

Ad Hoc Street Improvement & Funding Committee

September 27, 2023 Meeting Agenda

Time & Location: 6:00 pm. At Cottage Grove City Hall, Council Chambers, 400 E. Main Street

Attend in person or join from your computer, tablet or smartphone.

<https://meet.goto.com/CottageGrove/september272023streetimprovementfundingadhoccommit>

You can also dial in using your phone.

Access Code: 439-674-021

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1. Welcome
2. Approval of August 29, 2023 Meeting Minutes
3. Presentation of Information Requested at the August 1st Committee Meeting.
 - a. Employment revenue information within the City limits
 - b. Local fuel tax limitations
 - c. City road trip counts
 - d. Map of City collector and arterial roads
4. Continued Committee Discussion and Creation of Committee Recommendation(s)
 - a. Street Funding Revenue (Maintenance, Preservation, Capital (Arterials and Collectors)
 - i. \$200,000 to \$300,00 per year maintenance & preservation
 - ii. \$1.5 to \$1.9 million per year capital for arterials and collectors
 - iii. \$500,000 to \$1,000,000 for local improvement districts on local streets
 - b. Revenue Mechanism(s)
 - i. Employee Income Tax .5% generates \$629,585.00, 1% generates \$1,259,170
 - ii. Property Tax Levy \$.81/1,000 generates \$630,000 per year
 - iii. Gas Tax \$.03/gallon generates \$330,000 or \$.05/gallon generates \$500,000
 - iv. Current available budget revenue after operating expenses is \$450,000
 - v. LID would be calculated based on project cost and repayment would be by adjoining property owners based on benefit to property
 - vi. Send to voters for approval
 - vii. 5 year sunset clause

5. Questions and Committee Discussion
6. Public Outreach, Focus Groups & Town Hall Meeting
7. State Legislative Effort for long term funding
8. Next Meeting

CITY OF COTTAGE GROVE
Ad Hoc Street Improvement & Funding Committee
Minutes of the Meeting
August 29, 2023

Present in Chambers: Mayor Candace Solesbee, Councilor Dana Merryday, Councilor Greg Ervin, Citizen Tiffanie Williams, Citizen Chris Holloman, Commissioner Garland Burback, Councilor Chalice Savage, Citizen Michael Leborde, Citizen Robert Reetz

Present via GoTo Meeting: None

Staff Present: Richard Meyers City Manager, Director of Public Works Faye Stewart, Recording Secretary Tina MacDonald.

Media Present: KNND – Cindy Weeldreyer

Absent: Chair Amber Bahler, Councilor Alex Dreher, Councilor Jon Stinnett, YAC Member Kassidy Poetzl, Citizen Jeff Conklin

1. Welcome (6:00 pm): Vice Chair Michael Praegitzer opened the Committee meeting.
2. Recording Secretary Tina MacDonald called the roll.
3. Councilor Merryday shared 2 newspaper pieces pertaining to roads.
4. Approval of July 11th meeting minutes.

Councilor Ervin moved to approve. Councilor Fleck seconded. All in favor. Meeting minutes approved.

5. City Council Approval of Committee's Request to Continue Work approved.
6. Presentation of Information Requested at the August 1st Committee Meeting.

Faye consulted with legal counsel. They could not find anything that limits creating boundaries. As far as a transportation maintenance district he would need to do further research. There could be an agreement between the City and County. Possibly sit down with the board of commissioners. Maybe there could be revenue sharing as far as those residents who reside out of city limits. Chris wants to know

how the fees would be collected. Faye said it would be through the assessor's office. There was discussion about the possibility of accessing funds through vehicle registration and renewal fees and the gas tax.

Faye talked about the separation of arterials, Roberts LID memo, research and legal counsel. The process takes many steps and if 1/3 of a potential LID opts out it stops the process. Councilor Ervin asked if it could be split. Faye used Bryant Ave. as an example and that it couldn't be legal to split it up. Faye also shared about how Cottage Grove city streets were created as LID's. If an LID is created there is a non-remonstrance agreement with property owners for the future development of the sidewalks, curbs, etc.

Robert asked about the revised statutes and code confusion with the State and City. Faye said the legal counsel thinks the code is right.

Faye discussed the PCI numbers. Dan Emerio did the initial PCI 4 years ago. He was able to get more information regarding arterials, collectors and improvements over the last 2 years. (See chalkboard photo) Our overall pavement is 55.4 (fair). If we took out the arterials and collectors, which make up 1/3 of our streets, the PCI would be at 57.7. For us to go up to 70 in 10 years 1.875 million would be the investment.

There was discussion about LTD and possible funding from them, the possibility of working with them when there is development and the damage that the busses do to local streets.

Commissioner Burback asked about the property taxes. Faye referred to the handout from August 1st and the increase. There was discussion about bond measures vs. payroll taxes.

Michael L. asked about gas taxes and stated that the state is collecting additional taxes on electric vehicles. There was discussion about whether the City does get a portion of the gas tax, which it does based on an allocation by capita. The city cannot collect an additional fee based on electric fees. Only the Counties can do that based on state statute. It was suggested that this could be taken to legislature.

Faye said that he thinks that some effort needs to be put forth in Salem to change some statutes and give authority for different mechanisms to access those funds on a City basis. He recommends putting together a list with things such as, this needs to go to legislature, this needs lobbying, partnerships, etc. to come up with support and/or ideas for long term solutions. We cannot solve our problems with fundraising just by raising taxes on local residents. It is a bigger problem than that, and what do we do in the short term? Once we come up with a proposal there needs to be public outreach to create comfort with the community prior to going to vote. Messaging, focus groups and so forth to let them know.

Robert shared his calculations on raising taxes and how to go about it. Bonds, payroll tax and LTD were discussed. Faye shared the 2021 numbers of the businesses that employ in city limits. Broken down to 3000 employees would generate 1.2 million a year. In questioning where opposition would come from it was from people that live outside city limits.

There was discussion about the number of employees in Cottage Grove that actually live in the City. Councilor Ervin talked about combining different options such as bonds, state revenues and gas taxes and believes that whatever we propose will have to go to a vote.

Councilor Fleck asked for a map of the arterials and collector streets.

Councilor Ervin spoke about how we can make it clear to the community and Faye asked about the specifics about how it can be proposed. Transparency and accountability are very important. It could be having a committee that reports out periodically to create that component. The town hall could be about presenting the different options and the process. Faye mentioned that certain funds could target certain projects. Combinations of different ones could be presented in that way. Richard and Faye talked about how quickly these LID's are actually paid off. Robert spoke in favor of levies and matching funds for projects. This may also be an incentive for the specific neighborhoods that would want to participate.

Faye spent time today talking with someone who encouraged him to reach out to the Department of Agriculture about the possibility of matching street funds.

The committee discussed property values and how they could improve with street improvements.

Faye asked the committee if they were on board with potential multiple vehicles trying to still reach that 1.9. Councilor Ervin asked about the Gateway area and can we isolate or create boundaries in a specific area. A TUF could be put in place, yet it may have a negative impact to those businesses that can't afford it. Or, we could go to each property owner with an LID and ask if they would support the additional cost. There was committee discussion about the specific property owners.

Councilors asked how the funds would get to the property owners. There would be a monthly fee that is calculated on the life of the investment that would go through the utilities billing. Faye spoke about an option that would bring in more people, to include those that do not live in city limits to spread the burden. We can't put the whole burden on those that solely live inside the City.

There was more discussion about payroll taxes and how quickly they could go into effect and how the community would react. The majority of the committee agrees that that would be something that would need to be voted on.

Tiffanie asked how long the committee was extended for by City Council and if we

had a target date for going to the public. Councilor Fleck stated that it was until complete. Faye thinks that once the committee knows and is clear on dollars, numbers and mechanisms that have been discussed and that they feel comfortable with specifically then that could be decided. He thinks this could all be decided on a case by case basis per neighborhood, street, etc. He also thinks that the committee should recommend a longer term recommendation that would go through the state legislature for generate funds.

The committee discussed Row River Rd., the County and City responsibilities and ODOT wanting to bring it up to County standards in the past.

The next meeting would be to rope in the details a bit more. Employee taxes needs to be a solid number. The mechanisms that the committee thinks are valuable and how much revenue they generate.

Faye wants to come back to the committee with what a 3 and 6 cent gas tax would generate (\$700-800,000 is what would be generating by 3 cents) and to verify that there is not a cap. The committee believes there will be push back from the community. Robert shared the specific numbers from his memo regarding funds raised by bonds. The map with the arterials and collectors is also something the committee wants to see.

For this next meeting we will look at next steps and getting the word out.

The next meeting will be September 27th at 6:00 pm.

The meeting adjourned at 8:07 pm.

DRAFT



Faye Stewart <pwdirector@cottagegrove.org>

RE: Cottage Grove wage data

1 message

FIELDS Henry L * OED <Henry.L.FIELDS@employ.oregon.gov>

Tue, Sep 12, 2023 at
9:18 AM

To: LEMAY Donovan G * OED <Donovan.G.LEMAY@employ.oregon.gov>

Cc: "pwdirector@cottagegrove.org" <pwdirector@cottagegrove.org>

Hello Donovan and hello Faye! Faye, I just got your voicemail this morning and I hope this will serve your purposes, but please let me know if you have more questions that aren't covered here.

Employment and wage data for CG city limits for 2021 is attached, with a calculation for .05% tax. A couple notes for you:

- 2022 annual average will be available within the next month or so. I can send that to you when it's available – it may be a substantial increase given the disruption in 2020 onward.
- This represents employer establishments based within Cottage Grove city limits. We have occasionally worked with other cities and municipalities on requests like this, and sometimes they are interested instead in things like the wages of residents regardless of where they work. We know less about that, but I'm glad to share what we can if it's useful.
- I can share more detail on a number of things here, if for example you want to know about employment, wages or establishments by industry.

I hope this is helpful, but please let me know any follow up questions or how I can help you get what you need.

All the best,

Henry

From: LEMAY Donovan G * OED <Donovan.G.LEMAY@employ.oregon.gov>
Sent: Monday, September 11, 2023 4:59 PM
To: FIELDS Henry L * OED <Henry.L.FIELDS@employ.oregon.gov>
Cc: pwdirector@cottagegrove.org
Subject: Cottage Grove wage data

Good afternoon Henry,

I spoke with Faye Stewart, Public Works Director, and they are doing research on an income tax.

Are you able to share average and total wages within CG's city limits? What would .05% of those amounts be?

I've CC'd Faye here in case I've muddled the request.

Cheers,

Donovan LeMay | Business Analyst | WorkSource Oregon OED

Cell: 971-718-4501 E-mail: donovan.g.lemay@employ.oregon.gov

 **CG City limits 2021 QCEW.xlsx**
9K

Geocoded QCEW Report

Year: 2021

Selected Areas: Cottage Grove City Limit

Industries: 00 - All Industries

Ownership: All

Confidentiality	Area name	Industry	Establishments	Annual Average Employment	Total Pay Wages	Average
Non-Confidential	Cottage Grove City Limit	Total, all industries and ownerships	419	3,326	\$125,917,043	\$37,858
Tax:				0.05%	\$62,959	\$18.93

LOCAL FUEL TAXES

319.950 Election required for local tax on motor vehicle fuel; agreement with Department of Transportation to collect tax. (1) The governing body of a city, county or other local government may enact or amend any charter provision, ordinance, resolution or other provision taxing fuel for motor vehicles after submitting the proposed tax to the electors of the local government for their approval.

(2) The governing body of a local government that imposes a tax on fuel for motor vehicles pursuant to this section may enter into an intergovernmental agreement under ORS 190.010 with the Department of Transportation pursuant to which the department shall collect and distribute the revenues from the tax. [2009 c.865 §27; 2021 c.630 §13]

Note: Section 14, chapter 630, Oregon Laws 2021, provides:

Sec. 14. The amendments to ORS 319.950 by section 13 of this 2021 Act apply to intergovernmental agreements entered into on or after January 1, 1977, by the governing body of a city, county or other local government with the Department of Transportation for purposes of the collection and distribution of revenues from taxes on fuel for motor vehicles by the department. [2021 c.630 §14]

Note: 319.950 was enacted into law by the Legislative Assembly but was not added to or made a part of ORS chapter 319 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

August 1st Ad-Hoc Street Improvement & Funding Information

Gas Tax

- Gas Tax Revenue Projections:
 - \$.01 increase would generate approximately \$100,000 per year.
 - \$.03 increase would generate approximately \$320,000 per year.
 - \$.05 increase would generate approximately \$500,000 per year.

Local Street Option Levy

- Property Tax Revenue Projections:

Applied to a home value of \$350,000, the additional tax rates below will generate approximately the following amounts and includes a 5% uncollectible estimation. All are based on tax estimation data used to prepare the budget for Fiscal Year 23-24.

- \$.50 per thousand would generate approximately **\$388,278** per year. The tax increase would be \$175 per year or \$14.60 per month.
- \$.81 per thousand would generate approximately **\$628,700** per year. The tax increase would be \$284 per year or \$23.67 per month.
- \$1.29 per thousand would generate approximately **\$1M** per year. The tax increase would be \$450.73 per year or \$37.56 per month.
- \$2.58 per thousand would generate approximately **\$2M** per year. The tax increase would be \$901.43 per year or \$75.12 per month.
- \$3.86 per thousand would generate approximately **\$3M** per year. The tax increase would be \$1,352.12 per year or \$112.68 per month.
- \$4.51 per thousand would generate approximately **\$3.5M** per year. The tax increase would be \$1,577.49 per year or \$131.46 per month.

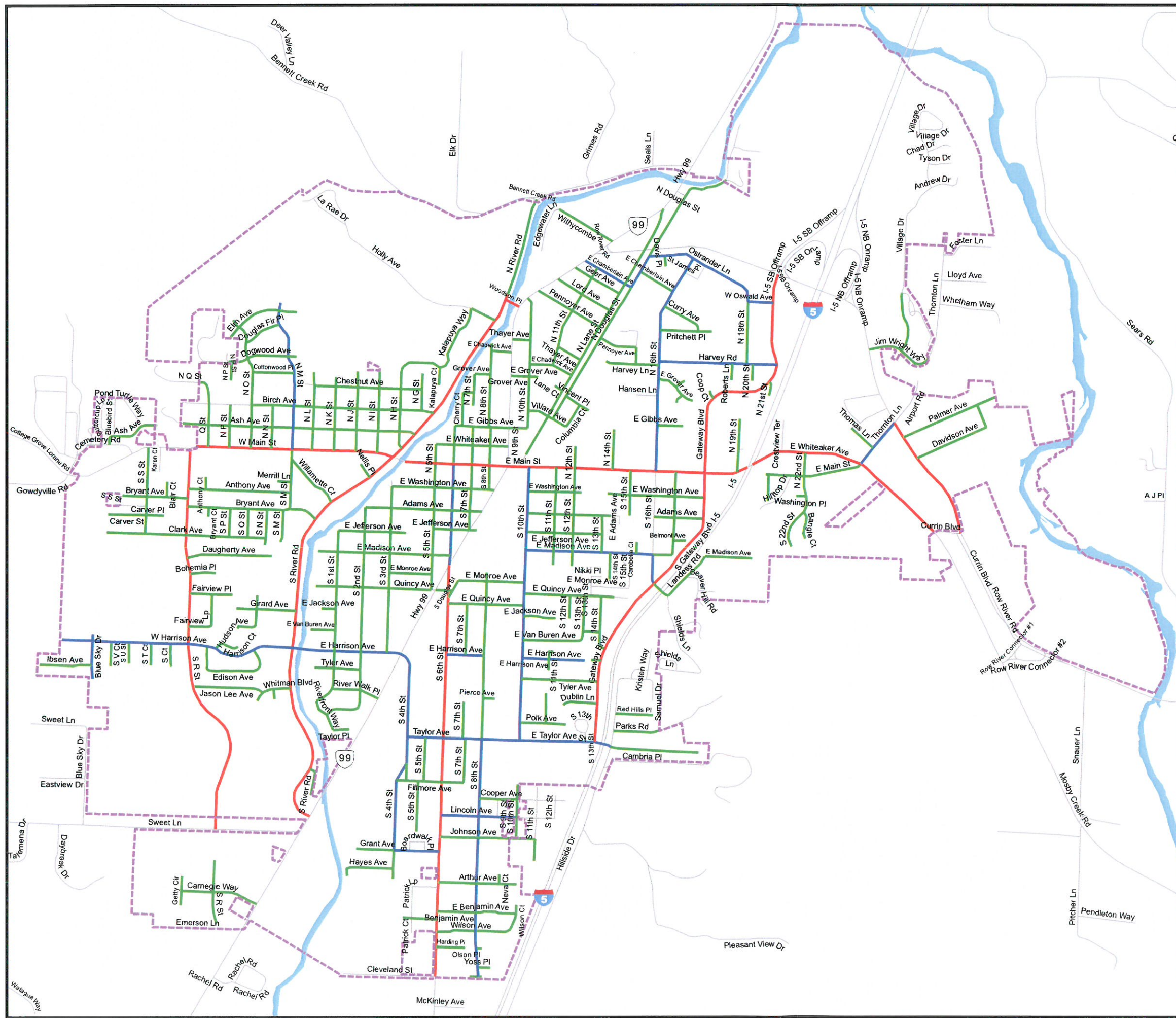
Employee Tax

- Employee Tax Revenue Projections:
 - Total of 442 Establishments, 3,635 Employees, and \$145,329,861 in total wages.
 - 1% wage tax would generate \$1,453,298. This includes within the UGB. Need to verify tax would apply within UGB.

Transportation Utility Fee

- Transportation Utility Fee Revenue Projections:
 - \$5.00 fee per month added to the utility billing would generate \$238,200.00 per year.
 - \$10.00 fee per month added to the utility billing would generate \$476,400.00 per year.
 - Fees for Businesses would be based on trip generation equivalent to a single family residence.

Cottage Grove Pavement Management Program Street Classification



- Arterial - Rank B *
- Collector - Rank C *
- Local - Rank E *

* Rank B, C, & E are PAVER program rank designations

Base Map from Lane County GIS (Sept. 2019)



Section Rank

Sept. 2019

Figure 2A