

IMPACT STATEMENT

Legislation title: Refer a measure to City voters for the May 17, 2016 election authorizing the creation of a program dedicated to street repair and traffic safety through a temporary, ten-cents per gallon tax on motor vehicle fuels in Portland for vehicles not subject to weight-mile tax and create City Code 17.105. (Resolution)

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Presenter name: Mark Lear

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 consider amending the City of Portland Code, Title 17 by ordinance, by adding Chapter 17.105, included as Exhibit A.1 to provide for the creation of a program dedicated to street repair and traffic safety through a temporary, ten-cents 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 17, 2016 ballot, this Legislation will generate approximately \$16 million gross revenue annually, beginning no earlier than September, 2016. The revenue will be raised by a temporary, ten-cents per gallon tax on motor fuels sold in Portland for vehicles not subject to the weight-mile tax. The measure also creates 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 16-17 Budget Impacts - This legislation will generate revenue in FY 16-17 based off \$16 million gross revenues annually, prorated based on implementation date. Administering the gas tax collections it is estimated to cost approximately 3% of gross revenues annually, starting in FY 16-17, 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 create approximately 7-8 full-time equivalent (FTE) positions for supporting maintenance work and approximately 3-4 FTE for project management. 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 the first phase of this proposal, 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 Liasons (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. Over the last few months, 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.

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 prioritize funding on East Portland streets with the highest concentration of crashes and high levels of diversity. The City used existing plans, like East Portland in Motion and numerous traffic safety reports, to ensure that we prioritize critical safety projects

Recent outreach indicates a growing consensus of support for the funding priorities identified in the project list from numerous safety, neighborhood, and business groups. The City has received conditional letters of support from the City Club and Portland Business Alliance. Business leaders continue to prioritize continued allocation surplus General Fund revenue to transportation. Some equity groups are concerned with the regressive nature of a gas tax, but support the progressive project list.

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

KK 1-15-16

January 26, 2016

To: City Council

From: Mark Lear, Portland Bureau of Transportation

Re: Amendments to Council Documents for January 27th Motor Vehicle Fuel Resolution:

Refer a measure to City voters for the May 17, 2016 election authorizing the creation of a program dedicated to street repair and traffic safety through a temporary, ten cents per gallon tax on motor vehicle fuels in Portland for vehicles not subject to weight-mile tax, and create City Code 17.105 (Resolution)

This memo details several amendments proposed to the language in some of the documents that were filed as part of the Motor Vehicle Fuel resolution that will be heard by City Council on January 27. The purpose of this memo is to describe these proposed amendments.

Proposed Amendments to Submitted Documents

1. Resolution

Language has been added in two places in the resolution to specify that the percentage of street repair expenditures and safety project expenditures will not change.

Current language

Whereas, if revenue amounts differ from projections, the ratio of street repair to safety projects will remain the same; (page 2)

Proposed change

Whereas, if revenue or expenditure amounts differ from projections, the ratio of street repair to safety projects will remain the same (56% street repair to 44% safety projects); (page 2)

Current language

BE IT FURTHER RESOLVED, the funds collected from the motor vehicle fuels tax, which are estimated to be \$64 million over four years, shall be used for the purposes of Street Repair and Traffic Safety. The projects to be completed with the funds are identified in the project list (Exhibit D) and any changes to this list will be reviewed by the Citizen Oversight Committee. If revenue amounts differ from projections, the ratio of street repair to safety projects will remain the same; (page 3)

Proposed change

BE IT FURTHER RESOLVED, the funds collected from the motor vehicle fuels tax, which are estimated to be \$64 million over four years, shall be used for the purposes of Street Repair and Traffic Safety. The projects to be completed with the funds are

identified in the project list (Exhibit D) and any changes to this list will be reviewed by the Citizen Oversight Committee. If revenue or expenditure amounts differ from projections, the ratio of street repair to safety projects will remain the same (56% street repair to 44% safety projects);

2. Exhibit A.1 – City of Portland Code Chapter 17.105

To be consistent with how the Oregon Department of Transportation administers the State level program, a new section, 17.105.106 Refunds has been added to Code Chapter 17.105.

Proposed change (addition)

17.105.106 Refunds.

Refunds on the Motor Vehicle Fuel Tax will be made pursuant to any refund provisions of Chapter 319 of the Oregon Revised Statutes, including but not limited to ORS 319.280, 319.320, and 319.831. Claim forms for refunds may be obtained from the Tax Administrator's office.

3. Exhibit C – Explanatory Statement

Language has been added to the Explanatory Statement to specify that the percentage of street repair expenditures and safety project expenditures will not change.

Current language

If revenue amounts differ from projections, the ratio of street repair to safety projects will remain the same.

Proposed change

If revenue or expenditure amounts differ from projections, the ratio of street repair to safety projects will remain the same (56% street repair to 44% safety projects).

4. Exhibit D – Project list

On page eight of the Project List, a footnote was unintentionally omitted. This footnote has now been added back. It explains that the neighborhood greenway funding amounts assume that PBOT will also receive additional grant funds for some of the projects.

Current language

Neighborhood Greenways**

4M (SE Mill, Market, Main, Millmain) Greenway	\$	551,724
NE Holladay Oregon & Pacific (HOP) Gateway TC to 132nd	\$	551,724
NE 7th/9th from Lloyd to Woodlawn Neighborhood	\$	551,724
Montavilla to Springwater Connector	\$	551,724
SW/NW 20th Avenue from Raleigh to Jefferson	\$	199,724
Subtotal	\$	2,406,621

Proposed change

Neighborhood Greenways**

4M (SE Mill, Market, Main, Millmain) Greenway	\$	551,724
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Subtotal	\$	2,406,621

** Neighborhood Greenway funding assumes that the City will receive external grant funding for a portion of these projects.

5. Exhibit E Oversight Committee

A new section has been added to the Oversight Committee document to provide detail about how members will be appointed.

Proposed change (addition)

Appointments to the Committee

Committee appointments will be made by the Commissioner-in-Charge of Transportation in collaboration with City Council. Each Commissioner will select at least one member of the Committee. Commissioners with the following Bureau/Liaison responsibilities will choose the following Oversight Committee Members:

Bureau/Liaison: Neighborhoods
Committee Member: Outer East Portland

Bureau/Liaison: Office of Equity & Human Rights
Committee Member: Non-profit focus on low-income/equity

Bureau/Liaison: Venture Portland
Committee Member: Business Rep: 1 – 50 employees

Bureau/Liaison: Bureau of Development Services

Committee Member: one transportation expert with a focus on construction and/or paving

If Bureau assignments change so that each Commissioner no longer selects one Committee Member, the assignments will be adjusted to re-balance and ensure all Commissioners select one Committee Member.