

MEMORANDUM #5

Date:	February 24, 2021	Project #: 22928
To:	Phil Stenbeck, Jefferson County Matt Powlison, Jefferson County Don Morehouse, ODOT	
From:	Ashleigh Ludwig, AICP, PE & Julia Kuhn, PE	
Project:	Jefferson County TSP Update	
Subject:	Technical Memorandum #5: Preferred Solutions and Funding Plan	

INTRODUCTION

This memorandum provides a comparison between the estimated costs needed to fund the identified changes to the transportation system versus the anticipated revenues. The cost estimates for the identified projects were previously detailed in Technical Memorandum #4 (Solutions Analysis). As discussed in the enclosed memorandum, Jefferson County, the Oregon Department of Transportation (ODOT), and other agency funding partners will need to collaborate to pursue additional funding sources, beyond those used in the past, to implement the identified TSP solutions for Jefferson County, Culver, and Metolius.

SUMMARY OF PROJECT COSTS

As summarized in Technical Memorandum #4, the TSP projects are organized into the following categories for implementation based on the complexity, likely availability of funding, and assessment of need:

- ▶ **Opportunity Project:** These are low-cost projects that can be implemented relatively easily, often through regular maintenance work.
- ▶ **TSP Project:** These are projects that are anticipated within the 20-year planning horizon but will require additional funding or design work to implement.
- ▶ **Visionary Project:** These are projects that are unlikely to occur in the 20-year planning horizon. However, the County and cities would like to maintain these projects to document the longer-term desires and provide flexibility to adapt if circumstances change that may warrant the projects sooner. These projects are not considered within the 20-year financially constrained plan.

The intent of these categories is to provide the County and cities with flexibility to adapt to changing economic development and community needs over the next 20 years. The "Opportunity Projects" should be implemented in the near-term, as staff and funding resources are available.

In total, the Opportunity and TSP projects are estimated to cost¹:

- ▶ Roadway Projects = \$6.275 million for TSP projects and \$20,000 for opportunity projects
- ▶ Safety Projects = \$4.527 million for TSP projects and \$88,000 for opportunity projects
- ▶ Pedestrian and Bicycle Projects = \$22.135 million for TSP projects and \$85,000 for opportunity projects
- ▶ Total = \$32.937 million for TSP projects and \$193,000 for opportunity projects

In addition to the above projects, the Central Eastside Transit (CET) identified projects are estimated to total \$3.175 million for inclusion of the TSP. These projects are envisioned to be funded via transit-specific revenues by CET.

In addition, it is important to note that the total project costs identified for implementation exclude any projects that may be outcomes of the US 97 Corridor Plan, including projects at County road intersections along US 97 and/or along the County roadway that would involve intersection control changes, movement restrictions, and changes in traffic patterns. Upon completion of the US 97 Corridor Plan, the TSP should be amended to incorporate the outcomes and updated cost estimates.

County Contributions

Of the total \$33.130 million identified to fund the TSP and opportunity projects (non-transit), the County is estimated to fund approximately 36 percent. Table 1 summarizes the total estimated County contribution by project type and priority for the draft TSP solutions.

Table 1. Summary of County Contribution Costs

Summary of County Contribution Costs			
Project Type	Opportunity Project	TSP Project	Total
Roadway	\$10,000	\$5,675,000	\$5,685,000
Safety	\$20,000	\$1,050,000	\$1,070,000
Pedestrian & Bicycle	\$75,000	\$5,255,000	\$5,330,000
Transit	-	-	-
Bridge	-	-	-
Total	\$105,000	\$11,755,000	\$12,085,000

Visionary projects are not included in the table because they are not anticipated to be feasible within the next 20 years.

City of Culver Contributions

In addition to County contributions, the City of Culver's estimated share of TSP and Opportunity projects include:

¹Cost estimates are identified for planning purposes only and do not include right-of-way acquisition or environmental costs. The design and permitting elements for any of the facilities identified are subject to change and will be further refined through the design process.

- ▶ \$15,000 for a safety-related project/study at the OR 361/Iris Lane intersection
- ▶ \$13,000 for a Safe Routes to School Plan
- ▶ \$1.43 million for sidewalks on C Street.

City of Metolius Contributions

The contributions envisioned from the City of Metolius for TSP and opportunity projects include a \$13,000 contribution towards a Safe Routes to School Plan and \$1.925 million for Butte Avenue sidewalks.

HISTORICAL REVENUE AND FUNDING PROJECTIONS

In reviewing the cost estimates, it is helpful to understand historic transportation revenue and expenditures associated with the County and the two cities. Although funding varies year-to-year based on grants and other fluctuations, reviewing the most recent ten-year history allows an understanding of the average funding available for transportation projects and programs. Assuming funding stays relatively constant in the future, an estimate of expected funding available over the next 20 years could reasonably be available to implement the TSP and opportunity projects.

Jefferson County Historic Funding

Table 2 summarizes the Jefferson County transportation revenue and expenditure data over the past ten years. The majority of the County's revenue comes from the State Highway Fund, which includes the County's funding from House Bill 2017 (HB2017). Based on the latest projections, the County is expected to receive approximately \$300,000 fewer dollars from the State Highway Fund for the 2020-2021 fiscal year, due to COVID-19 impacts.

The majority of the County's expenditures have gone to preservation and operations for maintenance of the system, as well as to administration. On average, the County has spent approximately \$750,000 per year on Capital expenditures and Special Projects. However, the expected decrease in revenue from HB2017 is anticipated to lower these expenditures. Assuming the County has approximately \$450,000 available per year to put towards capital projects, the County can be expected to contribute up to \$9 million over the next 20 years. This results in a funding gap of approximately \$21 million to complete the Opportunity and TSP projects summarized in Table 1. The gap is likely to increase when future outcomes of the US 97 Corridor Plan are incorporated.

Table 2. Jefferson County Transportation Revenue and Expenditure Summary

Jefferson County Transportation Revenue and Expenditure Summary											
Revenue/Expense Sources	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
Revenue											
Grants	17,118	19,747	3,232	-	-	-	-	-	-	-	-
Interest	51,564	25,323	17,274	11,992	13,172	13,209	15,834	22,998	35,828	58,205	89,758
Loans- Project Revenue	-	17,109	91,056	90,946	-	-	-	-	-	-	-
Motor Vehicle Revenue	1,311,597	1,446,144	1,579,986	1,668,758	2,039,170	1,619,567	1,706,241	1,814,559	2,186,469	1,977,612	2,150,160
Other	181,976	143,568	357,355	367,284	603,901	119,523	581,238	495,650	638,487	678,951	534,875
Service Fees (SDCs)	755,234	266,881	290,465	289,288	276,323	228,984	298,288	312,157	274,962	242,380	259,944
SRS- Secure Rural Schools	447,101	402,922	657,405	394,963	361,073	336,534	345,044	65,532	331,981	367,044	348,754
STP- Fund Exchange	-	27,569	-	-	18,667	18,667	18,667	-	-	-	320,684
Total Revenue	2,764,589	2,349,264	2,996,774	2,823,230	3,312,306	2,336,483	2,965,311	2,710,895	3,467,727	3,324,192	3,704,175
Expenditures											
Administration	365,439	385,231	413,728	371,715	326,676	308,119	421,757	334,751	292,814	343,067	405,024
Bridge and Culvert	39,718	7,607	50,707	69,833	101,380	2,813	3,707	4,728	14,968	4,573	8,433
Capital	590,659	532,947	563,087	326,711	721,955	400,132	219,713	548,453	460,586	317,952	665,125
Footpath and Bicycle	-	-	130,000	-	-	88,000	-	-	-	-	12,000
Preservation and Operations Maintenance	1,606,628	1,973,855	1,812,248	1,523,376	1,675,542	1,446,745	1,832,893	1,775,457	1,720,557	1,729,201	1,707,102
Special Projects	132,943	120,516	441,359	349,142	647,537	97,536	66,850	125,000	10,503	675,977	228,304
Total Expenses	2,735,388	3,020,157	3,411,129	2,640,777	3,473,090	2,343,345	2,544,919	2,788,389	2,499,429	3,070,770	3,025,988
Revenue minus Expenditures	29,201	(670,893)	(414,355)	182,453	(160,784)	(6,862)	420,391	(77,494)	968,298	253,422	678,187

City of Culver Historic Funding

Culver's primary sources of transportation revenue are ODOT's Small Cities Allotment (SCA) program, State Gas Taxes, and General Fund support. Revenue varies year to year, depending on the availability of grants. Over the past 10.5 years, the City has received a total of \$1,590,803 primarily from State Gas Taxes (\$894,334); a transfer from the city's general fund (\$518,300) and SCA grant funding (\$128,249). The remaining revenue is associated with investment interest (\$46,050) and Access Permits (\$3,870).

In fiscal year 2016-2017, the city transferred funds from the General Fund to the Streets fund to build a stormwater system to help control the flooding through downtown residential and commercial properties by diverting the stormwater outside City limits. This first phase of the Stormwater Construction project was completed in the late summer of 2020. A second phase, which will provide a stormwater treatment system, is planned for the future.

The City has been awarded \$200,000 in SCA Grant funds for street repairs; these funds are not yet accounted for in the totals above. Jefferson County will be completing the street repairs for the City in the Spring of 2021.

Based on an estimated share of \$1.938 million toward the identified TSP and opportunity projects, the City of Culver will need to work with the County and ODOT to identify new funding sources or pursue additional grants to implement the identified projects.

City of Metolius Historic Funding

Metolius' primary transportation revenue source is ODOT's SCA program. The City has received approximately \$183,000 from the SCA program between 2010 and 2020. Metolius has collected \$124,000 in Transportation System Development Charges (SDCs) between 2010 and 2020.

The following summarizes Metolius' transportation expenditures over the past ten years:

- ▶ 2013 – The City used \$49,950 of SCA funds to set base rock, grade, compact, and pave Washington Avenue from 6th Street to 8th Street, including streets heading east from Washington Avenue to Jefferson Avenue.
- ▶ 2015 – The City used \$24,000 of City funding to crack seal 90 percent of existing streets.
- ▶ 2018 – The City used \$19,250 of SCA funds to set base rock, grade, compact, and pave 9th Street and Opal Streets and to complete the paving of all existing streets within the City of Metolius.
- ▶ 2019 – The City used \$78,933.26 of SCA funds to chip seal all existing streets within the City of Metolius, with the exception of the portion of Washington Avenue that was completed in 2013.
- ▶ 2021- The City has been awarded \$35,000 in SCA funds to crack seal and chip seal all of Washington Avenue in the summer of 2021.

In addition, Metolius is in the process of expanding its UGB. Through this process, several roads will be transferred from the County to the City. The City and the County are identifying how those roads will be brought up to City standards.

Although the City of Metolius has a small amount of SDC funds available to contribute towards the transportation projects in the County's TSP, with an estimated share of \$1.458 million toward the identified TSP and opportunity projects, the City of Metolius will need to work with the County and ODOT to identify new funding sources or pursue additional grants to implement the identified projects.

POTENTIAL FUNDING SOURCES

With an expected revenue of approximately \$9 million to be applied to the TSP and opportunity projects over the next 20 years, there is an approximate \$3 million funding gap for implementation. To continue preserving the transportation system while also implementing transportation solutions identified in the Plan, the County and cities will need to identify and implement additional funding sources.

The following sections present potential funding strategies which may be considered to address the funding gap for Jefferson County. Potential strategies for addressing the funding gap may generally be grouped into three categories: secure more external funding, identify public/private sponsorship opportunities, and raise local revenue through user fees and taxes. These strategies are discussed below; they are not mutually exclusive.

IDENTIFY ADDITIONAL GRANT OPPORTUNITIES

ODOT offers multiple grant opportunities to support transportation projects, many of which are summarized in Table 3. The County should identify grants that may be applicable to their projects. Some of these programs require a local match. The County should begin identifying these programs early and review them annually with the Board of Commissioners in order to plan for the funding necessary to satisfy a local match. Using local dollars as a match for a grant opportunity is a strategy to stretch local funding even further.

Table 3. Potential Grant Opportunities

Program	Intended Use	Applicable Project Types
Federal Programs		
Federal Lands Access Program (FLAP)	Provides funds to improve transportation facilities that provide access to, are adjacent to, or are located within Federal lands	All project types; however, projects must provide access to Federal lands
State Programs		
All Roads Transportation Safety	Uses limited funds to make the highest-impact safety improvements on roads and highways	Safety-related projects, including some ITS devices
Connect Oregon	Invests in aviation, rail, and marine transportation system across Oregon	Aviation, Rail, and Marine-related projects
Multi-modal Active Transportation Fund	Invests in multimodal transportation infrastructure improvements across Oregon	Pedestrian and bicycle-related projects
Statewide Transportation Improvement Program	Establishes multi-year, statewide, intermodal program of transportation projects to fund	All project types; ITS devices
Safe Routes to School	Focuses on infrastructure and non-infrastructure programs to improve access and safety for children to walk or bike to school	Pedestrian and bicycle-related projects within the vicinity of local schools
Transportation and Growth Management (TGM) Program	Provides funds for projects that help local communities plan for streets and land use to create more livable communities.	Planning projects
ATV Grant Program	Operation and maintenance, law enforcement, emergency medical services, land acquisition, leases, planning, development, and safety education in Oregon's OHV (off-highway vehicle) recreation areas	Shared-use paths
Recreational Trails Program	Recreational trail-related projects, such as hiking, running, bicycling, off-road motorcycling, and all-terrain vehicle riding.	Shared-use paths

Program	Intended Use	Applicable Project Types
Rivers, Trails, and Conservation Assistance Program	Provides technical assistance for recreation and conservation projects.	Shared-use paths
Oregon Parks and Recreation Local Government Grants	Primary use is recreation; transportation is allowed. Construction limited to outside road right-of-way, only in public parks or designated recreation areas.	Shared-use paths
Community Paths Program	Focused on helping communities create and maintain connections through shared-use paths.	Shared-use paths

PUBLIC/PRIVATE SPONSORSHIP OPPORTUNITIES

Public/private sponsorships involve a private entity such as a local business owner working with the public agency to fund a project. In return for their investment in the community, these business owners often have recognition for their role, providing a marketing venue for their business.

Another form of public/private partnership to be considered is a communications/fiber partnership that would allow agencies to access dark fiber with private service providers.

LOCAL TAXES AND USER FEES

Many types of user fees and taxes may be collected to finance road construction and operations. The County and cities will need to develop local revenue sources to supplement or replace federal resources if it hopes to maintain current levels of service while also implementing multimodal enhancement and safety projects. Table 4 lists options that the County may wish to consider for funding local roads. The sources include a mix of fees and taxes. Some of these fees could also be used to provide a local match to obtain greater federal or state funding, further stretching local dollars. For example, if an annual fee of \$20 per person was applied to the unincorporated County population (approximately 15,000 people, as summarized in Technical Memorandum #3), this would result in approximately \$1.5 million in revenue over a five-year period. By using this revenue as a 10 percent local match to obtain a grant, the County could leverage these funds to complete a \$15 million project.

Table 4. Potential Local Revenue Sources

Funding Source	Intended Use	Applicable Project Types
Local Sources		
System Development Charges	Uses money from local development projects to fund capital transportation improvements	All project types; however, the projects must be required to accommodate growth associated with new development
Economic Improvement Districts (EIDs)	Pools funds from area businesses to make improvements in the business district.	All project types; however, the projects must be located within the EID area
Local Improvement Districts (LIDs)	Pools funds from property owners to make local transportation improvements	All project types; however, the projects must be located within the LID area
Local Bond Measures	Asks voters for bond funding to finance a set list of infrastructure investments	All project types
Local Fuel Tax	Adds a tax on top of gasoline costs that support street operation, maintenance, and preservation	All project types
Street Utility Fee/Road Maintenance Fee	Calculates trips generated for land uses and charges owners a fee relative to the number of trips	All project types
Road District	Localizes road construction through finance from members within the local community	All project types
Road Fund Serial Levy	This levy is a voter-approved property tax levied in addition to the permanent tax rate.	Operations or capital programs
Vehicle Registration Fee	An extra fee on all registered motor vehicles in the County.	Operations or capital programs
System Development Charges	Uses money from local development projects to fund capital transportation improvements	All project types; however, the projects must be required to accommodate growth associated with new development