

City of Tigard

Proposed Local Gas Tax Increase: Potential Transportation Projects

The city's existing fuel tax of \$.03/gallon does not provide sufficient funding for construction, maintenance, improvement of public highways, roads, street and rights of way within the city. Currently the \$.03/gallon fuel tax primarily supports major transportation capital projects. Through council and staff discussions, the city could consider an increase to the city gas tax to further support transportation related projects. An increase of \$.01/gallon in the city's tax would raise approximately \$200,000 in revenues annually.

Staff has identified transportation needs that this additional revenue could support. Three main transportation construction elements that a potential increase in city gas tax could support are:

1. Pavement Management Program
2. Major Capital Transportation Construction Projects
3. Pedestrian Connection Projects (inside the right-of-way) in support the strategic plan

The \$.05/gallon city gas tax increase is estimated to provide \$1,000,000 in revenues annually. This memo provides projects the city could consider for the proposed 5 cent/gallon increase in city gas tax. Identified transportation projects were categorized in the above three areas and noted in further detail below. (Additionally, some of the gas tax resources could be used to fund increasing right-of-way vegetation management needs)

1. Pavement Management Program

The increase in gas tax could provide an expansion of the current city Pavement Management Program (PMP) to help the city repave and provide accessible curb ramps on a larger proportion of city streets. The current PMP with an FY17 adopted budget of approximately \$2 million, paid by the city Street Maintenance Fee charged to city residents and businesses, is primarily focused over the next five years on larger arterial and connector streets (higher capacity, busier streets). It is anticipated that an additional \$600,000 annual revenues would help the city address the current backlog of PMP projects within the next ten years. The increased city gas tax would allow for more local, neighborhood streets to be repaved sooner. A potential list of candidate streets is shown in the following table. The table represents a potential street paving list over five years that would otherwise fall to later years.

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Street Project	Street - From	Street - To	Classification	Project Cost
Cardinal Ln	72nd Ave	End of Street	Commercial	70,000
Johnson St	Hwy 99W	Grant Ave	Residential	60,000
Grant Ave	McKenzie St	Tigard St	Residential	170,000
Fonner St	Walnut St	115th Ave	Residential	220,000
Alderbrook Dr	Durham Rd	Oaktree Ln	Residential	40,000
Main St (Phase II)	Tigard St	Commercial St	Collector	30,000
Oak St	Hall Blvd	90th Ave	Collector	100,000
74th Ave	Durham Rd	1,300' S of Bonita	Commercial	230,000
Garden Place	Hwy 99W	Hall Blvd	Commercial	180,000
130th Ave	Scholls Ferry Rd	Hawksbeard St	Residential	80,000
Atlanta/69th	68th Pkwy	Baylor	Commercial	60,000
Beveland St	72nd Ave	End of Street	Commercial	70,000
115th Ave (Except at N. D)	Tigard St	Cottonwood Ln	Residential	180,000
Fanno Creek Dr	Bonita Rd	Fanno Creek Lp	Residential	120,000
Greenfield Dr	Bull Mountain Rd	Summit Ridge St	Residential	60,000
Walnut St	Gaarde St	135th Ave	Arterial	200,000
69th Ave	Hampton St	Dartmouth St	Commercial	100,000
Benchview Terr	Alpine View	Clearview Dr	Residential	200,000
Sequoia Pkwy	Upper Boones Ferry Rd	Bonita Rd	Collector	290,000
121st Ave	Gaarde St	Hollow Ln	Collector	170,000
Kable Ln	72nd Ave	End of Street	Commercial	40,000
				2,670,000

2. Major Capital Transportation Construction Projects

Transportation capital projects are improvements that each cost more than \$50,000. They are funded by a mix of sources, including state gas tax, system development charges paid by new development, local city gas tax, city general funds from property tax revenues, and regional/state/federal grant programs. These sources may have specific limitations on when, where, how they can be used; limited funding available; and in the case of grants – fierce competition for the available funds. Most grants also require matching funds, anywhere from 10% up to 200% of the grant amount. The city’s current revenues do not meet the existing needs in our transportation system. Additional revenue generated by an increase in the city’s gas tax would help supplement the city’s ability to meet these needs. The city’s current \$.03/gallon gas tax provides approximately \$600,000 of revenues annually. Staff anticipates approximately \$300,000 in annual revenues could help the city start addressing the list of unfunded and underfunded major capital transportation projects.

The existing city \$.03/gallon gas tax is currently utilized to:

- pay off transportation bonds issued in 2010 for the Greenburg Road/Main Street/Pacific Highway Intersection
- to help fund local street and sidewalk projects

As mentioned above, there is a substantial backlog of unfunded or underfunded projects. An increase in the city’s gas tax could help chip away at larger street, bike and pedestrian project needs in city right-of-way. After the transportation bonds are paid off in 2020, another estimated \$300,000 annual revenues will be available for projects as well. City gas tax dollars can pay directly for projects, but also can be important leverage as matching dollars, allowing the city to apply and

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qualify for various regional, state and federal grants. This is important as many unfunded projects are estimated to cost in the millions of dollars.

Potential capital projects that a local gas tax increase can help fund are listed below. These are projects from the city's "Qualified List", which includes priority safety projects identified by staff and other priority projects ranked by the Tigard Transportation Advisory Committee. Some of the projects are in the recently adopted FY17-22 Capital Improvement Program (CIP) but are underfunded or pushed to out to later years. Some are under consideration for County Major Streets Transportation Improvement Program (MSTIP) funding through Washington County, but all are not likely to receive funding. Other projects, while considered a high enough priority to make the Qualified List, are currently unfunded and not listed in the CIP.

High Priority Projects in the Current CIP that are Under-Funded:

- North Dakota Street (Fanno Creek) bridge replacement: The city has applied to ODOT for federal bridge replacement grant funds, as the bridge repairs the city completed in the summer of 2015 are only temporary. However, based on ODOT staff comments, it is anticipated that grant funds, if received, will not provide for a complete project that includes sidewalks, bike lanes, flood relief over adjacent roadway or other safety improvement needs. City gas tax funds could provide for filling the gap so this is a complete and fully functional project. Depending on level of ODOT funding, the gap is anticipated to be \$800,000 to \$1.4 million (a complete project is estimated to cost about \$3.75 million). The recently adopted FY17-22 CIP currently provides for \$800,000 city match.
- Tigard Street (Fanno Creek) bridge replacement: Inspection information suggests this bridge should be replaced immediately following the North Dakota Street bridge. This bridge did not qualify for the 2018-2021 round of grant funding through ODOT (bridges need to be in very bad, near failure condition to qualify, such as the North Dakota Street bridge), but may qualify for the subsequent round, and the city will need matching dollars. Replacement with a complete project including full pedestrian and bicycle accommodations is estimated in the range of \$3.6 million.

Projects Under Consideration for County MSTIP Funding:

Currently the City has three high priority sidewalk/bicycle lane projects and two high priority intersection signalization projects on the 150% project list for potential funding through the Washington County Major Streets Transportation Improvement Program (MSTIP). Local gas tax dollars could help partially fund one or more of these projects if all are not selected for MSTIP (funding selections by the County are anticipated to be made by September 2016). These projects are:

- 121st Avenue, Tippit to Whistler: bicycle and pedestrian facilities, cost estimate \$3.9 million
- Tiedeman Avenue, Greenburg Road to Fanno Creek: sidewalks and bike lanes, cost estimate \$6 million (note: a smaller project on Tiedeman from Greenburg Road to Tigard Street is in the adopted CIP at an estimated cost of \$978,000 as a fundable placeholder if the complete project is not selected for MSTIP funding)

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- Hunziker Street, 77th to 72nd: sidewalk and bike lanes, cost estimate \$1 million
- Bonita Road at Sequoia Parkway: traffic signal, cost estimate \$600,000
- Hall Blvd at Pfaffle Street: traffic signal, cost estimate \$600,000

Other Unfunded High Priority Projects (these are projects not in the city's CIP, but are noted on the "Qualified List"):

- Hunziker Street, 72nd to 77th: add sidewalk on north side and bike lanes, cost estimate \$1 million.
- Tigard Street, Gallo Avenue to Fanno Creek: half-street improvement and sidewalk/trail adjacent to Dirksen Nature Park, cost estimate \$1.1 million. (Improvements required by conditions of approval for park improvements)
- 116th Avenue, Tigard Street to Katherine Street: new trail in existing unimproved right-of-way crossing Summer Creek, cost estimate \$200,000.
- Barrows Road, Springbrook to Anna: sidewalk on Tigard's side of the road, cost estimate \$150,000.
- Scoffins Street, Hall Blvd to Ash Avenue: add sidewalks, cost estimate \$1 million.

3. Pedestrian Connection Projects (inside right-of-way)

In addition to noted (1) and (2) above the city has identified a need for increased attention to pedestrian connections in support of the city's strategic plan. Revenues from an increase in the city's gas tax could supplement the Pedestrian and Cyclist Connections Program in the city's adopted Capital Improvement Program (CIP). There are many smaller projects that can individually and cumulatively increase pedestrian route connectivity and safety in Tigard. In addition, there is a tremendous backlog of sidewalk, pathway, and crosswalk gap projects throughout the city, and the additional funding would assist in chipping away at this backlog. The types of projects proposed for funding with the additional city gas tax revenues are noted below. The Tigard Transportation Advisory Committee or designated subcommittee would be asked to advise the city on project priorities to be funded from these categories.

- Short, "missing link" sidewalk or pathway gaps in public right-of-way
- Pedestrian crossing improvements, such as flashing pedestrian signs and beacons
- Improvements to street traffic signals to provide for safer pedestrian crossings

As discussed above the city has identified how approximately \$1,000,000 in increased local gas tax revenue could be used to address the current backlog of transportation projects and maintenance. A \$.05/gallon increase to the city's local gas tax is an option to meet this need.