



M. BARBARA CARTMILL  
DIRECTOR

DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT

DEVELOPMENT SERVICES BUILDING

150 BEAVERCREEK ROAD OREGON CITY, OR 97045

July 13, 2016

To: Mayors and Council Members of Cities in Clackamas County  
cc: City Managers, Clackamas County Commissioners

We want to update you on yesterday's Board of County Commissioners policy session on the fuel tax measure proposed for the November ballot. As noted last week, the IGA between the county and cities about sharing revenues and the timing of next steps was on the agenda.

In yesterday's session, the board discussed how valuable city support and a united front will be to the measure. In order to show that commitment and united front to the public and in the voter's pamphlet, the Board agreed that signed IGAs and city resolutions supporting the fuel tax measure must be complete by September 1.

This is a tight timeframe, but after recent discussions, we hope the decision to support the measure will not require extensive time or resources on your part. If there is any additional information we can provide, please let us know.

While we hope all cities in the county engage fully in the effort to educate the community about the need for this funding, the IGA simply calls for a city resolution formally supporting the ballot measure, and a statement of cooperation with the overall goals of the joint effort.

In the policy session yesterday, the board agreed to move forward with the cities that have signed on by September 1 and divide the 40% allocation for cities among those cities. If for some reason a city does not support this funding request, they may opt out. Should some cities decide not to participate, the 40% will be apportioned by population among those cities that are participating.

This is the first time in many years that we have been this close to a county-wide funding solution to the long-standing road maintenance problem. We look forward to working with you, and we are hopeful that through this cooperative effort we will all receive much-needed revenue to benefit the road system throughout Clackamas County and its cities.

Barb Cartmill will be in touch with your city manager in the coming days to answer any questions you may have, see what additional assistance you may need from us and get the name of the public outreach contact for your city.

Thank you.

M. Barbara Cartmill, Director  
Transportation and Development

Gary Schmidt, Director  
Public and Government Affairs

**Proposed 7-Year Countywide Gas Tax Program**  
**Preliminary Revenue Estimates**  
(6¢ / gallon Countywide Gas Tax)

Estimated revenue of 1¢ = \$1.5 M / annually is a best estimate using assumptions for a 6¢ countywide gasoline tax (no diesel included). Assumptions have been reviewed and confirmed by three entities -- Clackamas County, EcoNW and ODOT.

<b>Estimated Annual 6¢ Gas Tax Revenue</b> (100% = County + City Revenues)	<b>\$ 9,000,000</b>
<b>Estimated Annual County Distribution</b> (60% of Total Revenues)	<b>\$ 5,400,000</b>
<b>Estimated Annual City Distribution</b> (40% of Total Revenues)	<b>\$ 3,600,000</b>
<b>Estimated 7-Year Program Revenue</b> (100% = County + City Revenues)	<b>\$ 63,000,000</b>
<b>Estimated 7-Year Program County Distribution</b> (60% of Total Revenues)	<b>\$ 37,800,000</b>
<b>Estimated 7-Year Program City Distribution</b> (40% of Total Revenues)	<b>\$ 25,200,000</b>

Jurisdiction	Population	Estimated Annual Distribution	Estimated 7-Year Program Distribution
Clackamas County	176,259	\$ 5,400,000	\$ 37,800,000
Barlow	135	\$ 2,375	\$ 16,624.25
Canby	16,010	\$ 281,645	\$ 1,971,513
Damascus **	-	\$ -	\$ -
Estacada	2,935	\$ 51,632	\$ 361,423
Gladstone	11,495	\$ 202,218	\$ 1,415,524
Happy Valley	16,480	\$ 289,913	\$ 2,029,390
Johnson City	565	\$ 9,939	\$ 69,576
Lake Oswego *	34,538	\$ 607,592	\$ 4,253,145
Milwaukie	20,485	\$ 360,368	\$ 2,522,576
Molalla	8,820	\$ 155,160	\$ 1,086,117
Oregon City	33,760	\$ 593,899	\$ 4,157,293
Portland *	760	\$ 13,363	\$ 93,540
Rivergrove *	451	\$ 7,931	\$ 55,518
Sandy	10,170	\$ 178,909	\$ 1,252,360
Tualatin *	2,903	\$ 51,075	\$ 357,523
West Linn	25,540	\$ 449,294	\$ 3,145,061
Wilsonville *	19,594	\$ 344,688	\$ 2,412,818
<b>ESTIMATED DISTRIBUTION TOTALS</b>	<b>380,900</b>	<b>\$ 9,000,000</b>	<b>\$ 63,000,000</b>

Population estimates are based on Portland State University (PSU) Population for Oregon and its Counties and Incorporated Cities and Towns: July 1, 2014. Prepared by Population Research Center - College of Urban and Public Affairs.

\* A portion of this city is outside Clackamas County; population represents the population PSU estimates within Clackamas County jurisdiction.

\*\* Damascus has been removed from the City distribution formula to reflect results of May 2016 election and pending disincorporation of the City.

## Vehicle Registration Fee

### Pros

- Efficient to administer – tax is collected by the state; minimal administration costs
- Second highest level of support in recent county community surveys
- Considered fair – it is a user fee, correlated to use of roads; taxes those with vehicles that use the roads
- More likely to gain support from city residents since city would also receive revenue
- Reliable revenue stream, which grows with population
- Less likely to be opposed by business groups

### Pro/Con

- County required to split revenue with the cities (60/40)
- Funding can be used for capital construction or maintenance
- Certain vehicles are exempt, including buses, farm trailers, light trailers, campers, government, etc.

### Cons

- Since funds will go to the county and 16 cities, public could be confused about how the funds will be used
- If state talks about increasing the state VRF, it could reduce public support for a county VRF

## Gas Tax

### Pros

- Efficient to administer – tax is collected by the state; minimal administration costs
- Highest level of support in recent county community surveys
- Considered fair – amount of tax paid is proportional to amount of fuel used; taxes direct beneficiaries of road maintenance
- Collects revenue from outside the county

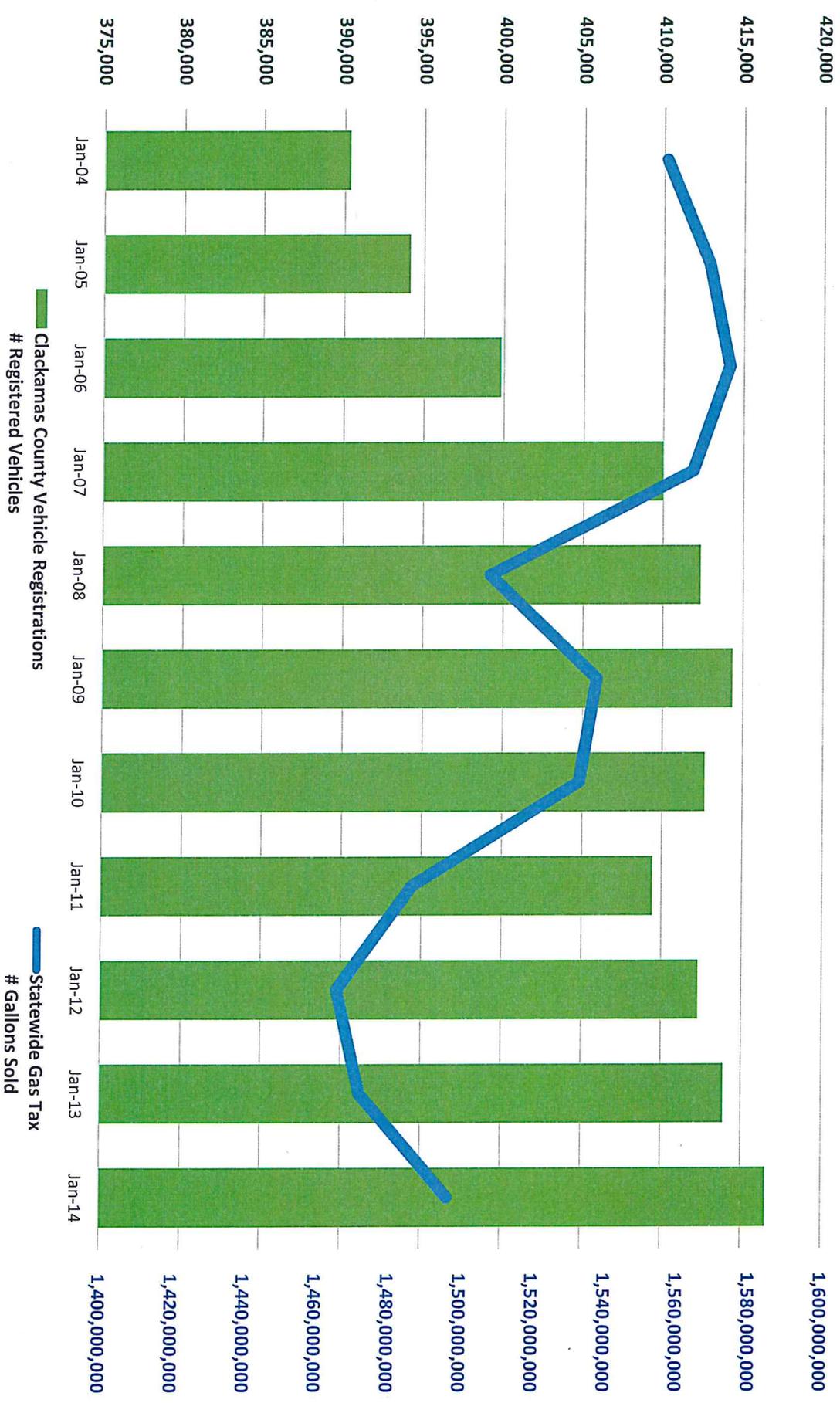
### Pro/Con

- County may split revenue with cities
- Funding can be used for capital construction or maintenance
- Washington & Multnomah counties, Milwaukie, Canby and Portland, already have local gas taxes

### Cons

- May be more opposition by residents of cities that have or plan to have their own gas tax
- If state talks about increasing the state gas tax, it could reduce public support for a county gas tax
- Likely to be opposed by petroleum industry
- Unreliable revenue stream as amount of revenue is limited by changes in consumer spending and increased fuel-efficiency

### Comparison of State Gas Tax Revenue & County Vehicle Registration Fee Revenue, 2004-14



## Proposed 7-Year VRF or Gas Tax Program | Preliminary Revenue Estimates

(\$25-vehicle-year Vehicle Registration Fee OR 6-cent-gallon Countywide Gas Tax)

<b>Estimated Annual VRF Revenue</b> (100% = County + City Revenues)	\$	<b>8,680,175</b>	
<b>Estimated Annual County Distribution</b> (60% of Total Revenues)	\$	<b>5,208,105</b>	
<b>Estimated Annual City Distribution</b> (40% of Total Revenues)	\$	<b>3,472,070</b>	
<b>Estimated 7-Year Program Revenue</b> (100% = County + City Revenues)	\$	<b>60,761,225</b>	
<b>Estimated 7-Year Program County Distribution</b> (60% of Total Revenues)	\$	<b>36,456,735</b>	
<b>Estimated 7-Year Program City Distribution</b> (40% of Total Revenues)	\$	<b>24,304,490</b>	
Jurisdiction	Population *	Estimated Annual Distribution	Estimated 7-Year Program Distribution
Clackamas County	176,259	\$ 5,208,105	\$ 36,456,735
Barlow	135	\$ 2,290	\$ 16,033.49
Canby	16,010	\$ 271,636	\$ 1,901,453
Damascus * * *	-	\$ -	\$ -
Estacada	2,935	\$ 49,797	\$ 348,580
Gladstone	11,495	\$ 195,032	\$ 1,365,222
Happy Valley	16,480	\$ 279,610	\$ 1,957,273
Johnson City	565	\$ 9,586	\$ 67,103
Lake Oswego * *	34,538	\$ 586,001	\$ 4,102,005
Milwaukie	20,485	\$ 347,562	\$ 2,432,933
Molalla	8,820	\$ 149,646	\$ 1,047,521
Oregon City	33,760	\$ 572,794	\$ 4,009,559
Portland * *	760	\$ 12,888	\$ 90,216
Rivergrove * *	451	\$ 7,649	\$ 53,545
Sandy	10,170	\$ 172,551	\$ 1,207,856
Tualatin * *	2,903	\$ 49,260	\$ 344,818
West Linn	25,540	\$ 433,328	\$ 3,033,298
Wilsonville * *	19,594	\$ 332,439	\$ 2,327,076
<b>ESTIMATED DISTRIBUTION TOTALS</b>	<b>380,900</b>	<b>\$ 8,680,175</b>	<b>\$ 60,761,225</b>

\* Population estimates are based on Portland State University (PSU) Population for Oregon and its Counties and Incorporated Cities and Towns: July 1, 2014. Prepared by Population Research Center - College of Urban and Public Affairs.

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# County Projects to be Funded by Proposed \$25/Vehicle/Year, 7-Year Vehicle Registration Fee

## Proposed Safety Improvements: Signs (\$3.7 million)

**Curve and Intersection Warning Signs:** Installed primarily on rural roads to better guide users around curves and give them advance notice of intersections. This signing effort is part of our local and national efforts to reduce fatal and serious injury crashes. All our roads meet current standards, but new signs will help make the roads safer and in compliance with new national sign standards effective in 2019.

## Paving Packages\* (\$32.3 million)

(All roads will be paved with asphalt.)

### Package A: Beavercreek

ROAD NAME	FROM	TO	MILES	COST
Beavercreek Rd	Hwy 211	Henrici Rd	13.3	\$4,722,300
<b>TOTAL</b>			<b>13.3</b>	<b>\$4,722,300</b>

### Package B: Highland

Carus Rd	Lower Highland	Beavercreek Rd	1.7	\$186,210
Ferguson Rd	Beavercreek Rd	ECM**	2.4	\$298,080
Lower Highland Rd	Beavercreek Rd	Upper Highland	5.8	\$1,508,040
Upper Highland	Hwy 211	Beavercreek Rd	8.2	\$2,153,610
<b>TOTAL</b>			<b>18.0</b>	<b>\$4,145,940</b>

### Package C: Oatfield

Aldercrest Rd	Oatfield Rd	Thiessen Rd	1.9	\$646,816
Concord Rd	River Rd	La Bonita Rd	1.2	\$444,048
Hill Rd	Oatfield Rd	Thiessen Rd	1.2	\$537,544
Oak Grove Blvd	Oatfield Rd	Rupert Rd	0.6	\$308,676
Oak Grove Blvd	Rupert Rd	ECM**	0.7	\$418,528
Oatfield Rd	Bridge	Gladstone/ECM*	3.4	\$2,075,750
Roethe Rd	River Rd	Oatfield Rd	0.9	\$390,688
View Acres Rd	Hill Rd	Oatfield Rd	0.6	\$71,100
<b>TOTAL</b>			<b>10.5</b>	<b>\$4,893,150</b>

### Package D: Johnson Creek/South County

Johnson Creek Blvd	82nd Ave	Mult Co Line	1.9	\$1,104,750
Macksburg Rd	Hwy 211	Hwy 213	3.1	\$775,890
McCown Rd	Vaughn Rd	Macksburg Rd	1.0	\$123,480
Molalla Ave	Hwy 213	Sawtell Rd	2.6	\$1,027,064
Sprague Rd	Molalla Ave	Macksburg Rd	0.9	\$139,316
Vaughn Rd	Hwy 211	Molalla Ave	1.3	\$141,120
Wilsonville Rd	Yamhill Co Line	Willamette Wy	4.5	\$1,522,616
<b>TOTAL</b>			<b>15.2</b>	<b>\$4,834,236</b>

**Package E: Canby/Estacada**

Bremer Rd	Haines Rd	Central Point Rd	1.6	\$245,108
Coupland Rd	Divers Rd	Porter Rd	1.8	\$457,380
Coupland Rd	Currin Rd	Cemetery Rd	1.4	\$390,780
Currin Rd	Eagle Creek Rd	Snuffin Rd	3.0	\$396,000
Currin Rd	Snuffin Rd	Coupland Rd	1.4	\$196,740
Haines Rd	99E	Mulino Rd	1.3	\$352,440
Lawrence Rd	Coupland Rd	ECM**	1.0	\$122,400
Moss Hill Rd	Coupland Rd	Surface Rd	1.5	\$167,040
Mulino Rd	1st Ave	Hwy 213	6.7	\$1,756,350
Surface Rd	Hwy 224	Tumala Mtn Rd	1.2	\$151,560
Township Rd	Central Point Rd	Mulino Rd	1.6	\$418,320
<b>TOTAL</b>			<b>22.4</b>	<b>\$4,654,118</b>

**Package F: Canby Marquam**

Barnards Rd	Hwy 213	Barlow Rd	6.2	\$1,623,600
Canby Marquam Hwy	Hwy 211	99E	7.7	\$2,458,530
Gribble Rd	Bolland Rd	Dryland Rd	2.4	\$364,472
Harms Rd	Macksburg Rd	Kraxberger Rd	0.8	\$81,270
Kraxberger Rd	Canby Marquam	ECM**	1.8	\$195,660
Miller Rd	Barlow Rd	Meridian Rd	1.5	\$205,320
<b>TOTAL</b>			<b>20.3</b>	<b>\$4,928,852</b>

**Package G: 122<sup>nd</sup>/Boring**

122nd Ave	Sunnyside Rd	Hubbard Rd	1.0	\$362,500
132nd Ave	Sunnyside Rd	Hubbard Rd	0.9	\$294,000
142nd Ave	Hwy 212	Sunnyside Rd	1.0	\$416,625
152nd Ave	Sunnyside Rd	Hwy 212	1.1	\$401,875
312th Dr	Hwy 26	Kelso Rd	0.8	\$161,550
Church Rd	Richey Rd	312th Dr	1.7	\$218,250
Hubbard Rd	122nd Ave	Hwy 212	0.9	\$263,000
Kelso Rd	Richey Rd	Hwy 26	2.8	\$1,164,240
Richey Rd	Kelso Rd	Hwy 212	0.8	\$124,740
Tickle Creek Rd	Hwy 211	Kelso Rd	4.6	\$696,696
<b>TOTAL</b>			<b>15.5</b>	<b>\$4,103,476</b>

<b>PAVING TOTAL</b>	<b>115.3</b>	<b>\$32,282,072</b>
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