



City of Tigard Memorandum

To: Honorable Mayor Cook and Tigard City Council
From: Cara Fitzpatrick, Assistant Finance Director
Re: City Gas Tax – Exhibit C Explanatory Statement for Ballot Measure
Date: July 21, 2016

At the July 26, 2016 council meeting, staff will bring forward ballot title language for the local gas tax increase. At this meeting staff will recommend council pass a resolution to place an increase to the local gas tax on the November ballot. In connection with the ballot measure is the Exhibit C Explanatory Statement For Voters' Pamphlet. The AIS for the July 26, 2016 council meeting noted you would receive the explanatory language for the ballot measure in the weekly council newsletter. Attached to this memo is draft language for Exhibit C – Explanatory Statement for the local gas tax ballot measure. We appreciate any input or feedback from council on this language at the council meeting on July 26, 2016.

DRAFT

EXHIBIT C EXPLANATORY STATEMENT FOR VOTERS' PAMPHLET (up to 500 words)

Measure increases the local fuel tax by \$.05 per gallon dedicated to street systems, safety improvements, pavement management and rights-of-way maintenance. The additional \$.05 per gallon in local gas tax is estimated to raise \$1 million annually and bring the city's fuel tax to \$.08 per gallon. Tax would be implemented no earlier than January 2017.

Example projects include:

- **Pavement Management** (\$11.0 million) - Street repair and paving to local and neighborhood streets – 74th Avenue, 121st Avenue, 130th Ave, Alderbrook Drive, Atlanta Street, Benchview Terrace, Fonner Street, Grant Avenue, etc.
- **Sidewalks and bike lanes** (\$8.0 million) – Tiedeman Avenue, Greenburg Road to Fanno Creek, Hunziker Street, 77th Avenue to 72nd Avenue, Scoffins Street, Hall Boulevard to Ash Avenue
- **Traffic Signal Safety** (\$1.2 million) – Bonita Road at Sequoia Parkway, Hall Boulevard at Pfaffle Street

For a detailed list of proposed projects, please visit www.tigard-or.gov/to_be_determined

Tigard's transportation system is facing a number of challenges. Road funding has remained static for decades, as the state gas tax is not indexed for inflation, and the city's current funding level does not allow the City to address the backlog of transportation related projects. The \$2 million per year revenues from the city's Street Maintenance Fee (SMF) for street paving only provides enough funding to keep pace with paving needs that develop each year. As a result, Tigard has a backlog of about 22 miles of streets in poor condition. The cost to pave these backlogged streets is about \$11 million.

If approved, the increase of \$.05/gallon to the local gas tax, which will be paid by all persons who buy gas in Tigard, will provide an estimated \$1,000,000 in revenues annually. This will allow Tigard to address the paving backlog over approximately 20 years (about \$500,000 per year) and build street, sidewalk, and safety projects. The local gas tax revenue could also provide matching dollars to allow the city to leverage other local, state, and federal funding sources to build high priority street, bridge, signal, and sidewalk projects.

If the local gas tax ballot is approved Tigard residents will not see a scheduled SMF increase of 24% to their monthly utility bill, and businesses will not see the scheduled increase of 16% beginning January 1, 2017. The SMF is paid by Tigard residents and businesses and the planned January 2017 increase in the fee is estimated to provide an additional \$500,000 of revenues annually.