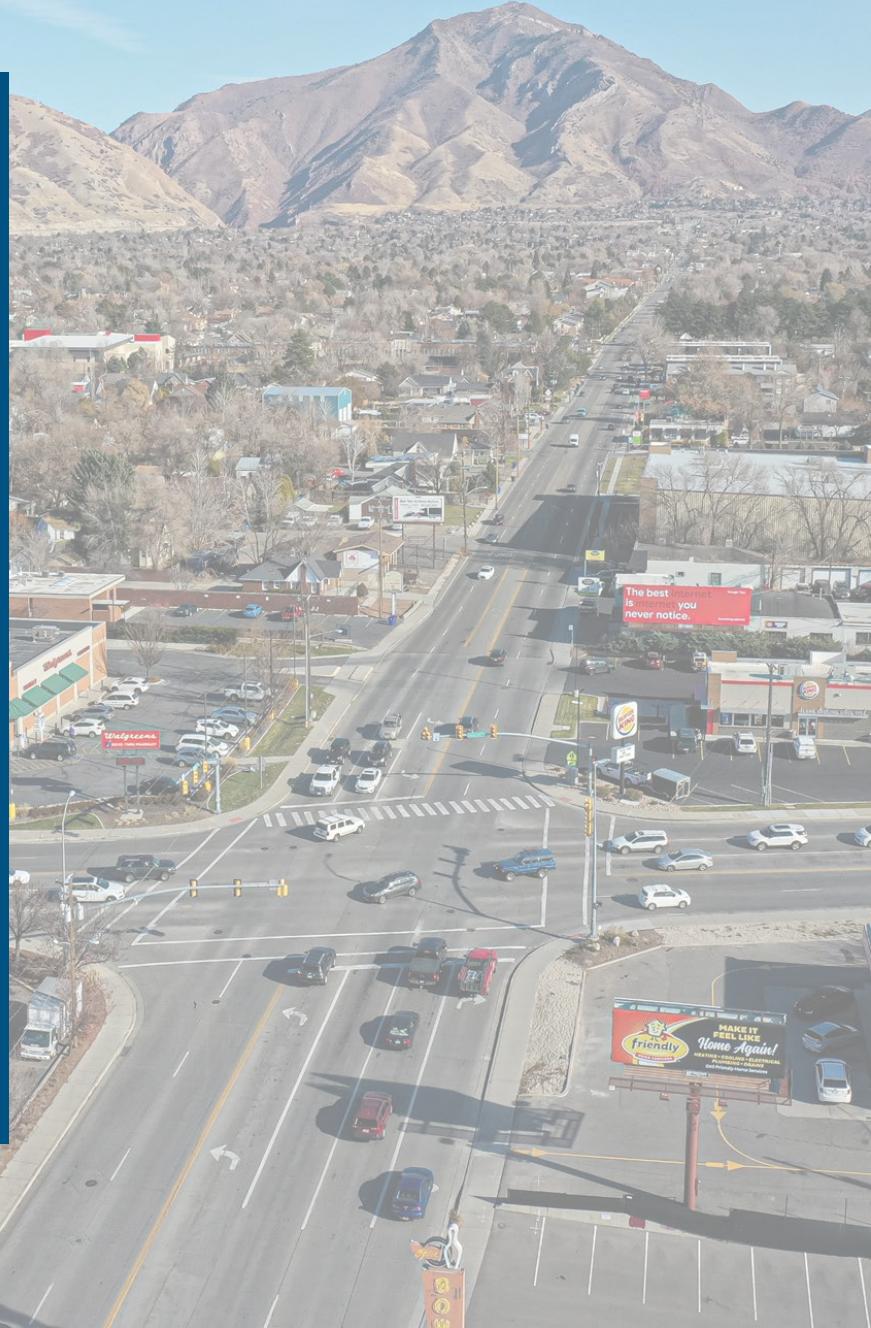
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- Project Overview
- Current Road Conditions
- Current Maintenance Funding
- Future Maintenance Costs & Potential Fee
- Next Steps

# PROJECT GOALS

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1. Assess current road conditions
2. Calculate maintenance costs to improve roads to industry standard
3. Determine potential fees
4. Ensure legal compliance with State code
5. Explain fee to public and gather input
6. Inform Council so they can make decision whether to adopt new fee



# PROJECT SCHEDULE

June  
2025

Today's  
Meeting

March  
2026

Assess Road Conditions

Calculate Fees

Final Report

Determine Maintenance Costs

Inform Public & Gather Input

Council  
Adoption

# TUF OVERVIEW

## Fee vs Tax:

- The Utah Supreme Court established the test to distinguish a fee vs tax
- Tax is for general governmental purposes
- Fee relates usage to services provided

## What is a transportation utility fee (TUF):

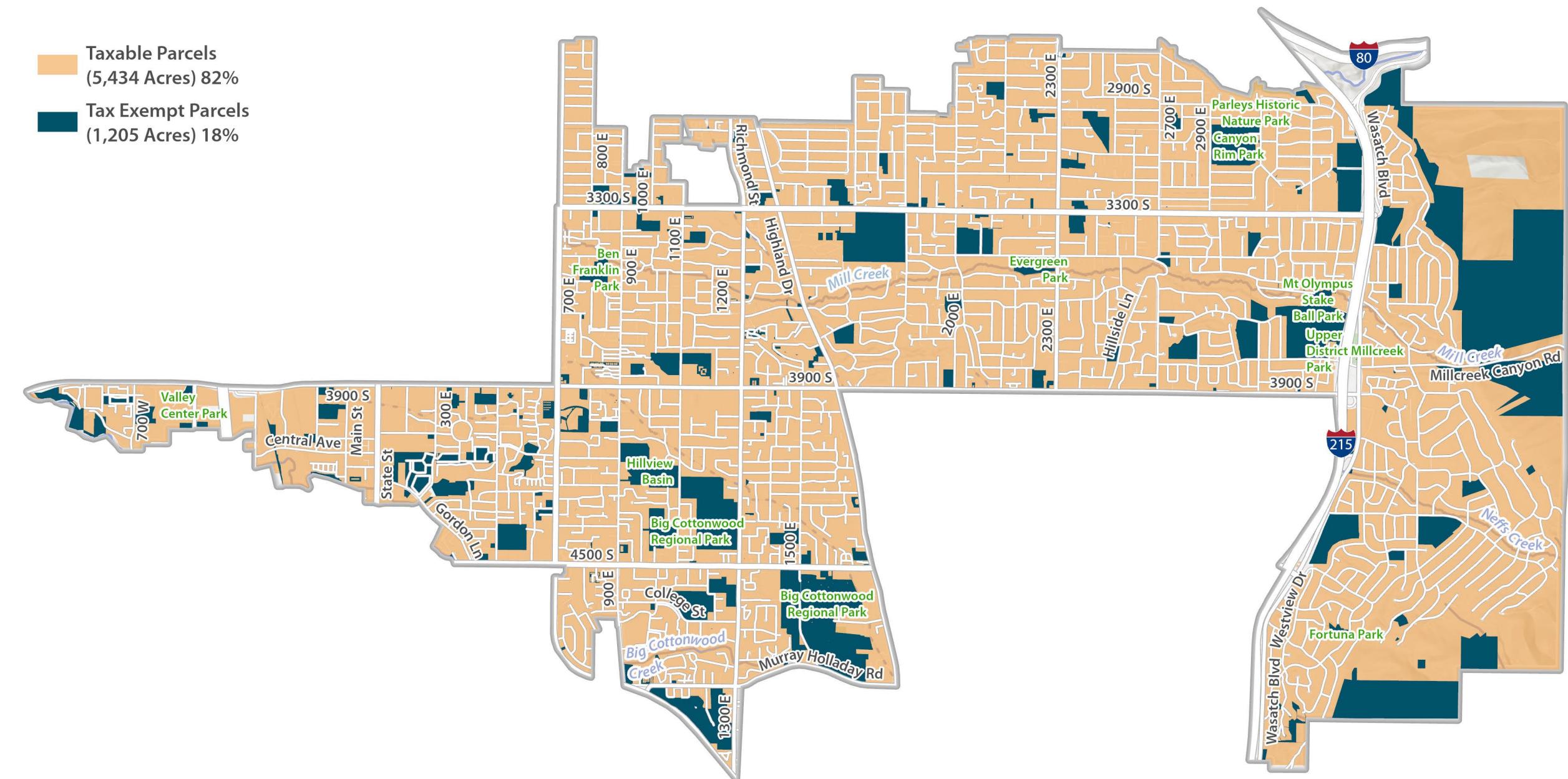
- Based on the type of use, the number of vehicle trips, and their impact to road conditions
- *Larson v. Pleasant Grove City* (2023) determined TUF is a legal fee in Utah

# TUF OVERVIEW

	Adopt a TUF	No TUF
Advantage	<ul style="list-style-type: none"><li>• <b>Fairer</b> - all users pay based on usage</li><li>• <b>Better funded</b> - leads to better roads and <b>less long-term cost</b></li></ul>	<ul style="list-style-type: none"><li>• <b>Less cost</b> to users in the short-term</li></ul>
Disadvantage	<ul style="list-style-type: none"><li>• Higher <b>short-term costs</b></li><li>• <b>New expense</b> - Schools, churches, non-profits will contribute</li><li>• May need to <b>create in-house billing</b> (currently using Rocky Mtn Power to bill water fees)</li></ul>	<ul style="list-style-type: none"><li>• Continue to use <b>general funds</b></li><li>• Underfunded maintenance leading to <b>lower quality roads</b></li><li>• More <b>full reconstruction projects</b> in the long-term</li></ul>

# LAND USE - TAXABLE PARCELS

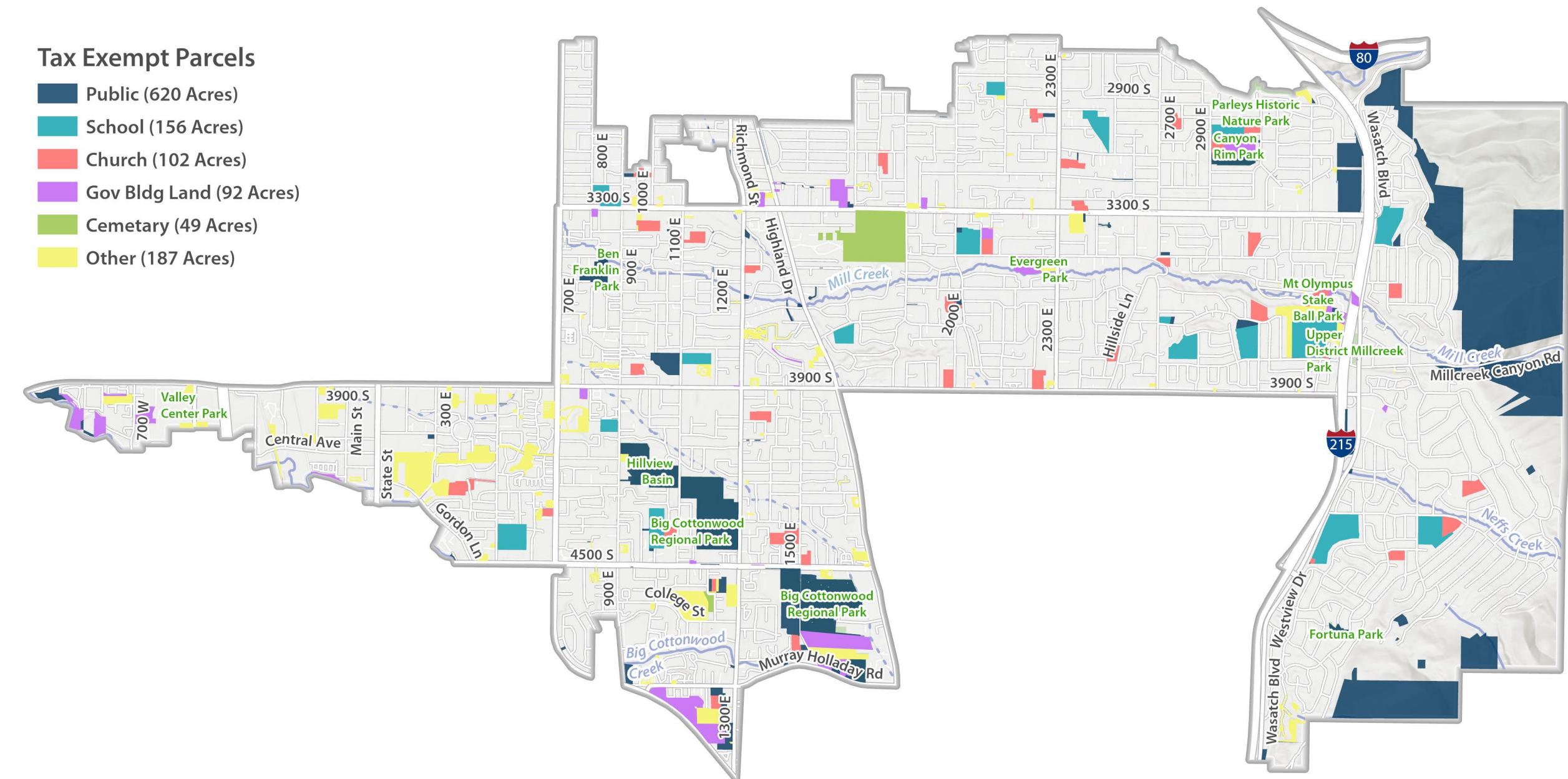
- Taxable Parcels  
(5,434 Acres) 82%
- Tax Exempt Parcels  
(1,205 Acres) 18%

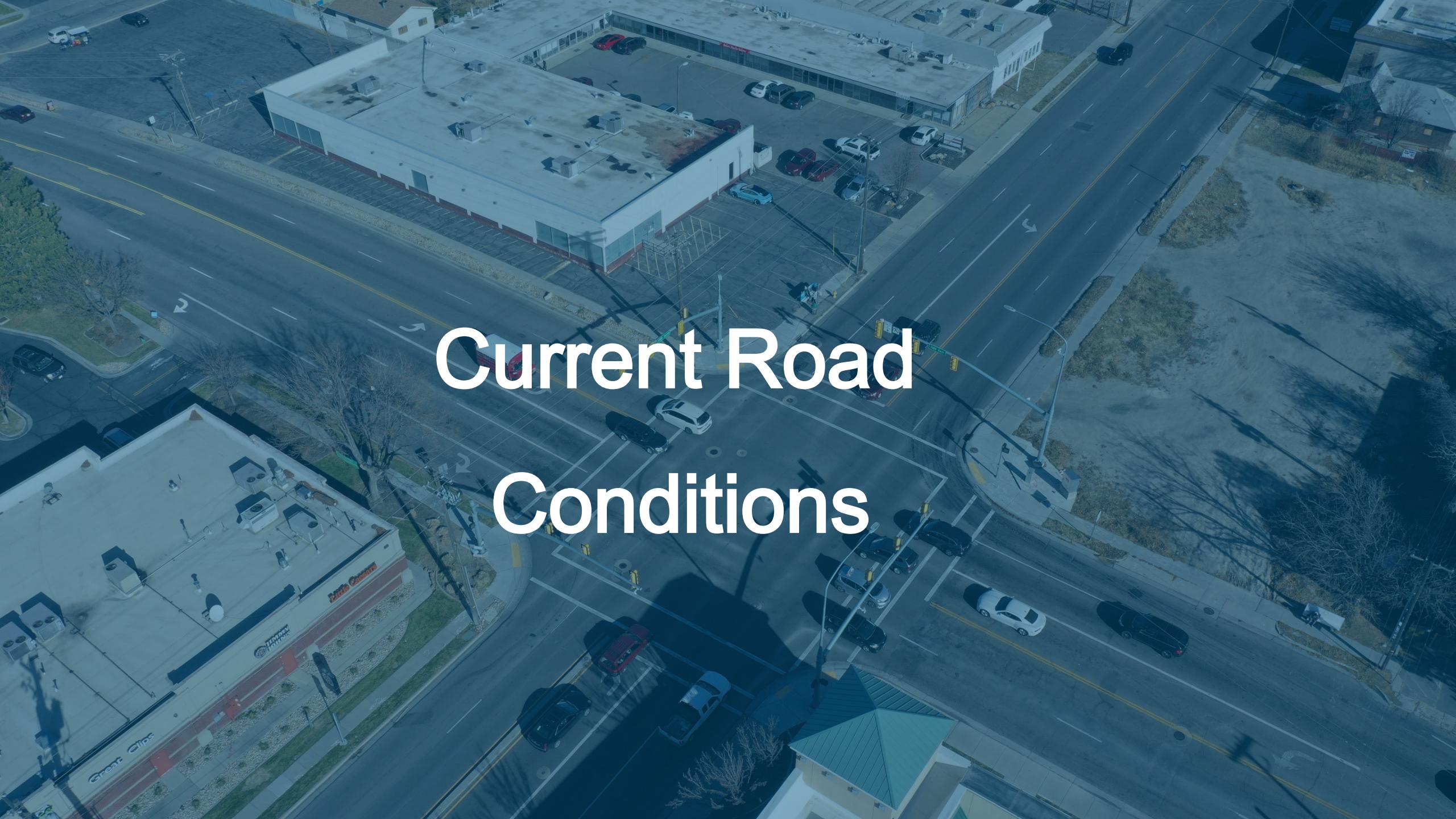


# LAND USE - TAX EXEMPT

## Tax Exempt Parcels

- Public (620 Acres)
- School (156 Acres)
- Church (102 Acres)
- Gov Bldg Land (92 Acres)
- Cemetery (49 Acres)
- Other (187 Acres)



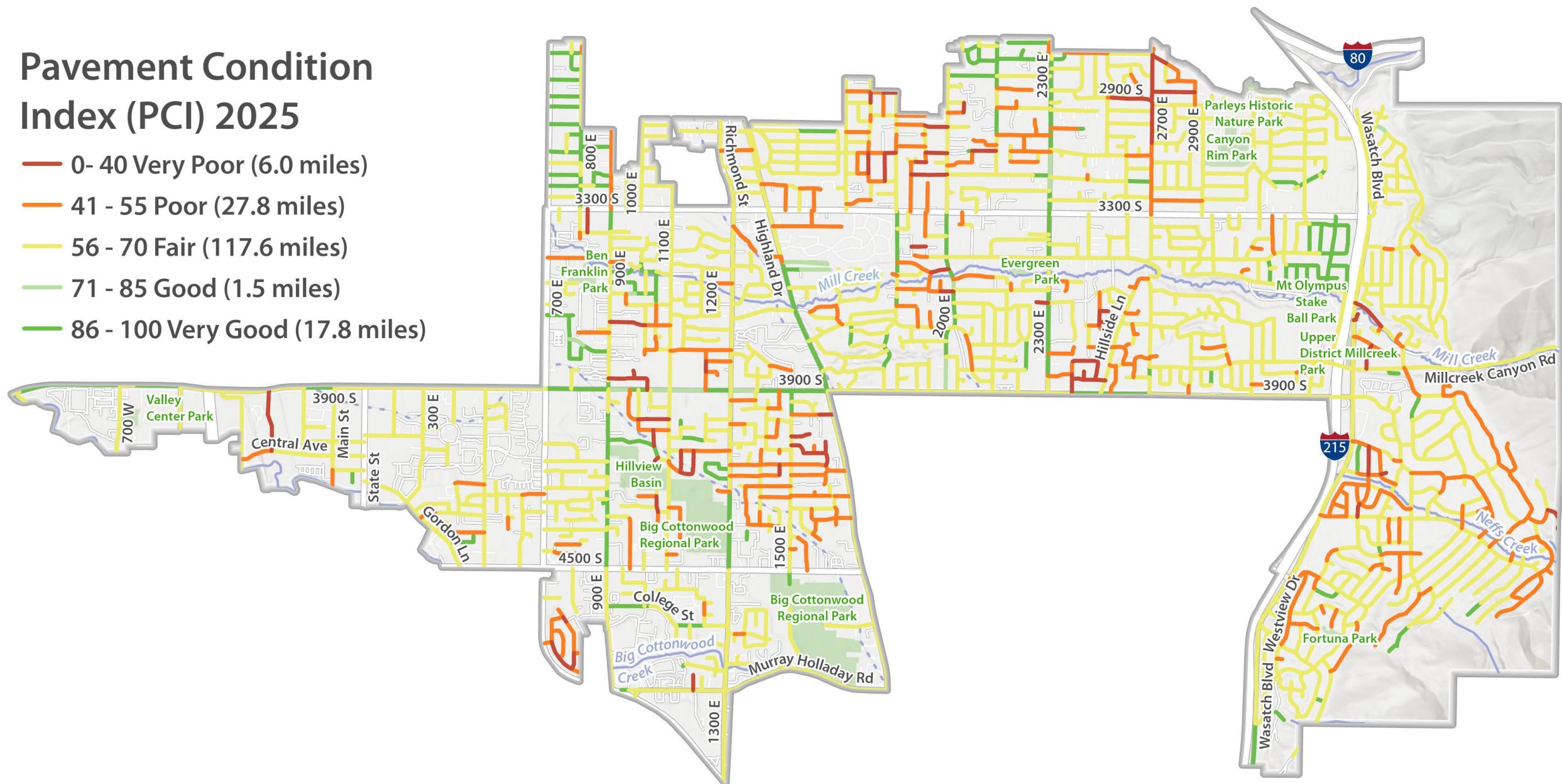
An aerial photograph of a city street. On the left, there is a large industrial building with a white roof and a parking lot filled with various cars. In the foreground, there is a street with a crosswalk and a Little Caesars restaurant with a red and white sign. The street has yellow dashed lines and a few cars driving on it. The background shows more city streets and buildings.

# Current Road Conditions

# PAVEMENT CONDITION INDEX - 2025

# Pavement Condition Index (PCI) 2025

- 0- 40 Very Poor (6.0 miles)
- 41 - 55 Poor (27.8 miles)
- 56 - 70 Fair (117.6 miles)
- 71 - 85 Good (1.5 miles)
- 86 - 100 Very Good (17.8 miles)



# SPOT CHECK – MILLBROOK DRIVE

Road	From	To	PCI 2025
Millbrook Dr	East Millbrook Dr	2000 E	40



# SPOT CHECK – OAKVIEW DRIVE

Road	From	To	PCI 2025
Oakview Dr	Sunset View Dr	Olympus View Dr	52



# PAVEMENT CONDITION SUMMARY

- Citywide average PCI score of 64
- Segments with lower PCI have significant cracking/spalling; segments with higher PCI correspond to recent maintenance projects
- Ideally, all roads receive regular maintenance in a ten-year window, however current funding level is insufficient



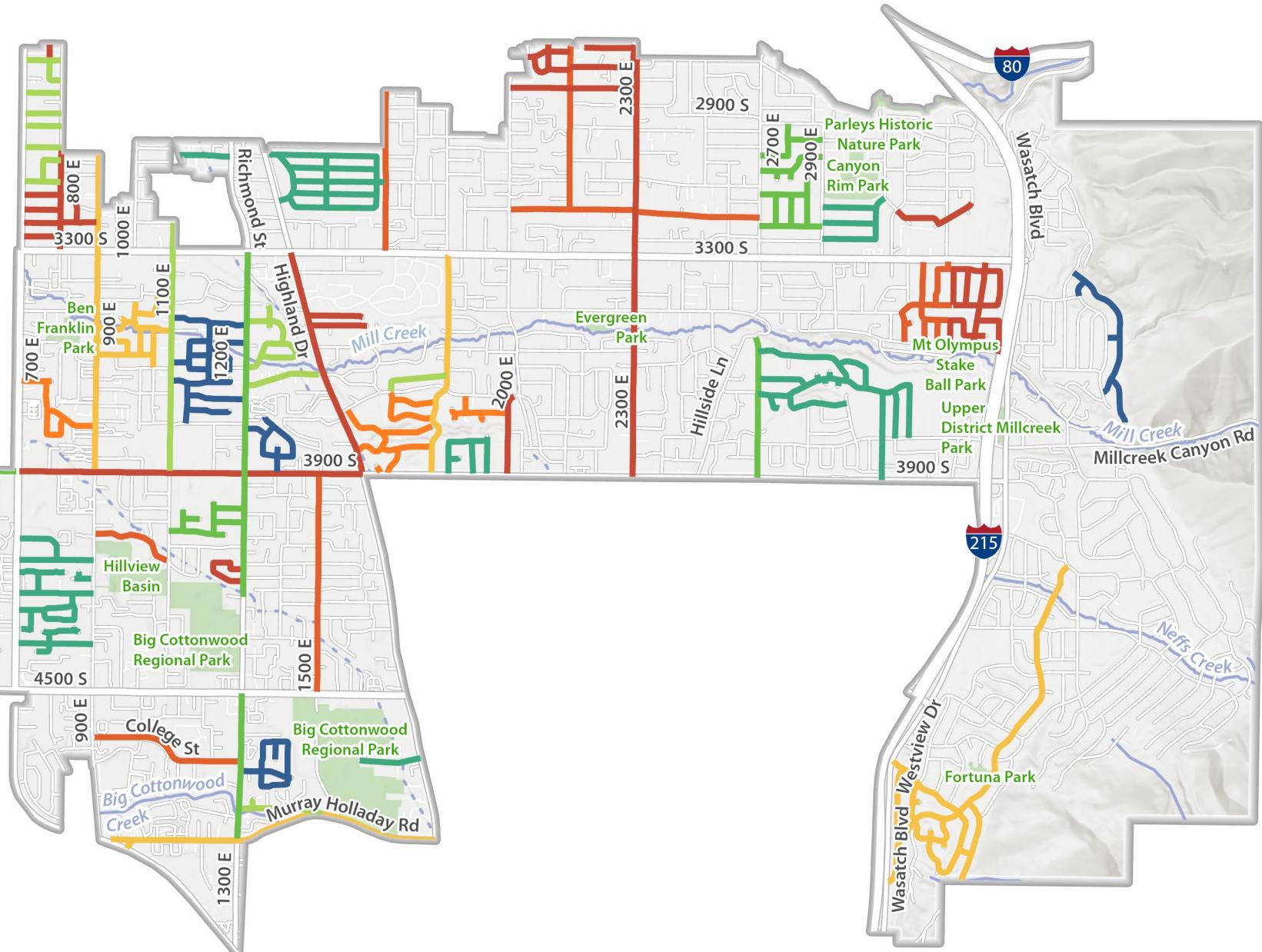
# PREVIOUS TEN -YEAR PROJECTS

## Pavement Preservation Projects

### Year Completed

- 2017 (4.35 mi.)
- 2018 (9.66 mi.)
- 2019 (8.07 mi.)
- 2020 (5.15 mi.)
- 2021 (0.93 mi.)
- 2022 (8.57 mi.)
- 2023 (2.39 mi.)
- 2024 (5.40 mi.)
- 2025 (11.05 mi.)

32% of  
City's Roads



An aerial photograph of a complex urban intersection. The scene is filled with traffic, including cars, trucks, and vans, moving through several lanes. In the background, there are large industrial and commercial buildings, including a prominent white building with a blue roof. A large mural is visible on the side of a building on the right. The overall image has a blue-tinted, slightly overexposed look.

# Current Maintenance Funding

# B&C ROAD FUNDS

FY 2025 Total Funds \$266.5M

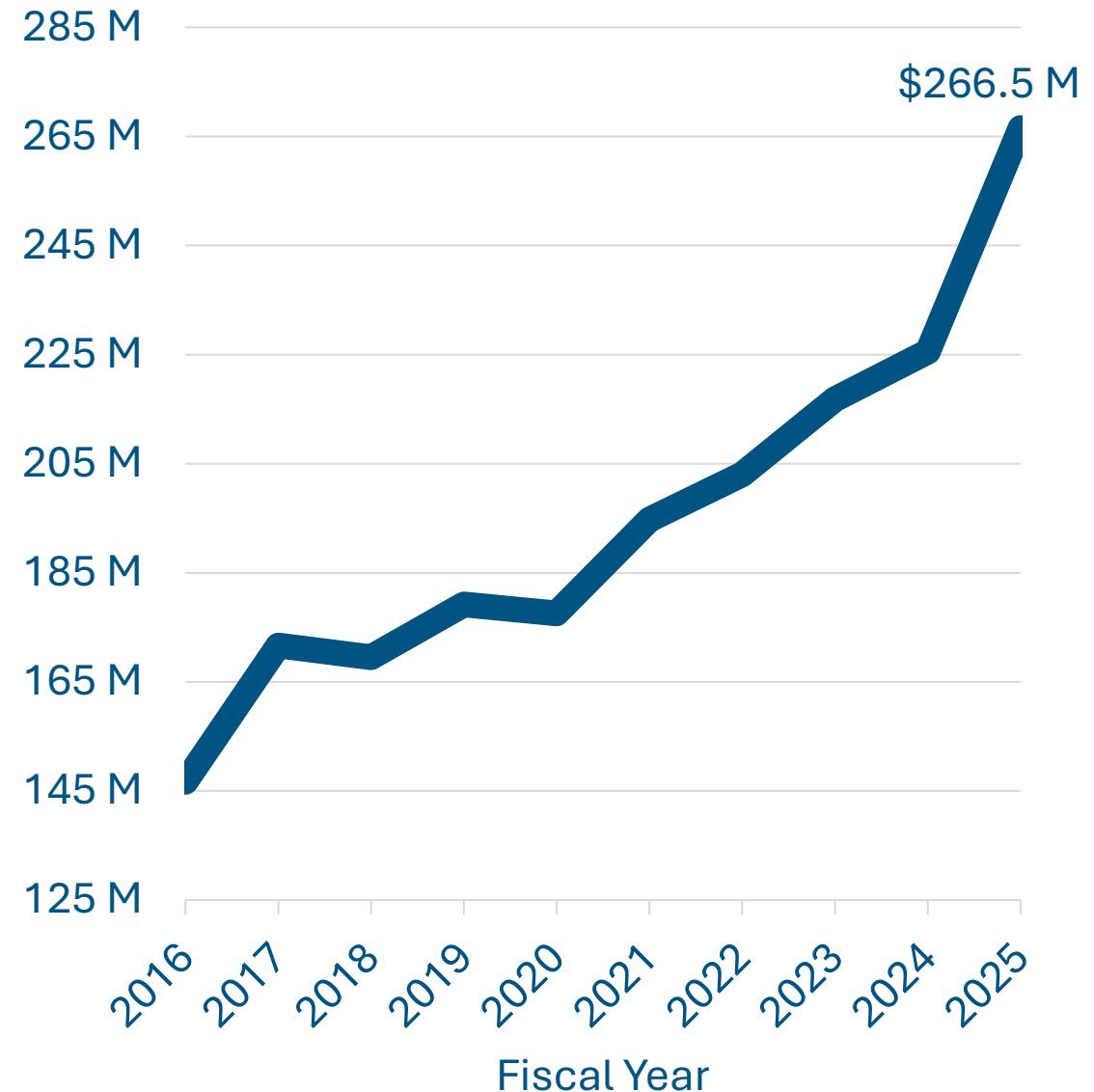
Distributed on road miles and population

- 50% population
- 50% road miles

Millcreek total B&C road miles

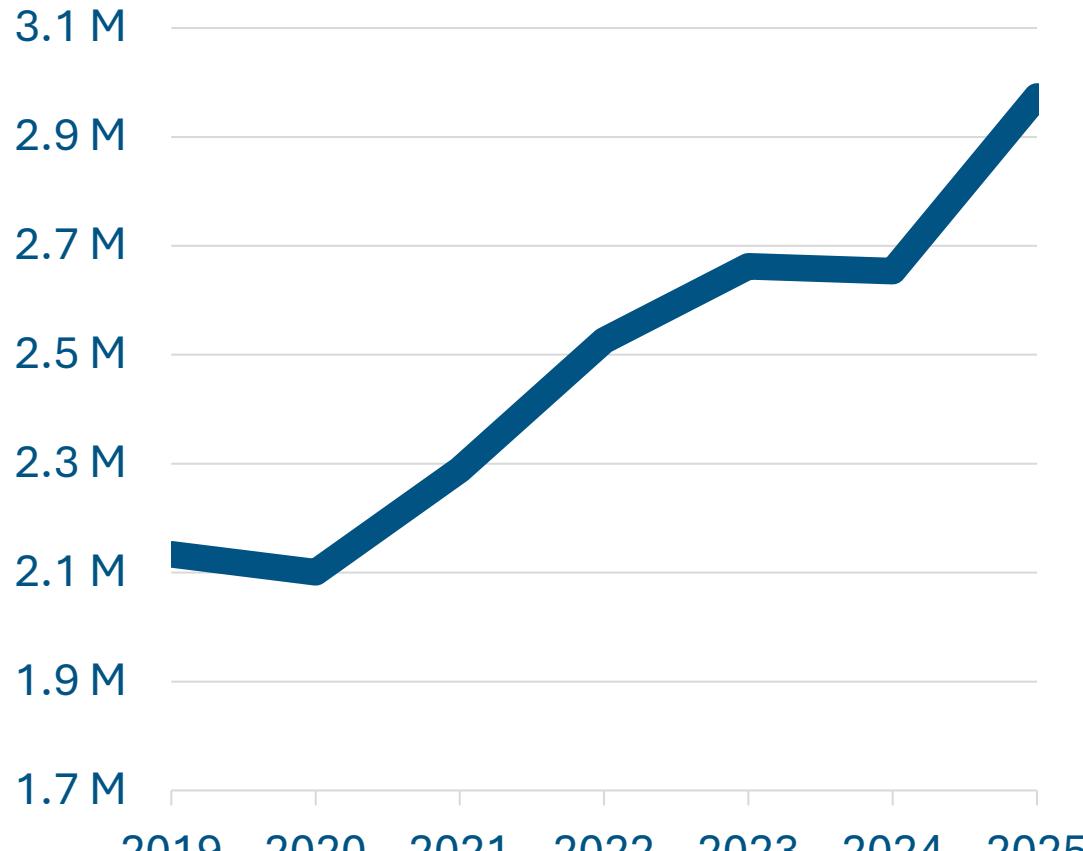
- Last updated March 2017
- 171.56 paved miles
- 857.8 weighted lane miles ~0.7% of state total

## Utah Total B&C Road Funds

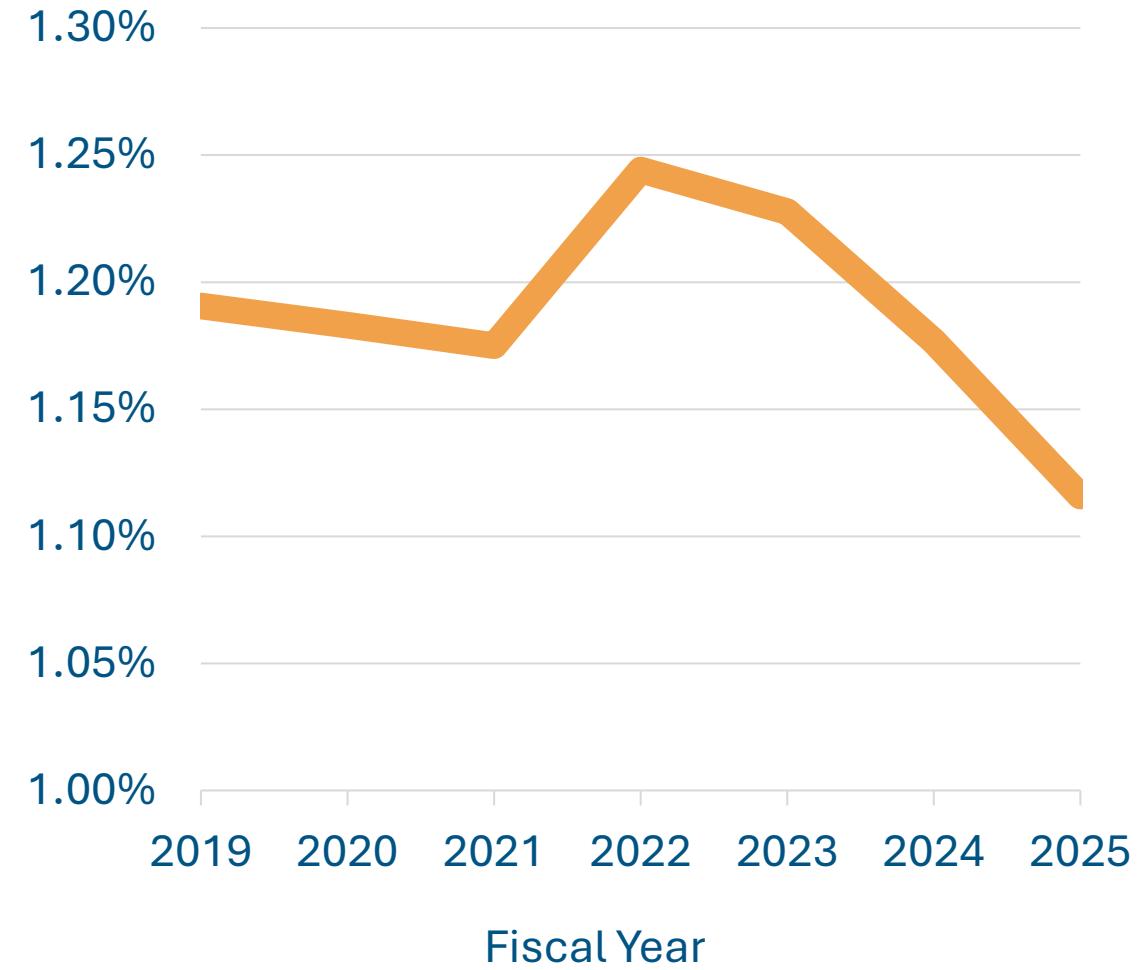


# B&C ROAD FUNDING IN MILLCREEK

**Millcreek B&C Road Funds**

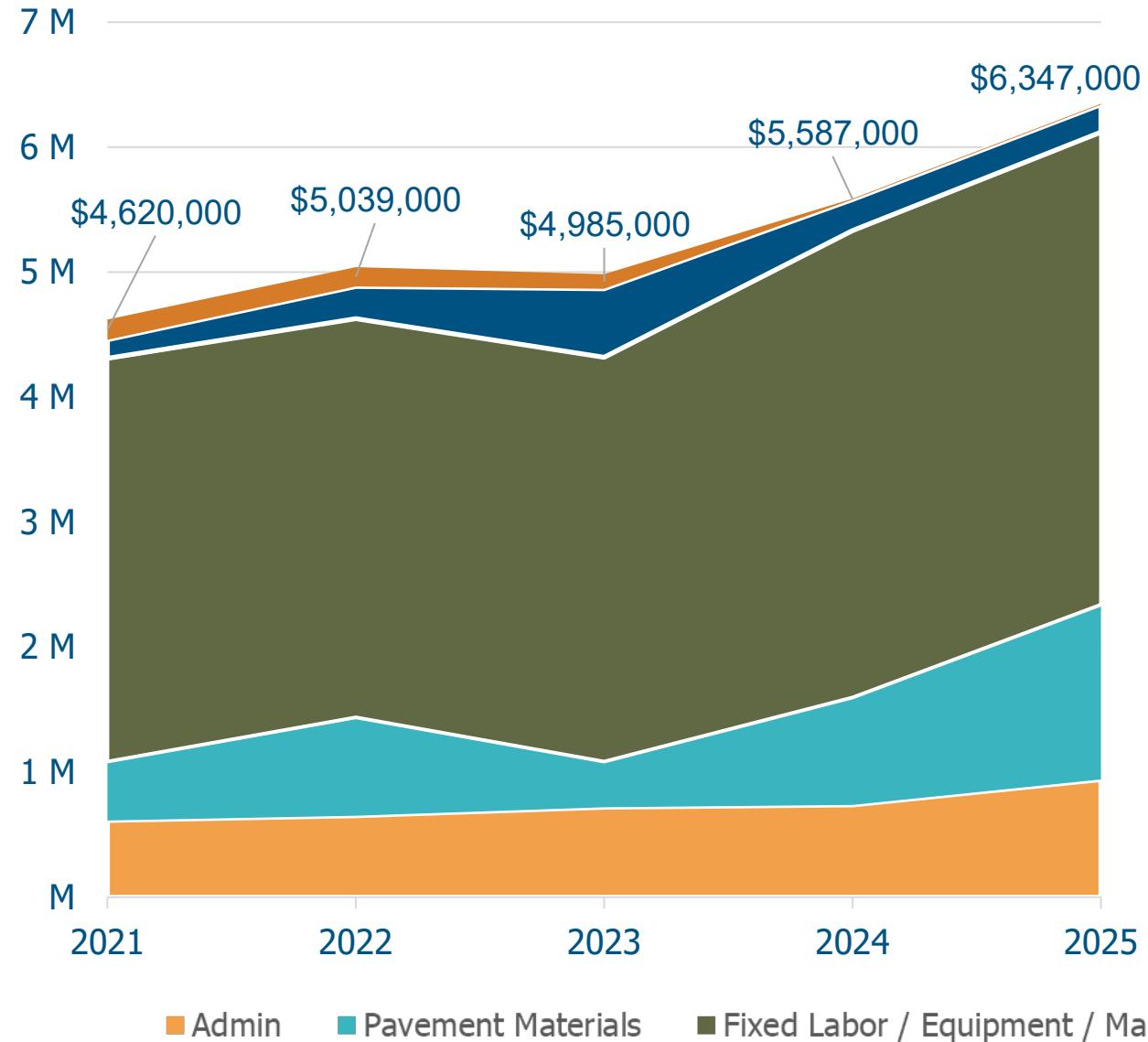


**Percent of Statewide B&C Funding**

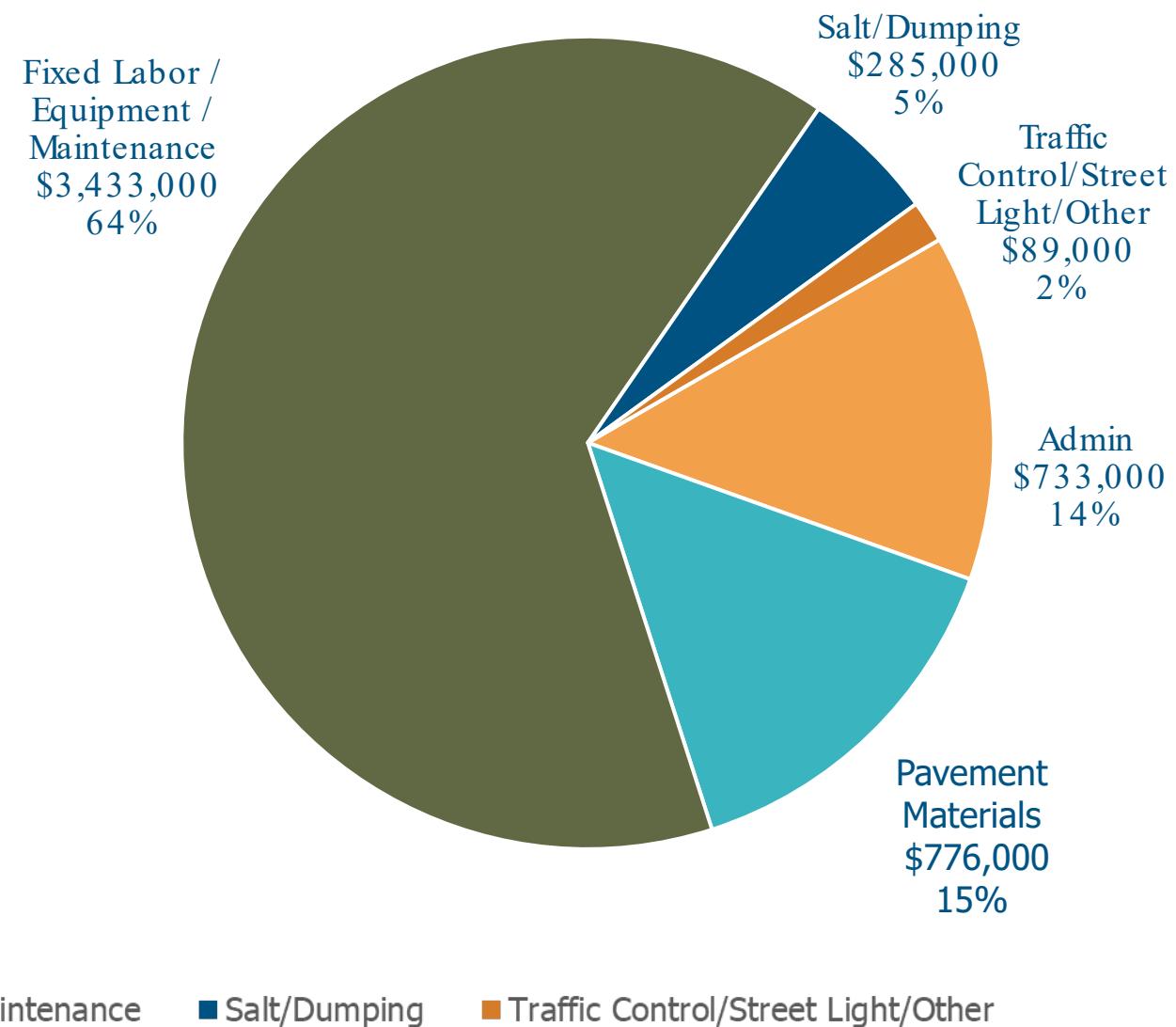


# RECENT 5 YEAR MAINTENANCE COSTS (COUNTY CONTRACT)

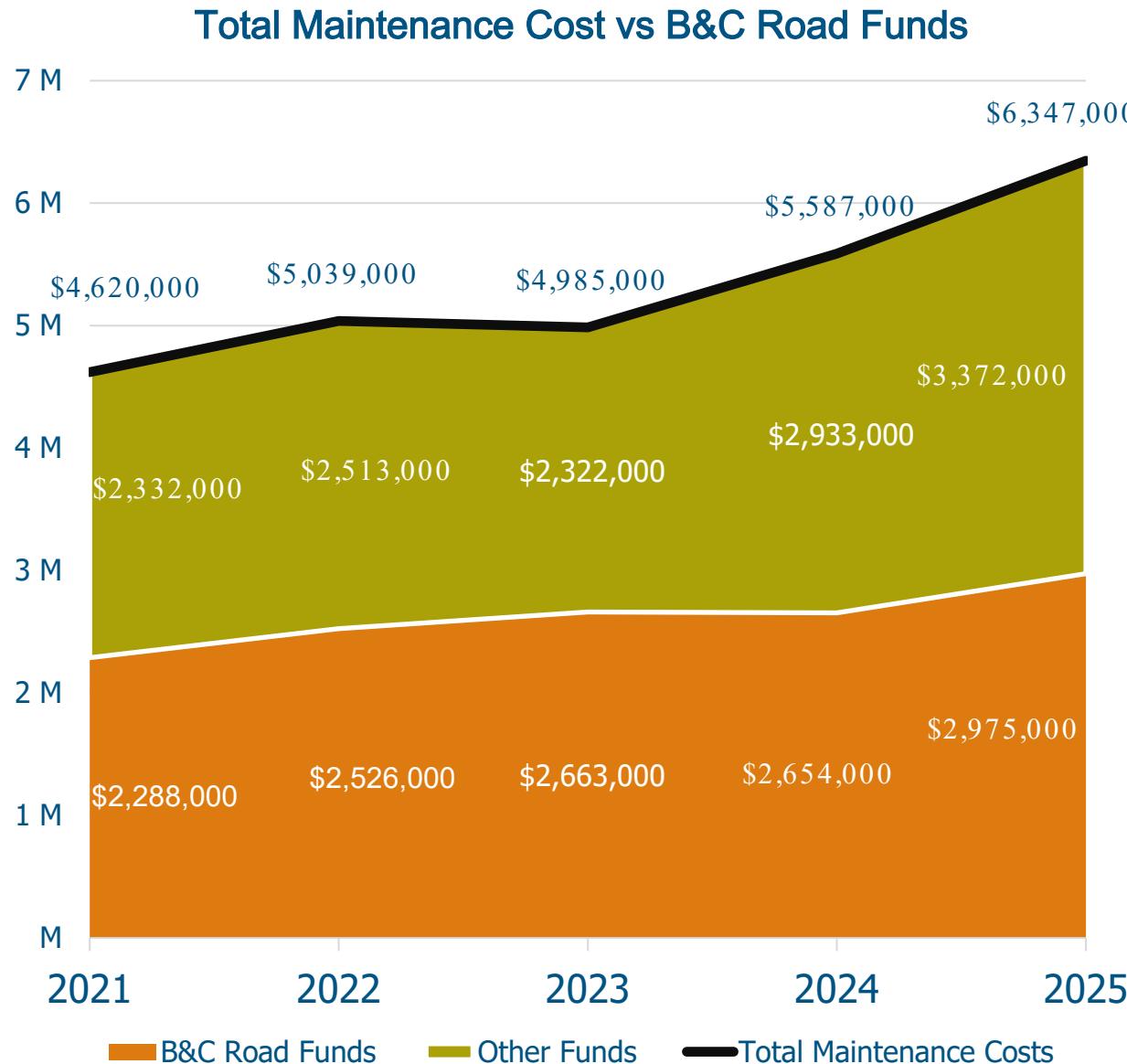
5 Yr Invoiced Amount by County to Millcreek



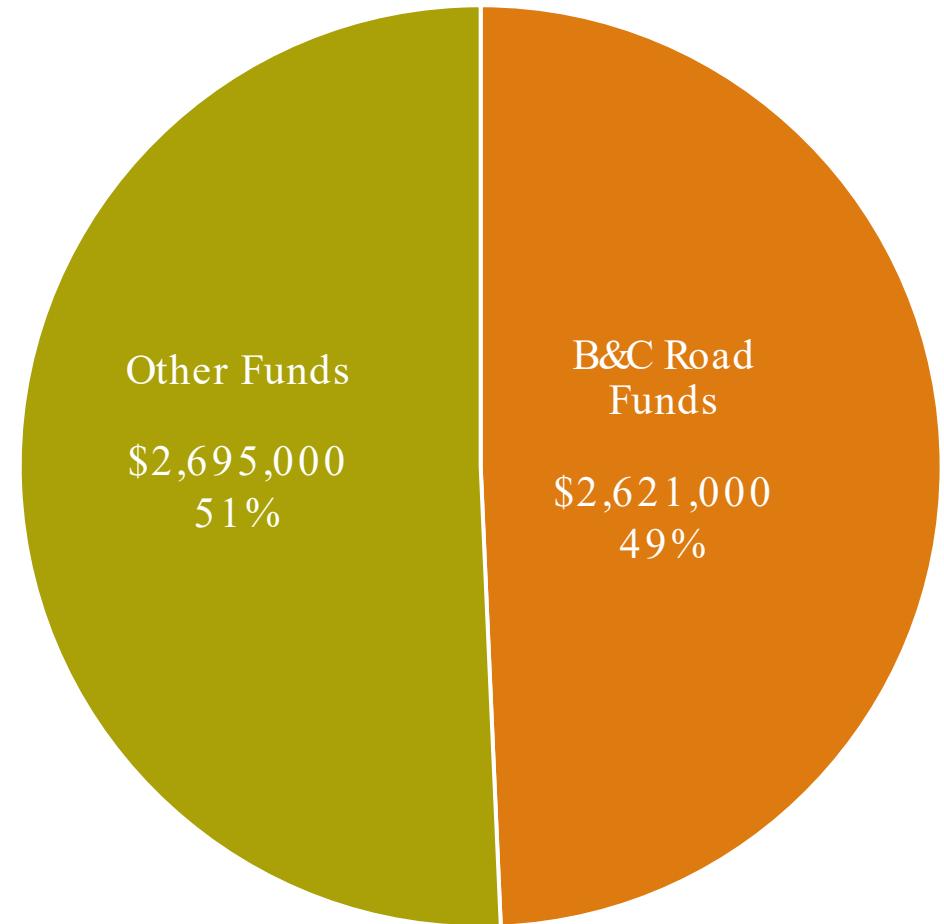
5 Yr Average 2021-2025 (\$5,316,000)



# AVERAGE MAINTENANCE COSTS VS. B&C FUNDS '21 - '25



### Maintenance Five Year Average (2021-2025) by Funding Source

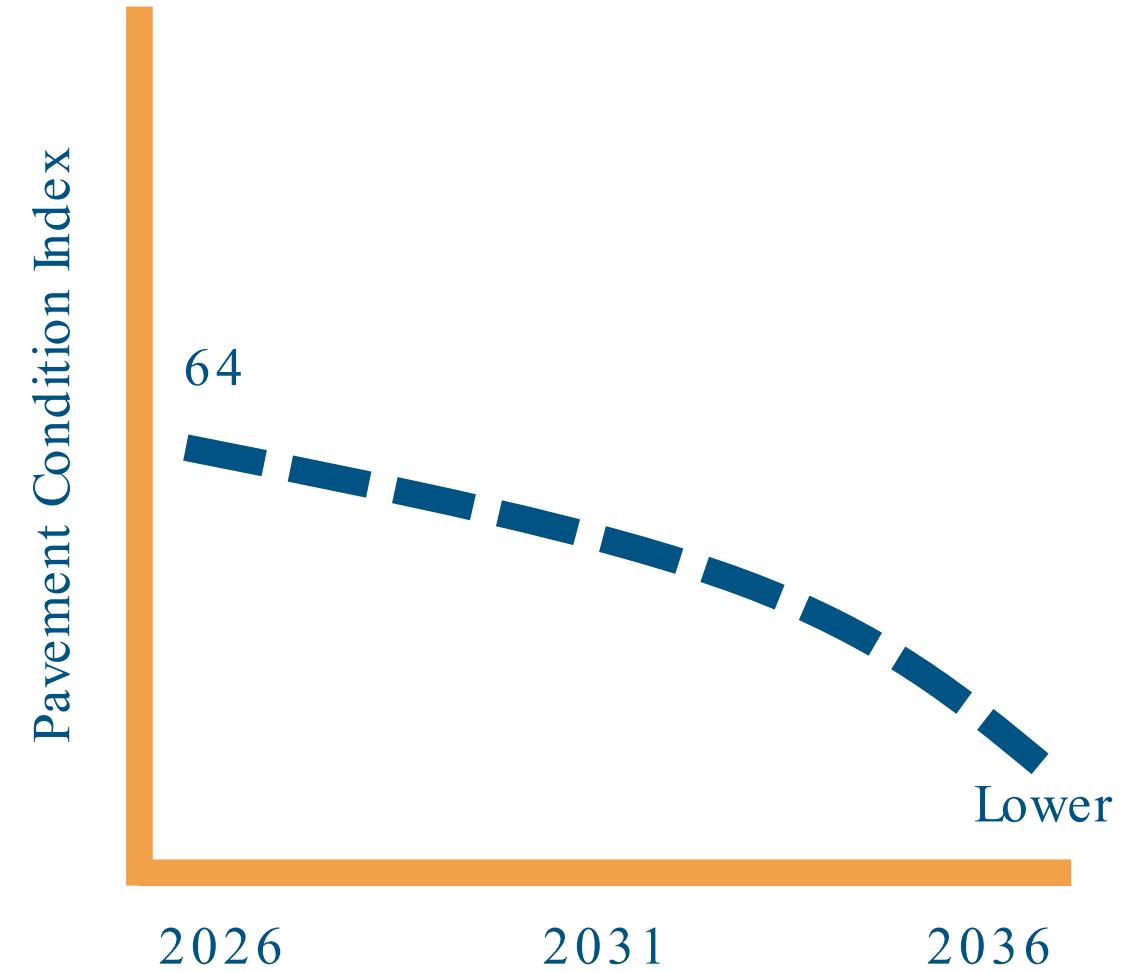


An aerial photograph of a complex urban intersection. The scene is filled with traffic on multiple lanes of roads. In the background, there are several large industrial or commercial buildings, including a prominent white building with a flat roof. A large parking lot is visible, with many cars parked. A 7-Eleven convenience store is located near the bottom center. The overall image has a blue-tinted, slightly overexposed look.

# Future Maintenance Costs & Potential Fee

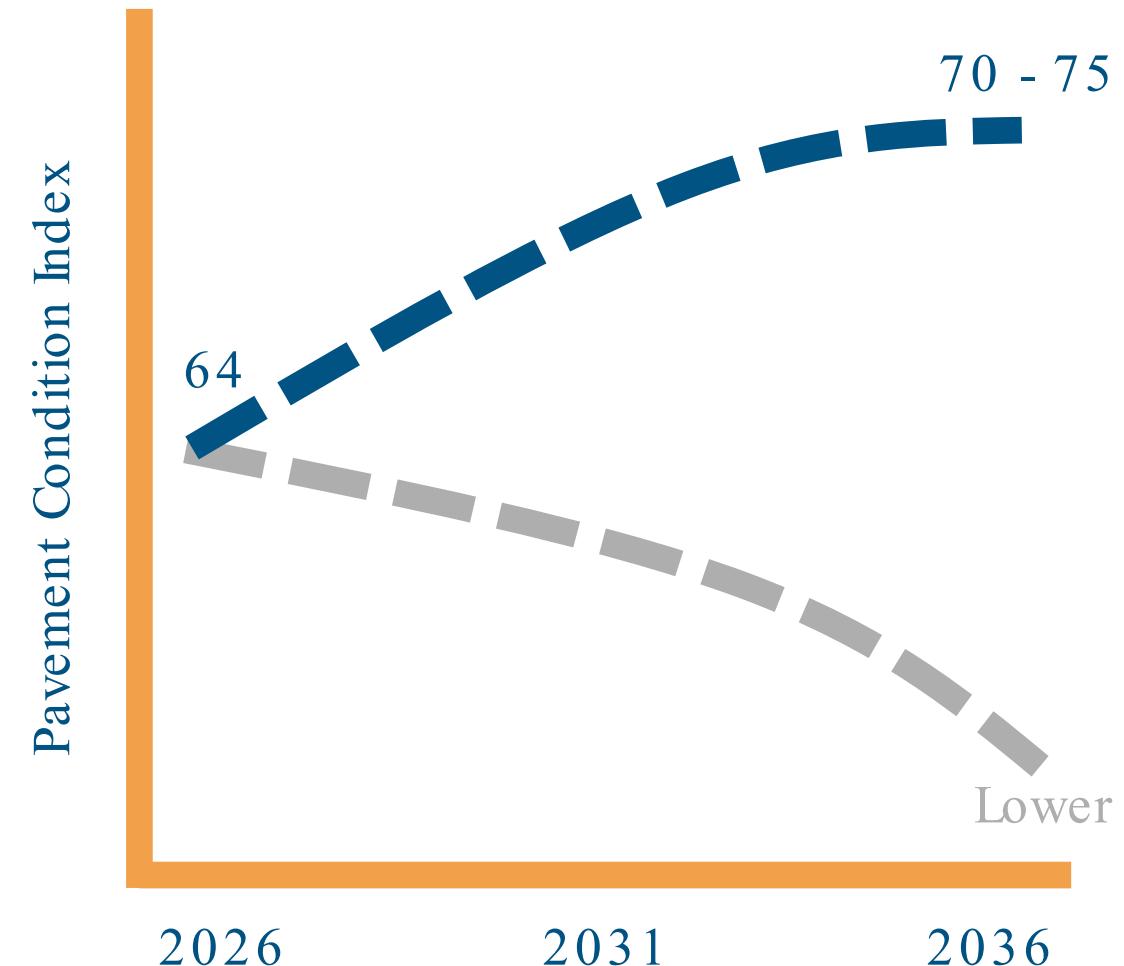
# OPTION 1: NO TUF / STATUS QUO

- Continue to contract with County
- Use 100% of B&C Road Funds
- Continue to use General Funds to supplement B&C Road Funds to pay County contract
- *No target PCI, road conditions will drop over time*



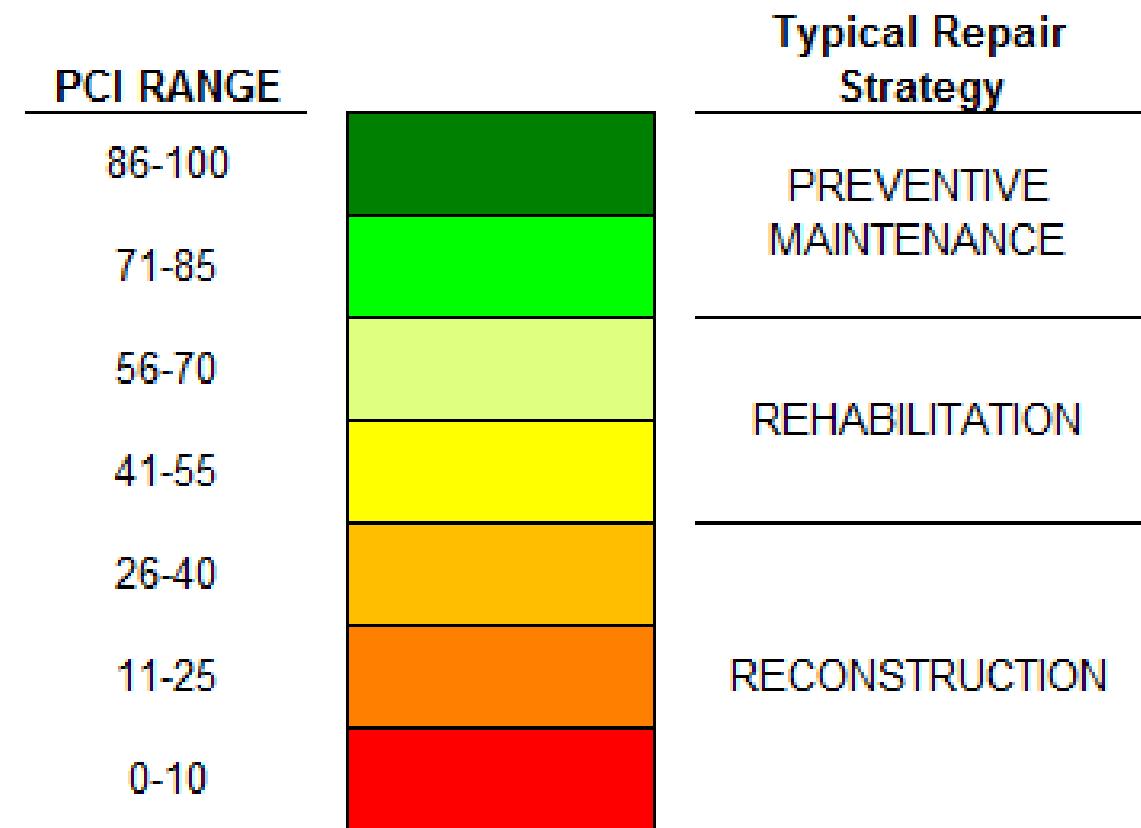
# OPTION 2: ADOPT TUF

- Follow 10-year maintenance plan to reach industry standard PCI
- Continue to contract with County, utilize contractors to provide supplemental maintenance
- Use 100% of B&C \$, remainder TUF \$, preserve General Funds
- *Road conditions will improve, delaying full reconstructions and saving \$ over time*



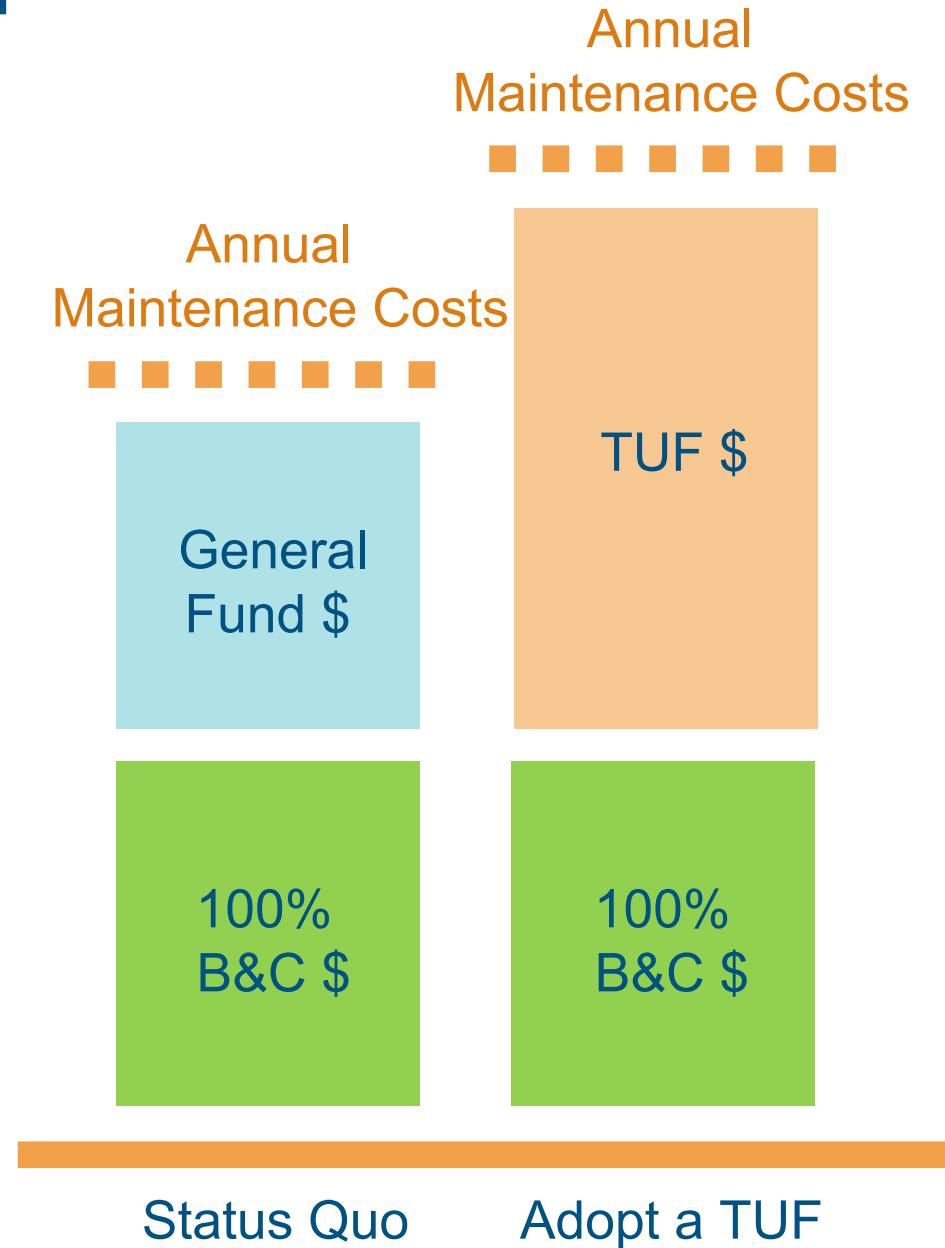
# Recommended Target Condition

- Target an average PCI of 70–75, which reflects a network that is generally in “Good” condition while still being financially achievable
- This target balances cost efficiency, as pavement preservation and rehabilitation costs rise sharply once PCI drops below 60
- A PCI in the low-to-mid 70s aligns with industry standards, other cities



# STATUS QUO vs ADOPT a TUF

- The TUF will pay for additional pavement maintenance and associated labor costs needed to increase road maintenance to industry standard
- This will be in addition to the current contract with the County
- Preserve General Funds for other priorities
- TUF develops a dedicated fund for road maintenance



# POTENTIAL FEE – THREE OPTIONS

## One Category Fee

Category	Address/Units	Monthly Fee
Residential / Commercial / Public (Per Unit)	29,408	\$ 11.80 - \$ 13.30

## Three Category Fee

Category	Address/Units	Monthly Fee
Residential	28,481	\$ 6.20 - \$ 7.00
Commercial	767	\$ 189.50 - \$ 213.30
Public Use	160	\$ 148.80 - \$ 167.40

## Multiple Category Fee Using Provo Utility Fee Structure

Category	Address/Units	Monthly Fee
Residential A - Single Family	18,568	\$ 7.40 - \$ 8.40
Residential B - Multifamily	9,913	\$ 4.00 - \$ 4.60
Commercial A (<100 Trip-Ends)	378	\$ 42.40 - \$ 47.70
Commercial B (100-199 Trip-Ends)	132	\$ 127.30 - \$ 143.20
Commercial C (200-599 Trip-Ends)	144	\$ 381.90 - \$ 429.70
Commercial D (600+ Trip-Ends)	113	\$ 509.10 - \$ 573.00
Public Use A (<300 Trip-Ends)	133	\$ 127.30 - \$ 143.20
Public Use B (≥300 Trip Ends)	27	\$ 254.60 - \$ 286.50

# RATE EXAMPLES FROM OTHER CITIES

City	Type	Residential Fee	Commercial Fee	Notes
Provo	Variable	\$2.52 to \$4.20	\$11.38 to \$269.93	Fee varies by trip generation rates, these are new rates for Sept 1st 2025
Fruit Heights	Fixed	\$7.50	\$7.50	Flat fee for all utility accounts
Vineyard	Variable	\$3.50	\$3.50 per ERU	ERUs based on land use and ITE trip generation manual
Pleasant View	Fixed	\$4.00	\$6 per commercial, \$8 per industrial	Flat fee for all utility accounts
Mapleton	Fixed	\$8.00	\$8.00	Flat fee for all utility accounts
Highland	Fixed	\$18.50	\$18.50	Flat fee for all utility accounts, through 2028 bond payoff
South Weber	Variable	\$15.00	\$15.00 per ERU	ERUs based on land use and ITE trip generation manual
South Ogden	Fixed for residential, tiered for commercial	\$5.52	\$6.31 to \$106.35	6 tiers for commercial, public category, mixed-use category
Pleasant Grove	Fixed for residential, tiered for commercial	\$6.76, \$5.41 abatement rate	\$33.02 Tier 1, \$188.84 Tier 2	Abatement or discount rate for residential
Farmington	Variable	\$3.60 per ERU	\$1.84 per ERU	ERUs based on land use and ITE trip generation manual

An aerial photograph of a city, likely Salt Lake City, Utah, showing a mix of residential and commercial areas. In the foreground, a train is stopped at a station. A major road cuts through the scene. In the background, a range of mountains is visible under a clear blue sky.

# Next Steps

# Next Steps

- Complete rate calculations
- Public involvement following work session (with Council input)
  - Stakeholder Focus Group Meetings
  - Risk Identification Workshop
  - Outreach campaign to inform and engage the public
- Target adoption meeting in March 2026



An aerial photograph of a cityscape with a range of mountains in the background. In the foreground, a train is stopped at a station, and a road with traffic is visible. A large, semi-transparent white text 'THANK YOU!' is centered in the upper portion of the image.

THANK YOU!

# COUNTY MAINTENANCE DETAILS

CONTRACT_BUDGET_VS_BILLED MILLCREEK 2022-2023									
Name	Line Num	Description	Contracted Amount	Involved Amount	To Be Involved	Over The Limit	Remaining Balance	Contract	
Millcreek	1	Salt/Dumping	\$ 188,873.00	547830.19	4453.74	\$ (363,410.93)	\$ (363,410.93)	MILLCREEK_22-23	
Millcreek	2	Street Light Construction	\$ -	0.00	0.00	\$ -	\$ -	MILLCREEK_22-23	
Millcreek	3	Traffic Control Materials	\$ 102,981.00	55650.16	4973.36	\$ -	\$ 42,357.48	MILLCREEK_22-23	
Millcreek	4	Overlay Materials	\$ 473,590.00	23891.35	157531.71	\$ -	\$ 292,166.94	MILLCREEK_22-23	
Millcreek	5	Chip Seal Materials	\$ 154,160.00	100512.85	0.00	\$ -	\$ 53,647.15	MILLCREEK_22-23	
Millcreek	6	Concrete Materials	\$ 100,000.00	8362.02	1305.41	\$ -	\$ 90,332.57	MILLCREEK_22-23	
Millcreek	7	Crack Seal Materials	\$ 44,148.00	21509.61	0.00	\$ -	\$ 22,638.39	MILLCREEK_22-23	
Millcreek	8	Patching Materials	\$ 33,000.00	63189.91	36863.68	\$ (67,053.59)	\$ (67,053.59)	MILLCREEK_22-23	
Millcreek	9	Slurry Seal	\$ 103,294.00	125651.34	0.00	\$ (22,357.34)	\$ (22,357.34)	MILLCREEK_22-23	
Millcreek	10	Other Subcontracted Services	\$ -	0.00	0.00	\$ -	\$ -	MILLCREEK_22-23	
Millcreek	11	Other Contracted Services	\$ -	0.00	0.00	\$ -	\$ -	MILLCREEK_22-23	
Millcreek	12	Other Contracted Services Mats	\$ 195,000.00	22475.33	252.31	\$ -	\$ 172,272.36	MILLCREEK_22-23	
Millcreek	13	Non Contracted Services	\$ -	62190.93	2280.14	\$ -	\$ (64,471.07)	MILLCREEK_22-23	
Millcreek	14	Fixed Labor	\$ 1,591,395.00	1591395.00	0.00	\$ -	\$ -	MILLCREEK_22-23	
Millcreek	15	Fixed Snow Plow	\$ 784,766.00	784766.00	0.00	\$ -	\$ -	MILLCREEK_22-23	
Millcreek	16	Fixed Shared Equipment	\$ 693,875.00	693875.00	0.00	\$ -	\$ -	MILLCREEK_22-23	
Millcreek	17	Fixed Street Light Maintenance	\$ 116,700.00	116700.00	0.00	\$ -	\$ -	MILLCREEK_22-23	
Millcreek	18	Fixed Traffic Signal PM	\$ 29,569.00	29569.00	0.00	\$ -	\$ -	MILLCREEK_22-23	
Millcreek	19	Fixed Traffic Signal Non PM	\$ 17,847.00	17847.00	0.00	\$ -	\$ -	MILLCREEK_22-23	
Millcreek	20	Admin	\$ 784,577.00	719195.62	0.00	\$ -	\$ 65,381.38	MILLCREEK_22-23	
			\$ 5,413,775.00	\$ 4,984,611.31	\$ 207,660.35	\$ (452,821.86)	\$ 221,503.34		

Remaining non fixed, contract balance as of 6/30/23

220,593.03