7.0 TRANSPORTATION SYSTEM IMPLEMENTATION[11]

7.1 TRANSPORTATION IMPROVEMENT PLANNING & DEVELOPMENT PROVIDERS WITHIN TSP PLAN AREA

City of Bend: The city of Bend is responsible for maintenance and capital improvements for the transportation system under the City's jurisdiction. It plans for its transportation system needs through a *Capital Improvement Program* (CIP) process. The Bend CIP represents a five-year planning forecast of prioritized transportation system improvements. This document is updated yearly and it is incorporated within the City's Budget. The CIP addresses transportation elements that include construction and modernization needs of roads, sidewalks and bike lanes. Modernization projects are construction of roadways to urban and/or complete street standards. As such, many of the planned improvements are typically focused on bicycle, pedestrian and safety improvements.

The CIP is also coordinated with the Bend Metropolitan Planning Organization, the Community Development and Public Works Departments, along with input from the Infrastructure Advisory Committee, the Deschutes County Bike and Pedestrian Committee and the Bend Transportation Safety Advisory Committee. Factors such as the assessment of transportation system priorities, transportation coordination needs, other funding opportunities and maintenance or operational impacts as well as changes in population and/or land use patterns all help to define the priorities and structure of the Bend CIP.

The City's Biennial Budget is adopted by the Bend City Council by the end of June of every other year. The CIP is incorporated into the City biennial budget.

Bend Metropolitan Planning Organization – The Bend Metropolitan Planning Organization (BMPO) was designated as a MPO in December 2002. The BMPO is the federally designated regional transportation planning organization for Bend. It serves as a forum for cooperative and coordinated transportation decision-making by state and local governments, and regional transportation and planning services. The current adopted BMPO boundary is slightly larger than the city of Bend Urban Growth Boundary (UGB).

Deschutes County – Deschutes County is responsible for maintenance and capital improvements for the transportation system under the County's jurisdiction. It programs transportation improvement and maintenance projects through an annual process known as the Major Roads Capital Improvement Program (MRCIP). The County's MRCIP is a 20-year list of capital and major maintenance projects. Projects are prioritized based on a high to low ranking methodology and are forwarded for development and construction through the annual budget process which is approved by the Board of County Commissioners. County transportation improvements are typically focused on roadways that fall outside the UGB.

State of Oregon – The Oregon Department of Transportation (ODOT) utilizes a process called the Statewide Transportation Improvement Program (STIP) to plan for highway improvements along the state system. This is a four-year programming document that is updated every two years. The STIP is ODOT's short-term capital improvement program, providing project funding and scheduling information for the state and other affected government jurisdictions. For administrative purposes, ODOT segregates the state into five distinct *regions*. The STIP document is organized and addresses projects within each of these defined regions. The Central Oregon area, including Bend, is contained within State Region 4. In recent STIPs, the compound effect of ever increasing existing transportation needs, combined with a shrinking funding stream, have placed more and more priority on making investments in maintenance related projects rather than adding new modernization (capacity and facility upgrade) projects. The latest version of the STIP (2015-18) provides funding for both "Fix-it" (typically maintenance related) projects and preserves a portion of funding for "Enhance-it" (capacity increasing) projects.

Bend Park and Recreation District – The Bend Park and Recreation District (BPRD) is a special taxing district that was formed in 1974, when recreation functions separated from the City. BPRD is governed by a five-member publicly elected board of directors. The District includes a geographic area that is slightly larger than the area encompassed by the Bend UGB.

Under the terms of an ongoing intergovernmental agreement between the City and District, the District is responsible for the primary trail system The District maintains and operates nearly 70-miles of trails. Primary trails are further described in the Bend TSP in Chapter: **6.3.1.3** and delineated on TSP **Map Exhibit-C**; the *Bend Urban Area Bicycle and Pedestrian System Plan – Trail Surface Type*. The maintenance and development of the major trail system of the City is primarily the District's financial responsibility. Many other connector or secondary trails, multi-use pathways and accessway trails remain the responsibility of the City and/or private development.

The District derives funding for trails primarily from park system development charges, state and federal grant programs and other District general fund revenues. Many sections of the primary trail system have been, and will continue to be, acquired during development. A recent (2012) voter-approved Park Bond Measure will further augment trail system funding substantially.

The entire trail network is depicted on TSP **Map Exhibit-B**; *Bend Urban Area Bicycle and Pedestrian System Plan*.

Central Oregon Intergovernmental Council – The Central Oregon Intergovernmental Council (COIC) serves Crook, Deschutes and Jefferson counties and the cities of Bend, Culver, La Pine, Madras, Metolius, Prineville, Redmond and Sisters. COIC is governed by a 15-member board that is made up of elected officials appointed by each of the member governments and appointed representatives from several other key economic sectors. The respective county courts, councils or commissions make each appointment to the Board.

COIC began serving the residents and communities of Central Oregon, in 1972, as a Council of Governments.

Since the fall of 2010, COIC's Cascades East Transit (CET) has, through an intergovernmental agreement with the city of Bend, taken over the administration and management of the City's former Bend Area Transit (BAT) system.

It is expected that COIC will seek the formation of a transit district and supporting operating levy in the future.

7.2 TRANSPORTATION FUNDING SOURCES

7.2.1 Historic Transportation Funding Distribution.

The largest share of historic transportation funding for Bend projects has been provided by transportation system development charges (T-SDCs). Roughly 2/3rds of the funding for improvements over the last ten years has come from T-SDCs. Table 13 provides a summary of the transportation funding sources.

Table 13

Historic Transportation Funding Sources

	Last 10 years	Average per year	Percent
SDCs (net)	$39,938,595	$3,993,860	64%
State/Federal Grants	$6,379,523	$637,952	10%
Franchise Fees (water & sewer)	$5,024,467	$502,447	8%
Dev. Exactions/Contributions	$4,216,294	$421,629	7%
General Obligation Bonds	$3,000,000	$300,000	5%
Interest	$2,527,796	$252,780	4%
ROW/real property sales	$878,622	$87,862	1%
City/ODOT partnership	$532,000	$53,200	1%
Totals =	**$62,497,297**	**$6,249,730**	

7.2.2 Funding Sources

The sources of funds that the City relies on or has relied on to pay for transportation system operations and capital needs are outlined in this section.

Transportation System Development Charges - Growth related capital improvements are funded by Transportation System Development Charges (T-SDCs) which are assessed on new development. The T-SDC rate was established by methodology studies consistent with Oregon Revised Statutes. The City Council may adjust the charge to reflect changes in methodology, construction standards and costs and inflation.

In prioritizing the TSP projects to be considered eligible for T-SDC expenditure, only those projects that are anticipated to be necessary within the 20-year planning period were included as T-SDC funding eligible. This project list is the basis for calculating the T-SDC. However, the T-SDC funding eligible projects were further prioritized to achieve a fiscally constrained T-SDC project list because the City Council elected to set the T-SDC at 55% of the amount calculated by the methodology for the unconstrained T-SDC project list. The T-SDC methodology contains two project categories: one, projects that are currently eligible for expenditure of T-SDCs and two, a second category of potentially eligible projects that are unfunded. If local priorities change and a project in the second category becomes a priority it can replace a project (or projects) of an equal cost on the first list so that no change in the T-SDC rate would be required. The adopted T-SDC ordinance maintains the flexibility to make this type of change solely within the yearly CIP/City Budget process. A list of currently eligible T-SDC expenditure projects and a map are included in TSP **Appendix E.**

The City used the Deficiency Methodology (growth share = cost – existing deficiency) to allow for a larger portion of some projects to be funded by T-SDCs. Although fewer projects are allocated funding with the constrained list, a larger portion of project costs are now SDC eligible.

Also, if private development occurs that would precipitate the need to build a project identified in the TSP plan but not on the T-SDC list, it would remain ineligible for T-SDC expenditure. However, the facility improvement would be authorized by the TSP and could be built either at the developer's expense, using some other funding source, or both.

The T-SDC also recognizes multi-modal projects as eligible cost expenditures. Now included in the list of eligible projects for T-SDC is the construction of missing sidewalks, including projects along the state highway system.

T-SDC funds remain a relatively variable funding source given fluctuations in development because of the economy. The city experienced large fluctuations in the fund over the last ten years, which makes it difficult to plan for projects and be assured of stable funding.

Both the "Slow Growth Scenario" and "Strong Growth Scenario" funding estimates anticipated incremental increase in T-SDC rates. Increasing the T-SDC rates is one of many potential funding options available to the City. The decision to raise the T-SDC rate is a discretionary decision to be made by the City Council in the future based on the information and policy considerations available to them at the time.

Franchise Fees – In 2004, the City implemented a 4% garbage franchise fee assessed on gross revenues collected by the solid waste franchisees. This revenue provides approximately $480,000 (2012 dollars) annually and is primarily dedicated to funding street maintenance.

In 2006, the City implemented a 3% water and sewer franchise fee which is assessed on water and sewer rate revenues generated by the City, Roats Water System and Avion Water Company. This revenue is primarily used to fund transportation system capital improvement implementation. In 2012, water and sewer franchise fees generated close to one million annually. These fees are a flexible funding source and can be used to supplement the SDC fund.

General Obligation Bonds – State law allows local governments to issue general obligation debt for infrastructure improvements. An unlimited-tax general obligation bond often must follow a voter authorization in which local residents agree to raise property taxes by an amount equal to debt-service requirements over the life of the bonds.

On May 17, 2011, Bend voters approved a $30 million general obligation bond to fund various transportation capital improvements including construction of three new roundabouts, and reconstruction and modernization of the Reed Market Corridor. The projects will be completed by 2015. The City intends to use the bond program for transportation improvements in the future.

General Fund Allocation – The City allocates monies from its General Fund each year for street maintenance and preservation and transportation planning. General Fund allocations to street maintenance and preservation and transportation planning have historically ranged from $1.1 million to $2.7 million annually. These allocations can be adjusted by the City Council to meet future transportation needs.

Local Improvement Districts (LIDs) – Local street infrastructure improvements that benefit specific properties in a defined area may be funded by LID assessments. Bend Code 2.10.005 provides the governing rules and procedures to create an LID for funding street improvements. Generally a street LID would be initiated by property owners, and if approved by City Council, the local street improvement is planned, designed and constructed by the City and an LID assessment is charged to benefited property owners over a period of ten years to finance the local street improvement.

Developer Contributions – Private land development is currently required to build the entire local, collector and/or arterial streets within or fronting their respective new developments. In addition, private development is required to contribute a proportional

share for improvements to all affected higher classified facilities that are within a predefined impact area. This includes mitigating impacts sufficiently to ensure that adopted transportation mobility standards are met. T-SDC credits are given to private development if the projects are eligible for T-SDC reimbursement under the City's SDC reimbursement section of the Bend Code.

Urban Renewal Funding – Governed by ORS 457, the purpose of urban renewal is to improve specific areas of a City that are poorly or under developed (such as areas that have deteriorated buildings) or lack adequate public infrastructure. Urban renewal provides the authority to use tax increment financing to finance improvement projects. The City has established several urban renewal districts over the years to fund transportation improvements within each district including:

- The Central Bend Development Program Area
- The Juniper Ridge Urban Renewal Plan
- The Murphy Crossing Urban Renewal Plan

Surface Transportation Program (STP) Funds – Started in 2000, the STP is a Federal Highway Administration (FHWA) program created under the Transportation Equity Act for the 21st Century (TEA-21). The STP provides flexible funding for road and bridge reconstruction or resurfacing projects, transit capital and operational projects, bikeways and planning. . The funds are approved and allocated by the MPO Board. For fiscal year 2011-12, the BMPO allocated $668,611 in STP funds to the City for street maintenance.

Moving Ahead for Progress in the 21st Century – Moving Ahead for Progress in the 21st Century (MAP-21) is the current federal funding authorization bill. MAP-21 authorizes Federal-aid highway programs for the next two years (2013-2014) while maintaining current spending levels. MAP-21 guidelines and policies will be implemented by ODOT and there could be opportunities for funding to the City based on the outcome of that process.

Grants – Federal and state transportation grants historically have been available on a competitive basis. Bend has benefited from several transportation grant programs over the last ten years. The City will continue to apply for grants for needed transportation facilities and improvements.

- **OTIA** – In 2001, The Oregon Transportation Investment Act (OTIA) I and II were created to fund increases to lane capacity and improve interchanges, repair and replace bridges, and preserve road pavement. In 2003, the Oregon Legislature enacted OTIA III to focus on repairing and replacing aging bridges throughout Oregon.

  In the early 2000s, the City partnered with the ODOT on a large project on Highway 20, between 12th and 27th streets to fully complete the highway to five lanes, including a trail undercrossing on the east side of Pilot Butte. The project was supported by $6.5 million in funding from OTIA I & II. The city of Bend also received $4.76 million of OTIA III grant funds for replacement of the Newport Bridge, in 2005.

● **JTA** - The Oregon Jobs and Transportation Act (JTA) is the transportation funding plan adopted by the 2009 Legislature through House Bill 2001. The increased fuel tax and vehicle fees provided new funding for highways, roads and streets. The JTA allocated $25 million for the US 97 at Murphy Road Overcrossing project. The Murphy Overcrossing project will begin construction in 2013 and will be completed by 2015-16.

● **Connect Oregon** – In 2005, the Oregon Legislature authorized $100 million for Oregon's Multimodal Transportation Fund to invest in air, rail marine and transit infrastructure. In 2007, the Oregon Legislature approved a second authorization of an additional $100 million. In 2009, a third authorization (House Bill 2001) added another $100 million. Most recently, in 2011, a fourth authorization added another $40 million statewide.

The City has received various grant awards through the Connect Oregon Program that have included; the Bear Creek Road Transit Operations and Maintenance Center (Connect Oregon I), the Hawthorne Intermodal Transit Facility (Connect Oregon II) and the Bend Airport taxiway improvements (Connect Oregon IV).

● **STIP** – The Oregon *Statewide Transportation Improvement Program* (STIP) is the state's four-year transportation improvement program for state and regional transportation systems, interstate, state, and regional highways, bridges, and public transportation. It covers all state and federally-funded system improvements for which funding is approved and that are expected to be undertaken during each four-year period. The STIP is updated every other year and each update cycle begins in odd numbered years. The STIP is adopted by the Oregon Transportation Commission (OTC) and is approved by the Federal Highway Administration (FHWA) and the Federal Transit Administration (FTA) as required by federal law.

One element of the STIP is funding for bicycle and pedestrian projects. This program is managed using a combination of projects on state highways, emergency grants, and a statewide competitive grant application process. The program is state-funded and implements ORS 366.514, which requires cities, counties, and ODOT to provide pedestrian and bicycle facilities on all road construction and reconstruction projects. The statute also requires cities, counties, and ODOT to spend no less than 1% of the State Highway Fund on projects that improve bicycle and pedestrian transportation. ODOT's Bicycle and Pedestrian Program includes three elements: Grants, urban highway pedestrian projects and quick fixes. Grants are awarded for stand-alone pedestrian and/or bicycle projects on a competitive basis to cities and counties for improvements on City streets or county roads.

Over the years, the City has received a number of grants for bicycle and pedestrian improvements from the state of Oregon. Most recently in 2009, the City received $255,000 for bike/pedestrian improvements on Galveston (14th St. to Lindsay Ct.) and has been awarded another grant of $649,993 for improvements to Riverside Boulevard and Franklin Avenue (from Lava to Broadway).

● **TIGER** - The Transportation Investment Generating Economic Recovery (TIGER) Discretionary Grants, administered by the US Department of Transportation (USDOT) have provided funding for projects that have a significant impact on the nation, a region or a metropolitan area. For 2012, USDOT is authorized to award $500 million pursuant to the Consolidated and Further Continuing Appropriations Act, 2012. TIGER grants are awarded on a rigorous competitive basis and past projects awarded have been multi-modal, multi-jurisdictional projects or projects that are otherwise challenging to fund through existing programs.

● **ARRA –** The American Recovery and Reinvestment Act of 2009 (ARRA) and commonly referred to as the Stimulus or The Recovery Act, was an economic stimulus package that was enacted by the U.S. Congress, in February 2009. The intent was to respond to the recession of the late 2000s with a primary objective of the Act to save and create jobs almost immediately.

In Bend, ARRA funding has supported improvements to the transit system (purchase of replacement transit vehicles, several bus stop improvements and the installation of on-board security cameras), efficiency improvements to many of the City's existing traffic signals and a series of street maintenance repaving (overlay) projects. Projects included: 1) Bend Area Transit = $627,612 (federal share), 2) Signal efficiency = $180,000 (federal share), and 3) street overlays = $1,230,000 (federal share).

Public-Private Partnerships – The City can enter into partnerships with private developers for the construction of transportation improvements. In general, with new development proposed by developers, the Bend Development Code has the provision that if public facilities are not adequate, new development must either wait for the City to install the facilities or pay the cost of a needed project if it is ahead of the City's Capital Improvement Plan schedule. The City and developers can enter into a public/private partnership to accomplish the funding and timelines for such improvements. In 2000, the City and a consortium of 12 developers (called the Westside Consortium) entered into an agreement that constructed many west Bend transportation system roundabouts and street improvements that increased transportation system capacity and served the developments that were proposed by the developers. The consortium plan resulted in the construction of over $20-million in transportation improvements.

Debt Service – Since year 2000, the City has issued $17.5 million in debt for transportation system improvements. There was $11.5 million for the Southern River Crossing (Bill Healy Bridge) and $6 million for the Olney connection. The current debt matures in 2021-2022 and is repaid from transportation SDCs. When considering long-term debt for capital projects, the City adheres to adopted fiscal policies which require that there is sufficient debt capacity and that the debt is financially manageable before debt is issued. In general, debt constraints are as follows:

1. Debt is issued only when necessary for capital improvements that are too large to be funded by current available resources.

2. Capital projects financed through long-term debt shall be financed for a period not to exceed the useful life of the project.

3. Sources of repayment, debt ratios and the affordability of debt will be analyzed prior to issuance of long term debt.

The City will also determine the least costly financing available when issuing debt. State bond banks or financing programs may offer loans at low interest rates and if the total cost of obtaining such loans is lower than the total cost of issuing debt, the City will apply for low interest loans offered by state or federal programs.

7.2.3 Potential New Revenue Sources of Funds for Transportation

Possible new revenue sources that have not been used in the past were included in the funding "Stronger Growth Scenario" funding forecast. Descriptions of these additional funding sources are as follows:

Local Fuel Tax – The City could pursue a local fuel tax as a method of raising additional funding for the transportation system. Under the City's current Charter, voter approval is required for the City to enact such a tax. In 2009, the Oregon Legislature placed a moratorium on new local fuel taxes. The moratorium will expire in September of 2014.

Transportation Utility Fee – A Transportation Utility Fee **(**TUF) is a fee assessed monthly through the utility bills. Approximately 19 cities in Oregon use a TUF to fund street maintenance and improvements. The City Council has the authority to enact a TUF when it is deemed necessary to meet transportation maintenance needs.

Local Option Levy – Local governments may ask voters for either a five or ten year local option levies for general government operations. These levies can include street maintenance and transportation improvements. A levy of ten cents per $1000-tax assessed value is estimated to raise approximately $800,000 annually using the 2012 assessed valuation of the City.

Local Vehicle Registration Fee – The City had considered a local vehicle registration fee in year 2000 but decided against it at that time. However in Oregon, current state law now only permits counties (but not cities) to implement a local vehicle registration fee. Adoption of a local vehicle registration fee can now only be imposed by *counties* with a population of less than 350,000 if they are supported by the voters of the respective counties.

7.3 PROJECT PRIORITIZATION

Capital Improvement Plan (CIP)
In developing the City CIP for transportation, the City currently has developed the Capital Improvement Strategy that was created in 2010. This document outlines a two-year and five-year CIP that is fiscally constrained, provides recommendations for program direction and intent, and is transparent to the community. It was based on a newly created evaluation model that will be periodically implemented as the CIP is updated.

The transportation needs for the next 20 years were determined by the Transportation System Plan (TSP), current City CIP projects, and City Council priorities.

The objectives for the strategy were the following:

- Define revenue estimates, timing, and possible new sources of funds
- Identify strategies for managing revenue, assets and programs
- Define the criteria and process for ranking and implementing projects
- Develop a down-sized two - five year capital improvement program

The following evaluation criteria were developed:

- Safety – Does the project address or provide enhancements to a known and documented safety-needs location or deficient area? (Providing a crossing, reducing vehicle conflicts, provides connections, etc.)
- Congestion/Mobility – Does the project have the potential to improve existing and expected future traffic flow when compared to a no-build condition? Does it improve local and regional traffic throughout the City on different road hierarchies?
- Cost/Funding Feasibility – Does the project appear to offer user benefits greater than the cost? Is the project able to leverage funding through development and/or synergy can be found with other related projects for funding or construction?
- Connectivity – Does the project create more connections or routes to key destinations including redevelopment, commercial, entertainment and residential areas? Does it provide appropriate facilities for vehicles, bicyclists, pedestrians and transit vehicles?
- Economic Development – Is the project consistent with economic development goals? Does it allow for future economic development and provide for future growth? The project should not heavily impact commercial and employment land within the City.

Roadway System Inventory:
The roadway system inventory information is included on TSP **Appendix A**.

Roadway System Cost Estimates:
Planning level cost estimates have been developed for the roadway system and are included on TSP **Appendix B**.

Roadway System Priorities:
Transportation system priorities for the community are summarized in **Appendix C**.

Roadway System Intersection Priorities:
A proposed schedule for intersection improvements has also been developed in the TSP as many of these intersections will likely be improved ahead of roadway link improvements. Projections (and estimates) have been made for possible intersection control at all intersections (i.e., a traffic signal vs. a roundabout) that are forecast to meet warrants for higher level traffic control. This list also includes existing intersections that are forecasted to be grade-separated. This detail is included on **TSP Appendix D**.

For planning purposes, forecasted transportation improvements have been categorized into three time periods; *near-(1-10 years), mid (11-20 years)* and *far-term (beyond 20-years)*. *Near-term* priorities are projects that have been identified in the five-year CIP process, have other committed funding or are recognized as an improvement that is in imminent need. *Mid-term* priorities are typically beyond the funding capabilities of the current CIP, but none-the-less represent other acknowledged important transportation needs that are anticipated over the twenty-year planning period of the TSP. *Far-term* priorities represent the balance of transportation improvements that are beyond the planning period but are projects that are authorized by the Bend TSP.

The CIP is updated each year. Changes in transportation priorities will result as changes in the community occur with growth and new development, or as new funding is identified. The projects that are defined in the TSP as near and mid-term transportation priorities represent transportation improvements that will be necessary to serve the community for the next twenty-years.

7.4 LONG TERM TRANSPORTATION NEEDS

7.4.0 Transportation Implementation Plan
In 2001, the Bend City Council adopted the Transportation Implementation Plan (TIP) in an effort to provide City staff with policy direction and design criteria for implementing the goals of the General Plan and the TSP. The TIP identified 12 topic areas of guidance; nine of the subjects dealt with completing transportation infrastructure, two with transportation studies and one concerned public involvement. The fundamental premise of the TIP was "*to continue creating a transportation system, which maximizes the ability of vehicles to flow smoothly through the city streets while providing alternative transportation modes, protecting neighborhoods and enhancing the livability of the community.*"

Sidewalk Priorities The completion of the sidewalk system is a major priority for the City. Not only will an improved pedestrian system serve the needs of the mobility disadvantaged (people without a car and/or people that may have some form of physical mobility limitation) with a more complete system of sidewalks, it will provide safer pedestrian access to and from the public transportation system that serves the City. Virtually all roadway improvements are required to include sidewalks on both sides of a

street by the Bend Development Code. About half of the City's T-SDC projects are specifically proposed for sidewalk infill.

7.4.1 Multi Modal System

The twenty-year estimate of the urban area collector and arterial transportation system is estimated to cost approximately $291 million (in year 2012 estimates). The share anticipated to be funded from City and private development is $213 million (not including urban renewal projects).

The City's current funding sources for meeting twenty-year transportation needs includes T-SDC's, state and federal funding, private developer funded exactions and public / private partnerships and Transportation General Obligation Bonds. Projects that are within the two approved urban renewal districts (Juniper Ridge and Murphy Crossing) will be funded with separate urban renewal district generated funding.

The timing of the construction of many of these improvements will occur when the additional capacity demand is created by new development, and the transportation facility must be improved for operations and safety. The timing of the dollars collected from T-SDCs will be consistent with the timing of the new demand generated by development and will be managed through requirements for improvements by developers or construction by the City.

Based on a review of historic transportation related funding, including the growth of SDCs, water and sewer rate increases, the bonding capacity of the City, including General Obligation Bonds, state and federal grant programs, private development potential, reserves and other miscellaneous funding for transportation, the City has developed a revenue forecast that ranges from a conservative *Slow Growth Scenario* to a more optimistic *Stronger Growth Scenario* (Table 15).

Major assumptions in the revenue forecasts include the following:

1. In both the conservative and stronger growth scenarios, T-SDCs are adjusted each year by a 2% inflation factor, then in 2017 the T-SDCs are adjusted to $6,374 per peak hour trip (a 30% increase) and in 2023, the T-SDCs are raised again by another 5%. These adjustments are incorporated in the revenue estimates to reflect the level of T-SDC needed to fund transportation improvements identified in the TSP. In the 2004 T-SDC methodology update, the City's maximum allowable T-SDC rate was determined to be $6,119/Peak Hour Trip (PHT) and in the 2011 methodology update, the maximum allowable T-SDC rate was determined to be $8,058/PHT. The City opted to keep the SDC rate below the maximum allowable in an effort to keep development costs down. In order to provide adequate funding for the transportation improvements identified, the revenue estimates assume the City will raise its T-SDC rate in 2017 to a higher level, but still below the maximum allowable rate.
2. In both scenarios, another $40 million GO bond is assumed in 2032. The City's current GO bond will be paid off in 2032 and the revenue estimates assume that voters will approve another GO bond for transportation improvements to replace the current one that will expire.

3. In the stronger growth scenario, a new revenue source (e.g., local gas tax) is assumed to provide $500,000 each year starting in 2015.

It is projected that sufficient funding will be available to build the twenty-year needs of the transportation system that are included in the TSP (and are further defined as the near- and mid-term priorities). It should also be noted that actual funding availability will be directly correlated to the rate of community growth and fluctuations in growth rates will lead to varying amounts between the lower and upper funding estimates. Likewise, transportation improvements (and need) will also vary according to actual community growth, and the desires and goals of the community to improve the transportation system. The estimated transportation funding and twenty-year system needs are summarized in Tables 14 and 14A.

Table 14
Twenty-year Forecast Funding and estimated Transportation Needs Summary

20-Year Transportation Funding Growth Forecast Scenarios	
Slow Growth	**Stronger Growth**
$193,000,000	**$233,000,000**

Estimated 20-year Transportation System Needs (non-state and non-urban renewal)
$213,000,000

Table 14A

Planning Period Needs			
	Near Term (1-10 yrs.)	Bal. of Plan. Period (11-20 yrs.)	Total 20-years
Existing Arterial Modernization	$94,000,000	$50,000,000	$144,000,000
New Arterials	$10,000,000	$19,000,000	$29,000,000
Existing Collector Modernization	$10,000,000	$48,000,000	$58,000,000
New Collectors	$9,000,000	$33,000,000	$42,000,000
Subtotal	$124,000,000	$149,000,000	$273,000,000
Subtract Urban Renewal	*-$28,000,000*	*-$32,000,000*	*-$60,000,000*
Total	$96,000,000	$117,000,000	$213,000,000
Urban Renewal			
Districts	Near Term (1-10 yrs.)	Bal. of Plan. Period (11-20 yrs.)	Total 20-years
Juniper Ridge	$12,000,000	$25,000,000	$37,000,000
Murphy Crossing	$16,000,000	$7,000,000	$23,000,000
Total	$28,000,000	$32,000,000	$60,000,000

Table 15

Forecast Potential Transportation Funding Sources Next 20-years					
	Growth Scenario		Slow: Strong	Average	
	Slower	Stronger	Aver. 20-yrs	per year	Percent
SDCs (net)	$90,210,156	$119,161,333	$104,685,744	$5,234,287	48%
General Obligation Bonds	$67,000,000	$67,000,000	$67,000,000	$3,350,000	31%
Franchise Fees (water & sewer)	$30,482,493	$31,147,031	$30,814,762	$1,540,738	14%
Possible NEW Revenue Sources	-	$9,000,000	$9,000,000	$450,000	4%
Current reserves	$7,000,000	$7,000,000	$7,000,000	$350,000	3%
State/Federal Grants	$2,285,476	$2,885,476	$2,585,476	$129,274	1%
Interest	$1,530,000	$1,530,000	$1,530,000	$76,500	1%
Dev. Exactions/Contributions	$1,200,000	$1,750,000	$1,475,000	$73,750	1%
ROW/real property sales	$0	$0	$0	$0	0%
City/ODOT partnership	$0	$0	$0	$0	0%
Debt Service	-$7,323,030	-$6,149,715	-$6,736,372	-$336,819	-3%
Totals =	**$192,385,095**	**$233,324,125**	**$217,354,610**	**$10,867,730**	

The City will continue to evaluate and update its yearly CIP and make adjustments, as necessary, to project priorities and/or assess the need to seek additional funding that may be necessary to complete needed transportation system improvements.

If projected funding cannot be acquired, the City Council may consider accepting additional congestion on the transportation system and postponing transportation projects beyond the planning period.

7.4.2 Non Roadway System

Public Transportation System

As indicated in TSP Section 7.1, the operation and maintenance of the local fixed-route public transportation system that serves the City is currently the responsibility of Cascades East Transit (CET). As of September of 2010, CET assumed the responsibility to run Bend's local transit system. This arrangement was formalized by an Intergovernmental Agreement that included the transfer of the existing transit maintenance facility, on Bear Creek Road, as well as the existing fleet of transit vehicles (both fixed-route and Dial-a-Ride vehicles). Bend's 2010 to 2015 financial commitment to fund transit through CET is one million dollars per year. CET also agreed to manage and coordinate the construction of the Connect Oregon grant funded intermodal transit facility located adjacent to the existing Bend Transit Center, on Hawthorne Avenue. Under terms of the agreement, CET also acquired ownership of the new inter-modal facility when construction was completed.

CET has successfully run the Bend Area Transit system with no reduction in service for approximately two years. Completion of the Hawthorne transit station has provided an

important transit hub in Bend that provides both easy access for county residents coming into Bend from north and south county origins to the Bend transit system as well as providing Bend residents the added mobility to reach destinations outside of the City.

For general planning purposes, Table 16 provides a rough estimate of typical transit system costs particularly those related to bus stops.

Table 16
Miscellaneous Transit Costs

Transit Costs (typical)

Description	Cost (2012 $)
Fixed-Route Vehicle [1]	$151,000
Dial-a-Ride Vehicle [2]	$72,000
Bus Stop: Basic [3]	$225
Bus Stop: PLUS [4]	$450
Bus Stop: Covered Shelter [5]	$7,800
Bus Stop Pad [6]	$1,200
Bike Racks [7]	$350
Other Considerations [8, 9]	variable

1 = 31-ft. Diesel Bus (seating for 27-passengers) with 10-year life including: bus graphics, radio, bike racks, fare box system digital destination signs, **m**obile **d**ata **t**erminal (MDT) & licensing
2 = Dial-a-Ride Vehicle - fully equipped (including MDT & licensing)
3 = Sign + pole + schedule holder + braille sign
4 = "3" + Additional costs [for a bench and trash can]
5 = Large Shelter: installed price (costs vary depending on size of shelter)
6 = Concrete Pads - installed: costs can vary depending upon location; unit cost represents typical dimensioned pad for a bus stop, if needed
7 = Cost for a Standard "U"- style bike rack, installed
8 = Landscaping, ash cans, information boards, supplemental bus stop access sidewalk - needs vary dependent on location & demand
9 = Other: Bus Stop Design/Engineering costs - dependent on location

Note: This data is provided for information purposes only. CET is responsible for providing public transit services within Bend's UGB.

Neighborhood Accessway System

The Neighborhood Accessway System is comprised of a network of local streets, forming a grid of approximately a 1/4-mile frequency, and the system of community wide trails. Most of the planned Accessway System will be completed by the respective development or redevelopment of those areas of the City as they are eventually urbanized.

The Neighborhood Accessway System is depicted on TSP Map B. Costs for the development of the trail system are included in the *Assessment of Bicycle and Pedestrian System Needs* report. Development of the full network of the planned Neighborhood Accessway System is anticipated to be completed principally by private and some public funding resources. In the case of the local roadways, most if not all of any new local roads will be constructed by private development. Development of adjacent Primary and Secondary (i.e., connector) trails are also normally a required part of the private development responsibility.

Trails Priorities Both the City and the Park District place a high priority in completing the River Trail system and large sections have been completed from the north end of the community to the south.

7.5 TRANSPORTATION FUNDING AND PRIORITIZATION POLICIES

Funding Policies:

1. The Bend City Council should regularly evaluate existing funding sources and explore the use of new funding opportunities to increase resources for maintenance operations and capital improvements.

2. The City shall work with the County and State to develop new sources of transportation funding for all transportation modes.

3. The City shall annually prepare a five-year capital improvement program for a balanced transportation system. The selection of transportation improvements, within the City's yearly Capital Improvement Program plan, shall continue to be subject to public review and comment through a City Council public hearing process.

4. The City shall explore ways in which to better inform and involve citizens in the development of transportation system budgets.

5. The City shall work with ODOT to develop funding sources for projects on the state highway system that include City and State as major funding partners.

6. The City shall use the City Council adopted Transportation Implementation Program (TIP) as a guide to the development of all transportation projects in the Capital Improvement Program (CIP).

7. The Financing Program projections show that sufficient funding will be available to build the twenty-year needs of the transportation system that are included in the TSP and further defined as the near- and mid-term priorities. However, if existing and future funding levels do not fully cover increased demand on the system, the City Council may accept additional congestion on the roadway system to allow transportation projects to be postponed beyond the planning period.[11]

Benchmarks and Guidelines

1. City shall establish transportation revenue and needs benchmarks to monitor progress toward fulfilling a balanced transportation system. This will occur during the CIP budget process.

2. City will create a set of economic performance measures such as but not limited to building permits, population growth, and property tax revenues that establish benchmarks and guidelines to determine the need and timing for additional transportation revenues.

3. The City will use the following existing financial policies as guidelines for establishing and modifying the CIP and evaluating CIP projects:

   A. *A five-year Capital Improvement Program (CIP) encompassing all City facilities shall be prepared and updated annually. A public hearing will be held to provide for public input on the CIP. The five year CIP will be incorporated into the City's budget and long range financial planning processes.*

   B. *Projects included in the CIP shall have complete information on the need for the project, description and scope of work, total cost estimates, future operating and maintenance costs and how the project will be funded.*

   C. *An objective process for evaluating CIP projects with respect to the overall needs of the City will be established through a ranking of CIP projects. The ranking of projects will be used to allocate resources to ensure priority projects are completed effectively and efficiently.*

   D. *Changes to the CIP such as addition of new projects, changes in scope and costs of a project or reprioritization of projects will require City Council or City Manager approval.*