



City Council

Mayor
Brian Dalton

Council President
Wes Scroggin

Councilor
Jim Brown

Councilor
Jim Fairchild

Councilor
Beth Jones

Councilor
Jackie Lawson

Councilor
Kevin Marshall

Councilor
Murray Stewart

Councilor
LaVonne Wilson

Councilor
Ken Woods, Jr.

Staff

Interim City Manager
Jon Nelson

City Attorney
Lane Shetterly

Admin Svc Director
Robert Spivey

Community Development/
Operations Director
Jason Locke

Finance Director
Cecilia Ward

Fire Chief
Bill Hahn

Chief of Police
John Teague

Engineering Director
Fred Braun

City Recorder
Emily Gagner

Dallas City Council Agenda

Monday, September 17, 2012, 7:00 p.m.

Mayor Brian Dalton, Presiding

Dallas City Hall

187 SE Court Street

Dallas, Oregon 97338

All persons addressing the Council will please use the table at the front of the Council. All testimony is electronically recorded. If you wish to speak on any agenda item, please sign in on the provided card.

<u>ITEM</u>	<u>RECOMMENDED ACTION</u>
1. ROLL CALL	
2. PLEDGE OF ALLEGIANCE	
3. COMMENTS FROM THE AUDIENCE <i>This time is provided for citizens to address the Council on any matters other than public hearings.</i>	
4. PUBLIC HEARINGS <i>Public comment will be allowed on items appearing on this portion of the agenda following a brief staff report presenting the item and action requested. The Mayor may limit testimony.</i>	
5. CONSENT AGENDA <i>The following items are considered routine and will be enacted by one motion. There will be no separate discussion of these items unless a Council member so requests, in which case the item will be removed from the Consent Agenda and considered separately.</i>	
a. Approve minutes of September 4, 2012, City Council meeting p. 3	
b. Separation of temporary aide p. 6	
c. Acknowledge report of August 22, 2012, Citizens' Advisory Committee for Residential Street Funding meeting p. 7	
6. ITEMS REMOVED FROM CONSENT AGENDA	
7. REPORTS OR COMMENTS FROM THE COUNCIL MEMBERS	
8. REPORTS FROM CITY MANAGER AND STAFF	
a. Longboard Event Presentation	Presentation
b. LOC Legislative Priorities p. 26	Information

Dallas City Council Agenda

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Our Vision

Our vision is to foster an environment in which Dallas residents can take advantage of a vital, growing, and diversified community that provides a high quality of life.

Our Mission

The mission of the City of Dallas is to maintain a safe, livable environment by providing open government with effective, efficient, and accountable service delivery.

Our Motto

*Commitment to the Community.
People Serving People.*

Dallas City Hall is accessible to persons with disabilities. A request for an interpreter for the hearing impaired or for other accommodations for persons with disabilities should be made at least 48 hours before the meeting to the City Manager's Office, 503-831-3502 or TDD 503-623-7355.

c. Other

9. RESOLUTIONS

10. FIRST READING OF ORDINANCE

11. SECOND READING OF ORDINANCE

12. EXECUTIVE SESSION UNDER ORS 192.660(2)(a) To consider the employment of a public officer, employee, staff member or individual agent.

13. OTHER BUSINESS

14. ADJOURNMENT

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4 The Dallas City Council met in regular session on Tuesday, September 4, 2012, at 7:00 p.m. in
5 the Council Chambers of City Hall with Mayor Brian Dalton presiding.

6 **ROLL CALL AND PLEDGE OF ALLEGIANCE**

7 Council members present: Council President Wes Scroggin, Councilor Jim Brown, Councilor Jim
8 Fairchild, Councilor Beth Jones, Councilor Jackie Lawson, Councilor Kevin Marshall, Councilor
9 Murray Stewart, and Councilor LaVonne Wilson. Absent: Councilor Ken Woods, Jr.

10 Also present were: Interim City Manager Jon Nelson, City Attorney Lane Shetterly, Fire Chief
11 Bill Hahn, Director of Administrative Services Robert Spivey, Chief of Police John Teague,
12 Engineering and Environmental Services Director Fred Braun, and Recording Secretary Emily
13 Gagner.

14 Mayor Dalton led the Pledge of Allegiance.

15 **COMMENTS FROM THE AUDIENCE**

16 There were none.

17 **PUBLIC HEARING**

18 **CONSENT AGENDA**

19 It was moved by Councilor Fairchild and seconded by Councilor Wilson *to approve the Consent*
20 *Agenda as presented.* The motion CARRIED UNANIMOUSLY.

21 Items approved by the Consent Agenda: a) the August 20, 2012, City Council meeting minutes;
22 b) OLCC application for special event by Rogue Ales; c) report of the July 25, 2012, Citizen
23 Advisory Committee for Residential Street Funding meeting; and d) appointments to Library
24 Board.

25 **ITEMS REMOVED FROM CONSENT AGENDA**

26 There were no items removed from the Consent Agenda.

27 **REPORTS OR COMMENTS FROM COUNCIL**

28 Mayor Dalton shared a “thank you” card from the long boarders regarding their recent event.

29 Councilor Jones indicated she was now on the Board of the Commission for Children and
30 Families.

31 **REPORTS FROM CITY MANAGER AND STAFF**

32 **SDC DISCOUNT PROGRAM UPDATE**

33 Mr. Nelson reviewed the staff report from Mr. Locke.

34 Mayor Dalton noted he had talked with a local realtor and she told him this program did jump-
35 start things. Councilor Fairchild indicated he had been approached by a couple contractors
36 thanking the Council for doing this good thing.

37 **AUTHORIZATION TO HIRE TEMPORARY FIRE MARSHAL**

38 Mayor Dalton explained that when the City had a manager pro tem, the council was required to
39 approve all personnel actions.

40 Mr. Spivey reviewed the staff report.

41 It was moved by Councilor Marshall and seconded by Councilor Wilson *to proceed with the*
42 *hiring of a temporary/part time Fire Marshal.* The motion carried unanimously.

43 **RATIFICATION OF NEW HIRE**

44 Mr. Spivey reviewed the staff report.

45 It was moved by Councilor Marshall and seconded by Councilor Wilson *to ratify the hiring of a*

1 *part-time paramedic*. The motion carried unanimously.

2 **AUTHORIZATION TO HIRE EMS AND AQUATIC CENTER EMPLOYEES**

3 Mr. Spivey reviewed the staff report. He explained both areas saw a large fluctuation in staff,
4 noting the Aquatic Center lost an average of three lifeguards per month, so they needed the ability
5 to hire rapidly.

6 Council President Scroggin asked for confirmation that this would not allow hiring additional
7 people. Mr. Spivey stated it would just be to plug holes.

8 It was moved by Councilor Lawson and seconded by Councilor Marshall to *allow the hiring of*
9 *part-time lifeguards and part-time Emergency Medical Services personnel as needed*. The
10 motion carried unanimously.

11 **OTHER**

12 **FIRST READING OF ORDINANCE**

13 **SECOND READING OF ORDINANCE**

14 **Ordinance No. 1747** – An Ordinance amending provisions of the Dallas City Public Contracting
15 Regulations; and creating new provisions.

16 Mayor Dalton declared Ordinance No. 1747 to have passed its second reading. A roll call vote
17 was taken and Mayor Dalton declared Ordinance No. 1747 to have PASSED BY A
18 UNANIMOUS VOTE with Council President Wes Scroggin, Councilor Jim Brown, Councilor
19 Jim Fairchild, Councilor Beth Jones, Councilor Jackie Lawson, Councilor Kevin Marshall,
20 Councilor Murray Stewart, and Councilor LaVonne Wilson voting YES.

21 **Ordinance No. 1748** – An Ordinance amending Dallas City Code Section 2.700 relating to public
22 records retention.

23 Mayor Dalton declared Ordinance No. 1748 to have passed its second reading. A roll call vote
24 was taken and Mayor Dalton declared Ordinance No. 1748 to have PASSED BY A
25 UNANIMOUS VOTE with Council President Wes Scroggin, Councilor Jim Brown, Councilor
26 Jim Fairchild, Councilor Beth Jones, Councilor Jackie Lawson, Councilor Kevin Marshall,
27 Councilor Murray Stewart, and Councilor LaVonne Wilson voting YES.

28 **Ordinance No. 1749** – An Ordinance establishing a special exception to the prohibition against
29 service of city water to property outside the city limits and outside the urban growth boundary;
30 and declaring an emergency.

31 Mayor Dalton declared Ordinance No. 1749 to have passed its second reading. A roll call vote
32 was taken and Mayor Dalton declared Ordinance No. 1749 to have PASSED BY A
33 UNANIMOUS VOTE with Council President Wes Scroggin, Councilor Jim Brown, Councilor
34 Jim Fairchild, Councilor Beth Jones, Councilor Jackie Lawson, Councilor Kevin Marshall,
35 Councilor Murray Stewart, and Councilor LaVonne Wilson voting YES.

36 **OTHER BUSINESS**

37 Councilor Stewart proposed a footbridge project across the detention basin in Kingsborough Park
38 so people could walk to the bench and not have to walk the long way around. He suggested it
39 would be a good project for an Eagle Scout project or other volunteer group. Mayor Dalton
40 recommended taking the idea to the Park Board.

41 Councilor Fairchild indicated in the past they let staff know of this type of needed project and if
42 someone came looking for volunteer work, they could propose it. Councilor Lawson advised
43 creating a list of projects that someone could choose from.

44 Councilor Stewart indicated he had tried to contact Allied Waste and he found it to be difficult.
45 He explained he called the local number and it just rang with no answer. He stated he ended up
46 waving an Allied Waste truck driver down, noting he was worried about losing track with what
47 people could expect.

48 Mr. Nelson reported that he had met with the regional manager out of Corvallis as well as local
49 employees a few weeks earlier and they expressed concern about customer service responses. Mr.

1 Shetterly pointed out Allied Waste did have a service obligation standard in the franchise
2 agreement.

3 There being no further business, the meeting adjourned at 7:20 p.m.

4 Read and approved this _____ day of _____ 2012.

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ATTEST:

Mayor

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10 _____
Interim City Manager

Draft

DALLAS CITY COUNCIL

ADMINISTRATIVE STAFF REPORT

TO: DALLAS CITY COUNCIL

<i>City of Dallas</i>	Agenda Item No. 5 b	Topic: Separation of Temporary Aide
Prepared By: Robert Spivey	Meeting Date: September 17, 2012	Attachments: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Approved By:		

RECOMMENDED MOTION:

Move to end the temporary employment of Chris Schmidt, effective September 28, 2012.

BACKGROUND:

On October 4, 2011, Chris Schmidt was hired to fill the position of Temporary Aide. This position was to run for six months with extension by mutual agreement. Chris worked on several projects across multiple departments. She also provided coverage in Finance, Public Works and Administration when needed.

At this time, the city lacks the projects and funding to extend the temporary position any longer. Section V.E. of the Dallas Personnel Rules provides, among other things, that “If there are changes of duties in the organization, lack of work or lack of funds, the City Manager may lay off employees * * *.”

Per the Dallas City Charter Chapter 5 Section 21 Subsection e: “...no manager pro tem, however, may appoint or remove a city officer or employee except with the approval of the council.”

FISCAL IMPACT:

Approximately \$1,650 per month savings

ATTACHMENTS:

None

Citizens' Advisory Committee for Residential Street Funding

AGENDA

Date:

August 23, 2012

Time:

5:30 p.m.

Location:

Dallas City Hall,
Council
Chambers

- Call to Order
- Roll Call
- Approval of minutes
- Key take-aways
- Emailed questions and answers
- Discussion of Financing Mechanisms
- Adjournment



**CITIZENS ADVISORY COMMITTEE
FOR RESIDENTIAL STREET FUNDING
Wednesday, July 25, 2012
Council Chambers**

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Mayor Brian Dalton called the Citizens' Advisory Committee for Residential Street Funding meeting to order on Wednesday, July 25, 2012, at 5:31 p.m. in the Council Chambers of City Hall.

Committee members present: Pete Christensen, Jared Cornman, Dale Derouin, Greg Hansen, Steve Large, Ray Olmstead, Rich Wolcott, and Dave Weston. Members absent: Steve Large, Nancie Rogers

Also present were: Interim City Manager Jon Nelson, Community Development/Operations Director Jason Locke, Engineering and Environmental Services Director Fred Braun, and Recording Secretary Emily Gagner.

Mayor Dalton introduced Jon Nelson, the Interim City Manager. He told the audience members that he encouraged their participation. He asked the committee members to introduce themselves.

Mayor Dalton explained the meetings would be cumulative.

APPROVAL OF MINUTES

Mayor Dalton asked if there were any changes to the minutes. There were no changes and they were approved as presented.

KEY TAKE-AWAYS

Mayor Dalton reviewed the key take-away list from the previous meeting.

EMAILED QUESTIONS AND ANSWERS

Mayor Dalton reviewed the staff responses to the questions that the committee members had sent in. He encouraged the committee to continue sending questions and ideas to staff.

RECAP OF VARIOUS REPAIR METHODS

Mr. Locke reviewed the types of street repair and maintenance. He explained staff did a lot of crack sealing but not a lot of slurry sealing or chip sealing. Mr. Christensen asked the cost of chip seal. Mr. Braun responded that it was approximately 15 to 20 cents per square foot. He indicated overlays were a dollar per square foot and reconstruction was about \$5 per square foot. Mr. Christensen asked if chip sealing would be adequate for temporary repairs. Mr. Braun stated chip sealing was used mainly on county roads, noting it restored the wearing surface and filled minor cracks but didn't fix structural issues with pavement. He explained it wasn't seen much in cities because it produced a coarse wearing surface.

1 Mr. Braun reviewed the graph and funding scenarios included in the agenda packet. He
2 explained if the City plugged in approximately \$7.5 million, it could get rid of its
3 deferred maintenance in 2013. However, without a steady funding source after that, the
4 PCI would start to drop off again. Mr. Braun noted the do-nothing scenario showed that
5 by 2019, deferred maintenance costs would be \$12 million. Mr. Braun reviewed the third
6 funding scenario, which included a one-time expenditure of \$7.5 million as well as an
7 extra \$700,000 per year in addition to the current budget. That scenario would keep the
8 City's pavement at a PCI rating of about 81, which would keep the roads in excellent
9 shape.

10 DISCUSSION OF DEFERRED MAINTENANCE, ONE-TIME, SYSTEM-WIDE
11 UPGRADES, AND OTHER OPTIONS

12 Mr. Locke stated one way to fix the City's streets would be to do a bond and fix all the
13 roads at once. However, without additional funding, those streets would continue to
14 deteriorate. He stated if the operating budget was increased from \$200,000 to \$900,000,
15 that would allow the City to keep the streets at the level they were currently and they
16 wouldn't get any worse. He advised \$700,000 per year was a substantial increase and it
17 still wouldn't address the streets that currently needed work.

18 Mr. Braun stated it would cost about \$24 million to bring every street in Dallas to a PCI
19 of 100. He noted event that wouldn't last if there wasn't additional funding for
20 maintenance.

21 Mr. Derouin asked what the streets could look like by 2018 if the City maintained the
22 current funding levels. Mr. Braun stated there would be potholes, base failure,
23 alligatoring of the pavement, particularly in the residential areas. He noted the City could
24 keep the collectors and arterials in reasonable shape, but there was currently no money
25 for residential streets.

26 Mr. Wolcott asked if Mr. Braun used conservative estimates when calculating asphalt and
27 concrete costs. Mr. Braun replied that he projected the costs based on a standard inflation
28 index.

29 In response to a question, Mr. Braun stated the PCI had been going down for a number of
30 years, adding one thing that had kept the average up was that there were a lot of new
31 streets built in the 1990's and early 2000's. He explained the older parts of town had
32 declining PCI numbers for a long time with some roads in quite poor condition.

33 Audience member Jim Williams asked if there was a prioritized list of streets as far as
34 commercial, industrial, and then residential areas. Mr. Braun explained how the
35 Pavement Management program worked. He indicated staff input the street type, where
36 in the deterioration curve it was, and traffic volume. The program then generated a list of
37 streets by priority, maximizing the bang for the buck in expenditures. He noted
38 residential streets currently had a priority of zero. Mr. Braun stated the program may
39 suggest an overlay on a street that looked in better shape than a street that was falling
40 apart, but that was because it also calculated where the City could get the most benefit
41 out of the money spent. Mr. Braun pointed out it was a state-of-the-art program that was
42 used throughout the country using widely-accepted criteria.

1 Mr. Locke explained that the City didn't maintain state highways, including Kings Valley
2 Highway, Main and Jefferson Streets, East Ellendale and Fairview Avenues and part of
3 Washington Street so those projects were not factored in to the City's prioritized streets
4 list. He indicated when staff looked at what projects to do they based their decision on
5 street condition, best use of the limited dollars, and proximity to other needed projects,
6 noting if a street was close to another project, it could be done for less because the City
7 wouldn't have to pay mobilization costs twice. Mr. Locke stated collector and arterial
8 streets served more people than residential areas and moving goods and services did
9 factor in to the prioritization of streets.

10 Mayor Dalton stated there were a couple cases where the City of Dallas did partner with
11 ODOT to overlay certain critical pieces of road, splitting the cost 50/50. He noted ODOT
12 would not have fixed the roads if the City didn't help.

13 Mr. Christensen asked what it would cost per thousand of assessed value of the amounts
14 discussed in the different scenarios. Mr. Locke explained that would be discussed at the
15 next meeting.

16 Mr. Olmstead stated where he lived, the oldest road was built in 2001 with most being
17 built in 2005 and 2006, adding they already needed maintenance. He indicated one thing
18 that would help sell a street funding mechanism was an assurance that the quality of
19 streets was good to begin with, noting there was some pretty shoddy construction in the
20 past. He explained one city adopted a 2-year warranty requirement, but if any
21 deficiencies were found within that time frame, they required an additional 3-year
22 warranty for deficiencies. Mr. Locke explained the City had significantly improved
23 construction standards realizing there was no dedicated source to maintain local streets.
24 He noted the current design life and what was required for workmanship and warranties
25 was far greater than it used to be.

26 Mr. Olmstead asked the minimum overlay required on new residential construction. Mr.
27 Braun replied it was four inches. Mr. Olmstead commented that many cities still had a 2"
28 requirement. He asked the required base thickness. Mr. Braun stated it depended on the
29 soil, noting it could range from 12 inches on very hard soil to 24 inches for soft, clay soil.
30 In response to a question, Mr. Braun replied the compaction on the base was 95.

31 Mayor Dalton reported the Council had reviewed the standards a few years ago and
32 Dallas had some of the more stringent standards in the state. Mr. Locke explained only
33 two streets had been built since the new standards were adopted, but building to a 30-year
34 life was mandatory now. He noted better streets combined with less width balanced out
35 the costs.

36 Mr. Olmstead asked what percentage of Dallas had a clay base. Mr. Braun stated about
37 30%, with pockets throughout the community. Mr. Olmstead asked if the City could
38 require an increased base when they ran into clay. Mr. Hansen stated it didn't help,
39 noting the County put 42" of base on James Howe Road and the expansive soils were still
40 tearing the road apart.

41 Audience member Joe Koubek stated the state needed to take responsibility for their
42 roads, noting it was sad Dallas spent paving money on those highways instead of

1 pressuring ODOT. He encouraged Dallas to work with the League of Oregon Cities and
2 other groups to make it clear to the legislature the importance of fixing the gas tax
3 formula. He also stated the City needed to let the legislature know the damage studded
4 tires did to our roads, adding millions of dollars of damage on Oregon roads was caused
5 by studded tires.

6 OTHER

7 Mayor Dalton explained the next meeting would be about funding and a discussion about
8 what the options might be.

9 Mr. Olmstead asked what the possibility would be of having any car registered in Dallas
10 being taxed. He noted if something was done with property taxes, the same people would
11 be paying the bills. Mr. Locke stated property taxes were only one of a number of
12 options. He indicated it would be difficult, if not impossible, to have a special city-wide
13 registration fee. Mr. Weston asked if someone registered their car in Ontario but lived in
14 Dallas if Ontario would have to collect the fee. He added gas taxes were paid by users
15 whether or not they were in the city.

16 Mayor Dalton encouraged the committee members to give a thought to finances for the
17 next meeting.

18 ADJOURNMENT

19 There being no further business, the meeting was adjourned at 6:23 p.m.

Dallas Street Funding CAC

KEY TAKEAWAYS

June 27, 2012

- *The City maintains 56+ miles of streets.*
- *The goal is to maintain an average PCI of 70 for all city streets.*
- *More than half of city streets are below PCI 75. Of those streets, 2/3 are in poor or very poor condition (requiring either thick overlays or reconstruction).*
- *The longer maintenance is deferred, the more expensive repairs become.*
- *Revenue to maintain streets comes from state and federal sources, no General Fund monies are used.*
- *Revenue from these sources will likely stay flat at between \$970,000 - \$1,000,000 per year into the foreseeable future.*
- *The City Council policy is to overlay Arterials and Collectors with available funds.*

July 25, 2012

- *Deferred maintenance costs will rise exponentially if nothing is done (\$7.5 million in 2013 - \$12 million in 2019)*
- *A one-time \$7.5 million expenditure now and an additional \$700,000 per year would maintain the overall PCI at approximately 81.*
- *The standards for new roads are much more stringent than 20 years ago, with a design life of 30-40 years.*
- *The City tries to get as much paving done as possible every year, including partnering with ODOT on State Highways like Main, Jefferson, and Washington.*



Questions for Wednesday's Meeting of Advisory Committee on Residential Street Funding

PETE LINDA CHRISTENSEN <plbarberry@msn.com>
To: Emily Gagner <emily.gagner@dallasor.gov>
Cc: plbarberry@msn.com

Tue, Jul 24, 2012 at 8:00 PM

Hi Emily,

You, Fred Braun, and his team have generated some interesting materials. Thank you for providing so much information to us.

I did have some questions that perhaps Fred Braun can answer by email to all or at tomorrow night's meeting.

Thank you in advance for this information.

1. From the Types of Street Treatments page, what is the cost/ sq. ft. of the Chip Seal treatment?
2. The information packet indicated the builder had to pave the streets according to city specifications. Are a part of the SDC payments by homebuilders to the city allocated for additional street improvements? If not, would this be a reasonable cost for new residents to pay for new/additional wear on existing roads?
3. The City Streets Report notes the cost for maintenance for each lane mile. What is the City of Dallas maintenance expenditure per lane mile?
4. Your report mentioned that the city maintains the collector streets but less, if any, repair on the residential streets. Within the collector streets, how does the city decide which streets are to be repaired (overlay) and which collector streets get minimal maintenance?
5. On page 12 of thirteen of the packet mailed out to us, four scenarios are explained on road repair. There is a big difference between Scenario One and Two. Could you add a Scenario 1A: Continue the present \$200,000 a year and add \$ 200,000 more for street repair each year. What would be the effect of this increased cash for street repair each year? Similarly, could you add a Scenario 1B: Continue the present \$ 200,000 a year, and add \$ 400,000 more for street repair each year. What would be the effect of this increased cash for street repair each year. Could the chart on page 13 be updated to show the effects of Scenario 1A and 1 B?

Finally, for Scenario 2, is the \$ 7.5 million a one time improvement to do a major upgrade on the city's streets at one time? Do I understand that correctly?

Thanks for the information. Looking forward to our meeting tomorrow night.

Pete Christensen
503-623-3113

Overview of Funding Mechanisms for Local Street Repair and Maintenance

August 23, 2012

Street Utility Fee

A street utility fee is a fee adopted by the governing body to be used for street maintenance. It is generally considered a user fee, like water or sewer. It is billed on a monthly basis, is usually included on the utility bill and is most commonly based on 2 categories: residential and commercial. The residential rate is usually flat while the commercial rate can be either flat or based on a number of factors including vehicle trips generated, size of the property, etc.

A street utility fee is generally employed for ongoing maintenance to slow the decline of the current average PCI, not major deferred maintenance, as the total amount of deferred maintenance is usually far greater than a street utility fee could reasonably be expected to cover. (See the attached Transportation Utility Fee information that was available during the 2009 adoption and subsequent referral and voter repeal)

Street Bond (General Obligation)

A General Obligation bond is a funding mechanism generally used for making large or expensive capital improvements. It is voted on by the residents of the jurisdiction as it is a property tax measure. The ballot measure is required to include both the total amount of the bond as well as the cost during the payback period, which is expressed as a number/\$1000 of assessed value. For instance, the current county road bond, set to expire in 2016, was for \$20 million and has a rate of \$.54/\$1000 of assessed value last tax year. This means that the owner of a home assessed at \$100,000 pays about \$54 per year. Tax exempt property, i.e., government, schools, non-profits, and churches, do not pay on the bond since they do not pay property taxes.

The idea of a GO bond is to be able to do a large chunk of the improvements up front and pay back the debt over 10 – 20 years. A GO bond could be either City only, or there could be a shared bond that includes all the cities in the county as

well as the county itself (This approach could be fairly complicated given the number of jurisdictions and interests involved).

Special Levy (3-5 years)

A special levy is similar to a GO bond in that it must go to the voters for approval, and must specify the project, amount and rate. However, where it differs is that it can only last a maximum of 5 years, and so would not necessarily generate the funds necessary to make the significant improvements. A special levy could provide funding to do overlays, but not the big deferred maintenance projects.

Street Fund Savings

The existing Street Fund, as discussed, funds a variety of activities undertaken by the PW Operations division, including street sweeping, leaf pickup, signs, painting, signal operation, etc. It also budgets \$125,000 for street lighting, which the Committee may wish to consider. However, the savings to turn off 1/3 of the street lights in the City would be initially minimal due to the disconnection fees charged by Pacific Power. In the long run, we could possibly free up \$40,000/year.

General Fund (Existing GF funds)

As discussed, the Street Fund receives no General Fund revenue. There has been a discussion in the past about transferring money from the General Fund to the Street Fund in order to get more paving done. The General Fund expenditure this fiscal year is \$8,317,107, with a \$1.45 million beginning fund balance, and is supported through property taxes, franchise fees, and user fees, with some other small sources like cigarette and liquor taxes. This fiscal year, public safety accounts for approximately 62% of the general fund and all other departments approximately 38% (see pie charts). In order to make an impact to street maintenance, any amount transferred to the street fund would need to be made up by corresponding cuts to General Fund. For instance, if \$500,000 was transferred for paving, \$500,000 would need to be cut from the GF.

Local Improvement Districts (LID's)

An LID is a mechanism whereby a group of property owners, for instance people on the same block, could decide they wanted to improve their street and approach the City to form an LID. The city would put together a cost estimate, hold

hearings, and, if the LID was adopted, fund the project and get paid back by the members of the LID. Calculations for payment are usually based on the street frontage length, and costs are distributed proportionally among the benefiting property owners. The City then bonds for the total amount, and the amount is paid back to the city over a period of time. In order to ensure repayment, liens are placed on all the benefitting properties. This is a potential solution on a block by block basis, places the burden on the property owners who benefit, and does not necessarily address the system-wide problems.

Some combination of the mechanisms above

Non-options: legislatively preempted or otherwise undoable

Countywide or Citywide Motor Vehicle Registration surcharge

Local Gas Tax

Tolling

DPW



STREET MAINTENANCE FEE
INFORMATION PAPER

INTRODUCTION

The City Council recently passed Ordinance No. 1715 adopting a Street Maintenance Fee, a monthly fee that will be added to the sewer and water bill of all City residents and entities receiving these services. The fee will be collected at the rate of \$2.50 per month beginning July 1, 2010, rising by \$1.00 each succeeding year until July 1, 2013 when it will be capped at \$5.50 per month until the year 2020. The Council has been considering this fee for several years and has held numerous public hearings and meetings on the subject. Based on a great deal of input, debate, and studying many options, this solution was crafted as the best approach for the community in tackling the problem of our deteriorating streets. What follows are very brief answers to questions that have come up along the way. The City has much more information on each of these topics and has and will gladly answer any questions.

Question: Why do we need a street fee?

Answer: Due to inadequate funding from our traditional sources (state gas tax revenues, transportation weight tax, etc.) our community roadways have begun to decline in quality. Unless we can fund ongoing repairs and maintenance, the streets will begin to suffer increasingly rapid deterioration requiring total rebuilding way ahead of normal replacement cycles. Rebuilding a street is many times more costly than keeping it in good repair over time. A stitch in time saves nine.

Question: Times are bad economically so why impose a fee now?

Answer: The streets are currently in a critical cycle of decline. Mindful of the difficult economic times, the proposal puts off implementing the fee until this summer at a modest rate (\$2.50 per month), then incrementing the remainder in over many years to allow the economy to recover.

Question: Why not charge the big street users more and the small users little or nothing?

Answer: The Council first considered differentiating between large and small users and charging them accordingly. However, that plan was poorly received in the community due to its highly complex formulas, exceptions, and the many burdens placed on our local businesses. The cost of the City's administration of such a plan was likewise very high. Thus it was decided to propose charging all users the same modest amount across the board. This approach solves lots of problems and seems to be generally well regarded.

Question: Why not use Federal stimulus dollars to repair the streets?

Question: Why not put it to the voters?

Answer: The voters have entrusted the City Council with providing good services to the community at an affordable rate. As such, the Council makes many decisions during each year regarding fees for various services and functions. The Council has the authority and responsibility to provide for adequate funding of the City's streets and this program is within its routine scope.

Question: What will happen if this street fee is not implemented?

Answer: The City would do its best to maintain the streets but it would likely be a losing battle. The specific approach would be to set up a priority scale with the busiest streets being maintained at a good level with the lesser traveled streets receiving much less attention. At some point in the future it is likely that so many streets within the community would have deteriorated so badly that a major construction road bond would need to be placed before the voters for consideration. This approach would be much more expensive than funding ongoing maintenance, not to mention the trauma to the neighborhoods with the potholed streets.

Additional Information: In the current fiscal year, the City will receive \$560,000 in State Highway Funds and \$145,000 in Federal Gas Tax Funds. During 2006/07, the City received over \$800,000 in funds from State and Federal sources. Due to the significant reductions in funding, the Department has made considerable reductions in staffing and some service cuts over the last 2 years. Over the same period, the City has preserved contractual street maintenance (pavement overlays and reconstruction) at the same level.

The City has \$220,000 per year in the budget for contract street reconstruction and overlays. The real maintenance need is approximately \$500,000 per year in order to preserve the streets in good condition. The Transportation Improvement Fee is intended to bridge this gap. Ordinance No. 1715 enacts a fee to be charged monthly on all City water and sewer bills. The revenue from the fee will be placed into a special account, separate from the City general fund, and used exclusively for contractual street maintenance. The funds will not be used for City personnel or other general fund purposes. The initial amount of the fee is \$2.50 per month, increasing by \$1.00 each year until 2013, when it is capped at \$5.50 per month. The fee is repealed June 30, 2020.

The money in the street fund covers more than just the cost of street repairs. That budget fund includes:

- Leaf Harvest
- Snow Removal
- Street Sweeping
- Traffic and Street Lights
- Street Signs
- Street Painting
- Alley Maintenance
- Tree Trimming
- Mowing
- Bridge Maintenance
- Street Repair



Transportation Improvement Fee

Q & A

What are some of the projects to be funded by this fee?

Some of the streets identified to get treatment ranging from a slurry seal to a complete reconstruction include:

2009

- *West Ellendale Ave from Applegate Trail Dr to Wyatt St*
- *Cherry St to Main St*
- *LaCreole Dr from E Ellendale Ave to Miller Ave*

2010

- *Washington St from Jefferson St to Uglow Ave*
- *Godsey Rd from Miller Ave to Monmouth Cutoff Rd*
- *Bridlewood Drive*
- *Fir Villa Rd from Miller Ave to Magnolia Ave*
- *Uglow Ave from Mill St to Clay St*
- *Maple St from E Ellendale Ave to Oakdale School*

2011-14

- *Dallas Dr from Denton Ave north to dead end*
- *Hillcrest Dr from W Ellendale Ave to Byers Ln*
- *Levens St from W Ellendale Ave to Walnut Ave*
- *Oakwood Dr from Bridlewood Dr to Maplewood Dr*
- *Orchard Dr from Kings Valley Hwy north to City limits*
- *Clay Street*

Portions of:

- *Birch, Maple, Ash, Clay, Hayter, Ellis, Stump, Brown Street*
- *Hill, Court, Oak, River, Bryson, Academy*

The above streets are generally over 10 years old and need maintenance to protect them and extend their service beyond a 20-year design life. Slurry sealing and related maintenance replaces the wearing surface, minimizes raveling and retards water from seeping through the surface which damages the pavement and road base. A slurry seal is effective for 5-7 years and it costs less to apply preservation maintenances than to repair or replace the streets.

Summary

Dallas has 55 miles of surface streets with a reconstruction value of approximately \$39 million. Transportation funding is one of the most challenging issues facing public agencies. In the past, Dallas has spent limited funding sources to maintain its streets. These funding sources include State gas taxes and road transfer revenues which are not sufficient to protect the City's investment in the street system. Recognizing this challenge, a Transportation Funding Study was begun to identify and establish a sustainable funding source for street maintenance.

Pavement

Management Assessment

The PMI indicates the extent and severity of pavement distress such as cracking, rutting, raveling, etc. Public Works conducted its most recent pavement condition assessment in 2008. The PMIs for Dallas City streets were rated from 0 to 100 with the value 100 representing the condition of a brand new street.

According to the results, 23% of the street system is in very poor or poor condition, 24% is in fair to good condition, and 53% is rated good to excellent.

What kind of street treatments would be funded?

Crack sealing - Injection of hot tar or asphalt into cracks and paving seams. Generally performed in-house by City staff.



Slurry Seal - Very thin layer of a liquid mixture of asphalt and aggregate spread over the surface of the street. It is a hard wearing surfacing that protects, preserves, and extends the pavement life. After curing it provides a pavement that is better to drive on and look at and will reduce the cost in the long run. (Cost is typically less than \$2 per square yard.)



Chip Seal - A thin layer of hot asphalt is applied to the street surface then small gravel is applied, leveled, and compacted into place. (Can be done for as little as \$2.50 per square yard.)



Overlay - A new layer of asphalt or concrete, which adds structural strength and seals the surface. Often grinding or inlays are needed to match pavement grades or remove severely distressed pavement. (Cost ranges from \$6 to \$16 per square yard, depending on the overlay thickness and preparation).



Pavement Management Program

The pavement conditions were input into the City's pavement management program which calculates maintenance costs and projects schedules for maintenance and rehabilitation. The pavement management program shows that it will cost an average of \$3 million annually to increase the average PCI for the City's street system from 68 to 85. **It will cost \$1.5 million annually to slightly improve the average PCI from 68 to about 69.**

The Value of Preventive Maintenance

Streets are designed to last about 20 years, but the pavement begins to deteriorate much earlier. Studies have shown that pavement health worsens at an increasing rate as the pavement gets older. Without periodic, preventive maintenance, a street's condition deteriorates 40% in the first 15 years of its life. Then over the next 5 years, the street will greatly deteriorate, requiring major reconstruction.

Preventive maintenance using cost-effective (\$2 to \$16/sq. yd.) slurry seals or 2 to 3-inch overlays during the first 10 to 15 years can extend a pavement life to 30 years and more. Without these surface treatments, costly reconstruction is required (\$35 to \$55/sq. yd.).

Reconstruction - The most expensive street treatment, reconstruction, entails extensive street repair work that involves excavating the existing street and rebuilding the gravel road base and surface layers. (Cost ranges from \$35 to \$55 per square yard depending on the pavement section and preparation).



What is a Transportation Improvement Fee?

A Transportation Improvement Fee (sometimes known as a Street Maintenance Fee, Road User Fee, or Street Improvement Fee) is a monthly fee based on use of the transportation system that is collected from residences and businesses within the city limits of Dallas. The fee is based on the number of trips a particular land use generates and is collected through the City's regular utility bill. It is designated for use in the maintenance and repair of the City's transportation system. Users of the road system share the costs of the corrective and preventive maintenance needed to keep the street system operating at an adequate level.

Where did the money come from before the TUF was implemented to do these improvements? What is that money going to be used for now?

In the past, the primary funding source for maintaining the City's street system was the State Gas Tax. The shared revenues received from the State Highway Fund are budgeted by the City through the Street Fund.

The Street Fund is used for operations and maintenance within the public right-of-way, including pavement maintenance; traffic signal operations and maintenance; traffic control for special events and emergency response; street signage; striping; non-PGE street light maintenance; roadside guardrails and vegetation; emergency weather response; municipal elevator maintenance and part of the operations contract; and administration. The gas tax per gallon has not been increased since 1992 and an increase does not appear likely in the foreseeable future. Fuel efficiency in motor vehicles has led to less fuel consumption for the same miles driven (which is a good thing). Even though fuel costs have increased, gas tax receipts have not because we are taxed per gallon of gas (not per dollar). The amount available from gas tax revenues for pavement overlay and reconstruction continues to decrease while the wear and tear on our roads does not. It is important to note that over the last nine years, since 1999, our road miles have increased from about 42 miles to 55

In 2005, the City identified a funding source for pavement treatments and reconstruction work that are necessary to keep the street system functioning satisfactorily.

Staff concluded that a transportation maintenance fee was the most equitable and stable source for street funding. It was reported that an annual revenue goal of \$.5 million was expected over a 20 year period.

Staff recommended to the City Council that this target be gradually phased in over a 5- year period to allow customers time to incrementally budget for the fee. With this scenario, in the first year, fees would provide \$300,000 to jump-start a street maintenance program with the primary goal of most cost effectively managing pavement maintenance.

The proposed fee is based on actual cost projections from the Pavement Management Program. Like those in many other Oregon communities, the fee is also based on nationally recognized information developed by the Institute of Traffic Engineers that estimates the average number of vehicle trips generated by a property based on how that property is used.

The fee will be charged monthly and appear on the City utility bill along with water and sewer.

The fee will be used to first

miles (about 30%), and our population has increased from 12,870 to 15,560 (about 29%). The shrinking dollars and a larger city have resulted in a growing backlog of paving needs. Money received from the gas tax will continue to be used for the services mentioned above.

Why wasn't the public allowed to vote on the TUF?

The Council has the authority to establish user fees by ordinance. Examples of existing user fees include water, wastewater (sewer), and systems development charges. The Council discussed the TUF at work sessions in 2005 and again in 2009 and will hold public hearings.

Don't we already pay for this on our property taxes? If not, why not add it to our property tax bill so we can write it off on our taxes?

The City of Dallas receives approximately 36% of your property taxes. Of that, a large portion of the property tax pays for police, fire, ambulance and parks and recreation services. It also provides funding for the library and administrative costs. The only street-related item your property tax pays for is a portion of operation and maintenance. The City is limited in how much property tax it can charge its residents. The City decided to treat this fee as a user fee just as your water, surface water, and wastewater utilities are charged so that it can be a dedicated funding source that can only be used for expenses related to the maintenance of the street system.

How is the fee determined?

Customers are assigned one of two main categories, residential and non-residential. Residential customers are charged for maintaining local streets. Non-residential customers are charged for maintaining arterials. Maintenance of collector streets is equally shared. In addition, the fee is based on how many trips are considered the average for the property using data developed by the Institute of Traffic Engineers.

How much will I pay?

Single-family residential properties will be charged \$3.50 per month the first year. The fee will increase to \$5.50 per month in 2012.

Multi-family residential units and mobile homes will be charged 70% of the single-family fee per unit.

Non-residential bills depend upon the type and size of the development. Business groups will be established based on similar trip rates per square feet of gross floor area of usage (GFA). In the first year, business charges will range from \$0.05 to \$.30 per square feet of GFA, depending on the type of use and trip generation. This range will gradually increase to \$0.09 to \$0.60 per square foot of GFA over the following two years.

recover the costs of pavement maintenance that has been delayed and then second, for roadway operations. A list of projects has been developed for the first five years.

More Questions?

More information about our City's Transportation Improvement Fee is available at the City's web site at:

<http://www.ci.dallas.or.us/>

If you have further questions, you may contact, Fred Braun, City Engineer/Public Works Director at (503) 831-3555.

Examples:

	2009 Costs	2011 Costs
1000 SF Office	\$1.85	\$3.52
1000 SF Retail	\$6.83	\$12.98
1000 SF Bank	\$26.20	\$49.79
1000 SF Fast Food	\$41.67	\$79.17

What if I don't agree with how the City calculates my fee?

The fee, like that of other cities with similar road fees, allows businesses to request a re-examination of their fee. Residential fees must be accepted as the ITE average because while they may be lower on some days, they may be higher on other days.

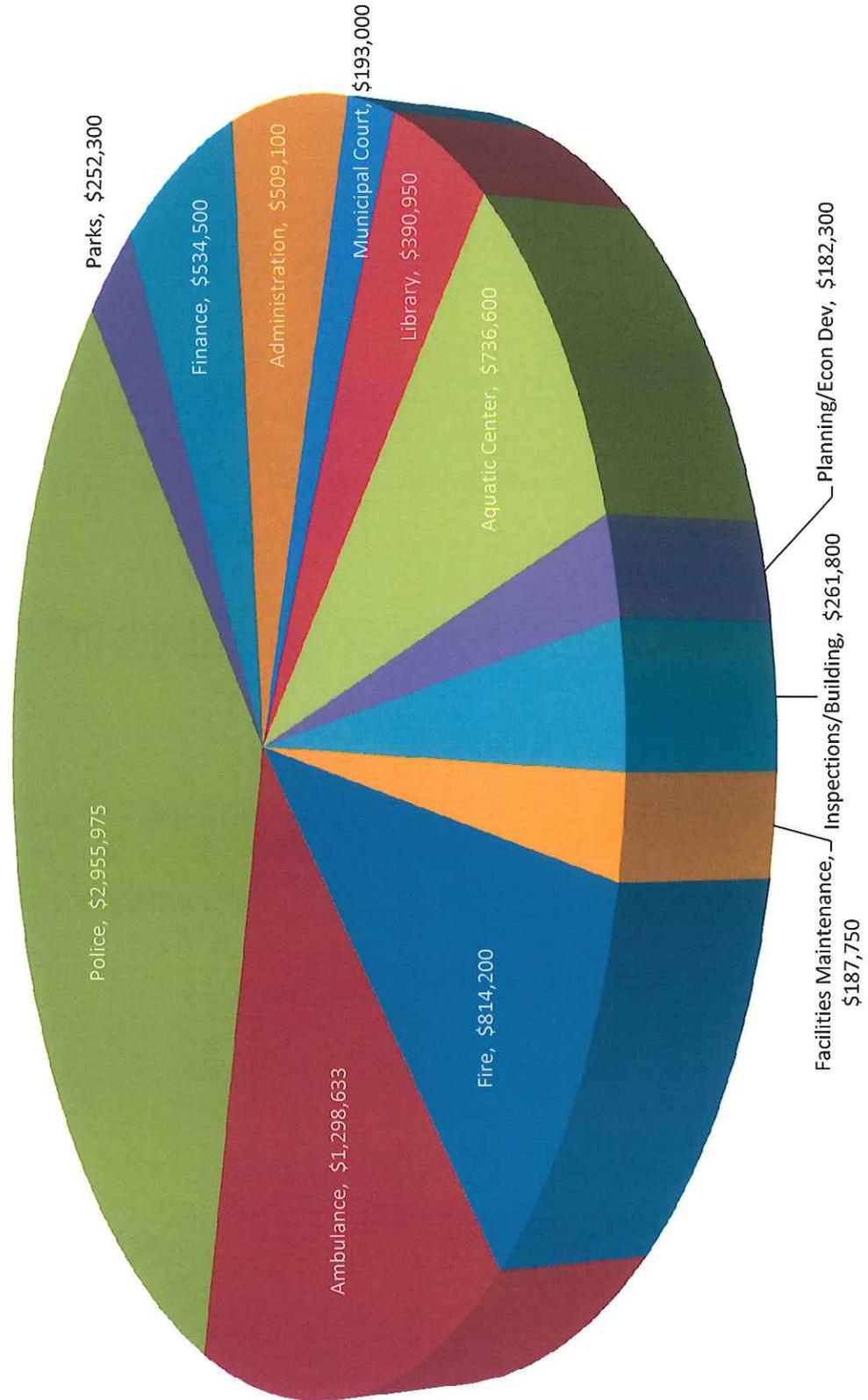
Why are so many cities charging a street maintenance fee?

What other Oregon cities have a Transportation Improvement

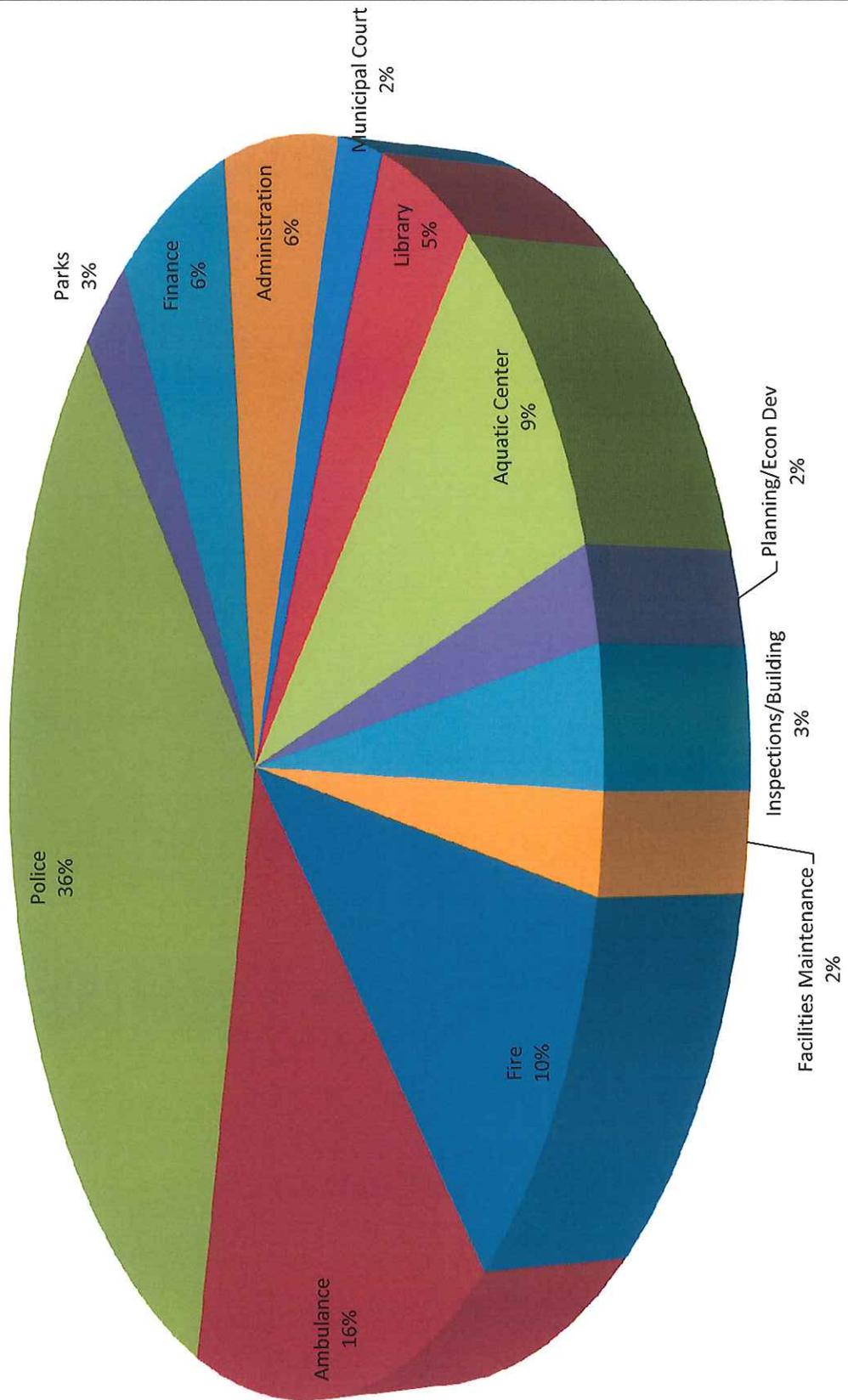
Fee?

Many other cities are experiencing exactly what Dallas faces: inadequate funding for transportation system maintenance. The old funding tools, state shared revenues from the Highway Fund (primarily the State gas tax), have not increased. Needs in most communities in Oregon have grown while funding has fallen behind. Ashland was the first city in Oregon to implement the fee beginning in 1989. The following other cities have followed suit: Canby, Bay City, Corvallis, Eagle Point, Grants Pass, Hubbard, La Grande, Lake Oswego, Medford, Milwaukie, North Plains, Philomath, Phoenix, Talent, Tigard, Tualatin, West Linn, and Wilsonville. Other cities actively pursuing a fee include Beaverton, Hillsboro, Eugene, Portland and Silverton.

General Fund Budget Breakdown
Proposed Budget: Fiscal Year 2012-2013
Total GF Budget: \$8,317,107



General Fund Budget Breakdown Proposed Budget: Fiscal Year 2012-2013



DALLAS CITY COUNCIL REPORT

TO: MAYOR BRIAN DALTON AND CITY COUNCIL

<i>City of Dallas</i>	Agenda Item No. 8 b	Topic: LOC Legislative Priorities
Prepared By: Emily Gagner	Meeting Date: September 17, 2012	Attachments: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Approved By: Jon Nelson		

RECOMMENDED MOTION:

None. For information only.

BACKGROUND:

In August, the League of Oregon Cities (LOC) Board of Directors adopted five priorities for the 2013 session of the Oregon Legislative Assembly. In addition to land use reform and local control referral, which were already designated as long-term priorities, 19 issues were forwarded to Oregon's cities for consideration and prioritization. The top three vote getters were added to the long term priorities to fill out the list of 5 priorities, which are:

1. Local control
2. Changes to population forecasting
3. Reset at sale
4. Jobs and economic development
5. 9-1-1 tax renewal

Attached is more information about each of these priorities.

FISCAL IMPACT:

None.

ATTACHMENTS:

Information regarding the 5 priorities of the LOC for 2013



Local Control Amendment

Description

The League’s proposed constitutional amendment would allow local voters the ability to consider a local option levy outside of compression, and would lengthen the maximum duration of a levy from five to 10 years. The amendment would not raise anyone’s taxes, but would empower voters to authorize a tax for local operations.

Background

Under Oregon’s current system, statewide limitations can prohibit local voters from having the ability to raise their own taxes to support services they demand. Measure 5 limitations prevent general governments (cities, counties and special districts) and schools to levying \$10 and \$5 per \$1,000 of real market value respectively. Any taxes levied in excess of those limitations are reduced, or compressed, proportionally until the limitations are met. Local option levies—temporary levies in excess of the municipality’s permanent rate that are approved by voters to provide funding for operating expenses—are compressed first under this system. As a result, residents residing in a municipality in compression are essentially prohibited from voting to raise their taxes even to support essential services such as police and fire.

Example

Sweet Home, a timber-dependent community of roughly 9,000 residents in Linn County, has a low permanent tax rate for a city of its size. As a result, the city has provided essential police protection and library services via a local option levy since 1986. In 2010, voters in Sweet Home approved these local option levies with 60 and 55 percent of the vote respectively.

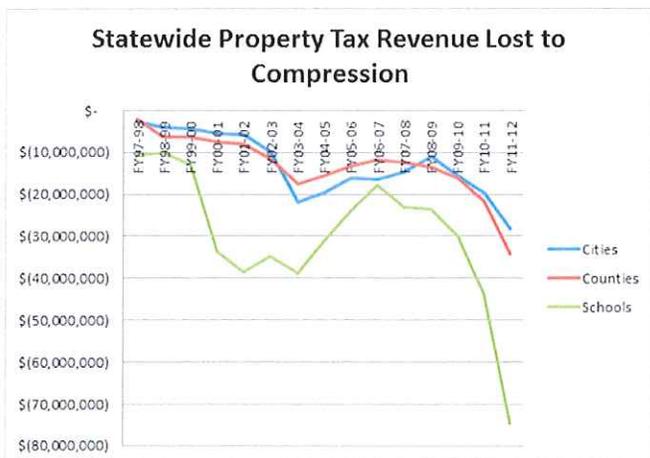
However, Linn County passed a local option levy of its own soon thereafter, and property values in Sweet Home fell. As a result, the local option levy revenue losses due to compression increased from \$300,000 to \$730,000 – nearly a third of what the levy was supposed to collect. As a result, the public safety and library services are not being provided at the level local citizens wanted.

Statewide Impacts

Compression is becoming a growing problem for local governments statewide. Since 2008-09, compression for all local governments has increased from \$51 million, or 1.13 percent of property tax collections, to \$144 million, or 2.8 percent of collections (see Table 1). All counties are in compression, as are half of all cities and more than 90 percent of all school districts.

Table 1: Statewide compression losses

	Revenue lost to compression in FY2011-12 (in millions)	Percent increase in compression losses since FY2008-09
Schools	\$ (74.50)	216%
Counties	\$ (34.30)	154%
Cities	\$ (28.20)	161%



Last May, local voters approved 18 of 21 (86 percent) local option levies, including six out of six city levies and four out of five county levies. While voters may still be concerned about the state of the economy, in many instances they clearly realize the value of local government services and are willing to tax themselves to provide those services. Whether or not any local voters approve local option levies outside of compression limitations is irrelevant. What matters is that local voters currently do not have the freedom and opportunity to do so.

Population Forecasting

Description

The proposed legislation would provide cities with population forecasts that would be updated every four years and be fully funded by state resources. These forecasts would be provided by the Population Research Center (PRC) at Portland State University, would not be considered a land use decision, and not subject to appeal at the Land Use Board of Appeals (LUBA).

Background

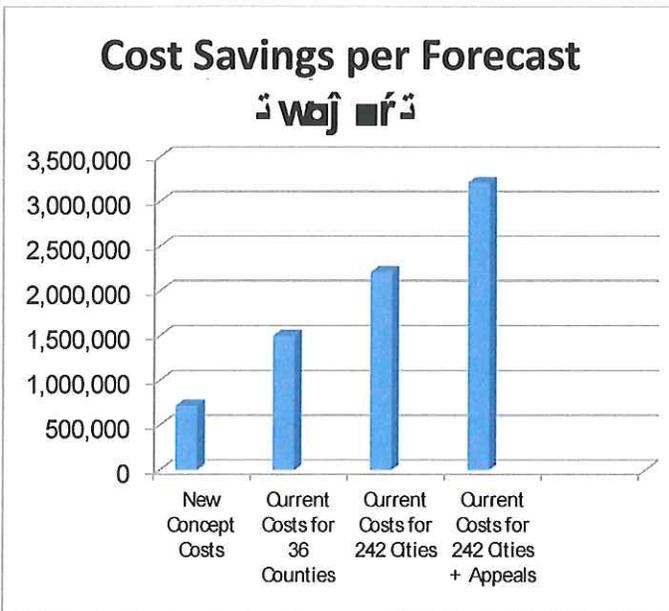
Under our current system, cities are mandated to use population forecasts to update their comprehensive plans. Current and future trends indicate that there are growing numbers of cities finding it necessary to begin UGB updates, requiring fresh forecasts. Counties are required by state law to issue, adopt and keep current forecasts for the urban and rural portions of their county (except Metro for its portion of the three-county region). For a variety of reasons, counties have had difficulty complying with the mandate to provide forecasts to cities—more than half the counties in the state have never provided their cities forecasts, or the forecasts are more than 10 years old. Cities have also had difficulty obtaining timely county approval of forecasts generated by a city, resulting in lost opportunity costs. Additionally, the monetary costs of complying with the existing system are substantial. Adding to the costs has been the skyrocketing of litigation—many forecasts are being challenged initially or at a later date as part of a subsequent land use action.

Example

Take for example the city of Newberg, a fast-growing community of roughly 22,000 residents in Yamhill County. The city has experienced two fairly recent forecast efforts, resulting in a LUBA appeal, approximately \$30,000 in city expenses and several years of time. Newberg still does not have a coordinated population forecast number that has been adopted by the county. Additionally, there has also been associated county time and expense, significant private citizen time and expense, and delay of important growth and employment opportunities in the city.

Statewide Impacts

The new forecasting system will result in considerable cost savings and will provide forecasts on an on-going basis.



Concept Details

- Forecasts will not be a land use decision, and not appealable to LUBA.
- “First round” forecasts will be completed over a 4-year period. Forecasts will be issued for one-fourth of the state every year.
- 50-year forecast horizon; includes single year increments.
- Includes a local process that allows multiple opportunities for input from cities, counties, citizens.
- A short 60-day challenge process if a city, county, or citizen does not agree with the forecast.
- Cities may choose from several options as to when they begin using the new numbers.
- Metro retains responsibility for city/county forecasts in the Metro boundary, but must coordinate methodologies with PRC. PRC will produce forecasts for cities and counties in Multnomah/Clackamas/Washington County, outside of Metro.
- A peer review team comprised of experts in the field, and city and county representatives will review methodology, local data collection and provide peer review to PRC.
- Cities with a shared UGB or shared county boundaries will be coordinated and forecasted in the same “round.”



Reset at Sale

Description

The League’s second proposed constitutional amendment would reset a property’s assessed value to its real market value at the time of sale or construction. The amendment would not raise anyone’s taxes on their current home, but would restore equity by recalibrating taxes based on the market’s valuation of a property at the time of sale—a better measure of a property’s value and an owner’s ability to pay.

Background

Measure 50, passed in 1997, created a new “assessed value” for all properties. Assessed value was initially set at 90 percent of a property’s 1995-96 real market value. For newer properties, a county-wide ratio is applied to determine the initial assessed value. Growth in assessed value is limited to 3 percent annually.

By locking in assessed values based on 1995-96 real market values or a ratio at the time of construction, and by capping annual growth, huge disparities in tax bills have emerged as property values have changed and as neighborhoods have gentrified.

Example and Statewide Impacts

Homeowners in inner North and Northeast Portland, for example, often have property tax bills that are one-third or one-fourth of what homeowners with similar real market values pay across town. The reason is simple. In the early and mid-1990s, large swaths of North and Northeast Portland had lower market values, and those values still determine the taxes owed. (See Table 1 for examples.)

Similarly, the ratio applied to new property can vary greatly from year to year as the market fluctuates. In Deschutes County, the ratio used to calculate assessed value for new properties has increased 50 percent between 2010 and 2011. As a result, identical properties with the same sale price but permitted only months apart can have dramatically different tax liabilities.

Table 1: Tax inequities between two neighborhoods in Portland

Established	RMV	AV	Taxes
9910 SW 61st	\$ 269,670	\$ 213,930	\$4,236
9931 SW 61st	\$ 270,590	\$ 236,110	\$4,270
9930 SW 61st	\$ 279,390	\$ 216,920	\$4,385
9911 SW 61st	\$ 311,450	\$ 252,070	\$4,897
Gentrifying	RMV	AV	Taxes
5134 NE 16th	\$ 267,870	\$ 72,870	\$1,624
5117 NE 16th	\$ 268,480	\$ 51,790	\$1,154
5126 NE 16th	\$ 282,140	\$ 51,640	\$1,151
5133 NE 16th	\$ 352,530	\$ 81,930	\$1,826

These inequities are not confined to certain areas of the state, however; they exist statewide.

Solution

Seventeen other states have property tax limitations similar to Oregon’s. Of those, 15 readjust property taxes at the time of sale. Oregon’s existing system, according to a Lincoln Institute of Land Policy report, “has gone the farthest of any [in the country] in breaking the link between property taxes and property values.”

Resetting assessed value to real market value at the time of sale would reconnect the link between property value and property taxes, and improve the fairness of Oregon’s system.



Jobs and Economic Development

Description

Support investment in three funding requests from the Oregon Business Development Department's that will create, retain, expand and attract businesses that provide sustainable family-wage jobs for Oregonians through public-private partnerships and leverage funding and economic opportunities for Oregon companies and entrepreneurs. The three initiatives are:

- **\$10 million** to recapitalize the *Brownfield Revolving Loan Redevelopment Fund*, which provides loan funding for gap financing that commercial lenders are unable to provide to clean up industrial sites;
- **\$25 million** within the Special Public Works Fund (SPWF) to institute the *Patient Capital for Industrial Lands Infrastructure Pilot Program*, which would provide funding to municipalities to install infrastructure and necessary feasibility studies needed for industrial sites to be “shovel” ready for development; and
- **\$15 million** within the SPWF to institute the *Employment Site Re-Use/Redevelopment Pilot Program*, which would assist communities with funding incentives to reuse or redevelop existing industrial lands. Funding could be used to address a variety of barriers to utilizing existing industrial land within a city's urban growth boundary, including building inadequate infrastructure, addressing environmental contamination, and dealing with fractured parcel ownerships or pressure to convert to non-industrial uses.

Background

In a 2012 League survey, cities ranked the lack of infrastructure as the biggest hurdle to attracting new or expanded industrial development or new employment opportunities. Adequate infrastructure for industrial sites is a critical component to the economic vitality of cities and local economic regions. An adequate supply of shovel ready industrial land will be essential in order for cities to create jobs, improve the quality of life for residents, and foster entrepreneurship and productive economic activity.

Further, prior surveys have identified more than \$2 billion in municipal infrastructure projects that would be ready to go to bid if sufficient funding is secured— a figure that reflects the decline of state and federal investments in local infrastructure over the course of the last several decades.

Statewide Impacts

These three economic development initiatives would remedy infrastructure deficiencies and provide critical funding for specific types of industrial development situations that are important for job creation and economic vitality.

These three programs will:

- Help cities utilize existing industrial sites and clean up underutilized and contaminated areas;
- Grow the property tax base for cash-strapped cities, schools and counties;
- Give Oregon a supply of shovel-ready industrial land that can be occupied within six months;
- Provide family-wage jobs when a tenant occupies the land; and
- Make Oregon a more competitive and attractive state for economic development.



9-1-1 Tax Renewal

Description

The League will work with other stakeholder groups (principally organizations representing public safety organizations and jurisdictions) to extend the 9-1-1 emergency services tax beyond its expiration in 2014. In doing so, the League seeks several important policy changes to the 9-1-1 system.

Background

The current \$.75 per month tax is an important source of revenue for cities. After subtracting collection costs, administrative fees and equipment costs, cities receive \$13 million per biennium, which is passed through to the governing authority of the 9-1-1 jurisdiction serving that city. These funds are the backbone of the budget that supports the planning, installation, maintenance, operation and improvement of the statewide 9-1-1 emergency reporting system.

The state currently diverts portions of the 9-1-1 tax revenues it collects as well as the earned interest to the general fund in support of positions and activities unrelated to 9-1-1 services, a practice frowned upon by the federal government. Oregon is one of the only states in the country to do so, and as a result, for the last three years has been ineligible for federal emergency services grants.

Pre-paid cellular phone and Voice over Internet Protocol (VoIP) users do not pay the 9-1-1 tax. All other users of telecommunications services, including regular cell phone users, pay the tax. Previous attempts to enact legislation addressing this inequity have failed. Legislative counsel has opined that such legislation is unnecessary because the authority to levy this tax already exists. The Oregon Department of Revenue is considering a rule that would include pre-paid cell phones under the tax, but if approved litigation would likely result.

Concept Details

The statutory authorization for the collection of taxes in support of the 9-1-1 reporting system is due to expire on December 31, 2014. It is therefore important that the Oregon Legislative Assembly extend the authorization for the 9-1-1 tax. In addition, the League will seek to:

- Modify the tax rate to ensure adequate resources for both the management of the system and the acquisition of the most modern technology;
- Make permanent the statutory authority for the tax (i.e. no sunset provision) in recognition of the permanence of the 9-1-1 system;
- Require that the state use revenues derived from the 9-1-1 tax solely for the provision of emergency reporting services, thereby ending the practice of diverting both revenues and earned interest to the state's general fund; and
- Make it statutorily clear that purchasers of pre-paid cell phones and VoIP services are also subject to the 9-1-1 tax.