

**IMPACT STATEMENT**

**Legislation title:** Refer a measure to City voters for the May 19, 2020 election authorizing the extension of a program dedicated to street repair and traffic safety through a temporary, 10 cents per gallon tax on motor vehicle fuels in Portland for vehicles not subject to weight-mile tax and amend City Code 17.105 (Resolution)

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**Purpose of proposed legislation and background information:**

Portland streets are one of our most valuable public assets. Due to lack of funding, the City is behind in addressing the maintenance needs of many of our streets and the condition of our streets continues to decline, leading to more costly future maintenance costs. Additionally, we lack funding to complete many critical traffic safety improvements to help take care of Portlanders, providing safe routes to students to walk to school and seniors to access transit.

Traditional sources of transportation funding are not able to provide the level of revenue needed to adequately address street repair and traffic safety needs and there is widespread recognition that local governments must develop new or additional mechanisms to supplement existing transportation funds.

This legislation will ask voters to amend the City of Portland Code, Title 17 by amending Chapter 17.105, included as Exhibit A.1 to provide for the four-year continuation of a program dedicated to street repair and traffic safety through a temporary, 10 cent per gallon tax on motor vehicle fuels in Portland for vehicles not subject to weight-mile tax.

**Financial and budgetary impacts:**

Change in current and future revenues - If passed in the May 19, 2020 ballot, this Legislation will generate approximately \$18.5 million gross revenue annually, beginning January 1, 2021. The revenue will be raised by a temporary, 10 cent per gallon tax on motor fuels sold in Portland for vehicles not subject to the weight-mile tax. The measure continues a program dedicated to street repair and traffic safety that will be funded by the temporary tax. This program will also be temporary and will sunset 4 years after the tax implementation date established by the Tax Administrator.

FY 20-21 Budget Impacts - This legislation will generate revenue in FY 20-21 based off \$18.5 million gross revenues annually, prorated based on implementation date. Administering the gas tax collections it is estimated to cost approximately 1% of gross revenues annually, starting in FY 20-21, prorated based on program implementation date. These estimates are medium confidence.

Change in expenses - This legislation will authorize additional spending on both new and existing projects. New safety and capital maintenance projects will be funded and will provide new capacity for ongoing maintenance work.

Current and future staffing levels - This legislation will renew funding for capital projects, which are supported by a mixture of internal and external resources. Impacts to staffing are dependent on total workload in the bureau's capital improvement program. These estimates are medium confidence.

Long-term financial impacts for the City – There will be positive financial impacts for the City by performing earlier preventive maintenance, thereby avoiding more costly future repair costs. There will be a significant increase in the City's ability to address long-standing safety needs that will reduce fatalities and injuries.

Financial Agreements – This legislation will result in new contracts. The majority of work will be contracted out. This will give the Portland Bureau of Transportation (PBOT) the opportunity to meet equity contracting goals. PBOT will be partnering with a local or state agency to administer the collections of the program.

#### **Community impacts and community involvement:**

In developing the original 2016-2020 Fixing Our Streets program, the City did extensive public outreach on potential funding options and projects that would be funded with additional revenue. Eleven public Town Hall meetings were conducted across the City, including one geared towards small businesses. Two Citywide scientific telephone surveys were conducted in English. Those surveys were translated into five languages and put online: Chinese, Somali, Vietnamese, Spanish, and Russian.

To ensure that we were increasing our understanding of specific transportation needs of Portland communities that are often missed in traditional outreach, PBOT contracted with the Office of Equity and Human Rights to work with the Community Engagement Liaisons (CEL).

In addition to public meetings, survey work, and targeted outreach, the City formed a 26-person Transportation Needs and Funding Advisory Committee to develop potential revenues and expenditures. This group was useful in identifying funding priorities and other critical elements of a successful program.

After reaching an impasse on moving forward with the Street Fee proposal. The City received additional feedback from Portland's City Club recommending that City move forward with a City Gas Tax. In developing the initial City Gas Tax proposal, City staff reviewed this temporary gas tax proposal with NWNW, NECN, SE Uplift, EPNO, SWNI, CNN, Portland's Bureau Advisory Committee, Freight, Bike, Pedestrian modal committees, Venture Portland, and Portland Business Alliance.

The proposal to extend the 10 cent local gas tax builds off of recent, extensive public outreach. Since the adoption of the initial Fixing Our Streets program, the Portland City Council has approved an updated Pedestrian Master Plan (PedPDX), a Vision Zero Safety Strategy, and a Safe Routes to School strategy. Each of these plans included extensive public outreach. The draft revenue allocation was reviewed with over 20 organizations – including our Pedestrian, Bicycle, and Freight Advisory committees, Fixing Our Streets Oversight Committee, and Bureau Budget Advisory Committee.

This proposal benefits all of Portland by repairing streets and making safety improvements that will reduce fatalities and serious injuries. These projects were designed to reduce crashes and fatalities, make it easier to cross streets to access transit, and improve safe access to parks and schools.

In addition to providing citywide benefits, this project prioritizes funding on East Portland streets with the highest concentration of crashes and high levels of diversity.

Recent outreach indicates a growing consensus of support for the funding priorities identified in the project list from numerous safety, neighborhood, and business groups.

**Budgetary Impact Worksheet**

**Does this action change appropriations?**

- YES:** Please complete the information below.
- NO:** Skip this section

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount