



**MEMORANDUM**

TO: AVENUE CONSULTANTS  
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FROM: INFRASTRUCTURE RESEARCH, LLC  
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DATE: December 31, 2025

SUBJECT: Cost Estimates to Support Millcreek Transportation Utility Fee Calculation

This memorandum provides cost estimates to support an initial Millcreek transportation utility fee (TUF) calculation. The cost estimates are based on prices for pavement maintenance and snow removal provided by Millcreek personnel, a discount rate of 2.3 percent (corresponding to the 30-year real discount rate published by the Office of Management and Budget in 2024), an assumed baseline pavement deterioration curve, assumed pavement life extensions for specific treatments based on the pavement condition at the time of treatment application, an analysis period of 60 years to include at least two pavement performance periods, and consideration of pavement grades below and above 6 percent for collectors and local roads.

Although Millcreek personnel originally requested evaluations of costs for maintaining average network pavement condition indices (PCIs) of 65 (similar to the reported current average network PCI), 70, and 75, initial analyses indicated that lower costs would be achieved by maintaining an average network PCI of 70 rather than 65 (pavements in better condition are eligible for more cost-efficient treatments). Values of 70 and 75 were therefore evaluated as shown in Table 1. Escalators (to account for potential increases in the price of asphalt over time, for example) are not included in these cost estimates.

Table 1. Estimates of Annual Costs for Pavement Maintenance

Target Average PCI Value	Grade	Street Class	Estimated Pavement Surface Area (SF)	Estimated Annual Cost (\$/SF)	Estimated Annual Total Cost (\$)	Estimated Annual Grand Total Cost (\$)
70	<6%	Collector	4,875,732	\$ 0.17	\$ 828,874	\$ 4,164,761
		Local	17,991,270	\$ 0.15	\$ 2,698,691	
	≥6%	Collector	513,927	\$ 0.25	\$ 128,482	
		Local	2,422,449	\$ 0.21	\$ 508,714	
75	<6%	Collector	4,875,732	\$ 0.18	\$ 877,632	\$ 4,687,069
		Local	17,991,270	\$ 0.16	\$ 2,878,603	
	≥6%	Collector	513,927	\$ 0.35	\$ 179,874	
		Local	2,422,449	\$ 0.31	\$ 750,959	

The estimated cost of snow removal is presented in Table 2. This cost may vary by year depending on the amount of snowfall that occurs.

Table 2. Estimates of Annual Costs for Snow Removal

Estimated Pavement Surface Area (SF)	Estimated Annual Cost (\$/SF)	Estimated Annual Total Cost (\$)
25,803,378	\$ 0.08	\$ 2,064,270

Based on the average PCI value of 64 reported for Millcreek in 2025, a maintenance backlog exists. Indeed, achieving a target average network PCI value of 70 or 75 would require the equivalent of reconstructing 16.7 percent or 30.6 percent, respectively, of the pavement network. However, as highlighted by earlier analyses performed by Avenue Consultants, the reported average PCI value may not be reliable. Furthermore, the prices for pavement maintenance provided by Millcreek personnel appear to be conservative, suggesting that less funding than that listed in Table 1 may actually be required. Finally, the estimated costs associated with pavement maintenance and snow removal may already require a maximum tolerable TUF. For these reasons, use of the cost estimates provided in Tables 1 and 2 is recommended to support an initial Millcreek TUF calculation.