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Transportation Fee: Nonresidential Assessment Options

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Goals with BEDAB Today

1. Introduction to proposed Transportation Fee
2. Review potential non-residential assessment options
3. Identify a direction for scoping a non-residential fee
4. Next steps and plan for developing feedback for Council

Transportation Fee Overview

Transportation System Plan (TSP)



- Updated in 2020 (20-year plan)
- Developed with community committees and public outreach over two years
- Analyzes current and projected transportation conditions
- Balances needs and community values of all users
- Includes feasible financial plan

Goals of the Plan



1

Increase System Capacity, Quality, and Connectivity for All Users



5

Steward the Environment



2

Ensure Safety for All Users



6

Have a Regional Outlook and Future Focus



3

Facilitate Housing Supply, Job Creation, and Economic Development to Meet Demand/Growth



7

Implement a Comprehensive Funding and Implementation Plan

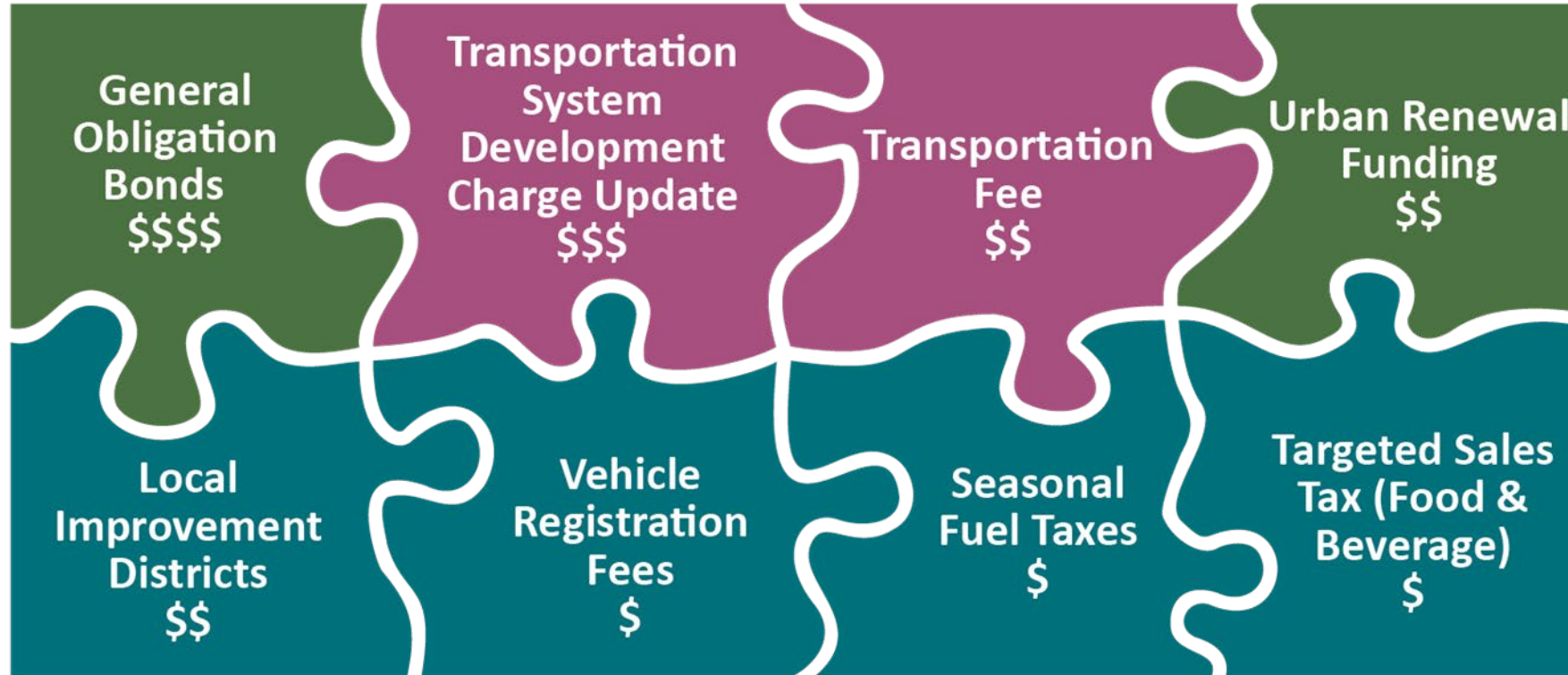


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Protect Livability and Ensure Equity and Access

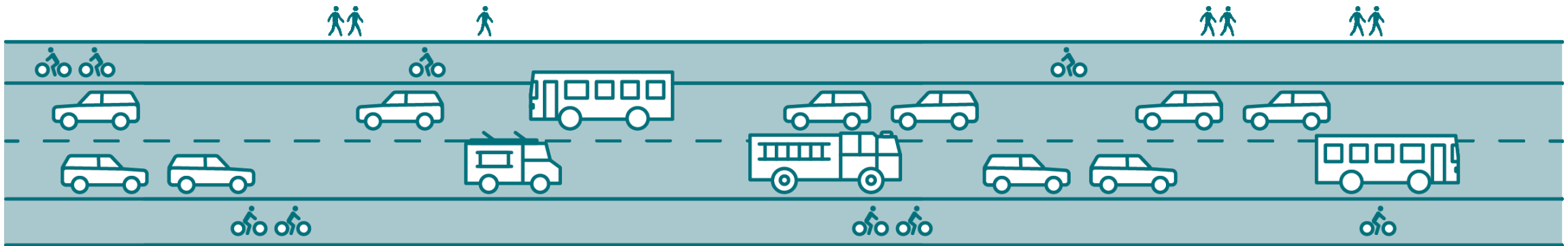


Transportation Funding Puzzle



What is a Transportation Fee?

- Recurring fee collected from residents and businesses through regular utility bill, like monthly sewer charge
- Users of the road system share the costs of maintenance needed to keep system operating at an adequate level
 - Our transportation system is a public investment that needs regular maintenance to ensure mobility, public safety, economic activity, and quality of life



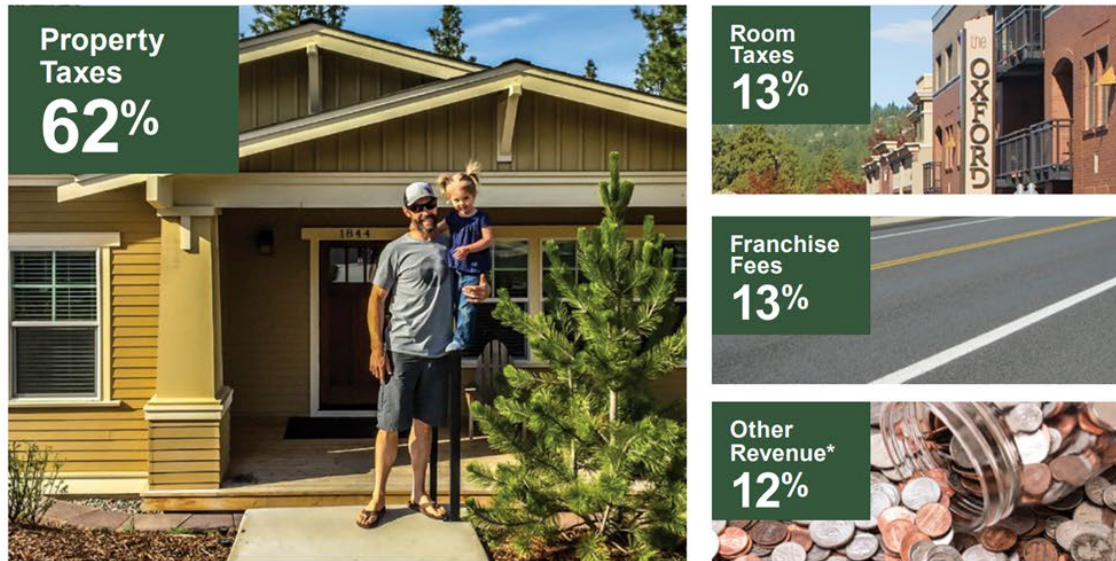
Why are we here?

- Transportation goals
- Funding for operations and maintenance is limited and declining
- Revenue not keeping up with increasing costs
- Gaps increasing for operations and maintenance



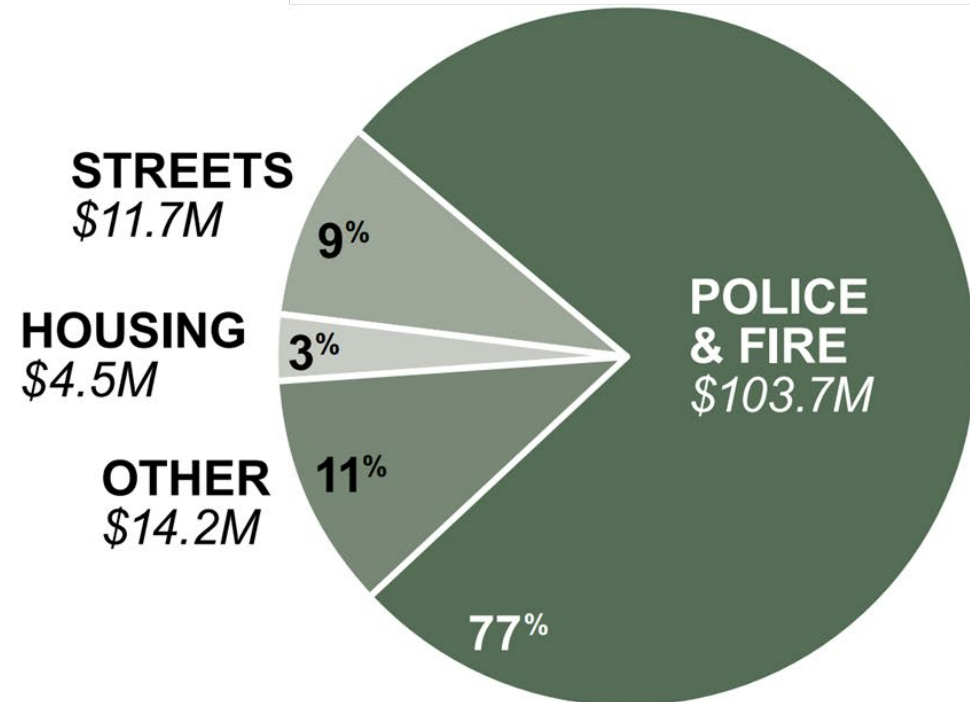
General Fund Revenue

Where does it come from?

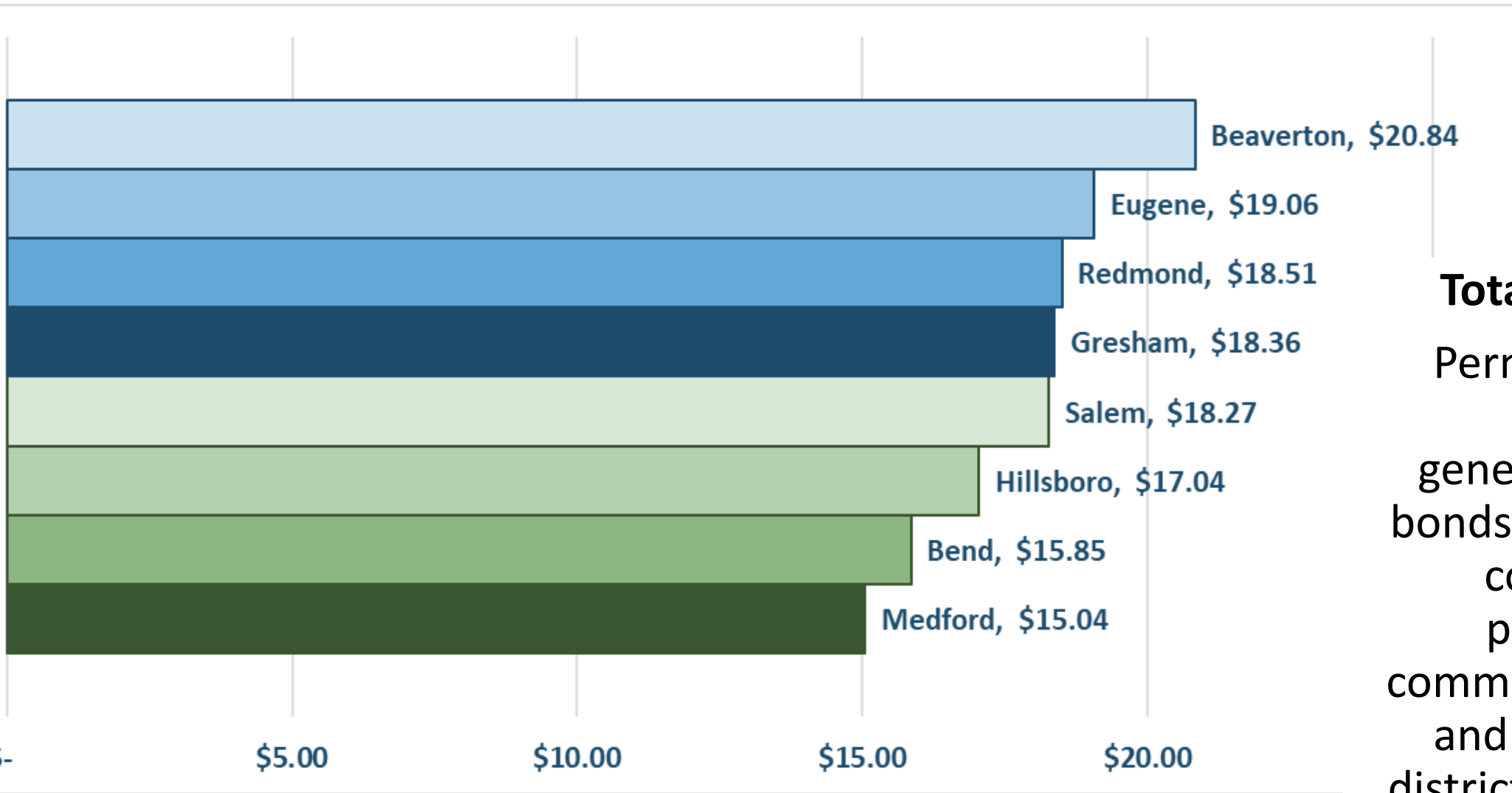


*Includes revenue from the State and other discretionary revenue.

Where does it go?

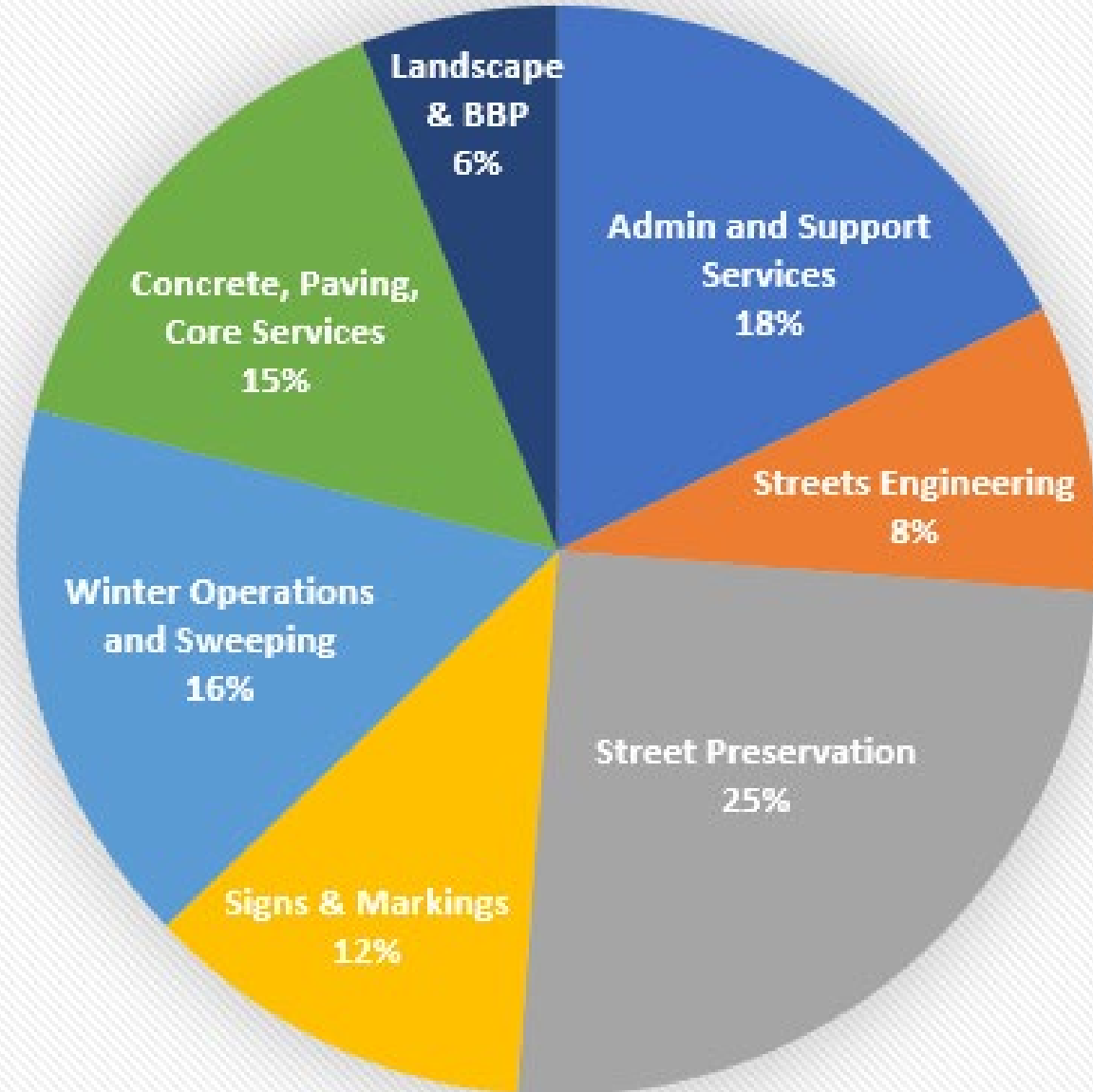


Total Tax Rates



Total Tax Rates:
Permanent rates, levies and general obligation bonds for each city, county, library, parks, schools, community college, and other special districts x \$1,000 of Assessed Value

Street and Operations Funding



How will residents and businesses benefit?

- The Transportation Fee will:
 - Protect investments with cost-effective preventative maintenance
 - Support more frequent year-round maintenance
 - Fund equipment for multi-modal maintenance
 - Pay for expanded path-maintenance and sidewalk-infill
 - Expand operations and sustain engineering staff to support these programs into the future

Improved Transportation Safety



More, improved sidewalks and paths for people who walk and roll; Improved safety across the transportation system

Parrell and Reed Lane
Neighborhood Street Safety
Program improvements

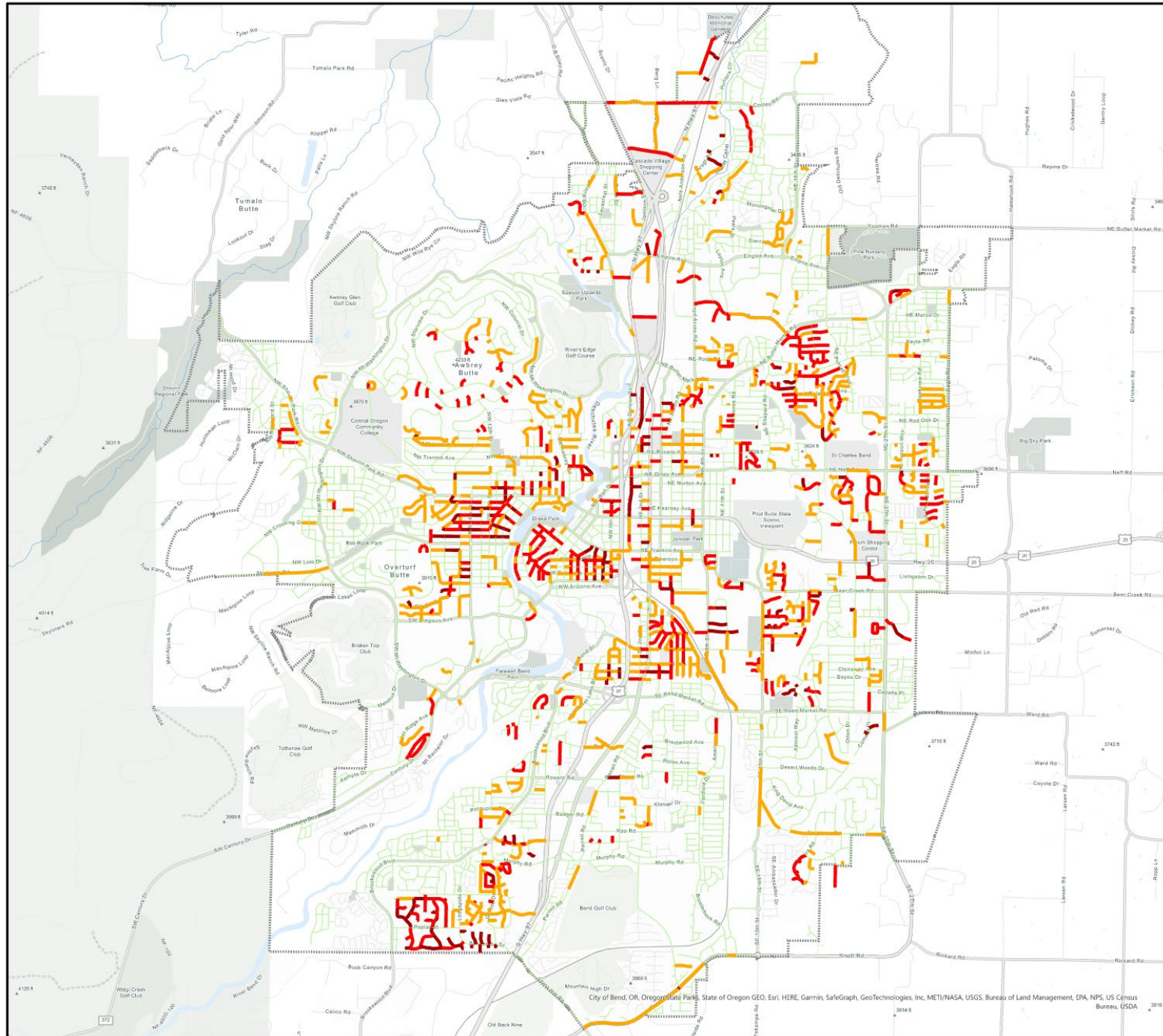


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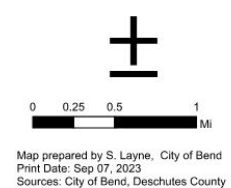
Current Pavement Conditions

- Transportation Street Network = 882 lane miles
- Arterials = 160 lane miles with PCI of 80
- Collectors = 76 lane miles with a PCI of 80
- Local = 646 lane miles with a PCI of 74



PAVEMENT CONDITION INDEX

- Pavement Condition Index
- Very Poor (0 - 24)
 - Poor (25 - 49)
 - Fair (50 - 69)
 - Good (70 - 100)

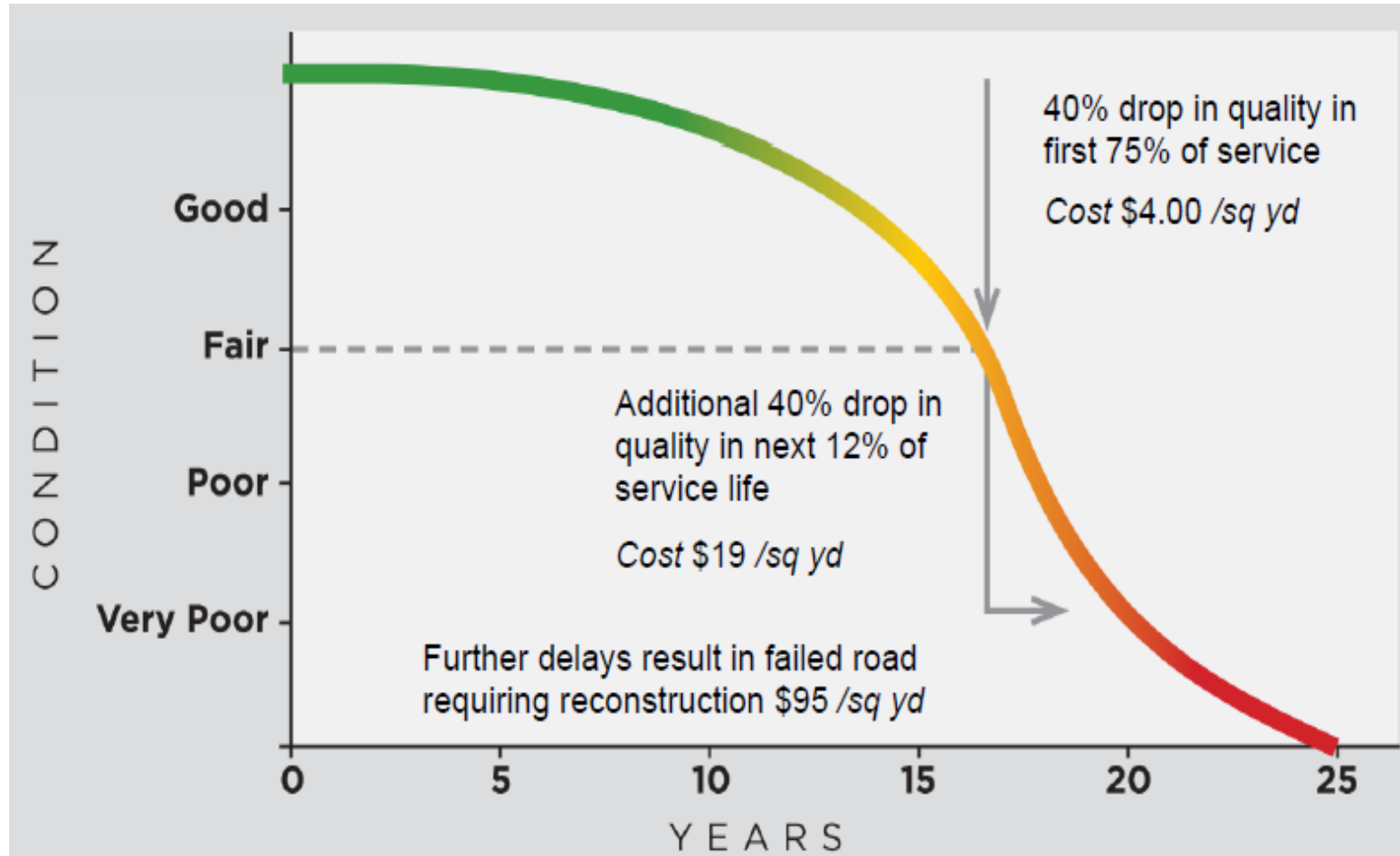


Map prepared by S. Layne, City of Bend
 Print Date: Sep 07, 2023
 Sources: City of Bend, Deschutes County



This map is for reference purposes only. Care was taken in the creation of this map, but it is provided "AS IS." Please contact the City of Bend to verify map information or to report any errors.

Protecting Our Investment



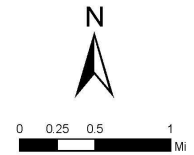
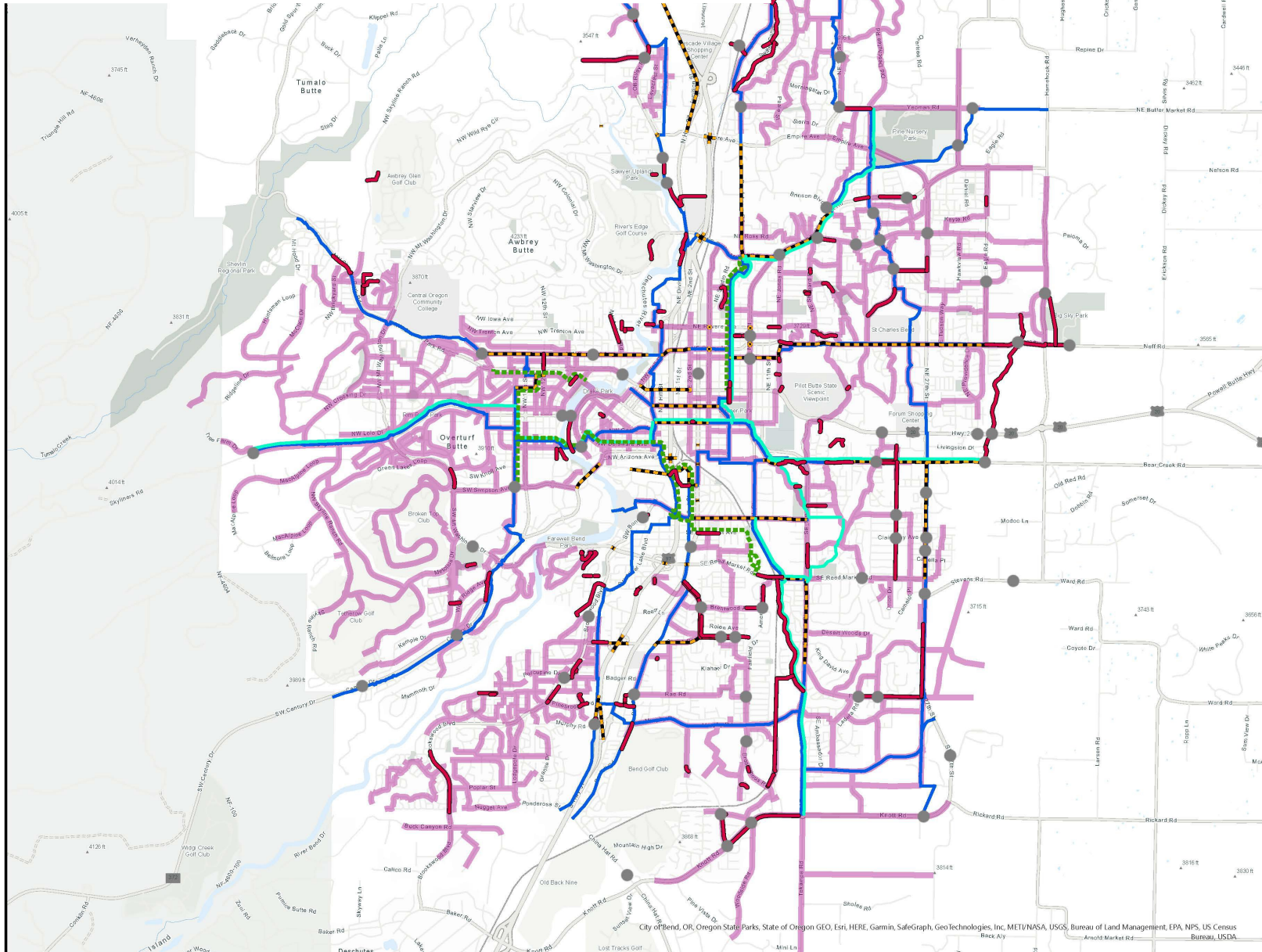
- Transportation Street Network Replacement Value = \$829.3M
- 5-year deferred maintenance backlog = \$83M



Future Priorities

TRANSPORTATION SYSTEM DATA

-  Pedestrian Crossing Needs
-  Pedestrian Infill Needs
-  Recommended Crosstown Bikeway
-  GO Bond Projects
-  Neighborhood Greenways
-  Key Routes
-  SRTS Routes

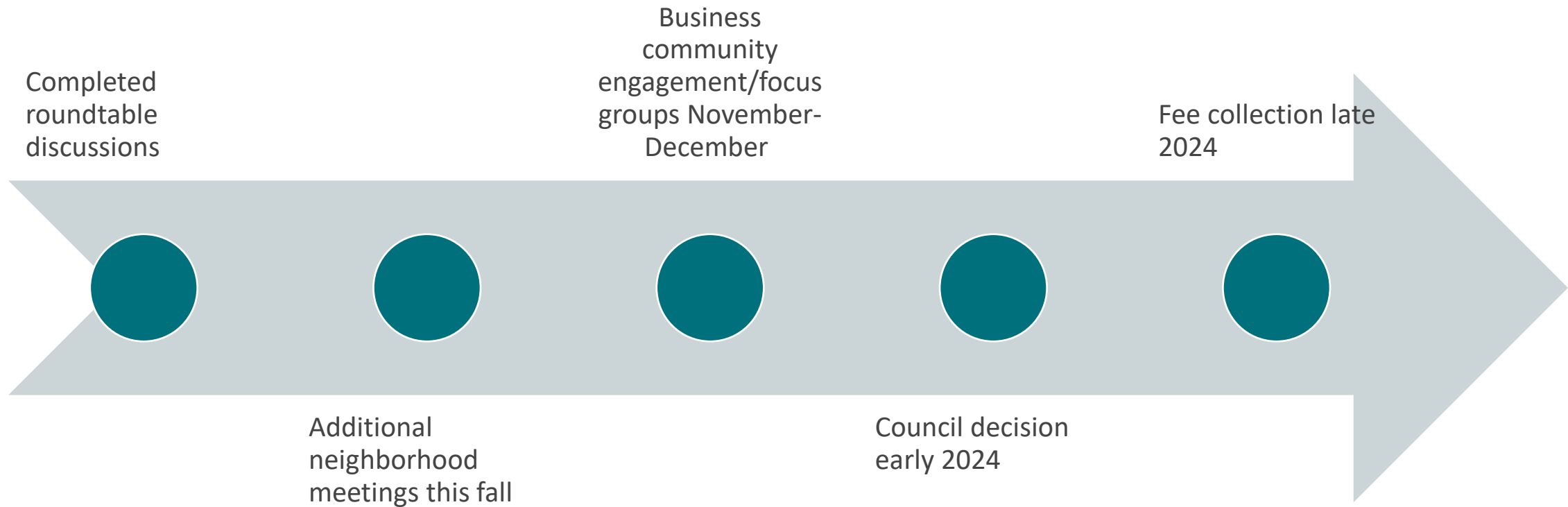


Map prepared by S. Layne, City of Bend
 Print Date: Sep 12, 2023
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Next steps



Business Community Engagement Plan

1. Scope options for assessment
2. Determine preferred methodology with Bend Economic Development Advisory Board (BEDAB)
3. Focus groups with industry stakeholders
4. Develop input for Council

Sept. 2023: Scope methodology w/Economic Development partners

Oct.-Nov. 2023: Industry focus groups

2024: Council adoption



Oct. 2, 2023: Review methodology with BEDAB

Nov.-Dec. 2023: Final BEDAB policy input



First Look at Rate Estimates

Customer Group	Core Duties, Enhanced Level of Service, Program Priorities
Residential	\$8M
Nonresidential	\$7M
Total Annual	\$15M

**Revenue allocation based estimated average daily vehicle trips per 2019 land use from the Travel Demand Model*

Residential
53%

- ~\$15/mo. Single Family
- ~\$11-\$12/mo. Multifamily unit

Nonresidential
47%

- ~\$215/mo. average across all nonresidential accounts if all accounts charged the same rate

Assumptions and Considerations

- ~38k City utility accounts eligible
- Excludes ~2k accounts projected to qualify for utility billing assistance through program update

Hypothetical Phase-In Approach

Customer Group	Year 1	Year 2	Year 3
Residential	\$2.65M	\$5.3M	\$8M
Nonresidential	\$2.35M	\$4.7M	\$7M
Total Annual	\$5M	\$10M	\$15M

BEDAB Input for Council

Phase 1: Initial rate structure development

- Framework of how commercial will be charged
- Implementation schedule

Phase 2: Preferred long-term rate structure



Nonresidential Fee Structure

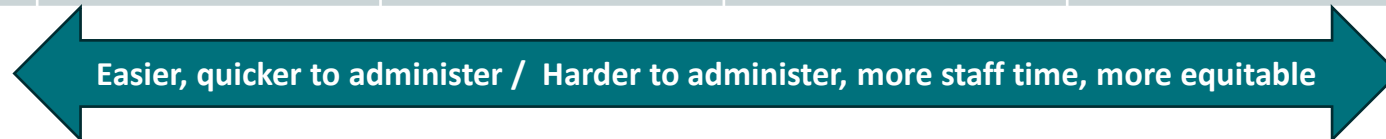
Nonresidential Fee Structure

	Flat fee	Flat fee within bucket	Variable within bucket	Trip generation	Other
Ashland			X		
Corvallis				X	
Florence	X				
Grants Pass			X		
Hillsboro			X		
Lake Oswego			X		
Medford				X	
Oregon City			X		
Sherwood					X
Tigard			X		
Tualatin			X		
West Linn			X		
Wilsonville		X			

Source: ECONorthwest, Galardi Rothstein Group Methodology Recap memo



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Hillsboro Nonresidential Transportation Utility Fee

- Base fee of \$8.20 for all industries
- Six square footage-based assessment categories:
 - Lowest rate: \$0.27/1,000 square feet (industrial/warehouse uses)
 - Highest rate: \$37.50/1,000 square feet (fast food/convenience store)
- One trip-based category:
 - \$0.06/trip (e.g., large scale land uses, parks, etc.)
- Fee discounts available for employer-sponsored transit pass program participation
- [Full rate table](#)



Non-Residential Fee Structures

- Lake Oswego Street Maintenance Fee
 - Three square footage-based assessment categories:
 - Lowest rate: \$9.82/1,000 square feet (<29 vehicle trip miles per day)
 - Highest rate: \$82.55/1,000 square feet (>90 vehicle trip miles per day)
- Oregon City Pavement Maintenance Utility Fee
 - \$0.266 X trips per day (assigned to one of five bins based on type of use and square footage); schools charged per student
- Medford Street Utility Fee
 - 34 different assessment “bundles” with varying rates and multipliers
- Sherwood Street Fees
 - Assessed on “Equivalent Surface Unit” (ESU)
 - \$3.22/ESU (2,640 square feet of impervious surface area)



Nonresidential Fee Considerations



Simple vs. detailed approach (implications for implementation, staffing, timeline)



Small businesses; impact to total utility bill



Non-standard assessment approaches (e.g., schools charged per student, gas stations per pump, hotels/motels per room)



Businesses that don't pay property taxes



High-traffic generators: convenience stores, fast-food restaurants, bars, dispensaries, hotels/motels/short-term rentals



Questions for BEDAB

- Values related to non-residential fee? (Equitable assessment? Simplicity? Something else?)
- What is your preferred approach to assessment?
- What data would you like to see?
- Next steps:
 - How would you like to gather business feedback? Public comment? Surveying?
 - November/December meeting schedule?
 - Interim meetings with a subset of BEDAB members?

Future Topics for Discussion: November/December

- Waivers/discounts
- Phase in plan
- Available data sources
- Sample bills
- Handling appeals
- Fee caps
- Incorporating business feedback into Council recommendation

Accommodation Information for People with Disabilities



To obtain this information in an alternate format such as Braille, large print, electronic formats, etc. please contact Sarah Hutson at shutson@bendoregon.gov or 541-693-2132; Relay Users Dial 7-1-1.