

# EUGENE CITY COUNCIL

## AGENDA ITEM SUMMARY



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### Work Session: General Obligation Bonds for Street Preservation Projects

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Meeting Date: July 16, 2008  
Department: Central Services  
www.eugene-or.gov

Agenda Item Number: A  
Staff Contact: Sue Cutsogeorge  
Contact Telephone Number: 682-5589

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#### **ISSUE STATEMENT**

This work session is a continuation of the discussion about funding for pavement capital preservation projects with a General Obligation (GO) bond measure. Council is asked to provide direction for development of a resolution to place a GO bond measure on the ballot in November 2008.

#### **BACKGROUND**

##### **Council Action History**

Over the past several years, council has worked on ways to adequately fund a large and growing pavement preservation project backlog. Some highlights from the history of this effort are included in Attachment A.

Most recently, on June 9 council continued discussions about using General Obligation bonds for street preservation projects. At that meeting, council directed the City Manager to bring back a resolution placing an \$81.1 million GO bond measure on the November 2008 ballot, consistent with the initial project list and the draft resolution provided at that meeting. There remained, however, significant questions about how to provide assurance to voters as to which specific street repair projects would be accomplished as a result of approval of the bonds, what the appropriate timing of the bond measure should be, and how citizens will be informed about the need for the bond measure.

On June 23, council discussed street assessment policies. At that meeting, several councilors requested information about including an element in this bond measure to fund the City's share of assessment project costs.

As reported previously, the City Manager has convened a Street Maintenance Task Force. The list of members on this task force is included as Attachment B. The task force has met three times and is scheduled to meet three more times. As part of this effort, an updated community survey will be conducted during early July. The results will be provided to council later this month. The group has focused on trying to reach consensus among the broad range of interests represented on the task force for a recommended package of solutions that would provide approximately \$15 million of additional funding per year for street repairs in Eugene. At this time, the package under discussion includes the GO bond measure, reallocation of General Fund resources, a county-wide vehicle registration fee and some form of a monthly charge that would be collected through the City's utility billings.

## **Project List**

There are two main policy choices before council around a bond measure project list: (1) determining a method for providing assurance to voters as to which specific street repair projects will be completed with bond money; and (2) deciding whether to include funding for the City's share of local street improvement projects in the bond amount.

***Specific Project List:*** At the council meeting on June 9, there was significant discussion about a bond measure project list. Councilors were concerned about how best to provide assurance to voters that the bond money would be spent on a very specific list of street repair projects. As requested, staff has prepared a list of projects to include in the bond measure. There are 86 street preservation projects on the list, and the measure would repair more than 150 miles of roads and 7 miles of off-street bike and pedestrian paths.

Attachment C includes a list of specific projects that is staff's best estimate of what could be done with available bond funding over the next 10 years, given what we know today. This list has been adjusted from the initial list presented at the June 9 meeting as a result of in-depth examination of the list from an engineering perspective, as well as field assessment of the streets on the list. One of the major changes is that the amount of proposed local street overlays has been reduced because, after performing site assessments on the local streets, staff found that many of them could be addressed through slurry seal or other alternative treatments. In addition, projects that were already scheduled for 2009 and would be constructed regardless of the bond measure outcome have been removed from the list. To bring the total project list back up to the total bond measure size, additional arterial and collector streets have been included with an emphasis on reconstructions.

A map of the high-priority street preservation projects proposed for funding from the bond measure is included in Attachment D. Note that the map does not include the off-street bike and pedestrian paths that will be overlaid or reconstructed with the \$350,000 annual allocation.

***Project Implementation:*** Council has expressed a desire to provide a high degree of assurance to voters about the projects that will be completed with bond measure funds. This will reduce the risk that Eugene citizens will think that the money could be used in a way that was not intended when they voted for the measure. In order to provide the highest degree of assurance to voters, council could say that bond proceeds will only be used for projects on the list. If all the projects on the list are complete and there is any remaining unused bonds, that authorization would lapse and those bonds would remain untapped for street preservation projects.

Taking this approach, while reducing one risk, increases the risk that the City will not be able to maximize and most effectively use the funds for street preservation projects. Things can happen over the next ten years that might make it impractical or undesirable to complete one or more of the projects. For instance, the community decides not to rebuild a street destroyed in a natural disaster, or a street is rerouted or decommissioned for some reason, or artifacts of historical significance are found in an area, and so on. For this reason, it is prudent to allow for some flexibility to remove projects from the list.

In addition, as mentioned previously, there is an inherent difficulty in projecting exactly how much each of the projects would cost over time. Future inflation factors are unknown, and pavement condition estimated in the pavement management report could vary from the original projections depending on changes in weather, traffic patterns, and so on. Due to these uncertainties, there is a possibility that not all of the projects will be completed, so the bond measure language should not guarantee that all projects

will be completed. On the other hand, there is a possibility that circumstances turn out better than forecast today and there is money left over that could be used for more street preservation efforts. If all the projects on the bond measure list are complete, it might be desirable to allow a future council to add projects to the list in order to completely spend all available bond proceeds.

Staff recommends that the bond measure include a provision that would allow a future council to remove projects from the list or to fund additional projects from any remaining bond measure money, rather than letting any remaining authorization lapse unused. In order to ensure that any projects removed from the list have a high degree of agreement among the council members, the vote to remove a project could require approval by at least 6 councilors. If council decides to allow additional projects to be funded from bond proceeds, the additions could occur only after all the specified projects on the list have been completed (with the exception of those projects which have been removed with council supermajority approval). These two provisions would allow the City to utilize all of the bond proceeds authorized by voters on important street preservation projects, but only under very limited circumstances and with significant council input and agreement about any changes. The bond resolution, which is included as Attachment E, includes these provisions in bold and italics so that it is easy to identify the language.

At the June 9 council work session, staff recommended that a Department Advisory Committee be formed to allow for prospective additions or deletions to the project list, based on actual experience and remaining available funding. Based on council discussion, staff has removed that recommendation from the bond resolution.

***Outside Audit of Bond Proceeds:*** In order to promote accountability in the use of bond proceeds, staff is continuing to recommend that an outside auditor be periodically engaged to review and prepare a publicly-issued report on the use of the bond monies for the purposes authorized by the bond measure and within the restrictions established by council. At the June 9 meeting, Councilor Poling asked about the estimated cost and source of monies for this work. Informal quotes suggest that for about \$2,000, the City should be able to engage an outside auditor for this work. These fees would not be paid from bond proceeds but would come from department operating funds.

***Funding for City's Share of Assessment Projects:*** There are approximately 75 miles of unimproved streets in the City (about 14% of the total lane miles), with a cost in excess of \$90 million to bring those streets up to City standards. This cost is not included in the estimated \$173 million backlog of maintenance for improved streets. As explained at the June 23 work session on assessment policies, the City has no identified funding source for the City's share of local street assessment projects. If council decided to add more funding to the bond measure for the City's share of street assessment projects, the chart in Attachment G includes the bond size and cost to taxpayer for different annual amounts. Note that this chart has been updated slightly. The cost for the \$81.1 million bond measure is now estimated at \$0.53/\$1000 of assessed value, and \$107 for the average taxpayer each year.

Staff recommends that funding for the City's share of local street assessment projects not be included in the bond measure. This will help to simplify the bond measure message presented to voters.

### **Communications Plan**

Communications related to the bond measure face several challenges. As with any property tax measure, the complexity of the issue and the need to write bond measure language in terms that satisfy legal requirements don't always allow for easy-to-understand explanations. Placing the bond measure in the context of a larger package, some elements of which haven't yet been fully worked out, is another com-

munications challenge. Voters will also need to understand why the measure doesn't focus solely on the worst streets (i.e., why preserving streets from further deterioration is a financially prudent investment). Including a number of reconstruction projects in the bond measure will help voters see visible benefit. If unimproved streets are not included in the bond measure, the message needs to be clear why they are not part of the bond package and what alternate strategies the City has to address those streets. Finally, as with all election issues, City staff must avoid advocacy and provide only neutral information. To the extent that it is important to communicate benefits, council and any citizen groups that come forward must carry those messages. Attachment F includes an updated Communications Plan related to transportation funding. If council refers the bond measure, portions of the Communications Plan would need to be put on hold until after the election.

### **Election Requirements**

One of the topics that council discussed at the June 9 meeting was whether the City should place a measure on the ballot this November or wait until a future election. Current state law requires that new or additional property taxes must be approved by a majority of the people voting in an election in November of an even-numbered year. In any other election, there must also be at least a 50% turnout of voters (the double-majority requirement).

During the 2007 legislative session, HJR-15 was passed. That resolution places a measure on the statewide November 2008 ballot that asks voters whether to change the double-majority requirement. If voters agree, this would allow a simple majority approval of tax measures at May or November elections in any year.

### **Timing**

Council's last opportunity to pass a resolution placing the measure on the ballot is August 5. July 28 is the scheduled date for council consideration of this resolution, which requires that council provide final direction for changes to the resolution at today's meeting in order to allow for adequate bond counsel review and approval of any changes.

Once council passes a resolution placing the measure on the ballot, the City Attorney will create a ballot title (caption, question and summary), which will be published in the Register-Guard. Citizens will have an opportunity to challenge the ballot language by filing a petition with the Lane County Circuit Court within seven business days of the date that the City Attorney files the ballot title with the City Recorder.

### **RELATED CITY POLICIES**

Council's goals for 2007 include "Transportation Initiative: Develop mechanisms to adequately fund our transportation system for cars, trucks, bikes and pedestrians including maintenance and preservation and capital reconstruction."

### **COUNCIL OPTIONS**

The policy issues before council at this work session are:

- **Project List:** A street preservation project list is provided as Attachment C. Council could modify the project list as deemed appropriate.
- **Additional Projects:** The draft resolution assumes that council would like to allow additions and deletions to the list of projects to be funded from bond proceeds, contingent upon council

approval. The bond measure provision that allows for this to occur is shown in bold and italics in the resolution.

- ***Measure Size:*** Council previously approved \$6.5 million of annual spending, adjusted in subsequent years for inflation plus bond issuance costs, for a total measure of \$81.1 million. Council could choose a different amount for the bond measure, such as adding funding for the City's share of local assessment projects. Attachment G includes the effect on taxpayers for different bond amounts.
- ***Measure Timing:*** Council direction to date has been to place a measure on the November 2008 ballot. That is the next election date that would not be subject to the double-majority requirements of Measure 50. Council could choose an alternative election date.

### **CITY MANAGER'S RECOMMENDATION**

The City Manager recommends that a resolution placing a GO Bond measure to fund \$81.1 million of street and off-street bike and pedestrian path preservation projects over 10 years on the November 2008 ballot should be prepared for consideration at the July 28 council meeting. The projects included in the measure should be consistent with the project list included in Attachment C. The resolution should be in the form included in Attachment E, including language allowing council to add projects once all the projects on the list are completed, and to delete projects upon approval of 6 councilors.

### **SUGGESTED MOTION**

Direct the City Manager to bring council a resolution placing an \$81.1 million GO bond measure on the November 2008 ballot, consistent with the resolution in Attachment E.

### **ATTACHMENTS**

- A. Pavement Preservation Funding Action History
- B. Eugene Street Maintenance Task Force Membership List – July 2008
- C. List of Street Preservation Projects to be Funded with GO Bonds
- D. Map of Street Preservation Projects to be Funded with GO Bonds
- E. Draft Resolution Referring the GO Bond Measure to the November 2008 Ballot
- F. Transportation Funding Communications Plan (Updated July 2008)
- G. Impact on Eugene Taxpayers from Different GO Bond Amounts

### **FOR MORE INFORMATION**

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## **Pavement Preservation Funding Action History**

The City's current 5-cent local gas tax, together with other dedicated pavement preservation funding, has allowed the City to complete nearly \$18.6 million in street preservation project work since 2002, which has repaired 153 lane miles with slurry seals, overlays and reconstructions. Recent projects include overlay of portions of 18th Avenue, Chambers Street and Bailey Hill Road. Projects planned for 2008 include portions of East 13<sup>th</sup> Avenue, Barger Drive, Chambers Street and Roosevelt Boulevard.

In spite of these accomplishments, the backlog of needed repair work continues to grow in the face of rapidly rising construction costs and insufficient revenues. In late 2001, the City was facing an estimated \$67 million backlog in pavement preservation work. By spring 2008, the estimated cost of that backlog had grown to \$173 million and, with no new funding, was projected to grow to over \$280 million within the next 10 years.

In January 2007, council formed a Council Subcommittee on Transportation Funding Solutions (the "subcommittee") to study transportation funding options and bring back creative solutions for adequately funding Eugene's transportation system for cars, trucks, bicycles and pedestrians in ways that collect funds proportionately (or equally) from residents and non-residents who use the roads, are more consistent with sustainability goals, have direct connection to use of the roads, and give incentives to those who do not have a car or use one very little.

This proposal for a bond measure for street repairs is an integral component in a package strategy recommended by the subcommittee, and approved by council, to adequately and equitably fund Eugene's transportation system for a variety of users. The package of proposed solutions included a street user fee, a street and bike/pedestrian path lighting fee, and an increase in the local motor vehicle fuel tax. The council also took action to extend the local fuel tax sunset provision by three additional years, leaving the fuel tax at five cents per gallon until February 28, 2011.

In the course of its work, the subcommittee learned that, to completely eliminate the pavement repair backlog within the next 10 years, an estimated \$27 million in pavement preservation funding would be needed per year. The subcommittee deemed this revenue target to be too aggressive and, instead, recommended additional annual funding of \$13 million to \$14 million, bringing total pavement preservation funding up to \$18 million per year. While this additional funding would not eliminate the backlog within 10 years, it was projected that it would stabilize the cost-effective annual overlay program and begin to reduce the reconstruction backlog.

The subcommittee recommended that the transportation funding package include a capital local option levy generating approximately \$6 million net revenues annually to fund pavement capital preservation projects. Council subsequently decided to allocate another \$0.5 million to the capital local option levy instead of allocating this amount to a solid waste collection surcharge. In addition, the subcommittee recommended and the council agreed that \$350,000 of that amount should be allocated each year for bike and pedestrian path capital preservation.

On December 10, 2007, council discussed a property tax approach to funding pavement capital preservation. Staff presented an approach using a short-term General Obligation (GO) bond. Council directed the City Manager to “bring a proposal to a future council work session for a GO Bond measure to fund \$81 million of pavement capital preservation projects over 10 years within an appropriate timeframe to place the question on the May 2008 ballot. The proposal should include ballot measure language that provides for both a list of high priority pavement capital preservation projects and appropriate flexibility for planning activities and changing pavement capital preservation project priorities.”

On January 28, council continued discussions of an approach to use General Obligation bonds for street preservation projects. Council directed the City Manager to “bring a resolution forward placing an \$81 million General Obligation bond measure to be used for preservation only, no system capacity enhancements, on the November 2008 ballot.” A friendly amendment was added to provide a complete project list as part of the ballot measure. The \$81 million bond measure will provide for \$6.5 million of overlays and reconstruction activities each year, factoring in the cost of inflation over a 10-year period.

**Eugene Street Maintenance Task Force Membership List  
July 2008**

<b>Name</b>	<b>Affiliation</b>
<b>Jon Ruiz</b>	City of Eugene City Manager
<b>Janet Calvert</b>	League of Women Voters; Wellness Committee
<b>Kurt Corey</b>	City of Eugene Public Works Director
<b>Rich Gaston</b>	John L. Scott Real Estate; Greenhill Humane Society Board
<b>Dave Hauser</b>	Eugene Chamber of Commerce President
<b>Eric Jones</b>	City of Eugene Public Works Public Affairs Manager
<b>John Kirk</b>	FarWest Steel Retiree; Water District Board
<b>Bob Kline</b>	Harlow Neighbors Chair
<b>Marvin Revoal</b>	Pacific Benefit Planners; Former Chamber President
<b>Greg Rikhoff</b>	UO Public & Govt Affairs Community Relations Dir.
<b>Ramin Shojai</b>	Business Owner
<b>Ron Tyree</b>	Tyree Oil Inc. Owner
<b>Rob Zako</b>	West Eugene Collaborative; Friends of Eugene

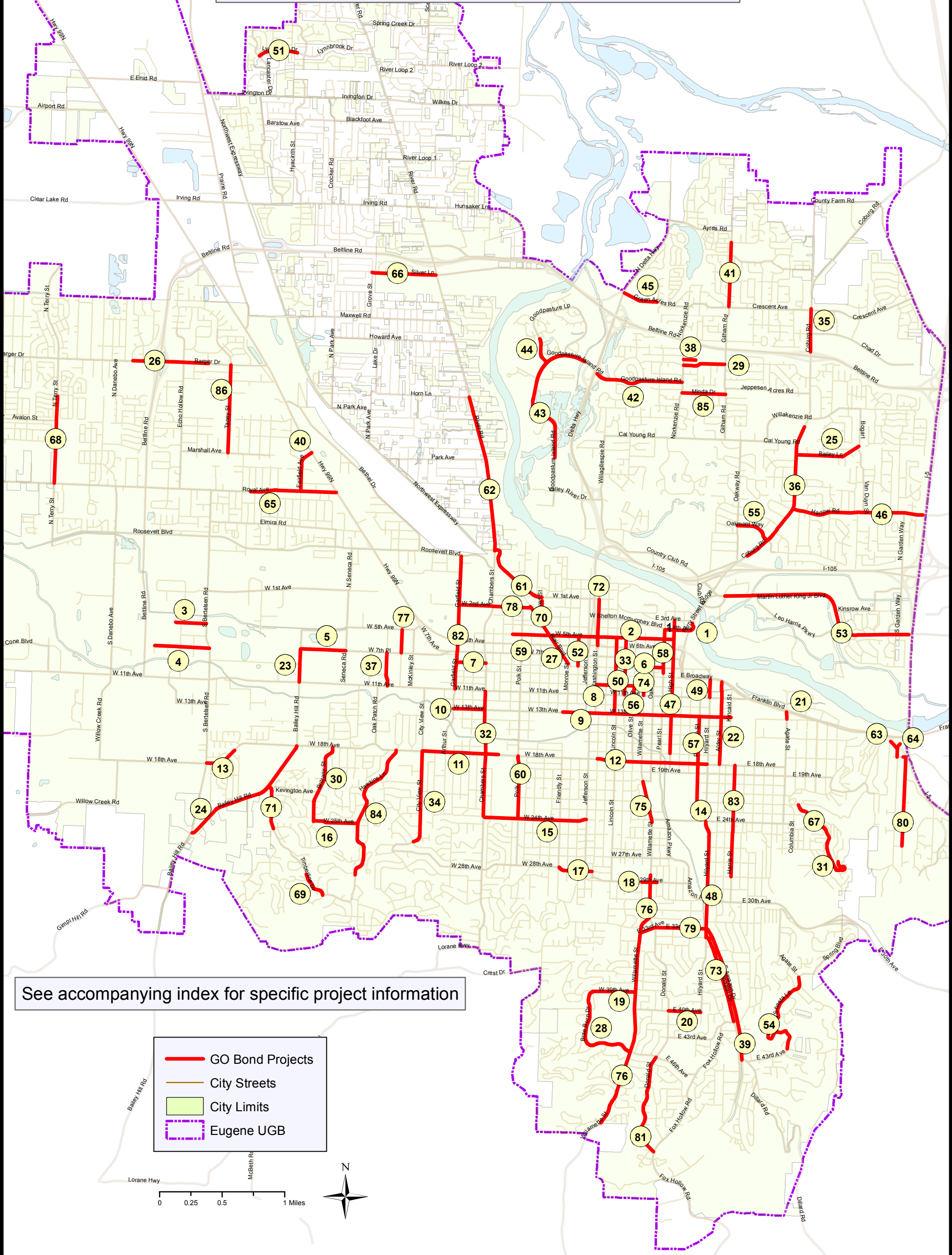
**Eugene Street Preservation Project List**  
**(To Be Funded by General Obligation Bonds)**

<b>Map #</b>	<b>Street name</b>	<b>From</b>	<b>To</b>
1	04TH AVE	COBURG	PEARL
2	05TH AVE	HIGH	TAYLOR
3	05TH AVE	BERTESEN	250' WEST OF COMMERCIAL ST
4	07TH AVE	BERTESEN	OSCAR
5	07TH PL	SENECA	BAILEY HILL
6	08TH AVE	PEARL	OAK
7	08TH AVE	CHAMBERS	GARFIELD
8	10TH AVE	OLIVE	WASHINGTON
9	13TH AVE	KINCAID	MONROE
10	13TH AVE	CHAMBERS	GARFIELD
11	18TH AVE	510' EAST OF CHAMBERS	CITY VIEW
12	18TH AVE	HILYARD	WASHINGTON
13	18TH AVE	102' EAST OF JOSH ST	BERTESEN
14	23RD AVE	HILYARD	PATTERSON
15	24TH AVE	JEFFERSON	CHAMBERS
16	25TH AVE	HAWKINS LN	BRITTANY
17	28TH AVE	WASHINGTON	FRIENDLY
18	29TH AVE	OAK	WILLAMETTE
19	39TH AVE	WILLAMETTE	100' EAST OF DENSMORE RD
20	40TH AVE	HILYARD	DONALD
21	AGATE ST	FRANKLIN	13TH AVE
22	ALDER	BROADWAY	18TH AVE
23	BAILEY HILL RD	7TH AVE	11TH AVE
24	BAILEY HILL RD	18TH AVE	BERTESEN
25	BAILEY LN	BOGART LN	COBURG RD
26	BARGER DR	ALTAMONT	PRIMROSE
27	BLAIR BLVD	2ND AVE	MONROE
28	BRAE BURN ST	39TH AVE	WILLAMETTE
29	BREWER	GILHAM	NORKENZIE
30	BRITTANY ST	W 18TH AVE	W 25TH AVE
31	CAPITAL DR	SPRING	CRESTA DE RUTA ST
32	CHAMBERS ST	11TH AVE	24TH AVE
33	CHARNELTON	W 4TH AVE	W 11TH AVE
34	CITY VIEW ST	W 18TH AVE	PANORAMA
35	COBURG RD	CRESCENT	SOUTH ONRAMP BELTLINE
36	COBURG RD	850' NORTH OF CALYOUNG	450' NORTH OF I-105 OFF RAMP
37	CONGER ST	7TH AVE	11TH AVE
38	CURTIS AVE	550' EAST OF NORKENZIE	NORKENZIE
39	EAST AMAZON DR	HILYARD	DILLARD
40	FAIRFIELD	HWY 99	ROYAL
41	GILHAM RD	HONEYWOOD ST	CRESCENT
42	GOODPASTURE IS RD	NORKENZIE RD	DELTA HWY BRIDGE
43	GOODPASTURE IS RD	BRIDGE OVER SLOUGH	1250' NORTH OF VALLEY RIVER DR
44	GOODPASTURE LP	GOODPASTURE IS RD	1100' NORTH OF GP IS RD
45	GREEN ACRES RD	APPLEWOOD	DELTA HWY
46	HARLOW RD	I-5	COBURG
47	HIGH ST	3RD AVE	E 17TH AVE
48	HILYARD ST	E 24TH AVE	34TH AVE
49	HILYARD ST	E BROADWAY	E 11TH AVE
50	LINCOLN ST	W 5TH AVE	W 13TH AVE
51	LYNNBROOK DR	250' EAST OF TORRINGTON AVE	LANCASTER

52	MADISON ST	W 5TH AVE	W 8TH AVE
53	ML KING JR BLVD	I-5	CENTENNIAL LOOP
54	NORTH SHASTA LP	FIRLAND	E 43RD AVE
55	OAKMONT WAY	COBURG RD	OAKWAY RD
56	OLIVE ST	W 10TH AVE	W 11TH AVE
57	PATTERSON	E 13TH AVE	23RD AVE
58	PEARL	4TH AVE	200' NORTH OF BROADWAY
59	POLK ST	W 6TH AVE	W 7TH AVE
60	POLK ST	W 18TH AVE	W 24TH AVE
61	RAILROAD BLVD	VAN BUREN	CHAMBERS
62	RIVER RD	HORN LN	RAILROAD
63	RIVERVIEW ST	SYLVAN	16TH AVE
64	RIVERVIEW ST	FRANKLIN OFF RAMP	250' SOUTH OF FRANKLIN OFF RAMP
65	ROYAL AVE	HWY 99	100' EAST OF WAITE ST
66	SILVER LN	RIVER RD	GROVE
67	SPRING BLVD	FAIRMOUNT	WOODLAWN AVE
68	TERRY ST	1100' NORTH OF AVALON ST	ROYAL
69	TIMBERLINE DR	200' NORTH OF TIMBERLINE DR	WINTERCREEK
70	VAN BUREN	RR CROSSING	BLAIR BLVD
71	WARREN ST	BAILEY HILL	TIMBERLINE DR
72	WASHINGTON	W 1ST AVE	W 6TH AVE
73	WEST AMAZON DR	HILYARD	FOX HOLLOW
74	WILLAMETTE ST	E 10TH AVE	E 11TH AVE
75	WILLAMETTE ST	E 20TH AVE	350' SOUTH OF E 24TH AVE
76	WILLAMETTE ST	306' NORTH OF 29TH AVE	180' SOUTH OF SPENCERS CREST
77	WILSON ST	W 5TH AVE	W 7TH AVE
78	02ND AVE	BLAIR BLVD	GARFIELD
79	33RD AVE	HILYARD	WILLAMETTE
80	AUGUSTA	16TH AVE	26TH AVE
81	DONALD ST	46TH AVE	FOX HOLLOW
82	GARFIELD	ROOSEVELT	W 11TH AVE
83	HARRIS	18TH AVE	28TH AVE
84	HAWKINS LN	W 18TH AVE	100' SOUTH OF VIDERA
85	MINDA	GILHAM	NORKENZIE
86	TANEY ST	BARGER	MARSHALL

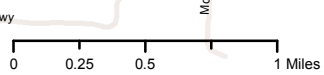
# Eugene Street Preservation Projects

## To Be Funded With General Obligation Bonds



See accompanying index for specific project information

- GO Bond Projects
- City Streets
- City Limits
- Eugene UGB



## Draft Resolution

### **A RESOLUTION CALLING A CITY ELECTION ON NOVEMBER 4, 2008 FOR THE PURPOSE OF REFERRING TO THE LEGAL ELECTORS OF THE CITY OF EUGENE A MEASURE AUTHORIZING THE ISSUANCE OF A MAXIMUM OF \$81,100,000 OF GENERAL OBLIGATION BONDS TO FUND STREET PRESERVATION PROJECTS.**

#### **The City Council of the City of Eugene finds that:**

**A.** Using the City's current 5-cent per gallon local gas tax and other dedicated pavement preservation funding, the City has completed nearly \$18.6 million in street preservation work since 2002, including contracts in progress. Since 2002, the City has repaired 153 lane miles of streets through overlay, reconstruction and slurry seal treatments. Projects in progress for 2008 include portions of 27th Avenue, Barger Drive, Chambers Street and Roosevelt Boulevard.

**B.** The amount of funding for street maintenance and reconstruction has been insufficient to keep up with deteriorating street conditions. The backlog of needed repair work continues to grow in the face of rapidly rising construction costs and is currently \$173 million. Streets that have failed to the point of reconstruction create safety problems and cause vehicle repair problems, make walking, biking or driving on the streets uncomfortable, interfere with economic activity and diminish the quality of life.

**C.** In order to address the funding shortfalls with the City's street maintenance and preservation program, the City Council determined that a General Obligation Bond measure generating approximately \$6.5 million in net revenues annually should be referred to voters. Of that amount, the Council determined that \$350,000 should be allocated each year for off-street bike and pedestrian path preservation and repair.

**D.** A general obligation bond measure of \$81.1 million would fund specific street preservation projects over a period of 10 years. The \$81.1 million figure accounts for \$6.5 million per year for ten years at an inflation factor of 4.8%. This amount represents 86 different projects that would repair an estimated 150 lane miles of roads and approximately 7 miles of off-street bike and pedestrian paths.

**E.** The measure is expected to cost an average of \$0.53 per \$1000 of assessed value each year for ten years. For an average homeowner in Eugene, this would be about \$107 per year.

**F.** The bond proceeds will be used to overlay or reconstruct the driving surface of streets, as well as to preserve existing integral elements of the street such as curbs, gutters, sidewalks, on-street bike lanes, traffic signals, street lights, medians, traffic calming devices, and other integral parts of a street preservation project. These preservation efforts will be undertaken only to preserve existing elements, not to expand the capacity of the street system. In addition, the City will annually allocate not less than \$350,000 of the bond proceeds to fund the overlay and reconstruction of existing off-street bicycle and pedestrian paths.

**G.** A list of street preservation projects on which the City will spend the bond proceeds is attached as Exhibit A to this Resolution. The criteria for choosing these projects included: a) citizen

input with respect to prioritizing major streets in need of reconstruction; b) scientific information about needed street rehabilitation and reconstruction from the pavement management system; and c) geographic distribution throughout the community to ensure all areas of the City receive a benefit from the bond proceeds. *If all of the projects listed in Exhibit A are completed and there are bond proceeds remaining, the Council may add other street preservation projects to the list. If at least six city councilors determine that one or more of the projects listed in Exhibit A has become impractical to undertake, the project(s) may be removed from the list.*

**H.** In order to promote accountability in the use of bond proceeds, the City Manager will contract with an outside auditor to prepare a written report on the use of the bond proceeds on a regular basis. The auditor will ascertain and report on whether the bond proceeds were used for the authorized purposes and in compliance with the restrictions set forth above. The City Manager will provide the report to the Council and make the report publicly available.

**NOW, THEREFORE, based upon the above findings,**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EUGENE, a Municipal Corporation of the State of Oregon, as follows:**

**Section 1.** A city election is called for the purpose of submitting to the qualified electors of the City a Measure authorizing the issuance of a maximum of \$81,100,000 of General Obligation bonds to fund street preservation projects and off-street bicycle and pedestrian path preservation projects.

**Section 2.** The City Council orders this City election to be held in the City of Eugene, Oregon, concurrently with the general election on the 4<sup>th</sup> day of November, 2008, in accordance with the provisions of Chapter 254 of the Oregon Revised Statutes, and the ballots shall be counted and tabulated and the results certified as provided by law.

**Section 3.** The City Recorder is directed to give not less than ten days' notice of the City election by publication of one notice in the Register Guard, a newspaper published in the City and of general circulation within the City.

**Section 4.** If approved by the electors, the proceeds from the sale of the bonds will be used only for costs related to street preservation projects, off-street bicycle and pedestrian path preservation projects and payment of bond issuance costs. The use of bond proceeds for street preservation projects will be limited to projects included in Exhibit A to this Resolution *unless upon completion of all the projects listed in Exhibit A to this Resolution the Council adds other street preservation projects to the list in order to utilize unspent bond proceeds. If at least six city councilors determine that one or more of the projects listed in Exhibit A has become impractical to undertake, the project(s) may be removed from the list.*

**Section 5.** This Resolution shall become effective immediately upon its adoption.

**The foregoing Resolution adopted the \_\_\_\_ day of \_\_\_\_\_, 2008.**

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**City Recorder**

**TRANSPORTATION FUNDING COMMUNICATIONS PLAN (Updated July 2008)****Goals and Objectives:**

- Effectively communicate the value of the transportation funding solutions recommended by the council subcommittee and approved by the full council.
- Generate adequate support to implement the solutions
- Citizens, staff and elected officials trust Public Works and the City of Eugene to make good decisions about local transportation services and how they are delivered and funded

**Key Audiences:**

- City Council
- Eugene voters
- Taxpayers
- Business community (Chamber of Commerce)
- Local opinion leaders (including key media, neighborhood group leaders)
- Public Works employees and all City employees
- EWEB (as a potential billing agent)

**Strategies:**

- Find and use benefit statements for every constituency/key audience
- Build community support through constituent/opinion leaders (e.g., members of the Street Maintenance Task Force)
- Simplify benefit statement/messages (e.g., “street repairs” and “fixing the potholes” rather than “pavement preservation”)
- Recognize the communication value of “official” documents (agenda item summaries, resolutions, ballot titles, etc.)
- Separate issues (e.g., property tax measure, gas tax sunset) to manage the amount of information key audiences need to have at any particular moment in time
- Find opportunities to talk about “big picture” in ways that clearly describe what each component of the package would do and how individual components work together as a balanced package
- Enlist mayor and councilors as spokespersons for the issue
- Look for groups invested in solutions as message partners
- Develop an implementation schedule early on to coordinate communications on various solution components
- Ensure communication tactics are consistent with and support election laws and other procedural requirements
- Build on successes of pavement preservation program
- Rename/reposition TSMF as a new solution
- Use Final Report of the Transportation Subcommittee (2007), LOC “Investing in a Neglected Asset” report, and PMS report (2008) and other source documents to support communications
- Use a range of outreach tactics (e.g., meetings/presentations, internet, newsletter) to reach targeted audiences as well as the general public
- Address state and county relationships in a positive way; look for opportunities to work with and coordinate our interests with those of our regional partners (Springfield and Lane County)
- Develop a strong internal communications to inform employees, using supervisors to communicate key messages and promote understanding through the City organization
- Use surveys (specifically, the January 2008 NSDS survey and the July 2008 SRI survey) and focus groups to test methodologies and key messages

- Make effective use of consultant resources (e.g., Barry Pack, Steve Johnson, Gary Manross) in developing plans and implementing strategies

### **Communication Constraints (Specific to Bond Measure):**

- As with any tax measure, the complexity of the issue and the need to couch language in terms that satisfy legal requirements don't always allow for easy-to-understand explanations.
- Placing the bond measure in the context of a larger package, some elements of which haven't yet been fully worked out, is a significant communications challenge.
- Voters will need to understand why the measure doesn't focus solely on the worst streets (i.e., why preserving streets from further deterioration is a good investment). Including a number of reconstruction projects in the bond measure will help voters see obvious benefit.
- Voters have trouble distinguishing between improved and unimproved streets. If unimproved streets are not included in the bond measure, the message needs to be clear why they're not and what strategies the City has to address those streets.
- The "list" of repair projects to be funded by the bond measure is a subset of a larger list of projects to be funded from multiple sources of road repair funding, including current existing sources of revenue. Voters may be confused if they don't see beneficial projects that aren't on the bond list because they are scheduled to receive some other type of funding.
- As with all election issues, City staff must avoid advocacy and provide only neutral information. To the extent that it's important to communicate benefits, the council and any citizen groups that come forward must carry those messages.

### **Key Messages**

#### ***Bond Measure for Street Repairs***

- Voters in November will be asked to approve an \$81 million levy dedicated to local street repairs
- The levy is estimated to cost the average homeowner \$107 per year
- A list of high-priority projects has been developed to indicate exactly which streets would be repaired with bond funds
- The project list will include overlay and slurry seal projects (to preserve streets from further deterioration) and reconstruction projects (to fix streets that have fallen apart and need to be rebuilt)
- Accountability will be provided, bond expenditures will be monitored and periodic reports will be issued to the council and the community.

#### ***Overall Package of Transportation Funding Solutions***

- Eugene is faced with a \$173 million backlog of street repair projects. The backlog could reach \$280 million over the next decade if more funds are not invested in needed street repairs.
- To bring the backlog under control, at least \$18 million per year needs to be invested in needed street repairs. Currently Eugene is investing about \$5 million a year in major street repairs.
- To truly address the need, a package of revenue solutions is needed.
- Package elements could include some combination of a general obligation bond measure, local fuel tax, monthly street repair fee, street lighting fee, garbage fee surcharge, countywide vehicle registration fee and/or countywide fuel tax, and/or reallocation of existing general fund revenue.
- Any package, in total, needs to provide achievable, balanced and sustainable solutions to adequately fund Eugene's transportation system for cars, trucks, bicycles and pedestrians
- A good package element is one that collects funds proportionately (or equally) from residents and non-residents who use our roads, is consistent with our sustainability goals, has direct connection to the use of the roads, and give incentives to those who do not have a car or use one very little.
- Since 2002 (including the 2008 construction season), the City has invested \$18.6 million in street preservation projects. Since 2002 (including the 2008 construction season), the City has repaired 153 lane miles of streets through overlay, reconstruction and slurry seal treatments.

### ***Local Fuel Tax***

- Eugene's gas tax is 5 cents per gallon (it has been at 5 cents a gallon since January 2005)
- 2 cents of that is subject to a sunset provision; the sunset has been extended to 2011 to allow more time to see if alternate sources of revenue can be found (examples: increasing the state gas tax to replace the money that currently comes from the local gas tax, or a county vehicle registration fee)
- Each penny of the local fuel tax generates about \$650,000 per year; therefore, the current 5-cent local fuel tax generates about \$3.2 million per year for street repairs
- The local motor vehicle fuel tax is closely tied to the use of the transportation system: the more you drive, the more wear and tear you put on the streets, and the more you pay through a gas tax.
- Currently, Eugene's pavement preservation program is funded primarily by the local motor vehicle fuel tax.
- More information is available on the City's web site (go to [www.eugene-or.gov/pw](http://www.eugene-or.gov/pw) and click on the street funding link).

### ***Reallocation of General Fund Resources***

- Council allocated \$1.5 million for capital pavement repairs in FY07. These funds were used to overlay streets that otherwise would have deteriorated to the point of needing reconstruction (at a cost of five times the cost of an overlay)
- As part of a cooperative funding agreement with Lane County, Council made available \$4.5 million from the General Fund (facility reserve) for preserving critical county services in exchange for \$4.5 million in County road funds which will be used for repairs of Eugene streets beginning July 1, 2008.
- Council approved \$1 million from the General Fund for "pothole patching" in FY09 and another \$1 million in FY10. Work efforts to be funded include a dedicated "pothole patrol," maintenance overlays primarily on unimproved streets, and repairs to a number of badly rutted and potholed intersections around town.
- All these allocations are in addition to the funds currently dedicated to street repairs in the City's O&M Road Fund (which comes primarily from state gas taxes and vehicle registration fees) and capital pavement preservation program (which comes primarily from local gas taxes).

### ***Street Fee***

- This is still in the conceptual stages
- The best fee is one that is easy to understand and inexpensive to bill and collect (so that more money goes to street repairs and less to fee administration)
- Intended to generate annual net revenue of approximately \$6.5 million, with \$150,000 per year dedicated to funding traffic calming measures
- Estimated to cost the average household about \$5 per month

### ***Street Lighting Fee***

- This is still in the conceptual stages
- Intended to generate approximately \$800,000 annually to operate and maintain and provide for reasonable expansion of Eugene's street and bike/pedestrian path lighting system
- Estimated to cost the average household \$1.50 per month

### ***Other Potential Sources of Funding***

- Garbage surcharge could raise \$1 million to \$2 million per year
- County vehicle registration fee (could raise up to \$9 million per year countywide; revenue to Eugene not currently determined)
- Countywide gas tax (could raise \$1.5 million per penny per year countywide; revenue to Eugene not currently determined)
- State solutions, including an increase in the state's gas tax.

## Impact on Eugene Taxpayers from Different Bond Amounts

Total Bond Amount	First Year Project Spending*	Average Tax Rate**	Cost to Average Taxpayer
\$62,400,000	\$5,000,000	\$0.41	\$81
\$74,900,000	\$6,000,000	\$0.50	\$99
<b>\$81,100,000</b>	<b>\$6,500,000</b>	<b>\$0.53</b>	<b>\$107</b>
\$87,450,000	\$7,000,000	\$0.58	\$116
\$99,700,000	\$8,000,000	\$0.66	\$132
\$112,250,000	\$9,000,000	\$0.74	\$148
\$124,750,000	\$10,000,000	\$0.82	\$164

\*Each subsequent year of project spending is increased by 4.8% in order to account for estimated future inflation of project costs.

\*\* Tax rate per \$1000 of assessed value.