



# Transportation Utility Creation Analysis

## City of Wisconsin Rapids

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## Overview

- Brief Recap of Transportation Utility Overview
  - Study Results to Date
    - ✓ Budget scenarios
    - ✓ User rates and impact on sample customers
    - ✓ Comparison of Property Taxes to User Rates for sample customers
  - Next Steps
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## Transportation Utility Overview

Equates the municipality's transportation network to a utility like a water, sewer or stormwater utility

User rates collected to fund the operations of the transportation system including:

- Operations costs
- Capital

Generally based on TRIP Generation (measure of system usage)

Institute of Transportation Engineer's *TRIP Generation Manual*

What is a TRIP = any time a car enters or leaves a driveway

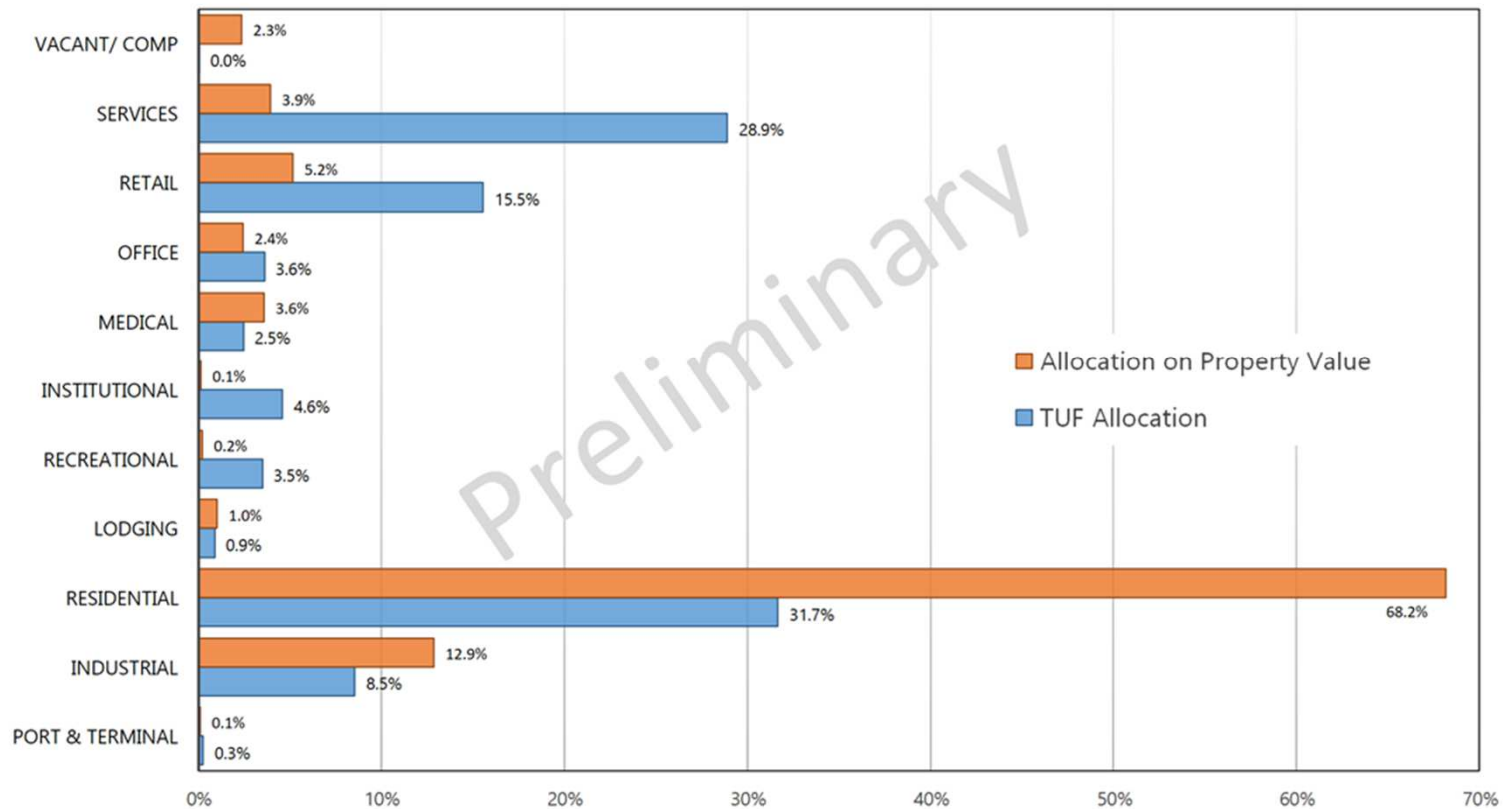
Different land use types have different TRIP generation rates

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# Why Consider a Transportation Utility - Fairness

Share of Transportation Costs by Land Use Category  
Property Value Allocation vs. TUF Allocation





# Transportation Utility Scenarios

|            | <b>Capital Projects Funded</b>  | <b>Capital Funding</b> | <b>Operations Funding</b> |
|------------|---|------------------------|---------------------------|
| Scenario 1 | Special Assessments   | Transportation Utility | Property Tax Levy         |
| Scenario 2 | Special Assessments, Current Service Level Street Reconstruction Projects | Transportation Utility | Transportation Utility    |
| Scenario 3 | Special Assessments, Desired Service Level Street Reconstruction Projects | Transportation Utility | Transportation Utility    |
| Scenario 4 | Special Assessments, Current Service Level Street Reconstruction Projects | Property Tax Levy      | Property Tax Levy         |
| Scenario 5 | Special Assessments, Desired Service Level Street Reconstruction Projects | Property Tax Levy      | Property Tax Levy         |

|            | <b>Revenue Requirement</b> | <b>Capital</b> | <b>Operations</b> |
|------------|----------------------------|----------------|-------------------|
| Scenario 1 | \$350,000                  | \$350,000      | \$0               |
| Scenario 2 | \$2,700,000                | \$1,700,000    | \$1,000,000       |
| Scenario 3 | \$5,300,000                | \$3,500,000    | \$1,800,000       |
| Scenario 4 | \$2,700,000                | \$1,700,000    | \$1,000,000       |
| Scenario 5 | \$5,500,000                | \$3,500,000    | \$1,800,000       |



## If No Transportation Utility is Created...

The road projects identified in the CIP will be funded via General Obligation Debt

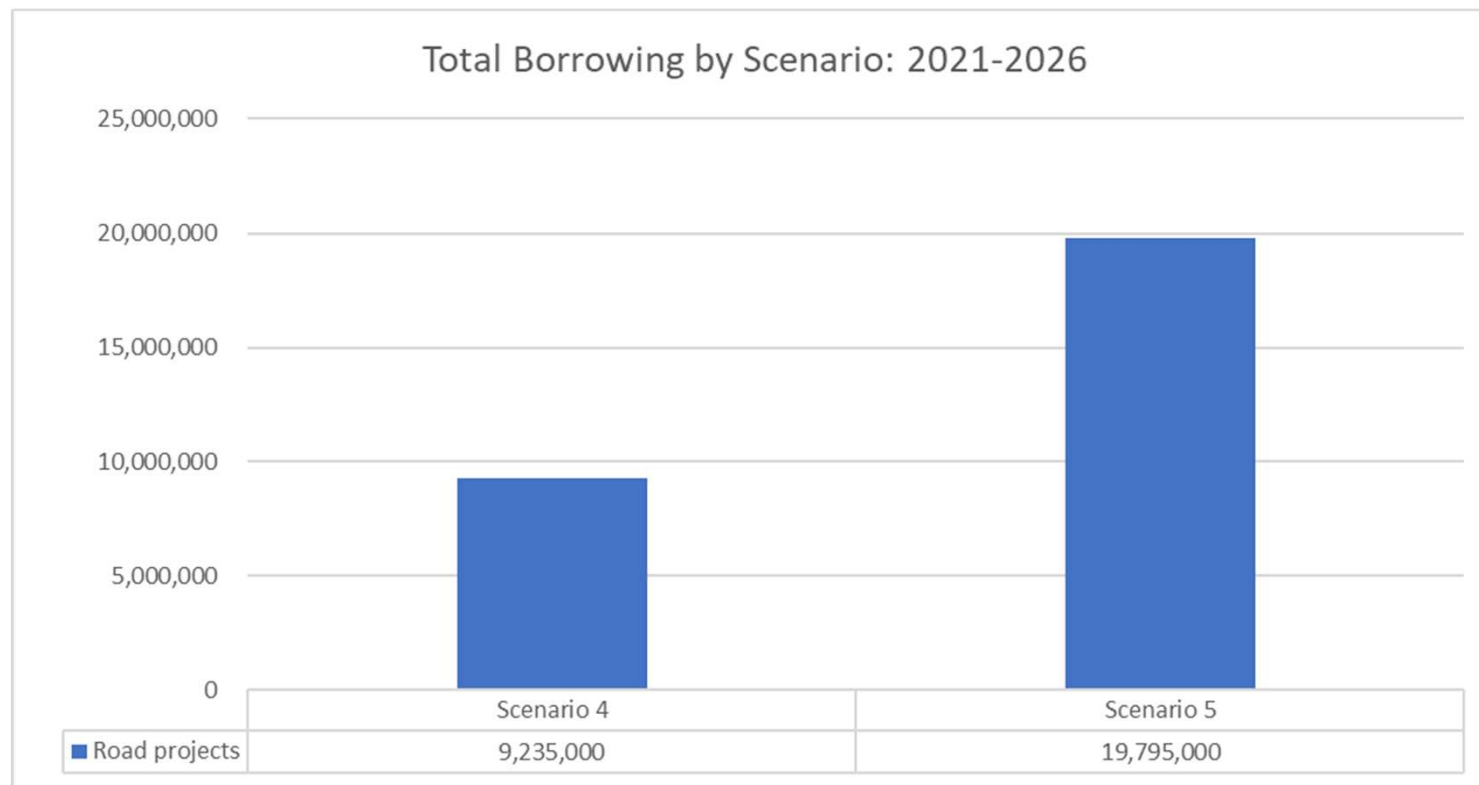
City may not be able to increase operations expenses for roads without an operations referendum or an in-kind reduction of expenses in another area of the City's budget

2 borrowing & street levy scenarios to illustrate this point:

- ✓ Scenario 4: No utility, City continues current service level (expenses)
  - ✓ Scenario 5: No utility, City increases service level (expenses)
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# 2022-2026 Transportation Borrowing Summarized by Scenario





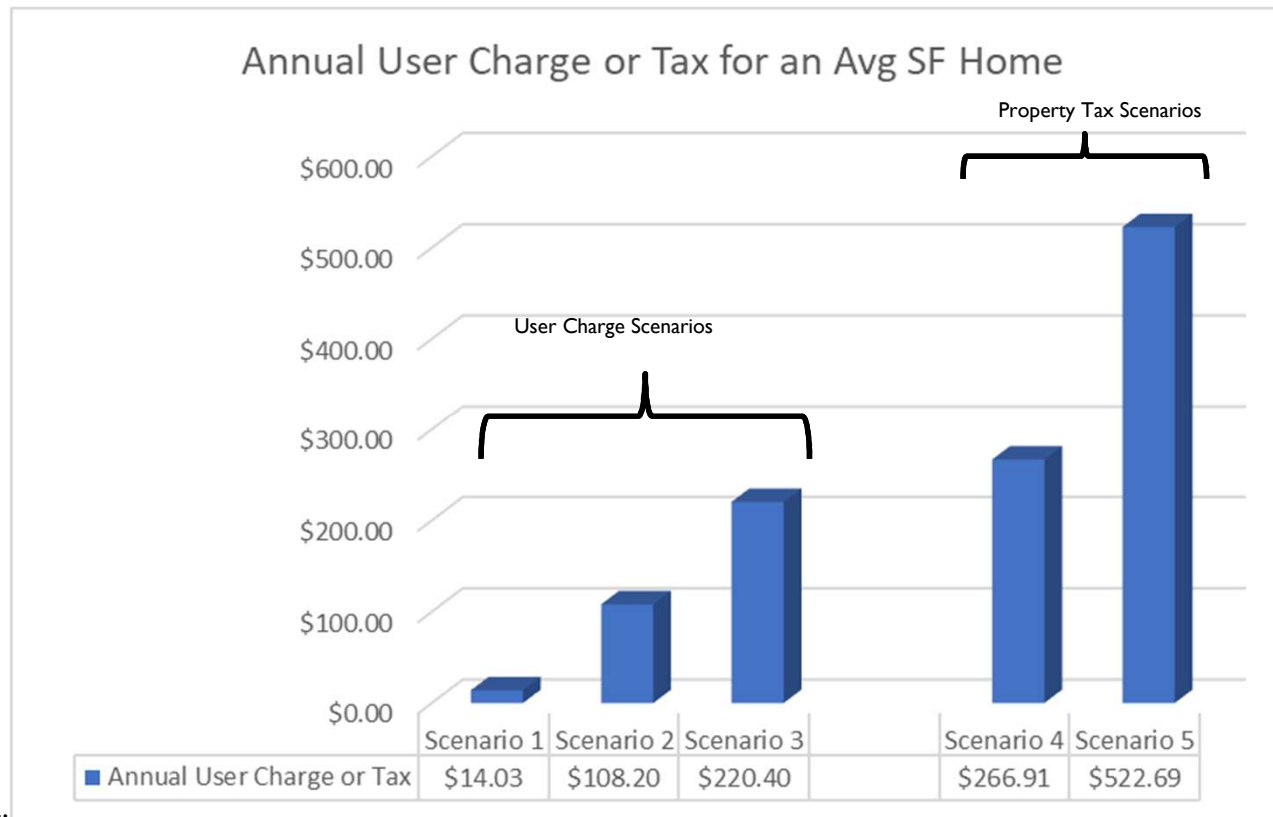
## Current User Rate Calculations by Scenario

| City of Wisconsin Rapids TUF Charges per Funding Level Scenarios | Scenario 1<br>Special Assessments | Scenario 2<br>Special Assessments & Current Service Level Reconstruction | Scenario 3<br>Special Assessments & Desired Service Level Reconstruction |
|--|-----------------------------------|--|--|
| <b>Calculation of Fixed Charge</b>                               |                                   |  |  |
| Costs Allocated to Fixed Charge                                  | \$36,428                          | \$281,018  | \$572,444  |
| Customers  | 7,400                             | 7,400  | 7,400  |
| Annual Fixed Charge  | \$4.92                            | \$37.98  | \$77.36  |
| <b>Calculation of Trip Charge</b>                                |                                   |  |  |
| Costs Allocated to Trip Charge                                   | \$327,855                         | \$2,529,164  | \$5,152,000  |
| Trips (Daily)  | 340,000                           | 340,000  | 340,000  |
| Cost per Trip (Annual)   | \$0.96                            | \$7.44   | \$15.15  |





# Draft Utility Charges OR Taxes for a Single-Family Home

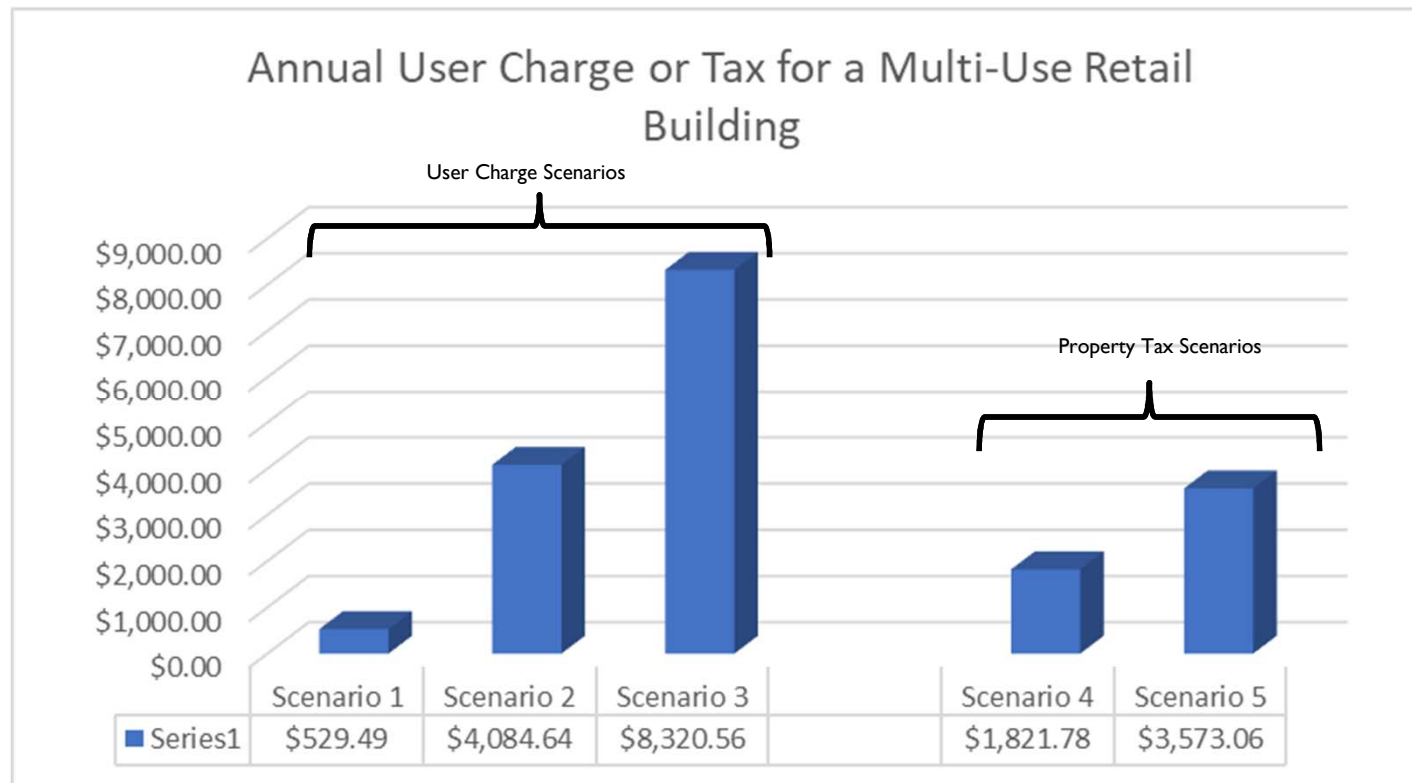


Notes:

I. Average Single-Family Home Value is assumed at \$150,000 of equalized value. The bar chart represents the maximum charge or tax over the 5-year planning period.



# Draft Utility Charges OR Taxes for a Multi-Use Retail Building

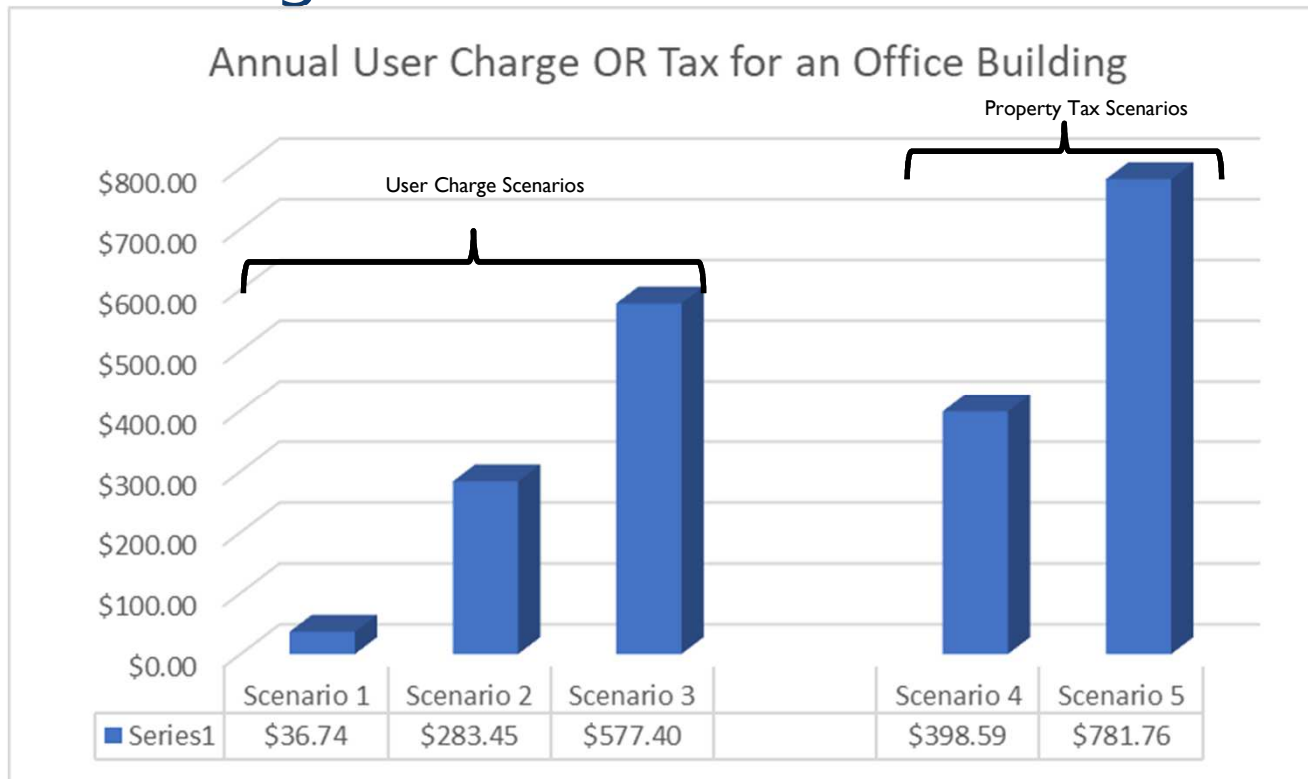


Notes:

- Multi-use retail facility assigned 544 trips with an estimated size of 11,025 sq. feet and an estimated equalized value \$1,023,000.



# Draft Utility Charges OR Taxes for Commercial Office Building

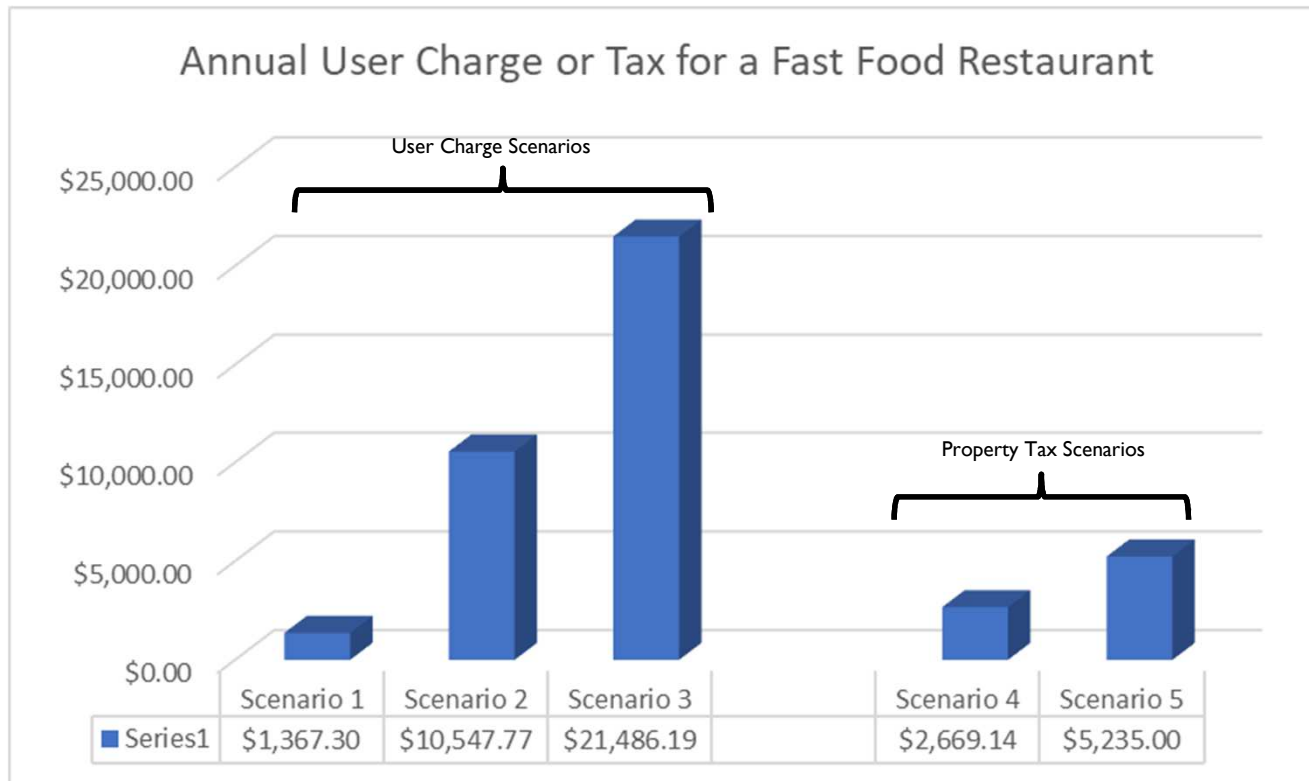


**Notes:**

I. Commercial office building is assumed to be 2,800 square feet and have an Equalized Value of \$224,000 of equalized value. The bar chart represents the maximum charge or tax over the 5-year planning period.



# Draft Utility Charges OR Taxes for a Fast-Food Restaurant with Drive Through

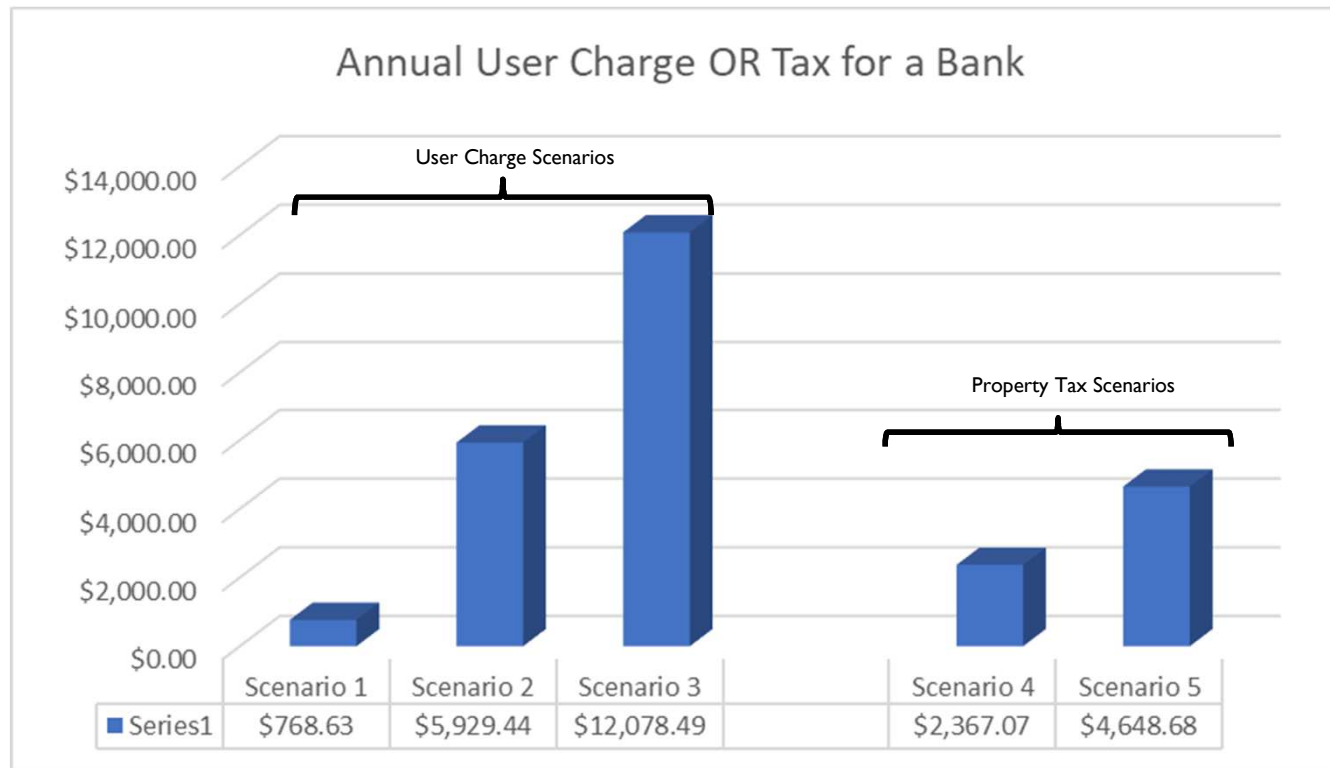


**Notes:**

1. Fast food restaurant is assumed to be 3,000 square feet with a drive through and have an Equalized Value of \$1,500,000 of equalized value. The bar chart represents the maximum charge or tax over the 5-year planning period.



# Draft Utility Charges OR Taxes for a Bank

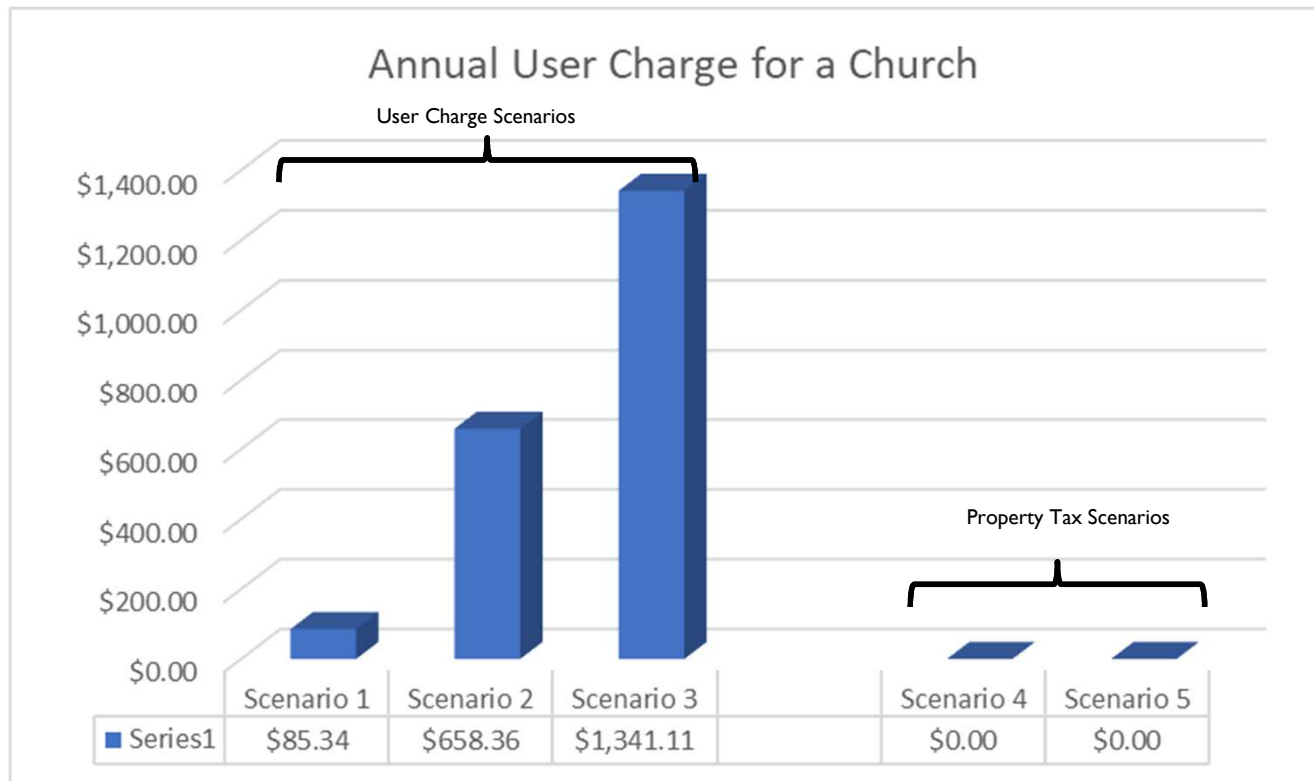


**Notes:**

- Based on a 18,000 sq. foot bank facility with an estimated equalized value of 1,332,000.



# Draft Utility Charges for a Church



Notes:

I. Church is assumed to be 12,000 square feet with no school. The property is tax-exempt.



## Next Steps

- Council feedback and identification of preferred scenario
  - Completion of written Transportation Utility Creation Study
  - Development of Transportation Utility Ordinance & any applicable policies and procedures
  - Refinement of utility billing database and incorporation of database into utility billing system
  - Further community outreach
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