



City of Tigard Memorandum

To: Honorable Mayor Cook and Tigard City Council
From: Cara Fitzpatrick, Assistant Finance Director
Re: City Gas Tax Increase Discussion
Date: July 7, 2016

As you consider the information provided for the local gas tax ballot measure discussion for the July 12, 2016 business meeting, staff would like your direction and input on the following questions.

Council Questions:

1. Is 5 cents per gallon the right amount for the local gas tax ballot measure?

Below is a list of cities and the local gas tax according the League of Oregon Cities website. In addition to the list of cities, Washington County has a 1 cent gas tax and Multnomah County has a 3 cents gas tax.

- Portland voters approved 10 cents for four years – going into effect September 2016 and expires in late 2020.
- Clackamas County board approved a ballot measure for November 2016 of 6 cents for seven years.

City	Passage Date	Tax Rate (cents/gallon)
Astoria	2007	3 cents
Brookings	2015	4 cents
Canby	2008	3 cents
Coburg	2007	3 cents
Coquille	2007	3 cents
Cornelius	2009	2 cents
Cottage Grove	2003	3 cents
Dundee	2003	2 cents
Eugene	2003	5 cents
Hood River	2009	3 cents
Milwaukie	2007	2 cents
Newport	2009	1 cent (Nov.-May); 3 cents (June-Oct.)
Oakridge	2004	3 cents
Phoenix	2015	2 cents
Sandy	2002	1 cent
Sisters	2009	3 cents
Springfield	2003	3 cents
The Dalles	1980	3 cents
Tigard	2006	3 cents
Troutdale	2015	3 cents
Tillamook	1982	1.5 cents
Veneta	2004	3 cents
Warrenton	2007	3 cents
Woodburn	1989	1 cent

2. What projects should be highlighted in the ballot measure title (limited to 175 words)?

Staff proposed the following potential projects that could be addressed with the additional funding. Council has the flexibility to adjust project priorities and schedules based on circumstances such as grant availability, fluctuations in materials and construction costs.

- Pavement Management Program: Repave more neighborhood streets such as parts of Grant Ave, Atlanta, Benchview Terrace, 121st Avenue.
- Major Street Improvements: Contribute to North Dakota and Tigard Street bridge replacements, including sidewalks and bike lanes; Tigard Street along Dirksen Park.
- Pedestrian Connection & Safety Projects: Hunziker Street, Barrows Road, and neighborhood gaps; crosswalk improvements such as flashing signs and beacons; improved traffic signals for safer pedestrian crossings.

3. If the local fuels tax should sunset, when will that be?

Tigard – at \$.05/gallon will provide approximately \$1,000,000 annual revenues

5 years = \$ 5,000,000

10 years = \$10,000,000

As a reference, the city's current annual spend on pavement maintenance and major capital improvement transportation projects is approximately:

- Pavement Management Program – \$2,000,000 (from SMF)
- Other Capital Transportation Projects – \$1,600,000 (from state and local gas taxes and transportation development tax)

None of the above spending addresses the current backlog of transportation related projects. The \$2,000,000/year spent on PMP is enough to keep up with the paving needs that develop annually, but not sufficient to make progress on the backlog.

4. Is November 2016 the right time for the local gas tax ballot measure? Please note, the following are also likely on the November local ballot:

- Tigard: SW Corridor / Light-rail project
- TUSD: Tigard Tualatin School District \$290M Bond
- Tigard: Potential marijuana tax

5. Are Tigard residents and businesses willing to pay an increase in the city gas tax?

Fees paid by Tigard residents and business:

- Water / Sanitary Sewer / Storm charges – monthly, varies
- Park Utility Fee:
 - \$3.75/monthly for residential
 - \$3.75/monthly per EDU based on billed parking stalls for non-residential
- Sewer Surcharge – \$2.07/EDU / monthly effective 10/01/16
- Street Maintenance Fee (SMF) – monthly for:
 - \$5.30/residential
 - \$1.86/parking space for non-residential
 - Scheduled to increase on January 1, 2017 if a local gas tax ballot measure does not pass. This increase is expected to generate roughly half the revenue that a local \$.05/gallon gas tax could provide.

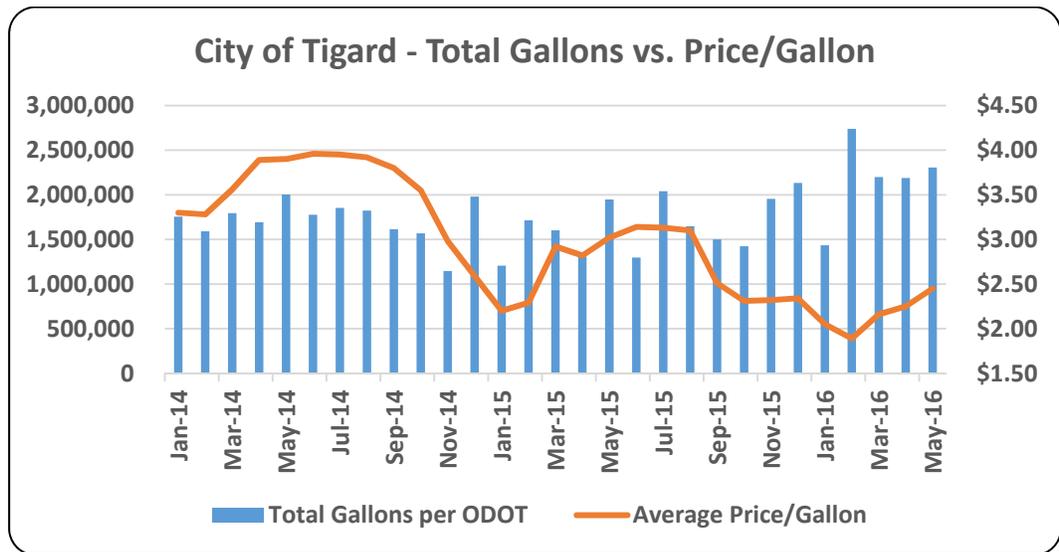
The January 1, 2017 increased SMF would be a total monthly fee for:

- \$6.56/residential
- \$2.15/parking space for non-residential

A local gas tax would be paid by both residents and non-residents alike that would alleviate the future burden of the SMF increase on January 1, 2017.

6. Does the price of a gallon of gas have an impact on the number of gallons sold?

The chart below represents a nearly 2 ½ year lookback at this correlation. Please note the gallons sold since February 2016 include the new Costco fueling station. Costco may have an impact in and of itself, however due to the very low gas prices it's difficult extrapolate what the impact of Costco is at this point in time.



Also for reference, the following table lists the gas stations within Tigard:

Number	Address	Station
1	11440 SW Pacific Hwy	76
2	11465 SW Pacific Hwy	Shell
3	7850 SW Dartmouth St	Costco
4	11747 SW Pacific Hwy	Chevron
5	11834 SW Pacific Hwy	Shell
6	12825 SW Pacific Hwy	Patriot
7	12885 SW Pacific Hwy	Astro
8	13970 SW Pacific Hwy	Chevron
9	10775 SW Greenburg Rd	76
10	15900 SW 72nd Ave	76
11	11290 SW Bull Mtn Rd	Shell
12	15055 SW 72nd Ave	Pacific Pride
13	15670 SW Upper Boones Ferry Rd	Chevron

7. What are FAQ's we should make sure to address?