

# Agenda



CITY OF BEND

## Transportation Fee Listening Session #1

Monday, February 26, 2024, 4:30 – 6:30 p.m.

City Council Chambers, Bend City Hall  
710 NW Wall, Bend, Oregon

**HYBRID MEETING NOTICE** The City of Bend Council will conduct this meeting virtually through Zoom and in person at the Bend City Hall, Council Chambers, 710 NW Wall Street, Bend, Oregon. To observe this meeting, livestreaming will be available via **YouTube**.

**TO ATTEND BY COMPUTER: Pre-register to attend Zoom meeting**

Join by phone, toll-charges may apply: 1-888-788-0099 or 1-253-215-8782

Meeting ID: 818 4238 0319

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A Transportation Fee is a recurring fee collected from people and businesses in Bend through their regular utility bill. The bill is a charge, like a monthly sewer charge, to ensure that users share the costs of operating and maintaining the City's transportation system. The fee is proposed to be phased-in over three years, with Phase 1 expected to begin appearing on bills for July 2024. The community is invited to review and provide comment on the **draft code** and associated Phase 1 **fee schedule** (fiscal year 2024-2025) in-person or online during two public listening sessions. Written comment to Council can also be submitted to **[transportationfeemails@bendoregon.gov](mailto:transportationfeemails@bendoregon.gov)**.

To learn more, visit **[www.bendoregon.gov/transportation-fee](http://www.bendoregon.gov/transportation-fee)**.

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### 4:30 – 6:30 p.m. Bend City Council Listening Session

- 1. Call to Order:** Mayor Melanie Kebler, Mayor Pro Tem Megan Perkins, Councilor Anthony Broadman, Councilor Barb Campbell, Councilor Mike Riley, Councilor Ariel Méndez and Councilor Megan Norris
  - 2. Short staff presentation responding to most commonly asked questions**
  - 3. Public Comment (in person and virtually via **Zoom**)**
  - 4. Adjourn**
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**Note: Spanish language interpreter service will be available during the Listening Session**



CITY OF BEND



### **Accessible Meeting/Alternate Format Notification**

This meeting/event location is accessible. Sign and other language interpreter service, assistive listening devices, materials in alternate format such as Braille, large print, electronic formats, language translations or any other accommodations are available upon advance request at no cost. Please contact the Deputy City Recorder no later than 24 hours in advance of the meeting at [mfry@bendoregon.gov](mailto:mfry@bendoregon.gov), 541-617-4529, fax 541-385-6676, or TTY 541-312-8478. Providing at least 2 days notice prior to the event will help ensure availability.

For Questions or Comments on the agenda, contact: Sarah Hutson [shutson@bendoregon.gov](mailto:shutson@bendoregon.gov)



CITY OF BEND

# Transportation Fee Listening Session

*Short staff presentation to address commonly asked questions*

February 26, 2024 &  
February 29, 2024

# Paving the Way to Bend's Transportation Future



CITY OF BEND

<https://www.youtube.com/watch?v=JyqQYSME3pw>

# Bend's Transportation Funding Story

**2008**

- Recession
- Street budget cut

**2009**

- Street Maintenance Funding Focus Group recommended Transportation Fee
- Council rejects recommendation

**2011**

- Public Safety Funding Committee recommends Transportation Fee
- Council rejects recommendation
- GO Bond passes
- State increase in gas tax

**2015**

- Council Transportation Goal: explore revenue options to improve roads
- Committee formed
- Recommended a local gas tax

**2016**

- Voters reject local gas tax
- Council directs one-time funds to help improve roads
- Commits to find longer term solutions

**2018-2020**

- Transportation System Plan update
- Workgroup recommends Transportation Fee as part of funding plan

**2020**

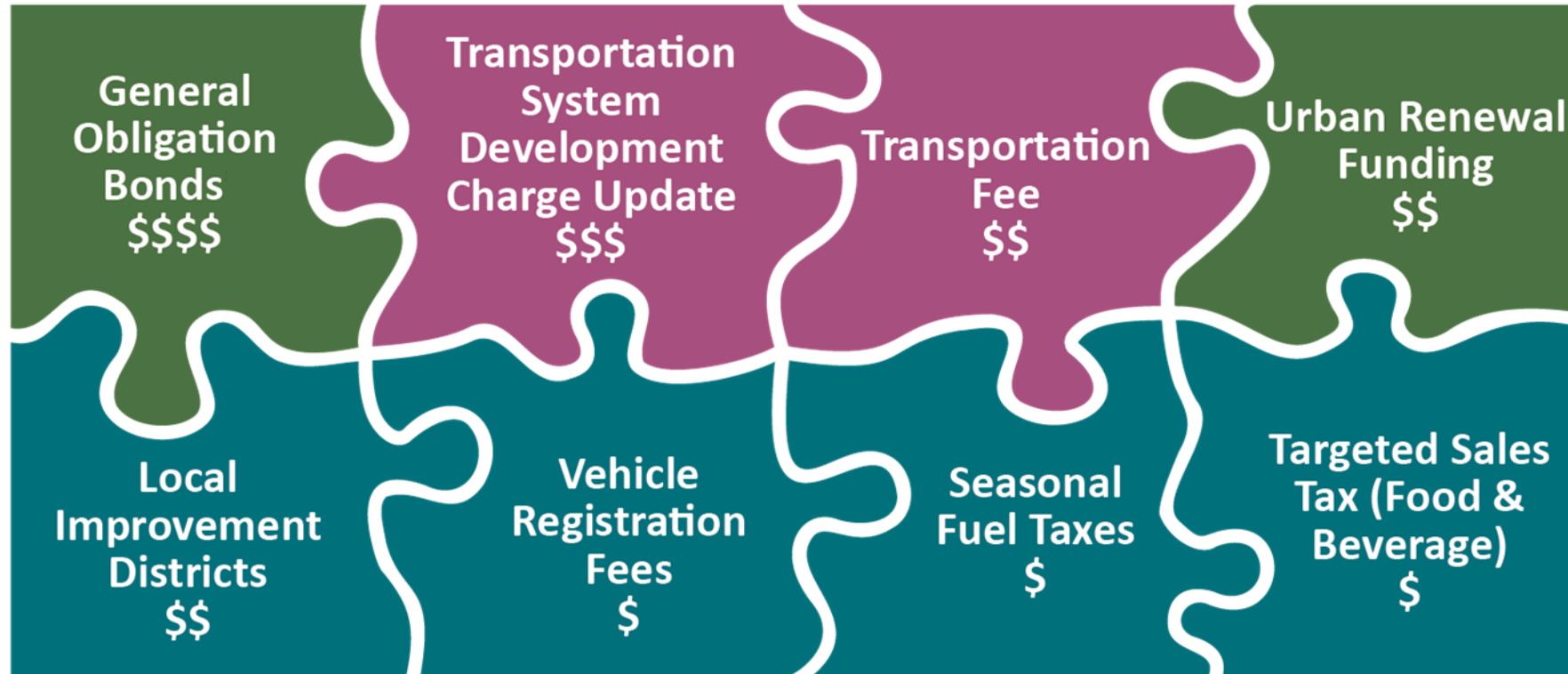
- Voters approve \$190M GO Bond
- Council Goal: commit to developing a funding plan

**2023**

- Council Goal: implement Transportation Fee
- Create a community engagement plan



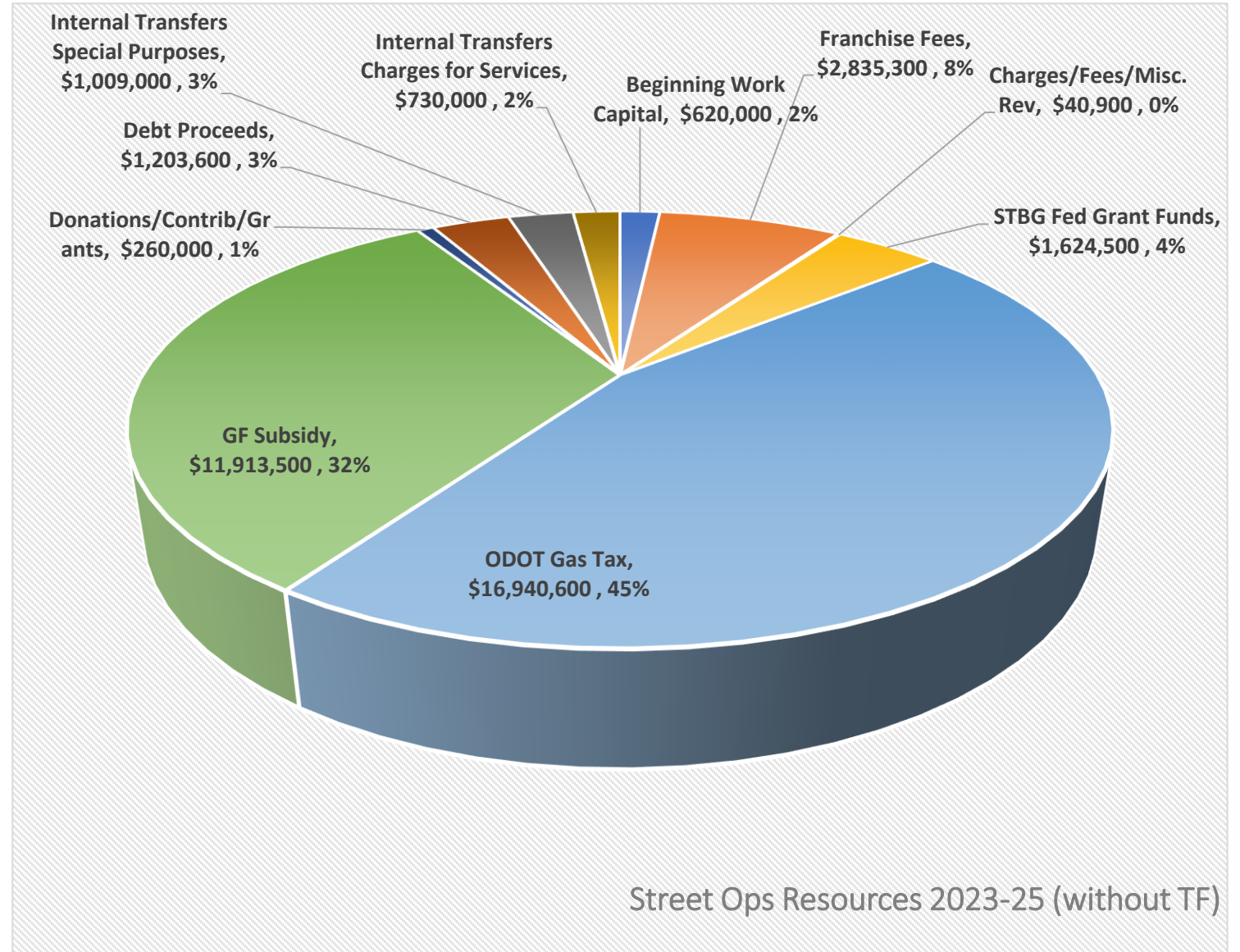
# Preferred Transportation Funding Strategies



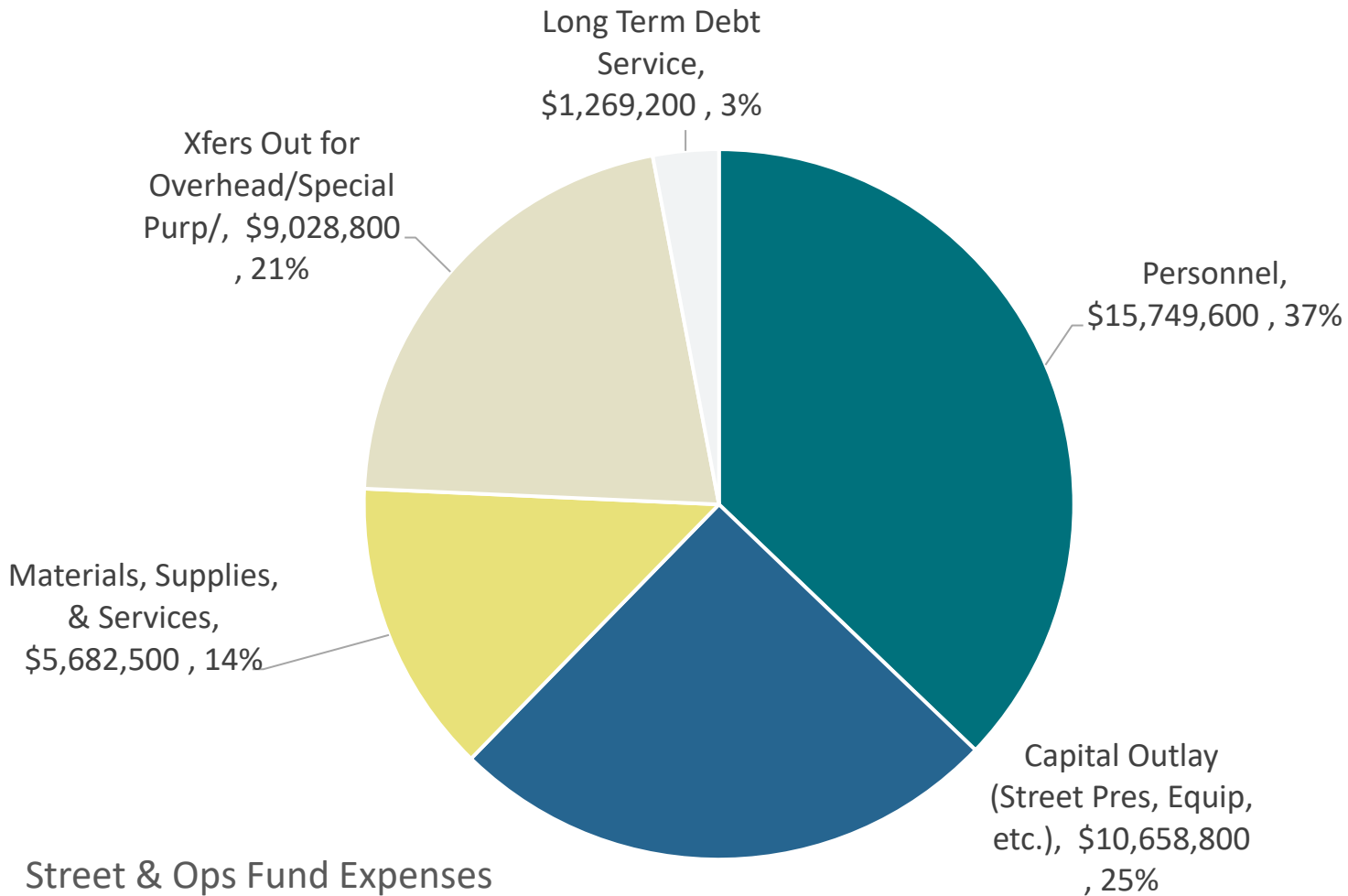
# Why does the Streets & Operations Fund need the Transportation Fee to maintain current services?

## Unstable Revenue Streams:

- ODOT Gas Tax
- Subsidized by General Fund
- Grants/Debt Proceeds



# Why are expenses outpacing resources and growth?



- Cost of supplies, contracts with vendors for services, etc.
- Expanding the transportation system results in additional costs related to maintenance and supplies
- Contractual agreements and cost of benefits

Street & Ops Fund Expenses



# Why can't the General Fund continue to subsidize the Street & Operations Fund as it has in the past?

2023-25 Biennium General Fund has the following operating shortfall and is using one-time resources such as *beginning working capital* and *reserves* to close this gap for the current biennium:

Operating Revenues: \$142,965,700

Operating Expenses: \$160,563,400

*Operating Shortfall:* \$ 17,597,700



# Why can't the General Fund continue to subsidize the Street & Operations Fund as it has in the past?

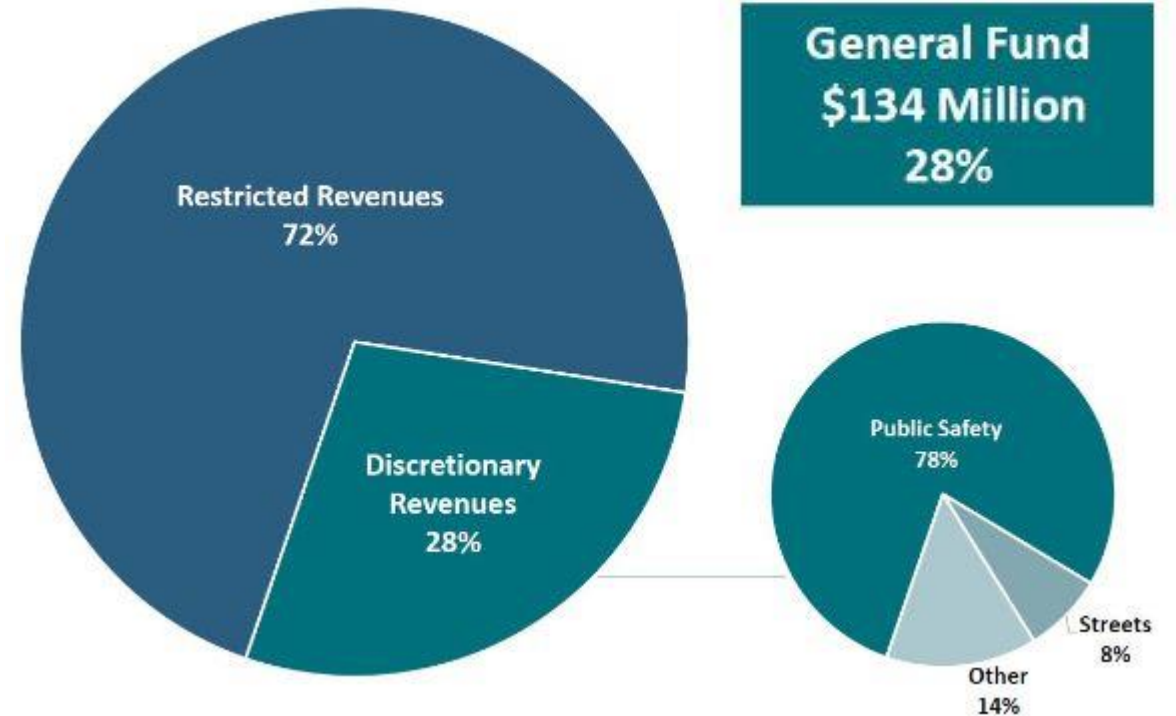
**Property Taxes:** Measures 5 & 50 and permanent tax rate of \$2.8035

**State Shared Revenues:** allocated by State based on population, consumer-driven

**Franchise Fees:** limited by agreements and ORS\*

**Room Tax:** Per ORS\*, majority of any increase to be used for tourism promotion

**Court Fines:** Maximums established by ORS\*



# Next Steps

February 26 & 29

Listening Sessions: Feb. 26 4:30-6:30pm and Feb. 29 9:30-11:30am in Council Chambers

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March 6

Work session following Listening Sessions

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March 20

Public hearing: Adoption of Fee Resolution (July 1, 2024 effective date) and first reading of Ordinance

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April 3

Second reading of Ordinance

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July 1

Transportation Fee to begin appearing on utility bills in August (utilities billed in arrears) and Short-Term Rental licenses in July

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# Transportation Values

- Enhanced plowing and sweeping for all users
- Enhanced street quality
- Improved safety across the transportation system
- More and improved sidewalks and paths for people who walk and roll
- More and safer routes for people who cycle
- More micromobility options (e.g., bikeshare, rideshare, mobility hubs)
- Reduced traffic congestion

# More Information

Transportation Fee webpage: [www.bendoregon.gov/transportation-fee](http://www.bendoregon.gov/transportation-fee)

To provide written comment: [transportationfeemails@bendoregon.gov](mailto:transportationfeemails@bendoregon.gov)



# 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](mailto:shutson@bendoregon.gov) or 541-693-2132; Relay Users Dial 7-1-1.



# Transportation Fee FAQs

**Why does Bend need a Transportation Fee?** In the past, the City has relied on revenues from the State Gas Tax and a portion of property taxes to maintain the street system, but these funding sources are limited while Bend's transportation system grows and costs escalate. The City must find a sustainable source of revenue. Bend's system includes 900 lane miles, 516 sidewalk miles, and an expanding network of striped, separated and buffered bike lanes (111 miles and counting). The cost of materials, like asphalt, have increased.

Bend is not alone. Due to our state's property tax limitations, many Oregon cities are also experiencing inadequate funding for increasing transportation maintenance costs. While the specifics of the fees vary, over 30 cities in Oregon have one.

**How much will the Transportation Fee cost?** The City Council seeks \$15 million of revenue annually and supports phasing in the fee over three years to generate \$5 million the first year, \$10 million the second year and \$15 million the third year. The fee is collected from residents and businesses through utility bills. Proposed fees: single-unit utility bill accounts could expect to pay \$5.60/month, multi-unit attached housing (like an apartment) accounts \$4.15/month (per unit), and households that qualify for Utility Billing Assistance \$2.80/month in the first year. Non-residential fees will also be phased in, with the first year generally using square footage as a method to scale and calculate fees. Most non-residential accounts (up to 50,000 square feet) could expect to pay \$6.25 per 1,000 square feet in the first year. In future phases of rolling in fees, the non-residential fee will additionally factor in business use data, meaning that nonresidential uses that generate more trips on the transportation network could pay more.

**Is a Transportation Fee a tax?** No, a tax is an amount or rate charged generally to everyone to pay for a variety of governmental functions. A fee is charged to users of a government service to pay for that specific service. A Transportation Fee treats the transportation system like a utility by charging residents and businesses a share of system costs. It is a stable source of revenue for street maintenance and other planned transportation programs, allowing for safe and efficient movement of people, goods and services for the community. The transportation system is a public investment that deserves protection and cost-effective regular maintenance.

**What will the fee be used for?** The funds will be used for operations and maintenance of the City transportation system, including pavement restoration, street preservation, signs, striping, sidewalk and other concrete work, bicycle and multi-modal system enhancements, street sweeping and cleaning, winter operations such as snow removal and implementation of programs identified in the 2020 Transportation System Plan. Funds will be restricted to activities performed by the Transportation and Mobility Department and cannot be used for other City purposes.



**Why should I pay a Transportation Fee if I don't drive a car?** Even those who don't drive rely on the transportation system for mail delivery, garbage hauling services, food delivery to the grocery stores, bus routes, etc. Also, the City's operation and maintenance of streets enable safe access for all people who use them including pedestrians, bicyclists, motorists, and transit riders.

**Why can't the City use General Obligation (GO) Bond funds for this need?** The City can only legally use the 2020 voter-approved GO Bond money to build projects, not to maintain or repair them.

**When you say there's \$1 billion of transportation funding needed in Bend, what does that mean?**

The 2020 Transportation System Plan identified nearly \$1 billion in transportation funding needs through 2040. This includes both capital investments and maintenance costs. Existing funding, including the 2020 GO Bond, cover roughly half, and the City needs to find ways to fund the rest.

**Why a Transportation Fee, rather than a different funding tool?** The Transportation Fee was an option preferred by the Funding Work Group, a subset of the [Citywide Transportation Advisory Committee \(CTAC\)](#), during the 2020 Transportation System Plan update. The group looked at many different funding options based on factors like equity, efficiency and impact. The Transportation Fee received broad support.

**How will visitors/tourists contribute for their fair share of impact on our transportation system?** The Transportation Fee accounts for visitor use. Transportation Fees are based on trip generation data of specific types of development. For instance, hotels and their guests create more trips on the transportation network and will be charged per room to capture their use. The Funding Work Group recommended additional funding tools that may be considered in the future. Some of those tools, such as a seasonal fuel tax and targeted food and beverage tax, would also allow visitors to help fund the City's transportation needs.

**Who will decide how the Transportation Fee is spent and how will you ensure expenditures will benefit payer equitably?** The City Council will set the fee amounts and decide how the fee is spent in the fee ordinance and in each two-year budget. The budget adoption process is a public process and includes a community advisory committee. The Transportation Fee will be used to enhance the entire transportation system through better operations and maintenance and through implementing our Transportation System Plan (TSP) programs, which were recommended through a broad community engagement process. Planning for equitable investment in transportation was part of the TSP and is in the goals of the TSP. All of its projects and programs benefit community members using our system.

**MORE INFO:** [www.bendoregon.gov/transportation-fee](http://www.bendoregon.gov/transportation-fee)



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