

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

Policy Session Worksheet

Presentation Date: June 28, 2016 **Approx Start Time:** 10:30 a.m. **Approx Length:** 1 hour

Presentation Title: Road Maintenance Funding Measure for Nov. 8, 2016 Election

Department: Public & Government Affairs; Transportation & Development

Presenters: Gary Schmidt, Director, PGA; Barbara Cartmill, Director, DTD

Other Invitees: Chris Storey, County Counsel; Amy Kyle, Tim Heider, Ellen Rogalin, PGA; Mike Bezner, Randy Harmon, Diedre Landon, Warren Gadberry, Grant Williams, Joe Marek, DTD

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

Staff is seeking direction on the content of a measure to place on the Nov. 8, 2016 general election ballot related to funding road maintenance and safety.

EXECUTIVE SUMMARY:

On May 17, 2016, more than 68% of Clackamas County voters answered “yes” to the following advisory ballot question: *Shall the county pursue voter-approved funding for a limited number of years, for deferred road maintenance?*

On June 9, the county hosted a City/County Summit on Transportation for city leaders to hear about and offer feedback to the Board of County Commissioners on the County’s possible pursuit of a transportation funding package in November 2016. That discussion included information about the amount of revenue that would be available through a countywide, 7-year \$25/vehicle/vehicle registration fee (VRF) or 6-cent/gallon gas tax (Attachment A).

After extensive discussion, the final recommendation by the cities (subject to ratification by their respective councils) was for the county to pursue an 8-cent gas tax. The city representatives also generally commented that the county could expect support by the cities if the BCC took action to ensure a split of the revenue between the cities and the County. Everyone also agreed that the measure should include a seven-year sunset, and that any education campaign include formalized information about the projects the county and cities would seek to address if the ballot measure passes.

With the recommendation from the cities, staff has prepared information on the revenue that would be available to the county and cities with an 8-cent/gallon, 7-year gas tax, if the revenue was split with 60% going to the county and 40% going the cities (Attachment B).

The additional 2 cents per gallon would result in additional revenue. Attachment C shows how the county would spend the revenue with a \$25/vehicle/year VRF or 6-cent gas tax; if the Board approves a measure that would bring in additional revenue, staff will return with a specific recommendation on how to spend those additional funds.

On June 21, county staff met with the Committee for Citizen Involvement (CCI) and Community Planning Organization (CPO), Hamlet and Village leaders to review the

information shared with the cities, and the results of that meeting, and gather additional feedback. Participants at the meeting were well aware of our road issues and our outreach efforts. They had a variety of views about what action the county should take, with a slight preponderance of people favoring a gas tax, and others favoring either the \$25 VRF or suggesting that the BCC take action without a vote. A summary of comments is included in Appendix D.

While there is talk about a transportation funding package being considered by the state legislature in 2017, even if successful that does not and would not negate the increasing need for the county to have a reliable, ongoing source of funds for road maintenance.

If the Board approves moving forward with a road funding ballot measure for November 2016, staff will proceed to reach out to the cities to coordinate education and outreach with the public, community groups and business groups.

FINANCIAL IMPLICATIONS (current year and ongoing):

Is this item in your current budget? YES X NO

STRATEGIC PLAN ALIGNMENT:

• **How does this item align with your Department's Strategic Business Plan goals?**

- I. PGA: By 2019, the \$17 million road maintenance funding gap will be addressed.
- II. DTD: Travelers on Clackamas County roads will experience safe roads in good condition, as evidenced by:
 - ▶ By 2019, no more than 20 miles of County roads will deteriorate from 'good' to 'fair' or 'poor' per year
 - ▶ By 2019, no more than 70% of local County roads (658 total miles) will be rated 'fair to poor'
 - ▶ By 2019, 120 additional miles of County roads will be improved to 'good to excellent' status, a 9% increase over 2014
 - ▶ By 2019, the three-year average number of serious injuries and fatalities on roads in Clackamas County will be reduced from 133 to 113

• **How does this item align with the County's Performance Clackamas goals?**

- Build a Strong Infrastructure: By 2019, 120 additional miles of county roads will be improved to 'good to excellent' status, a 9% increase from 2014.
- Build Public Trust Through Good Government: By 2020, Clackamas County will achieve the Strategic Results in the Strategic Plan.

LEGAL/POLICY REQUIREMENTS:

Ballot Measure Requirements:

- The question must include three components:
 - A ballot title – the caption that describes the subject (up to 10 words)
 - The question (up to 20 words), and
 - A summary describing the major effects of the question (up to 175 words)The question may also include a 500-word explanatory statement.

Timeline for Nov. 8 election:

1. No later than **Friday, August 19**, the ballot title, question and statement must be sent to the County Clerk for publication.
2. There is a seven-day ballot title challenge period. If the title is challenged, the county would be in court for first and final review.
3. By **Friday, August 26**, all challenges must be completed and submitted to the clerk.
4. The measure would be in the voter's pamphlet in which interested parties could include arguments in favor or against. Such arguments are due by **August 30**.

In order to meet these deadlines, staff has proposed a schedule of staff and Board actions (Attachment E).

PUBLIC/GOVERNMENTAL PARTICIPATION:

Extensive outreach and education has taken place over the past two years including presentations to community groups, a website, billboards, social media, sharing information at events, public surveys, articles in *Citizen News* and presentations at BCC study sessions and business meetings.

OPTIONS:

Ballot Measure

Option 1: Direct staff to draft a county ordinance to place a measure for an 8-cent / gallon, 7-year countywide gas tax on the November 8, 2016 ballot.

Option 2: Direct staff to draft a county ordinance to place a measure for a 6-cent / gallon, 7-year countywide gas tax on the November 8, 2016 ballot.

Option 3: Direct staff to draft a county ordinance to place a measure for \$25 / vehicle / year, 7-year countywide vehicle registration fee on the November 8, 2016 ballot.

Option 4: Direct staff to develop additional options for a road funding measure for the November 8, 2016 ballot.

Option 5: Choose not to put a road funding measure on the November 8, 2016 ballot.

Revenue Distribution

Option 6: Direct staff to develop an intergovernmental agreement (IGA) with cities in Clackamas County for distribution of the gas tax revenue (60% for the county and 40% for the cities) and other details.

RECOMMENDATIONS:

Staff respectfully recommends that the Board take the following action:

- A. Direct staff to prepare to put a specific road funding measure on the November 8, 2016, ballot (option 1, 2 or 3), and,

- B. If the Board directs staff to prepare a gas tax measure, also direct staff to develop an IGA with the cities for distribution of the gas tax (60% going to the county and 40% going to the cities) and other details (option 6).

ATTACHMENTS:

- A. *Preliminary Revenue Estimates: Proposed 7-year \$25/vehicle/year Vehicle Registration Fee or 7-year, 6-cent/gallon Countywide Gas Tax Program*
- B. *Preliminary Revenue Estimates: Proposed 7-year, 8-cent/gallon Countywide Gas Tax Program*
- C. *County Projects to be Funded by Proposed \$25/Vehicle/Year, 7-Year Vehicle Registration Fee*
- D. *CCI Discussion on Road Maintenance Funding Needs, June 21, 2016*
- E. *Proposed Timeline of Actions Required to Place a Road Maintenance Funding Measure on the November 8, 2016, Ballot*

SUBMITTED BY:

Department Director/Head Approval: s/Dan Johnson

Department Director/Head Approval: s/Gary Schmidt

County Administrator Approval _____

For information on this issue or copies of attachments, please contact Barbara Cartmill at 503-742-4326

Proposed 7-Year VRF or Gas Tax Program | Preliminary Revenue Estimates

(\$25-vehicle-year Vehicle Registration Fee OR 6-cent-gallon Countywide Gas Tax)

| Estimated Annual VRF Revenue (100% = County + City Revenues) | \$ | 8,680,175 | |
|--|----------------|-------------------------------|---------------------------------------|
| Estimated Annual County Distribution (60% of Total Revenues) | \$ | 5,208,105 | |
| Estimated Annual City Distribution (40% of Total Revenues) | \$ | 3,472,070 | |
| | | | |
| Estimated 7-Year Program Revenue (100% = County + City Revenues) | \$ | 60,761,225 | |
| Estimated 7-Year Program County Distribution (60% of Total Revenues) | \$ | 36,456,735 | |
| Estimated 7-Year Program City Distribution (40% of Total Revenues) | \$ | 24,304,490 | |
| | | | |
| Jurisdiction | Population * | Estimated Annual Distribution | Estimated 7-Year Program Distribution |
| Clackamas County | 176,259 | \$ 5,208,105 | \$ 36,456,735 |
| Barlow | 135 | \$ 2,290 | \$ 16,033.49 |
| Canby | 16,010 | \$ 271,636 | \$ 1,901,453 |
| Damascus * * * | - | \$ - | \$ - |
| Estacada | 2,935 | \$ 49,797 | \$ 348,580 |
| Gladstone | 11,495 | \$ 195,032 | \$ 1,365,222 |
| Happy Valley | 16,480 | \$ 279,610 | \$ 1,957,273 |
| Johnson City | 565 | \$ 9,586 | \$ 67,103 |
| Lake Oswego * * | 34,538 | \$ 586,001 | \$ 4,102,005 |
| Milwaukie | 20,485 | \$ 347,562 | \$ 2,432,933 |
| Molalla | 8,820 | \$ 149,646 | \$ 1,047,521 |
| Oregon City | 33,760 | \$ 572,794 | \$ 4,009,559 |
| Portland * * | 760 | \$ 12,888 | \$ 90,216 |
| Rivergrove * * | 451 | \$ 7,649 | \$ 53,545 |
| Sandy | 10,170 | \$ 172,551 | \$ 1,207,856 |
| Tualatin * * | 2,903 | \$ 49,260 | \$ 344,818 |
| West Linn | 25,540 | \$ 433,328 | \$ 3,033,298 |
| Wilsonville * * | 19,594 | \$ 332,439 | \$ 2,327,076 |
| ESTIMATED DISTRIBUTION TOTALS | 380,900 | \$ 8,680,175 | \$ 60,761,225 |

* Population estimates are based on Portland State University (PSU) Population for Oregon and its Counties and Incorporated Cities and Towns: July 1, 2014. Prepared by Population Research Center - College of Urban and Public Affairs.

* * A portion of this city is outside Clackamas County; population represents the population PSU estimates within Clackamas County jurisdiction.

* * * Damascus has been removed from the City distribution formula to reflect results of May 2016 election and pending disincorporation of the City.

Preliminary Revenue Estimates: Proposed 7-Year Countywide Gas Tax (8-cents/gallon)

Estimated revenue of 1¢ = \$1.5 million annually is a best estimate using assumptions for a county-wide gasoline tax (no diesel included). Assumptions reviewed and confirmed by Clackamas County, EcoNorthwest and the Oregon Department of Transportation

| | |
|---|----------------------|
| Estimated Annual Gas Tax Revenue (100% = County + City Revenues) | \$ 12,000,000 |
| Estimated Annual County Distribution (60% of Total Revenues) | \$ 7,200,000 |
| Estimated Annual City Distribution (40% of Total Revenues) | \$ 4,800,000 |
| Estimated 7-Year Program Revenue (100% = County + City Revenues) | \$ 84,000,000 |
| Estimated 7-Year Program County Distribution (60% of Total Revenues) | \$ 50,400,000 |
| Estimated 7-Year Program City Distribution (40% of Total Revenues) | \$ 33,600,000 |

| Jurisdiction | Population | Estimated Annual Distribution | Estimated 7-Year Program Distribution |
|-------------------------|----------------|----------------------------------|--|
| Clackamas County | 176,259 | \$ 7,200,000 | \$ 50,400,000 |
| Barlow | 135 | \$ 3,167 | \$ 22,165.66 |
| Canby | 16,010 | \$ 375,526 | \$ 2,628,683 |
| Damascus * * | - | \$ - | \$ - |
| Estacada | 2,935 | \$ 68,843 | \$ 481,898 |
| Gladstone | 11,495 | \$ 269,624 | \$ 1,887,365 |
| Happy Valley | 16,480 | \$ 386,550 | \$ 2,705,853 |
| Johnson City | 565 | \$ 13,252 | \$ 92,767 |
| Lake Oswego * | 34,538 | \$ 810,123 | \$ 5,670,860 |
| Milwaukie | 20,485 | \$ 480,491 | \$ 3,363,434 |
| Molalla | 8,820 | \$ 206,880 | \$ 1,448,157 |
| Oregon City | 33,760 | \$ 791,865 | \$ 5,543,057 |
| Portland * | 760 | \$ 17,817 | \$ 124,720 |
| Rivergrove * | 451 | \$ 10,575 | \$ 74,024 |
| Sandy | 10,170 | \$ 238,545 | \$ 1,669,813 |
| Tualatin * | 2,903 | \$ 68,100 | \$ 476,697 |
| West Linn | 25,540 | \$ 599,059 | \$ 4,193,415 |
| Wilsonville * | 19,594 | \$ 459,584 | \$ 3,217,091 |
| Estimated Totals | 380,900 | \$ 12,000,000 | \$ 84,000,000 |

Population estimates based on Portland State University *Population for Oregon and its Counties and Incorporated Cities and Towns: July 1, 2014*, by Population Research Center, College of Urban & Public Affairs

*A portion of this city is outside Clackamas County; population is what PSU estimates within Clackamas County.

**Damascus was removed from the city distribution formula to reflect May 2016 election results and pending disincorporation.

County Projects to be Funded by Proposed \$25/Vehicle/Year, 7-Year Vehicle Registration Fee

Proposed Safety Improvements: Signs (\$3.7 million)

Curve and Intersection Warning Signs: Installed primarily on rural roads to better guide users around curves and give them advance notice of intersections. This signing effort is part of our local and national efforts to reduce fatal and serious injury crashes. All our roads meet current standards, but new signs will help make the roads safer and in compliance with new national sign standards effective in 2019.

Paving Packages* (\$32.3 million)

(All roads will be paved with asphalt.)

Package A: Beavercreek

| ROAD NAME | FROM | TO | MILES | COST |
|----------------|---------|------------|-------------|--------------------|
| Beavercreek Rd | Hwy 211 | Henrici Rd | 13.3 | \$4,722,300 |
| TOTAL | | | 13.3 | \$4,722,300 |

Package B: Highland

| | | | | |
|-------------------|----------------|----------------|-------------|--------------------|
| Carus Rd | Lower Highland | Beavercreek Rd | 1.7 | \$186,210 |
| Ferguson Rd | Beavercreek Rd | ECM** | 2.4 | \$298,080 |
| Lower Highland Rd | Beavercreek Rd | Upper Highland | 5.8 | \$1,508,040 |
| Upper Highland | Hwy 211 | Beavercreek Rd | 8.2 | \$2,153,610 |
| TOTAL | | | 18.0 | \$4,145,940 |

Package C: Oatfield

| | | | | |
|----------------|-------------|----------------|-------------|--------------------|
| Aldercrest Rd | Oatfield Rd | Thiessen Rd | 1.9 | \$646,816 |
| Concord Rd | River Rd | La Bonita Rd | 1.2 | \$444,048 |
| Hill Rd | Oatfield Rd | Thiessen Rd | 1.2 | \$537,544 |
| Oak Grove Blvd | Oatfield Rd | Rupert Rd | 0.6 | \$308,676 |
| Oak Grove Blvd | Rupert Rd | ECM** | 0.7 | \$418,528 |
| Oatfield Rd | Bridge | Gladstone/ECM* | 3.4 | \$2,075,750 |
| Roethe Rd | River Rd | Oatfield Rd | 0.9 | \$390,688 |
| View Acres Rd | Hill Rd | Oatfield Rd | 0.6 | \$71,100 |
| TOTAL | | | 10.5 | \$4,893,150 |

Package D: Johnson Creek/South County

| | | | | |
|--------------------|-----------------|---------------|-------------|--------------------|
| Johnson Creek Blvd | 82nd Ave | Mult Co Line | 1.9 | \$1,104,750 |
| Macksburg Rd | Hwy 211 | Hwy 213 | 3.1 | \$775,890 |
| McCown Rd | Vaughn Rd | Macksburg Rd | 1.0 | \$123,480 |
| Molalla Ave | Hwy 213 | Sawtell Rd | 2.6 | \$1,027,064 |
| Sprague Rd | Molalla Ave | Macksburg Rd | 0.9 | \$139,316 |
| Vaughn Rd | Hwy 211 | Molalla Ave | 1.3 | \$141,120 |
| Wilsonville Rd | Yamhill Co Line | Willamette Wy | 4.5 | \$1,522,616 |
| TOTAL | | | 15.2 | \$4,834,236 |

Package E: Canby/Estacada

| | | | | |
|---------------------|------------------|------------------|-------------|--------------------|
| Bremer Rd | Haines Rd | Central Point Rd | 1.6 | \$245,108 |
| Coupland Rd | Divers Rd | Porter Rd | 1.8 | \$457,380 |
| Coupland Rd | Currin Rd | Cemetery Rd | 1.4 | \$390,780 |
| Currin Rd | Eagle Creek Rd | Snuffin Rd | 3.0 | \$396,000 |
| Currin Rd | Snuffin Rd | Coupland Rd | 1.4 | \$196,740 |
| Haines Rd | 99E | Mulino Rd | 1.3 | \$352,440 |
| Lawrence Rd | Coupland Rd | ECM** | 1.0 | \$122,400 |
| Moss Hill Rd | Coupland Rd | Surface Rd | 1.5 | \$167,040 |
| Mulino Rd | 1st Ave | Hwy 213 | 6.7 | \$1,756,350 |
| Surface Rd | Hwy 224 | Tumala Mtn Rd | 1.2 | \$151,560 |
| Township Rd | Central Point Rd | Mulino Rd | 1.6 | \$418,320 |
| TOTAL | | | 22.4 | \$4,654,118 |

Package F: Canby Marquam

| | | | | |
|--------------------------|---------------|---------------|-------------|--------------------|
| Barnards Rd | Hwy 213 | Barlow Rd | 6.2 | \$1,623,600 |
| Canby Marquam Hwy | Hwy 211 | 99E | 7.7 | \$2,458,530 |
| Gribble Rd | Bolland Rd | Dryland Rd | 2.4 | \$364,472 |
| Harms Rd | Macksburg Rd | Kraxberger Rd | 0.8 | \$81,270 |
| Kraxberger Rd | Canby Marquam | ECM** | 1.8 | \$195,660 |
| Miller Rd | Barlow Rd | Meridian Rd | 1.5 | \$205,320 |
| TOTAL | | | 20.3 | \$4,928,852 |

Package G: 122nd/Boring

| | | | | |
|------------------------|--------------|--------------|-------------|--------------------|
| 122nd Ave | Sunnyside Rd | Hubbard Rd | 1.0 | \$362,500 |
| 132nd Ave | Sunnyside Rd | Hubbard Rd | 0.9 | \$294,000 |
| 142nd Ave | Hwy 212 | Sunnyside Rd | 1.0 | \$416,625 |
| 152nd Ave | Sunnyside Rd | Hwy 212 | 1.1 | \$401,875 |
| 312th Dr | Hwy 26 | Kelso Rd | 0.8 | \$161,550 |
| Church Rd | Richey Rd | 312th Dr | 1.7 | \$218,250 |
| Hubbard Rd | 122nd Ave | Hwy 212 | 0.9 | \$263,000 |
| Kelso Rd | Richey Rd | Hwy 26 | 2.8 | \$1,164,240 |
| Richey Rd | Kelso Rd | Hwy 212 | 0.8 | \$124,740 |
| Tickle Creek Rd | Hwy 211 | Kelso Rd | 4.6 | \$696,696 |
| TOTAL | | | 15.5 | \$4,103,476 |

PAVING TOTAL

115.3

\$32,282,072

**Exact numbers subject to change as numbers are refined.*

***ECM: end of county maintenance*

Clackamas County Committee for Citizen Involvement
Discussion on Road Maintenance Funding Needs

5:30 p.m., June 21, 2016
 Development Services Building

Present:

CCI members: Bill Merchant, Jerry Andersen, Laurie Swanson, Sue Nielsen, Rick Cook,
 Richard Yarnell, Geoffrey Janke
 CPO leaders: Martha Waldemar, Lisa Volpel, Marge Stewart
 Staff: Diedre Landon, Amy Kyle, Randy Harmon, Ellen Rogalin
 Facilitator: Karen Tolvstad

Information was shared with the participants about both gas tax and vehicle registration fee (VRF) as ways to raise money for road funding, how the county would spend revenue it might receive from either measure, and how much revenue would go to the county and to cities. Then participants were asked to comment.

Comments about what measure or process to use:

- Suggest doing both VRF and gas tax and everything else you can do.
- I like the VRF because you're making a deal with the public – you give us so much money and we'll paved these roads.
- Go with the gas tax, because the cities shouldn't get all that money.
- Go with both the gas tax and VRF – spread out the fairness.
- Go with the VRF – it's simpler.
- Go with the VRF – it's a one-time payment every two years instead of paying every time you buy gas. And you can do it without a public vote.
- Go with the gas tax – it's invisible (unlike the VRF).
- The gas tax is fairer – it drives poorer-mileage vehicles off the road sooner and is directly tied to road use. The VRF will be hard on people who have vehicles they rarely use.
- The gas tax is good because outsiders will pay, too.
- If you do ask voters, do the gas tax first and then enact a VRF.
- Commissioners should make a decision on an issue of this magnitude – don't leave it up to the voters.
- We're talking about big money. This is a time for leadership.
- I wouldn't support either one or both because they don't provide enough money.

Comments about outreach:

- Outreach and education has been helpful and upped awareness, but it's a slow process.
- People in some areas (like in Stafford) might look at the proposed paving packages and complain there's nothing in there for their area, but we need to remind them of all that's already been done in their area.
- Let people know what vehicles are exempt from either the VRF or gas tax.
- Don't put out a list of what you'll do because people will see what's missing and then vote "no".

- People need to recognize that, like education, roads are part of the public commons – the public good – something that we all support for the good of the larger community. This concept needs to be part of the discussion.
- Safety should be a big part of the discussion.
- No one from the county has come to us to ask if we want roads in our areas to be worked on, and we don't want them to be worked on.
- You can't piecemeal this issue. The county needs to let people know that the road system will be brought up to a high level. You can always pass a bond issue for capital projects. Let people know you're going to fix the system and then keep it maintained.
- Let people know about the selection criteria used to choose what roads will be paved.
- Put up signs saying "this project is paid for by your taxes" or something like that
- Keep people informed about the progress made on the paving projects.
- Use technology to do outreach with drivers while they're on the roads – Pandora, etc.

Questions:

- What will be done about cars that use little or no gas? Are you gambling on tourists picking up the slack?
- Are cities required to use the revenue on road repair?
- How are bike people going to contribute money?
- Why not have a studded tire tax?

Proposed Timeline of Actions Required to Place a Road Maintenance Funding Measure on the November 8, 2016, Ballot

Draft – June 17, 2016

| TASK | RESPONSIBILITY | TIMELINE |
|---|------------------------------------|-----------------|
| Policy session confirming gas tax approach | Staff prepare and submit materials | July 6 |
| | Board action | July 12 |
| First policy session on ballot language | Staff prepare and submit materials | July 20 |
| | Board comment/ direction | July 26 |
| Policy session to confirm ballot language | Staff prepare and submit materials | July 27 |
| | Board comment/ direction | August 2 |
| Business meeting action to refer question to ballot | Staff prepare and submit materials | August 3 |
| | Board action | August 11 |
| Election materials filed with clerk | County counsel | August 12 |

ELECTION DAY: November 8, 2016