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Phase 2 Nonresidential Transportation Fee Discussion

Russ Grayson, Chief Operations Officer

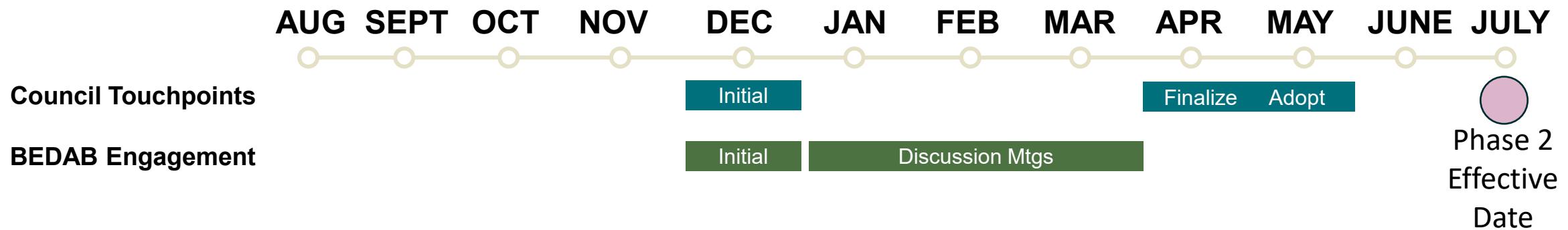
Sarah Hutson, Senior Policy Analyst

Cyrus Mooney, Business Advocate

March 17, 2025

BEDAB Touch Points

- December 16: Kickoff meeting
- Jan 6: Case study research
- February 3: ITE/NAICS data linking and benchmarking
- March 3: Rate scenarios & sample bills
- March 17: Solidify policy input to Council



Goals of Today's Presentation

- Work through remaining questions and considerations for BEDAB recommendations
 - Rate scenarios for further Council evaluation & trade-offs to consider
 - High-end of monthly bills
 - Impacts to specific business categories



Summary of Recommendations To-Date

- No discounts/exemptions in Phase 2
 - Give annual update on impacts to childcare and Affordable Housing
- Expand STR supplemental fee to all types of STR licenses
- Special unit classes – followed staff recommendation for customer classes to add (golf courses, gas stations, cemetery, car washes)



Feedback Incorporated into Rate Modeling

- Mixed business use
 - Integrated rates
 - Area rates
 - Industrial and business parks; medical uses
- Model assumptions (e.g., where to place unclassified accounts)
- Fewer bins
- Bringing up the floor of the fee
- Approaches that minimize significant bill increases from Phase 1 to Phase 2



Questions & Considerations

- **Which rate scenarios should be further evaluated by Council?**
 - Associated trade-offs?
- **How to handle high-end of monthly fees for handful of businesses?**
 - Fee cap?
- **Fee impacts to specific business categories?**
 - Any scenarios that mitigate those impacts?
 - Full revenue target (acknowledging community benefit provided) or foregone revenue? Trade-offs?
- **Other input for Council?**
- **How would BEDAB like their feedback provided to Council?**



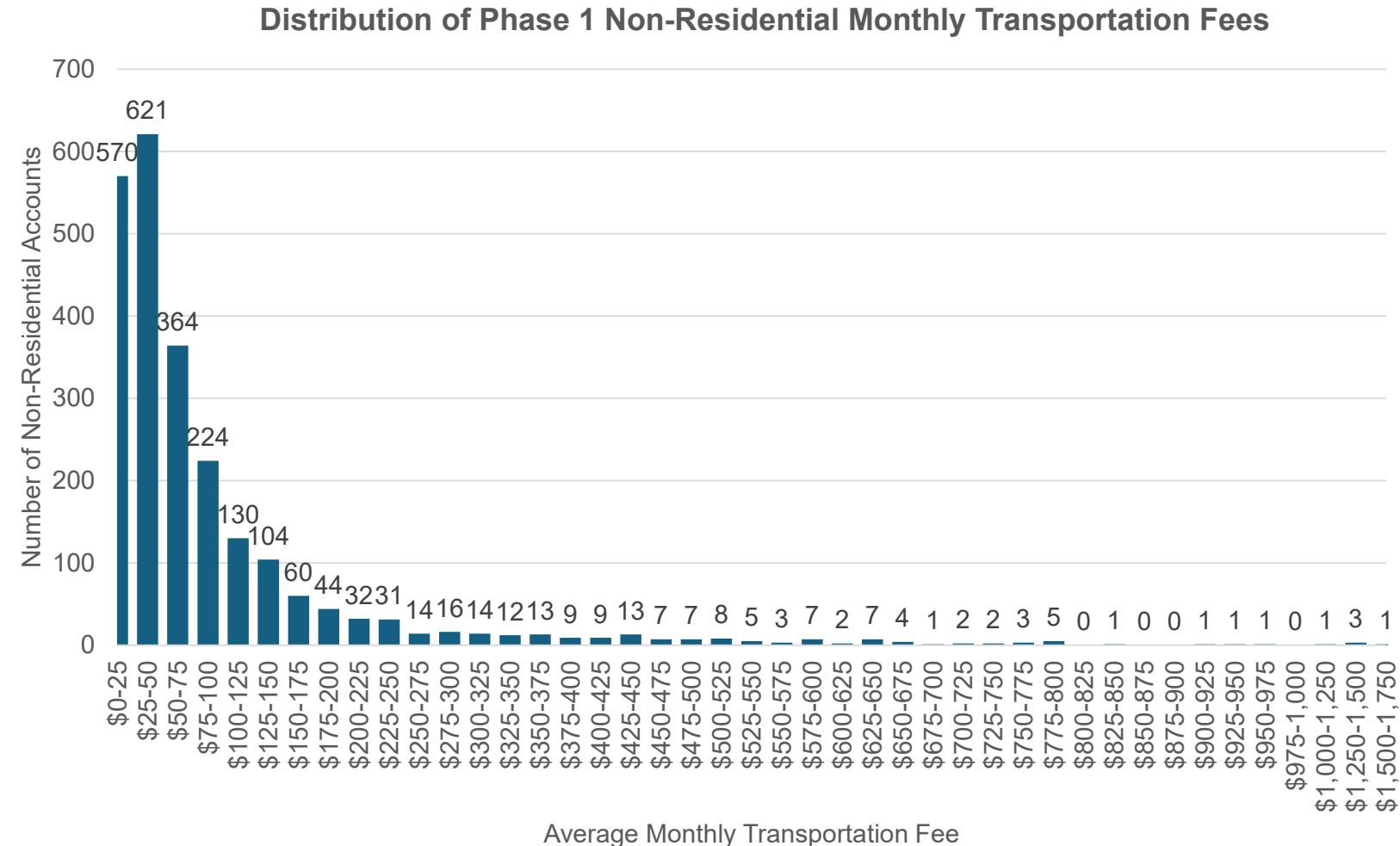
Additional Rate Scenarios and Example Bill Impacts



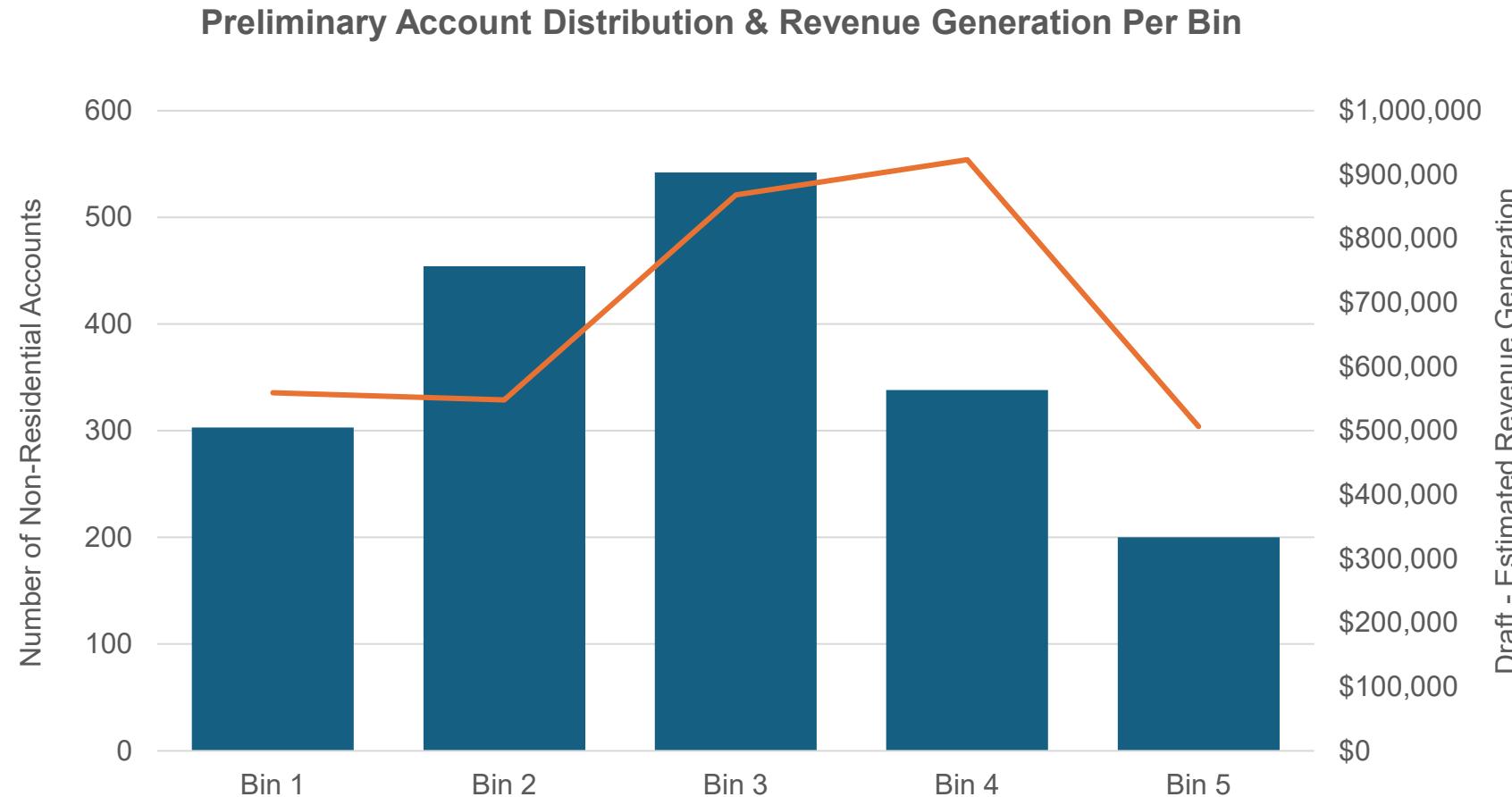
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Phase 1 Non-Residential Transportation Fees

- Min: \$.58
- Max: \$1,523.83
- Average: \$91.55
- Median: \$47.85
- 5 customers pay > \$1k
- 17 customers pay > \$750



Revenue Generation & Account Distribution



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Note: Preliminary analysis; data & rates subject to change.

Additional Scenarios

- A: New baseline option (5-bins, Bin 1 set to current rate)
- B: Lower annual revenue collection (\$9.5 instead of \$10M)
- C: Significantly lower annual revenue collection (\$9M instead of \$10M)
- D: Fully doubled residential fees
- E: Lower bin rates for medical offices and restaurant uses
- F: 4 bins
- G: 3 bins



Additional Scenarios – Draft Bin Rates (per KSF per month)

Bin	Trip Range	Types of Uses	Scenario A: Baseline	Scenario B: Lower Revenue	Scenario C: Sig. Lower Revenue	Scenario D: Original Residential Est.	Scenario E: Medical and Restaurants - Lower Bins	Scenario F: 4 Bins	Scenario G: 3 Bins
1	0-8	Warehouse/Storage, Furniture Store, Industrial Park, Manufacturing, Continuing Care, Assisted Living, Paint, RV Sales, Church	\$6.25	\$6.25	\$6.25	\$6.25	\$6.25	\$8	\$8
2	8-15	Hospital, Office, Specialty Contractor, Utilities	\$8	\$7.50	\$7	\$8	\$8	\$11	\$13.50
3	15-32	Nail/Hair Salon, Auto-related, Home Improvement Superstore, Large-Scale (>150K SQFT) Shopping, Department Store, Mixed Office, Medical Office Building Near Hospital, Day Care	\$11	\$10.50	\$9.50	\$9.50	\$13	\$18	\$20.50
4	32-40	<150K Integrated Retail, Discount Super Store, Medical Office	\$18	\$17	\$16	\$12	\$19	\$21	N/A
5	40+	Pharmacy, Eating/Drinking Establishment, Bank, Supermarket, Nursery, Theater, Liquor Store, Fast Food w/Drive Thru, Convenience Store	\$33	\$31	\$29	\$19	\$29	N/A	N/A

Note: Uses in each bin redistribute for Scenarios F & G



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Additional Scenarios – Draft Bill Comparisons

Bin	Example Accounts	Account SQFT	Phase 1 Current Monthly Bill	Phase 2 Draft Scenarios - Monthly Bills						
				Scenario A: Baseline	Scenario B: Lower Revenue	Scenario C: Sig. Lower Revenue	Scenario D: Original Residential Est.	Scenario E: Medical and Restaurants - Lower Bins	Scenario F: 4 Bins	Scenario G: 3 Bins
1	Distribution Center	101K	\$541	\$631	\$631	\$631	\$631	\$631	\$808	\$808
1	Warehouse	75K	\$425	\$469	\$469	\$469	\$469	\$469	\$600	\$600
1	Manufacturer	660K	\$2,218	\$4,126	\$4,126	\$4,126	\$4,126	\$4,126	\$5,281	\$5,281
1	Brewery	62K	\$367	\$388	\$388	\$388	\$388	\$388	\$496	\$496
2	General Office	30K	\$188	\$240	\$225	\$210	\$240	\$240	\$240 (Bin 1)	\$240 (Bin 1)
2	Hospital	400K	\$1,438	\$3,200	\$3,000	\$2,800	\$3,200	\$3,200	\$3,200 (Bin 1)	\$3,200 (Bin 1)
3	Shopping > 150K SQFT	175K	\$763	\$1,925	\$1,838	\$1,663	\$1,663	\$2,275	\$1,925 (Bin 2)	\$2,363 (Bin 2)
3	Medical Office Near Hospital	20K	\$125	\$220	\$210	\$190	\$190	\$160 (Bin 2)	\$220 (Bin 2)	\$270 (Bin 2)
4	Superstore	75K	\$425	\$1,350	\$1,275	\$1,200	\$900	\$1,425	\$1,350 (Bin 3)	\$1,013 (Bin 2)
4	Medical Office	20K	\$125	\$360	\$340	\$320	\$240	\$160 (Bin 2)	\$360 (Bin 3)	\$270 (Bin 2)
5	High-Turnover Restaurant	15K	\$94	\$495	\$465	\$435	\$285	\$285 (Bin 4)	\$315 (Bin 4)	\$308 (Bin 3)
5	Bank	1K	\$6	\$33	\$31	\$29	\$19	\$29	\$21 (Bin 4)	\$21 (Bin 3)
5	Fast Food	2K	\$13	\$66	\$62	\$58	\$38	\$38 (Bin 4)	\$42 (Bin 4)	\$41 (Bin 3)

Green shading indicates which scenario results in the lowest monthly bill per example



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Note: Preliminary analysis; data & rates subject to change.



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



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Additional Scenarios – Draft Bin Rates (per KSF per month)

Bin	Trip Range	Types of Uses	Scenario A: Baseline	Scenario D: Original Residential Est.	Scenario E: Medical and Restaurants - Lower Bins	Combining Scenarios D & E
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2	8-15	Hospital, Office, Specialty Contractor, Utilities	\$8	\$8	\$8	\$8
3	15-32	Nail/Hair Salon, Auto-related, Home Improvement Superstore, Large-Scale (>150K SQFT) Shopping, Department Store, Mixed Office, Medical Office Building Near Hospital, Day Care	\$11	\$9.50	\$13	\$10.50
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4	Superstore	75K	\$425	\$1,350	\$900	\$1,425	\$975
4	Medical Office	20K	\$125	\$360	\$240	\$160 (Bin 2)	\$160 (Bin 2)
5	High-Turnover Restaurant	15K	\$94	\$495	\$285	\$285 (Bin 4)	\$195 (Bin 4)
5	Bank	1K	\$6	\$33	\$19	\$29	\$22
5	Fast Food	2K	\$13	\$66	\$38	\$38 (Bin 4)	\$26 (Bin 2)

Green shading indicates which scenario results in the lowest monthly bill per example



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