

MEETING AGENDA

Citywide Transportation Advisory Committee Meeting #6

MEETING DATE: Tuesday, November 13, 2018

MEETING TIME: 1-5 p.m.

LOCATION: Bend Municipal Court, 555 NE 15th Street, Bend, Oregon

Objectives

- Bring all CTAC members up to speed on the Funding Work Group progress and recommendations
- Develop a recommendation to the Steering Committee about the Initial Funding Assessment
- Discuss bicycle connectivity learnings from the scenario process and recommend next steps for developing hybrid scenario

Agenda

Time	Topic	Desired CTAC Action (major actions in bold)	Lead
1 p.m.	Welcome Introductions <ul style="list-style-type: none"> • Review agenda • Meeting purpose and upcoming meetings • Ground rules • Identification of conflicts for items on meeting agenda <i>Meeting #5 summary provided in packet.</i>	Approve meeting summaries	Ruth Williamson, CTAC Co-Chair Kristin Hull, Jacobs
1:15 p.m.	Public comment <i>20 minutes will be divided equally among those who sign in to give comment prior to the 1 p.m. start time. Maximum time will be 3 minutes per person.</i>	N/A	Steve Hultberg, CTAC Co-Chair
1:35 p.m.	Overview – Initial Funding Assessment <ul style="list-style-type: none"> • Funding work to date • Funding Work Group recommendations 	CTAC discussion	Lorelei Juntunen, EcoNW

	<i>Initial Funding Assessment provided in packet for review.</i>		
2:35 p.m.	Group funding breakout <ul style="list-style-type: none"> What questions do you have about the recommendation and report? What would you add or subtract from the draft recommendation? 	CTAC discussion	CTAC Co-Chairs
3:05 p.m.	Funding recommendation <ul style="list-style-type: none"> Report out Roundtable and recommendation 	Recommendation to Steering Committee	Co-Chairs; Kristin Hull, Jacobs
3:35 p.m.	Break		
3:45 p.m.	Bicycle connectivity and Low-Stress Network <ul style="list-style-type: none"> What did we learn from performance measures? How this could be included in the scenario process 	Recommendation on what to include in scenario evaluation report	Emily Eros, City of Bend
4:30 p.m.	Introduction to scenario evaluation <ul style="list-style-type: none"> What to expect at next meeting What CTAC will receive prior to next CTAC meeting <i>Overview of meetings 6B and 6C provided in packet.</i>	No action, discussion only	Chris Maciejewski, DKS Associates
4:45 p.m.	Public Comment <p><i>10 minutes will be divided equally among those who wish to speak with a maximum of 3 minutes per person.</i></p>	N/A	Steve Hultberg, CTAC Co-Chair
4:55 p.m.	Close and next meeting <ul style="list-style-type: none"> Next meetings: December 4 and December 11 	No action	Mike Riley, CTAC Co-Chair

Accessible Meeting Information

This meeting/event location is accessible. Sign language interpreter service, assistive listening devices, materials in alternate format such as Braille, large print, electronic formats and audio cassette tape, or any other accommodations are available upon advance request. Please contact Susanna Julber no later than November 7 at sjulber@bendoregon.gov or 541-693-2132. Providing at least 3 days' notice prior to the event will help ensure availability.

Public Comment

To manage public comment time, two comment periods will be provided at the meeting. If you wish to speak during the first comment period, please ensure that you have signed in prior to the meeting start at 1 p.m. For the second comment period, please sign in before the comment time begins. We will divide allotted time equally among those who wish to speak with a

maximum of three minutes per speaker. Speakers are encouraged to provide longer comments in writing.

DRAFT Meeting Minutes: Citywide Transportation Advisory Committee Meeting #5

MEETING DATE: August 22, 2018
MEETING TIME: 2-6 p.m.
LOCATION: Bend Municipal Court

Objectives

- Review draft scenarios and develop recommendation to Steering Committee on scenarios
- Review draft performance measures and develop recommendation to Steering Committee

Meeting Summary

CTAC recommended approval of the Goals Preamble unanimously. They recommended approval, with amendments, of the proposed Performance Measures, and of the 3 Scenarios. They approved forwarding their recommendations to the Steering Committee for consideration and approval.

Attendees

CTAC Members

- | | |
|-----------------------------------|---------------------------------|
| 1. Ariel Mendez | 20. Sally Jacobson |
| 2. Casey Davis | 21. Sharlene Wills |
| 3. Dale Van Valkenburg | 22. Sid Snyder |
| 4. Dean Wise | 23. Steve Hultberg |
| 5. Garrett Chrostek | 24. Suzanne Johannsen |
| 6. Gavin Leslie | 25. <i>Keith Wooden, absent</i> |
| 7. Glenn Van Cise | |
| 8. Hardy Hanson | |
| 9. Iman Simmons <i>absent</i> | |
| 10. Karna Gustafson | |
| 11. Katie McClure | |
| 12. Katy Brooks | |
| 13. Louis Capozzi (by phone) | |
| 14. Mel Siegel | |
| 15. Mike Riley | |
| 16. Nicole Mardell <i>absent</i> | |
| 17. Peter Werner | |
| 18. Richard Ross | |
| 19. Ruth Williamson <i>absent</i> | |

City Staff/ Elected Officials

Barbara Campbell, *City Councilor*
Sally Russell, *Mayor Pro Tem*

Jon Skidmore, *Assistant City Manager*
Elizabeth Oshel, *Associate City Attorney*
Karen Swirsky, *Senior Planner*
Karin Morris, *Accessibility Manager*
Nick Arnis, *Growth Management Director*
Brian Rankin, *Interim GMD Director*
Susanna Julber, *Senior Project & Policy Analyst*
Tyler Deke, *Bend Metropolitan Planning Organization (MPO) Manager*

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Consultants/Presenters

Kristin Hull, *Jacobs*
 Chris Maciejewski, *DKS Associates*
 Matt Kittelson, *KAI*

Visitors

Dave Kyle	Rory Isabell, Central OR Landwatch
Eileen Riley	Michelle Rhodes, COIC
Andrea Bennett, COIC	Mike Walker
Jeff Monson, Commute Options	John Stewart
Ken Atloell	Daniel Cohen
Rick Williams, ODOT	Steve Porter
Kim Uhacz	Wayne Purcell
Carol Uhacz	Erin Morgan
Scott Nunns	Anne Marie Colucci
Gary Vodden	

Meeting Notes

2 p.m.	Welcome, Introductions	Lead
	<p>Motion to approve CTAC Meeting 4 Minutes- Suzanne Johansen, Sharlene Wills seconded. CTAC approved the minutes.</p> <p>Kristin explained Phase 1 workplan and the Parking lot concept. Referred people to list on wall. Parking lot is mostly policy ideas and projects/concepts that might not fit in this realm but are important to note/track.</p>	<p>Mike Riley, CTAC Co-Chair</p> <p>Kristin Hull, Jacobs</p>
2:15 p.m.	<p>Public comment</p> <p>Daniel Cohen- enforcement of double parking laws in residential streets/ neighborhoods.</p> <p>Jeff Monson- Unified Mobility (new transportation term) choice, connectivity, choosing the best way to get around for them. Look at implementing city policy for employers to implement TDM programs.</p> <p>Scott Nunns- apply common sense to guide solutions/ allocate funds for good solutions. Publish an acronym list. Make things easier to read. Essay to Bulletin.</p> <p>Rory Isbell- COLW- reminded committee about new/ existing plans for land use and transportation. Remember in UGB VMT expected to increase. So required to do the ILUTP- reminded committee about this plan and the goals associated with it as committee looking at performance measures. Sections 7.87-7.91 of Comprehensive Plan, for context as you review the Scenarios.</p>	<p>Steve Hultberg, CTAC Co Chair</p>



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	<p>John Stewart- Light rail and rail in general- there is a good opportunity to look at improving rail to Redmond and even madras. Could help with special events and tourism, and OSU generated traffic- cutting down VMT.</p> <p>Michelle Rhoads- COIC/ CET. Talked to committee about the importance of a robust transportation plan, and the regional master plan update and correlation with the Bend TSP work. Discussed Bend component of the Transit Master Plan process.</p> <p>Sally Jacobson- October 18- Peer City Panel- Trinity Episcopal, Mike Sweeny City of Boulder. Invited all of CTAC.</p> <p>Steve Porter- Scenario C, Line C-23. Evaluate one way streets on Newport and Portland; Added by MPO TAC. Mr. Porter wanted it removed and submitted empirical evidence on safety.</p> <p>Wayne Purcell- How do we make the transportation all things to all people? Encouraged multiple/parallel routes to get bikes off of auto-oriented roads. Participated in the scenario workshop at the public table. Maybe it'd solve the issue of one road being all things to all people.</p>	
2:35 p.m.	<p>Goal preamble- Steve Hultberg, CTAC Co Chair, explained the origin of the Goal Preamble.</p> <p>CTAC had consensus on moving forward and recommending approval of using the Goal preamble with the project goals.</p>	Steve Hultberg, CTAC Co-Chair
2:50 p.m	Matt Kittelson, KAI, explained the performance measures recommended for each goal.	Matt Kittelson, KAI
3:30 p.m.	Break	
3:40 p.m	<p>Performance Measures were approved as amended and noted below:</p> <ul style="list-style-type: none"> Some in the group were concerned about ensuring that public transit is adequately measured. Group agreed that the CTAC leadership should work with staff on this issue and make a recommendation to the Steering Committee to either add a performance measure for transit or confirm that proposed measures appropriately reflect transit. Proposed measures included transit service hours or number of transit lines with 15 minute service. Cost: request to come up with a measure of system maintenance cost for each scenario <p>Recommendations:</p> <ul style="list-style-type: none"> Desire to define communities of concern to include low-income people/households rather than those meeting the 	<p>Chris Maciejewski, DKS Associates</p> <p>CTAC Co-Chairs/technical staff</p> <p>Tyler, Chris, Matt – table leads</p>



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	<p>federal definition for poverty (note: could you look at the housing cost index?)</p> <ul style="list-style-type: none"> • Equity: Request to hold focus groups as part of the evaluation process to gain insight into how these projects/scenarios could benefit/impact communities of concern. Preference for keeping both measures. • Strong request to fund the inclusion of travel time reliability. • Connectivity: Preference to include both BLTS and Completeness measure for bikes • Access: Preference to include both the employment accessibility and the diversion to collectors • OK with setting aside average trip length 	
<p>4:00 p.m.</p>	<p>Chris reviewed the scenarios with the group.</p> <p>Scenario A- North River crossing- TAC wanted it back in. Chris said they would evaluate it on its own merit; not into one scenario because it'd blow the model. Scenario B- feasibility of widening RR undercrossing. But tech team said it'll probably need to be rebuilt in the planning period. And then bike/ped could be accommodated.</p> <p>Scenario C- couplet on Newport/ Portland. C – 23.</p> <p>CTAC reviewed the scenarios in breakout groups.</p>	<p>Chris Maciejewski</p>
<p>4:50 p.m.</p>	<p>Scenario recommendation – Scenarios were approved as amended below:</p> <ul style="list-style-type: none"> • Overall recommendation: confirm that the citywide framework adequately serves opportunity and expansion areas (Steve raised concerns about Kore Pine) • Scenario A: <ul style="list-style-type: none"> ○ Evaluate north river crossing separately • Scenario B: <ul style="list-style-type: none"> ○ Project-level change (Chris can report back) <ul style="list-style-type: none"> ▪ east-west bike connector on Portland/Olney ▪ Extend B-18 to include Knott Road ▪ extend widening on 15th for protected bike lane (B-16) ▪ Remove widening of Archie Briggs (B-28) • Scenario C: 	<p>Kristin/ all</p>



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	<ul style="list-style-type: none"> ○ C-2 should be extended into the residential area to connect people to important destinations ○ Some interest in HCT from Redmond Airport to Bend using rail corridor ○ Review converting Bond/Wall couplet to two way – is this useful to evaluate? ● Parking Lot Additions: ● Phase 2 projects <ul style="list-style-type: none"> ○ Close Minnesota to traffic ○ New or improved bike/ped crossings of Deschutes ○ Connection on Arizona from Upper Terrace to Sisemore ● Monitoring measures <ul style="list-style-type: none"> ○ ILUTP measures should be featured in monitoring. Katie mentioned: activity density in targeted areas; employment density ○ System maintenance ● Funding or policy <ul style="list-style-type: none"> ○ Capture revenue from new transportation modes/technologies (e.g. fees for TNCs, fees for electric vehicles) ● Integration of neighborhood greenway network with Phase 2 projects is important to CTAC members 	
5:40 p.m.	Evaluation process and next steps	Chris Maciejewski
5:50 p.m.	Public Comment Barb Campbell- advocated for CTAC to ask MPO to move funds to help the Transit Plan.	Steve Hultberg, CTAC Co-Chair
6 p.m.	Close and next meeting <ul style="list-style-type: none"> ● Next meeting: November 13/14 ● Neighborhood workshops ● Meeting adjourned at 6:03 pm. 	Karen Swirsky, City of Bend



CITY OF BEND

M E M O R A N D U M

To: Members of Committees, Boards, Commissions

From: Mary Alice Winters, City Attorney

Re: Conflicts of Interest for Public Officials for City Committees, Boards and Commissions (Permanent, Temporary, Ad Hoc)

Date: 4/27/2018

Although you serve on this advisory committee, board or commission as a volunteer, you are a member of a governing body providing recommendation(s) to the City Council. You are therefore a public official, subject to the conflict of interest laws. The Bend Municipal Code states that board, commission and committee members appointed by the City are considered “public officials” subject to State Ethics Law. BMC Section 1.20.015(E). These rules are in place to protect you as an appointed member of a public body, participating in official action. The rules distinguish between **actual and potential conflicts of interest**. Because you are making recommendations only, any conflicts will be **potential** conflicts, and only need to be publicly announced prior to taking action and you can continue participating in discussions and decision-making.

Decisions of the committee cannot be invalidated for failing to disclose a conflict but if a complaint is made to the Ethics Commission and upheld, you could face sanctions, including a letter of reprimand or a personal civil fine of a maximum of \$5,000 for each violation. By disclosing the nature of the conflict and having it reflected in the public record (the minutes) of the public body, you are protected.

A potential conflict is one that could result in a financial benefit or detriment to you, a relative, or client, or a business with which you or the family member or client, are associated. A non-profit is not a business, nor is a government agency, for purposes of the rules about potential conflicts.

If you believe a decision that is before the committee could have a direct financial effect on you, your business, or that of a family member or client, you should announce that conflict before taking part in discussion or a vote on that issue.

We are not concerned with financial benefit or detriment that is merely speculative, or very distant from the committee recommendation – it is more if the recommendation could directly impact you or the other parties mentioned.

As a general rule, if you have the same interest as all residents (for example, if you were making a recommendation on water or sewer rates, or class of citizens), you do not need to declare a conflict, because you have the same general financial interest in rates as all the other rate payers of the city. The same analysis applies to other classes of citizens or businesses.

For more information please see the Oregon Government Ethics Law Guide for Public Officials, especially pages 21-24, which can be found on the Oregon Government Ethics website: <http://www.oregon.gov/ogec/Pages/index.aspx> Ethics commission staff are available to provide informal telephone advice, or written opinions if needed, to help with compliance. The website also has the contact information for Ethics Commission staff.

The ethics rules apply to the person or official as an individual. However, the City Attorney's office is also here to help you, so if you have a question about a particular association of yours, or want to know if you should declare a conflict at any time throughout this process, feel free to contact any of the attorneys. We can discuss the concern with you, or call the ethics commission with or for you.

Mary A. Winters mwinters@bendoregon.gov 541 693 2100

Elizabeth Oshel eoshel@bendoregon.gov 541 693 2124

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Initial Funding Assessment

An interim report to inform Bend's Transportation Plan

November 13, 2018



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Acknowledgments

City of Bend

Emily Eros

Karen Swirsky

Tyler Deke

Sharon Wojda

Camilla Sparks

Elizabeth Oshel

Funding Work Group Members

Karna Gustafson, Co-Chair

Steve Hultberg, Co-Chair

Mike Riley, Co-Chair

Ruth Williamson, Co-Chair

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Consultant Teams

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Angelo Planning Group

Joe Dills

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Initial Funding Assessment

PREPARED FOR: Bend Transportation Plan Funding Work Group
COPY TO: Project Team
PREPARED BY: Lorelei Juntunen and Sadie DiNatale (ECONorthwest)
DATE: October 31, 2018

Purpose

The City of Bend is updating its transportation plan (the Bend Transportation Plan, or BTP) to identify and prioritize needed transportation system investments. The BTP will define capital projects, programs and policies that add system capacity, improve pedestrian and bicycle mobility and safety, and support new growth. The Plan will also determine operating and maintenance needs. The BTP will include a Funding Plan that describes how the prioritized projects and associated operating and maintenance costs are funded.

This Initial Funding Assessment (IFA) is an interim step in the development of the Funding Plan for the BTP. It documents what the Funding Work Group (FWG)¹ learned and supported through a series of meetings in which they reviewed technical information about existing funding dynamics and new funding tools that could be used to generate additional revenue for Bend's transportation needs. The IFA informs Bend's ongoing discussion about project prioritization and Funding Plan development. The IFA identifies and evaluates a menu of potential funding and financing tools. It presents initial recommendations about what funding tools and funding strategies are appropriate to include the Funding Plan for the BTP, in addition to the existing funding tools. The purpose of the IFA is to:

- Document FWG discussions and decisions
- Present a preliminary comparison between funding needs² and funding capacity from existing funding tools
- Evaluate potential funding strategies for the BTP
- Identify foundational funding principles and tools, which are intended as the strategic direction for the Funding Plan
- Set the stage for further analysis; the strategic direction will be refined and used in 2019 after BTP priority projects and programs are identified and project costs are updated.

The IFA is "initial" because the project team developed this product during the first year of the two-year BTP process. It focuses on preliminary and foundational funding strategies in the form

¹ The Funding Work Group (FWG) advises the Citywide Transportation Advisory Group (CTAC) on transportation funding in Bend. The FWG works collaboratively with and provides guidance to City of Bend staff and the consultant project team as they prepare the Bend Transportation Funding Plan. The ultimate purpose of the FWG is to review, provide input on, and recommend a draft Funding Plan to CTAC.

² This initial comparison uses placeholder amounts for funding needs since the BTP process has not yet identified priority projects and programs.

of funding principles and tools. The FWG and project team will revisit and update the findings and recommendations in 2019.

Overview of Analysis

Two primary analyses informed the Initial Funding Assessment: (1) Analysis of existing funding tools – tools that are already generating revenue for the City of Bend’s transportation needs and will be available to implement the BTP; and (2) Analysis of funding tools that could be introduced or increased to fund needed transportation projects.

Existing Funding Tools and Need

ECONorthwest worked with City staff to project revenues that could be available from existing funding tools over the analysis period (FY2020 to FY2040). (Appendix D provides methods and more information.) These tools are:

- Surface Transportation Program
- State Highway Fund
- General Fund Subsidy
- Water and Sewer Franchise Fees
- Garbage Franchise Fees
- Transportation System Development Charges
- Other, or Miscellaneous, Tools

One way of thinking about this projection is that it estimates the amount of revenue available for implementation if nothing changes in the future (e.g. no new funding tools, rates remain unchanged, etc.). Combined with an understanding of preliminary capital costs and operating/maintenance costs, the existing tools baseline helped the FWG understand how much additional revenue might be needed to meet Bend’s transportation system needs over the analysis period.

Existing funding tools are forecast to generate approximately \$582M over the planning period, with approximately \$189M (or 33% of the total, see Figure 1 in Appendix D) available for capital costs and approximately \$392M (or 67% of the total, see Figure 2 in Appendix D) for operating/maintenance (O&M) costs.

To inform the BTP process with a preliminary understanding of how much additional revenue may be needed, City of Bend staff developed an initial estimate of funding needs for both capital and operating/maintenance expenses. These initial estimates have limitations that will be addressed as the BTP process continues but serve as a starting place for understanding needs. Capital needs are based on cost estimates of unbuilt projects on current adopted plans and lists, such as the fiscally-constrained Transportation System Development Charge (TSDC) project list, the fiscally-constrained Metropolitan Transportation Plan (MTP) project list, and the current Transportation System Plan (TSP), as well as other needs such as deferred maintenance that have become capital needs. In keeping with the existing TSP, this list does not include City funding for needs in Urban Growth Boundary (UGB) expansion areas. However, the FWG will consider this over the winter and spring 2019 (see Appendix C for more details). Maintenance needs were based on the previous funding levels for O&M, with consideration of historic underfunding, the maintenance of new capital projects, and other existing needs. Capital

Updated Data

This section and accompanying details in Appendix D update a placeholder projection of existing funding tools and expected funding need that was used in earlier FWG conversations. This update replaces information presented in FWG packet #3 (Appendix C). **Updates are based on input and new information from the City of Bend and the FWG. This feedback allowed the team to modify some key assumptions originally held as proxies.** As a result, readers may see slight differences in numbers included in appendices. We have included footnotes here in the main body of the document to explain these differences where they occur.

and O&M estimates amounts will be refined in the spring of 2019 as staff and consultants gather additional information and perform additional analysis.

Transit needs, potential revenues, and potential funding tools are not specifically included in the current analysis. The project team noted which funding tools could be used for transit (capital, operations, and/or maintenance) and has kept abreast of potential funding tools, such as revenues from House Bill 2017 and the possibility of special taxing districts included as part of House Bill 2745. Cascades East Transit (CET) is about to begin its regional transit plan, with a specific section focusing on transit in Bend. Needs and funding analysis will be a part of CET's planning process that will take place in winter and spring of 2019. The City and MPO will closely coordinate with CET to ensure that planning efforts are coordinated and that Bend's Transportation Plan and its Funding Plan are comprehensive of public transit.

While the needs (project costs) remain a placeholder, as a starting place, we anticipate that they may be approximately \$412 million³ for capital uses over the entire planning period. Accordingly, the estimated need for new funding tools is approximately \$223M for capital uses (see Exhibit 1). Again, this does not currently include funding needs for UGB expansion areas.

The project team is still refining the gap analysis for operating/maintenance uses. Currently, a working estimate is \$17-19 million⁴ as a starting place for O&M funding needs. This estimate does not include any additional O&M due to new capital projects and will be revised in winter/spring 2019. There will likely be a need for new tools to generate revenue for O&M. O&M needs estimates will likely increase as the project team gains new information about additional needs that have been identified by the Streets Department at the City of Bend, but which do not yet have a cost estimate. Moreover, a sizable portion of O&M revenues (approximately 37%) are forecasted to come from General Fund subsidies. If new funding tools were available, these subsidies could be redirected towards other needs, such as public safety. As such, while we have a reasonable starting place estimate for revenue from existing tools that could be available for O&M, it is too early in the process to estimate a funding gap for O&M needs.

Exhibit 1. Analysis of Potential Capital Needs Funding "Gap"

	Capital (FY2020 - FY2040)
Preliminary Estimated Total Funding Need (project costs)	\$412,113,000
Forecast of Existing Tools	\$189,286,000
Est. need for new revenue tools for capital	\$222,827,000

* Capital needs include projects on the SDC list, the financially-constrained MTP project list, the Deschutes County ITS plan, and the City of Bend five-year (2018-2023) Capital Improvement Program (CIP). Capital needs do not currently include any projects in the UGB expansion areas, in keeping with the current TSP. This will be considered in

³ We based capital costs on information from the City of Bend. In the FWG #3 packet (see Appendix C), we used \$450 million as a placeholder for capital funding need. The City of Bend provided this estimate preliminarily for FWG #3, they based on project costs over a FY2018 to FY2040 analysis period. Subsequently, to provide a better starting place for the FY2020 to FY2040 analysis period, the City of Bend updated this analysis by calculating what the capital costs are in FY2018 and FY2019 so that these costs could be subtracted from the total funding need (because they are already funded and should not be included in a gap estimate). Capital costs in these two fiscal years totaled about \$37,887,814. So, we subtracted about \$37.9 million from the original capital cost estimate of \$450 million. This gives us a new estimate for funding need for capital uses (about \$412 million) over the FY2020 to FY2040 analysis period. For reference, the capital costs in FY2018 and FY2019 are for the following projects: Murphy, Empire, Neff and Purcell design, Galveston, 14th St, intersection safety improvements in various locations, and bicycle greenways.

⁴ We based operating/maintenance costs on information from the City of Bend. In the FWG #3 packet (see Appendix C), we used \$10 million (annual) as a placeholder for operating/maintenance need. After FWG #3, the City realized that \$10 million did not hit the target of need. The annual O&M over the past 4 years is \$15.6 million and the annual O&M over the past 2 years is \$17.75 million. A bridge maintenance program and traffic signal program would cost an additional ~\$1.3 million per year, putting the total anticipated need at \$17-19 million per year (depending whether the 2- or 4- year period is used as a base). Figures depend, in part, on the target for the Pavement Condition Index (PCI). The City will continue to refine this estimate.

more detail in winter/spring 2019.

Source: ECONorthwest. See Appendix D for assumptions and methods.

Notes: Values round all values to the nearest thousand. Forecast of existing tools is in nominal dollars.

Our understanding of funding needs will continue to evolve as the project team refines funding need estimates and/or modifies assumptions. For purposes of the IFA document, this analysis offers a starting place for determining foundational strategies about new funding revenue.

Analysis of New Funding Tools

We conducted the analysis of new funding tools to provide the FWG with options to generate new revenue over the analysis period. Note that the tools under consideration did not include project-specific tools or potential grants; these types of tools are desirable when available and should be pursued, but they are too specific and uncertain to be factored into Bend's overall funding forecasts and plans. Appendix A and B (packets from FWG Meeting #1 and #2) describe the tools that were considered and provide more information explaining the process for determining which new funding tools are most appropriate in Bend. These considerations included the dimensions of equity, political acceptability, efficiency, legality, and magnitude. Appendix C provides more information explaining the methods and assumptions for projecting revenue capacity of new funding tools.

Updated Data

We updated projections of revenue for a new funding tool (seasonal fuel tax) between the materials provided at FWG #3 (in Appendix C) and this IFA document.

New data regarding fuel sales in Bend for 2017 became available from ODOT to inform our assumptions. This removed the need to estimate how much fuel is sold in Bend, as relied on in the previous forecast.

All other estimates of revenue from new funding tools are unchanged from the information contained in Appendix C.

The new tools that the Funding Work Group recommended for consideration are:

- General Obligation Bond
- Increased Transportation System Development Charges
- Urban Renewal
- Local Improvement District
- Targeted Sales Tax
- Transportation Utility Fee
- Local Option Levy (if used in conjunction with a GO Bond)
- County Vehicle Registration Fee
- Seasonal Fuel Tax

In summary and considering maximum potential revenue capacities over the 20-year analysis period, new funding tools could theoretically generate up to \$672.9 million for capital uses and \$23.8 million for operating/maintenance uses (see Exhibit 2).

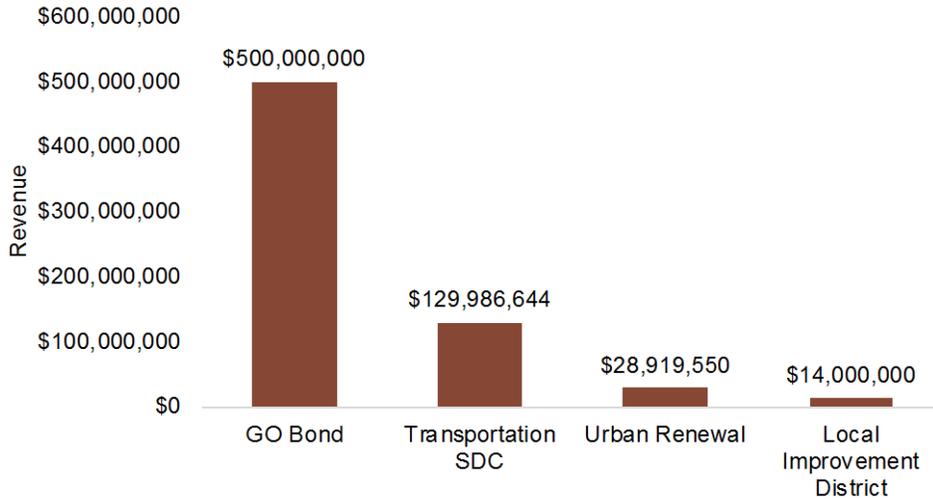
Based on Exhibit 1, the estimated need for new capital revenue produced is \$189.2 million and the estimated need for new O&M revenue produced is still being determined (as mentioned previously, there will very likely be a need for new O&M funding tools).

Maximum Potential: Defined

"Maximum potential" means the upper limit of revenue that Bend can generate off a single funding tool. The upper limit is either legally or politically constrained in ways that may make it impractical to achieve, but it does provide useful 'sideboards' for the funding conversation.

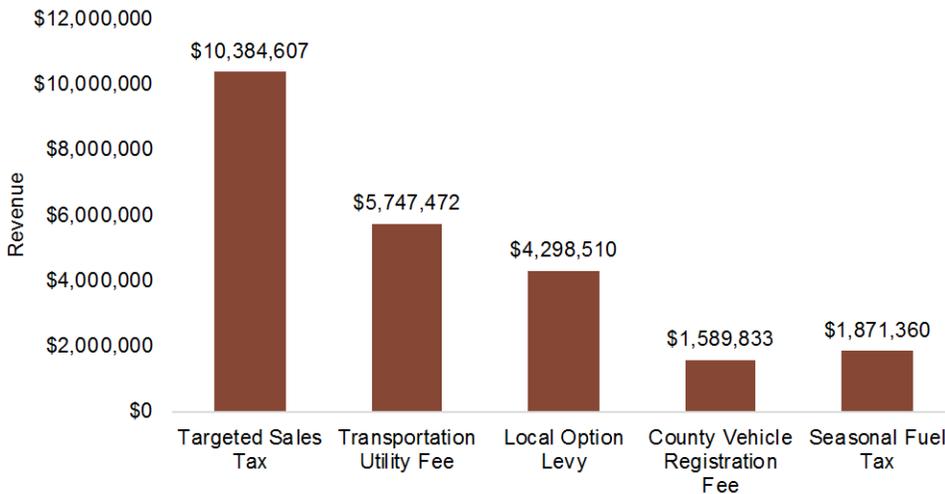
Knowledge of maximum theoretical revenue capacity for each new tool is necessary to know so that the City of Bend understands the limits of each tool. The extent that each tool can contribute to cost is variable, as illustrated in Exhibit 3 and 4.

Exhibit 2. Maximum Revenue Capacity in 2018 dollars, New Capital Funding Tools (FY2020 to FY2040)



Source: Calculated by ECONorthwest.

Exhibit 3. Maximum Potential Revenue Capacity in 2018 dollars, New O&M Funding Tools (annual)



Source: Calculated by ECONorthwest.

The City already has *existing* funding tools to fund about 46% of Bend’s capital transportation needs and to meet Bend’s operating/maintenance transportation needs based on currently known O&M costs and assumptions about continued general fund availability for O&M needs.⁵

⁵ Currently the preliminary analysis of existing funding tools shows a surplus of O&M revenue to cover expenditures. However, the City identified additional O&M needs that do not yet have cost estimates. Once the City allocates these costs, the analysis will likely show a deficit of existing O&M funds. Further, about 37% of O&M revenues derive from General Fund subsidies. The availability of new funding tools could redirect this subsidy towards other needs, such as public safety.

This means that while the City will need some new funding tools to cover the projects in the BTP, the City may not need to use all new tools to their maximum theoretical capacity. Further, this analysis shows that the City of Bend does not need to use all nine of the new funding tools under consideration; the City could limit the use of new tools levied or imposed. As such, because maximum revenue capacity for new tools is in excess of the BTP funding need, the City has some flexibility in determining which funding tools are ultimately selected for the Funding Plan.

Recommendations

This section provides the FWG's initial recommendations regarding the package of funding tools that should be pursued as the project team further develops the Funding Plan for the BTP. The section describes which tools the FWG believes are the best choices for the Funding Plan, which tools need additional study and consideration, and which tools appear less suitable for the Funding Plan.

The FWG began by considering detailed information about 17 potential funding tools and reviewing them according to how well each of the tools performed on four dimensions: legality, equity, efficiency, and political acceptability. Based on these criteria, the FWG developed a shortlist of nine funding tools that seemed most suitable for Bend (these tools are described later in this document and also in detail in Appendix B). These funding tools were targeted for further analysis and discussion.

There are a variety of ways that potential funding tools could be combined to address Bend's transportation funding needs. To provide a sense of how the funding tools could work in practice, and how tools could complement one another, the project team used the nine short-listed (most suitable) funding tools to develop four potential funding "packages". The packages were intended as examples of different approaches to meeting funding needs. Each of the funding packages uses different combinations of funding tools; the composition of each package was determined according to the package's theme: "Users Pay", "Simplicity", "Resilience", and "Balance". These packages are detailed in Appendix C, which includes a description of the advantages and risks of each package and its component tools.

After evaluating these packages, the FWG agreed that two of the four packages are not appropriate or are too risky to serve as the foundation for successful implementation of the BTP. Specifically:

- The "Simplicity" package relies almost entirely on a large General Obligation (GO) bond for capital expenses and a local option levy for operating and maintenance funds. The FWG eliminated this package because they found it too reliant on one payer (Bend's property owners are the ultimate payers of any bonds or levies) and too risky (both tools require a public vote so if one or both tools failed, the City would struggle to implement the BTP).
- The "Users Pay" package was also eliminated. The package intends to have system users, beneficiaries, and new growth as the primary funders; it relies heavily on increases to Transportation System Development Charges (TSDCs), the creation of Local Improvement Districts (LIDs), and the adoption of a Transportation Utility Fee (TUF) to fund new transportation infrastructure. The package does not include a GO bond. While FWG members agreed that Bend's many visitors, commuters, and system users should contribute to funding transportation infrastructure, FWG members were concerned that this package generates insufficient total revenue to cover the initial target project costs. They were also concerned it relies heavily on funding tools that are contingent on new development occurring and on the concurrence of property owners to form LIDs. They pointed out that the timing of availability of revenue from these funding tools could create implementation challenges for early projects.

The FWG appreciated aspects of each of the two remaining packages (“Resilience” and “Balance”). Both packages included funding tools that derive from a range of payers (property owners, new development, visitors to Bend, commuters, and major employers). Both packages include some tools with significant revenue generating capacity and flexibility for use on a wide range of capital and operating and maintenance (O&M) projects (like a GO bond, a fuel tax, or a TUF). Both packages also include a range of tools that are focused on specific geographies or types of projects (like LIDs and urban renewal).

The principles and recommendations that follow build on the FWG’s discussions of the benefits of each of the tools included in the above-referenced packages. Together, these principles and recommendations comprise initial strategies for funding transportation in Bend. They are a set of working conclusions from Phase 1 of the BTP and are subject to update as Bend works toward a Funding Plan in Phases 2 and 3 of the projects in 2019.

Funding Plan Principles

The FWG recommends the following foundational principles for the Funding Plan in the BTP.

- **Intentional Diversification.** Use a range of tools to achieve balance and resilience. The tools that comprise the Funding Plan will be diverse enough to generate revenues that are stable and flexible over the planning period, that generate revenue across economic market cycles, and that fund the full range of project types and programs.
- **Fairness.** Ensure visitors and commuters, new development, existing residents, and businesses (including property tax exempt businesses) pay their fair share for the transportation system that everyone uses.
- **Full Funding for Priority Projects and Associated Operations & Maintenance (O&M).** The Funding Plan in the BTP must generate sufficient capital and operations/maintenance revenue to cover the full life-cycle costs (from initial construction to on-going maintenance) of priority projects (including depreciation), programs, and needed staffing to manage and promote change.
- **Community Buy-in.** The community must broadly support the Funding Plan. Attaining community buy-in for many of the new funding tools, especially those that require a public vote, will require public and stakeholder outreach, polling, an educational campaign, and a balanced approach to crafting the plan.
- **Support Phased Implementation.** The projects described in the BTP will be implemented over a long term (20 years). As such, it will not require all of the funding to be available up front. The Funding Plan in the BTP should provide revenue to match the expected sequence of projects, with an explicit focus on near-term and priority projects.
- **Be flexible and adapt to the future.** Where possible and appropriate, the Funding Plan in the BTP should identify alternate tools (a “Plan B”) for those that require public votes or that Bend does not fully control. The Funding Plan should recognize the technologies will change in ways that affect costs and also change the City’s ability to monitor use and collect revenues. The Funding Plan should considering funding for innovation and adaptation/inclusion of new technologies that may become available over time.

Recommended Tools

The FWG recommends that the Funding Plan rely on a core set of tools that generate sufficient revenue to flexibly fund a wide range of projects, programs, and O&M costs. In addition, the plan should include a set of supplemental tools that may have more limited revenue capacity but play an important role in funding specific types of projects or projects in specific geographies.

Core Tools

The FWG recommends that the following tools be included as core components of the eventual BTP Funding Plan. These tools provide sufficient funds that can flexibly meet City-wide needs, such that they can reasonably serve as a foundation for the Funding Plan. The FWG recognizes that future discussions about rates and timing of implementation are necessary.

- GO Bond.** The FWG broadly agreed that a GO bond would be a necessary component of any workable Funding Plan. If approved by voters, a GO bond can provide a large amount of upfront funding for a wide range of priority capital projects. More research is needed to understand the bond amount that voters might support; some members of the FWG suggested that a bond of approximately \$100 million is a reasonable starting point.⁶ Several members felt that higher bond amounts might be supportable with an attractive mix of projects and well-executed public outreach. The FWG noted that a GO bond must be paired with other core funding tools that can be used for operating and maintenance costs. The FWG expressed serious concern about building new projects without knowing upfront that they will have adequate revenue to cover on-going operations/maintenance over the life of the projects.
- Transportation Utility Fee (TUF).** The FWG broadly supports the inclusion of a TUF in the Funding Plan. These fees are used to cover transportation costs in many communities in Oregon, can be used flexibly for O&M or capital costs, and can be structured so that even property-tax exempt system users contribute to funding key transportation infrastructure. A public vote is not required to introduce a TUF, although the City could choose to put the TUF to a public vote. More work is needed to determine the recommended rate for a TUF. Some FWG members suggested that the initial estimates of revenue capacity were too low, because higher rates and / or a different mix of payers (households and employees)⁷ would be practical.⁸
- Fuel Tax, with Seasonal Variation.** The FWG agreed that levying a fuel tax (either a seasonal fuel tax or a year-round fuel tax with seasonal variation) is a reasonable tool that should be included in the Funding Plan. Its revenue capacity is relatively high, and a fuel tax can be used broadly for O&M and capital expenses for projects around the city. While it does require a public vote to enact, the FWG felt that including a fuel tax in the package would ease some concerns about voting for a GO bond, because a seasonal fuel tax would be aimed at ensuring that visitors to Bend (and commuters who work in Bend but live outside the City) would contribute to funding improvements to the transportation network along with current residents and property owners. More work is needed to consider how to approach this tax and to evaluate potential rates. As one example, the FWG discussed a rate of \$.03 per gallon in off-seasons and shoulder seasons, and \$.05 per gallon in peak season.⁹ For the purposes of revenue forecasts, the analysis uses a maximum rate of \$10 per household and \$2 per employee. Additional scenarios that the FWG considered are

⁶ For a house with an assessed value of \$400,000, annual payments in the first year for a \$100M bond would be between \$255 and \$314, depending on loan terms. See Figure 27 on page 77 of Appendix C for details.

⁷ In FWG Packet #3, three approaches to calculate revenue capacity are displayed: (1) rates of \$2, \$5, and \$10/month levied on households and businesses, (2) rates of 2, \$5, and \$10/month levied on households and employees, and (3) rates of \$0.10, \$0.25, \$0.50, and \$1 per month levied on daily trips generated. Rates to determine initial revenue capacity estimates are based on the second approach and two placeholder rates: \$10 per household and \$2 per employee.

⁸ Details of the TUF projections under various scenarios are included on page 79 of Appendix C. They range from about \$400,000 up to almost \$11M, depending on approach and rates used. FWG members' comments suggest that that higher end of this range may be possible.

⁹ This would increase revenue projections from the \$1.2M described in FWG packet #3 to \$1.9M. See page 71 of Appendix C for details on the original analysis. Note that the project team has recently also received updated information regarding Bend's fuel sales that will further increase revenue projections. This new data will be included along with updated revenue projections in the BTP Funding Plan.

included in Appendix C; higher rates could increase the potential revenue. Further analysis and refinement is needed once CTAC has developed a list of priority projects and needs.

Other Core Funding Tools that Require Additional Exploration

The FWG agreed that two other tools (an increase in TSDCs and a food and beverage sales tax) should be further explored in the coming months as core tools. Some members of the FWG had concerns or questions not yet fully resolved. These concerns and questions will require further consideration. The concerns are described below.

- **Increased TSDCs.** Unlike other tools described in the recommendations, the City already has a TSDC, and it is included in the estimate of existing sources. Regarding increasing those existing TSDC, several FWG members supported increases in TSDCs, over time, as a straightforward, City-controlled tool with substantial revenue capacity that is intended explicitly to fund growth. At the same time, others noted that TSDC revenues are volatile because they are dependent on new development (and therefore are subject to development cycles), that TSDCs were recently increased by 34% and that further increases may affect development feasibility and housing costs. They also pointed out that increases in City-wide TSDC rates might reduce the ability of the City to consider supplemental TSDCs (i.e. higher TSDC rates) as a funding tool in the Urban Growth Boundary (UGB) expansion areas where there may be a clearer nexus to new development and greater support from developers.¹⁰ Further information and discussion are needed regarding supplemental TSDCs as a potential funding tool for expansion and/or opportunity areas.
- **Food and Beverage Sales Tax.** FWG members supported, in concept, the inclusion of a prepared food and beverage tax that generates revenue through the tourism economy. However, most members expressed concerns about describing and justifying the tool to voters who must approve it. Some felt that it would be challenging to communicate the logic or linkage between levying a sales tax on food/beverages and using that revenue for transportation projects. Some felt that a vehicle fuels tax was a more straightforward path toward getting voter approval for a tool that increases revenue generated by Bend's many visitors.

Supplemental Tools

The FWG recommends the following tools to supplement the core tools described above. Each could play a niche supporting role in a complete funding package, and the City should continue to evaluate them as more is known about specific projects and costs.

- **Urban Renewal.** The FWG broadly agreed that urban renewal should be used to fund appropriate transportation projects in a potential new Urban Renewal Area (URA) in Bend's core area. In that geography, it will be among the most powerful tools available for funding infrastructure. However, because urban renewal dollars can only be spent inside a URA boundary, and only on projects that are identified in an adopted urban renewal plan, this tool is limited in application and better suited to supplement core tools in the Funding Plan.
- **Local Improvement District (LID).** The FWG agreed that LIDs should be part of the Funding Plan and recognized that they are best suited to funding infrastructure needs in UGB expansion areas, opportunity areas, and for neighborhood-focused walkability improvements. Because they require property owners to agree to them (and typically initiate them), broad geographic application of a LID is not likely to be successful. LIDs also carry an administrative burden and may require additional staff to support implementation.

¹⁰ This kind of area-specific SDC is often called a 'supplemental SDC' and is used to fund the specific infrastructure needed to allow development to occur in that area. They are often negotiated with developers and property owners as part of master plan agreements for UGB expansion areas in Oregon.

- **County Vehicle Registration Fee.** Use of this tool is contingent on Deschutes County's willingness to pursue and impose a vehicle registration fee that will ultimately need to be approved by voters by a county-wide vote, which adds substantial risk to the certainty of this tool. However, FWG members felt there was real merit to exploring the County's willingness to use this fee, particularly as a regional tool to support projects on Highway 97 that have regional significance because they enhance services and/or fix problems for all residents in Deschutes County.
- **Local Option Levy.** The group identified a local option levy as a valuable tool to catch up on deferred street maintenance needs for all modes and viewed it as a valuable tool for one-time use (rather than for new capital or for ongoing O&M). Because it must be regularly renewed with a public vote, the FWG expressed concerns about using this tool as an ongoing revenue source throughout the 20-year implementation period. Clear messaging would be important for this tool to ensure that the public understands what it includes and how it is different from a GO bond.

While there are still many unknowns, collectively, the FWG recommendations point toward this eventual Funding Plan structure:

- A GO bond, perhaps paired with a phased City-wide TSDC increase or a TUF, would provide foundational revenue for City-wide capital costs, and are especially suited to large and highly visible projects that enhance system-wide service. These tools could then be paired with some combination of a TUF, seasonal fuel tax, and perhaps a prepared food and beverage tax to provide additional capital revenue and provide operating and maintenance funding.
- For specific geographies that need targeted investments (such as UGB expansion areas¹¹, opportunity areas, or parts of the City that need sidewalk investments), urban renewal, LIDs, and supplemental TSDCs are an option.
- A county vehicle registration fee could serve regional needs and a local option levy could serve targeted O&M needs serving all modes, especially for catching up on deferred maintenance projects.

The analysis completed to date suggests that the new funding tools in such a funding package, if successfully passed by voters and/or the City Council and implemented and combined with existing funding tools, would likely have sufficient total revenue capacity to cover both capital and O&M costs (though some tools would have to be stretched to their maximum revenue potential)¹². Such a package would also be responsive to the other foundational principles that FWG discussions highlighted.

In addition to core and supplemental funding tools, the FWG affirms that the City and MPO should consider and pursue project-specific grants as applicable. This includes potential public and private funding that could fund capital, O&M, innovation, pilot projects, and other programs. This report focuses on tools that are possible now, and the FWG recognizes that there are other tools on the horizon, such as vehicle-miles-traveled- (VMT) based fees and more aggressive revenue generation from parking fees.

¹¹ UGB expansion areas are not currently included as part of the funding needs, but this will be considered in winter/spring 2019 and may change.

¹² Note that transit needs, and funding will be considered as part of CET's regional planning process, which is currently set to take place in winter/spring of 2019. The Bend component of CET's planning will be included in Bend's Transportation Plan and funding needs and potential tools will be reflected in the Funding Plan.

Arriving at the Recommendations

The Initial Funding Assessment recommendations are the product of an iterative process involving technical analysis and FWG input during a series of meetings, described below. The FWG discussed and provided input on revenue projections (existing and new tools), approaches to funding, and funding packages comprised of various tools. Ultimately, these discussions helped to form the foundation of Initial Funding Assessment (IFA) and its recommendations.

Funding Work Group Meeting #1

Funding Work Group Meeting #1 took place on June 7, 2018. The following provides a summary of the technical content and meeting outcome.

Summary of Technical Content

The first meeting of the FWG included an overview about the landscape and challenges of transportation funding at the federal, state, and local levels (including transportation system development charges), as well as a review and discussion of Bend's previous transportation funding plans. The FWG also reviewed information about a variety of potential funding tools and discussed potential evaluation methods and criteria for comparing funding tools. See Appendix A for details.

Meeting Outcome

The group agreed that the broad criteria of efficiency, legality, fairness, and political acceptability would be suitable dimensions to compare new funding tools, and that it would be most helpful if this information were presented through a visualization as well as a descriptive table. The staff and consultant team prepared the packet and materials for Meeting #2 according to these decisions.

Funding Work Group Meeting #2

Funding Work Group Meeting #2 took place on July 24, 2018 and was focused on identifying the new funding tools that are best suited to use in Bend.

Summary of Technical Content

AT FWG #2, the project team discussed individual funding tools and evaluation criteria, provided direction on tools to focus on / eliminate, and provided input about packaging funding options.

First, the consultant team presented a menu of 17 funding tools for the FWG to consider as opportunities to pay for projects and programs identified in Bend's Transportation Plan (see sidebar to the left). Appendix B, Funding Workgroup Packet #2, shows a matrix of these 17 funding tools with accompanying technical details.

The FWG reviewed an evaluation of these 17 funding tools to help them narrow to a short-list of funding tools for further consideration. The evaluation looked at each tool across several criteria: legality, efficiency, equity, political acceptability, and magnitude of additional funding. An initial and very preliminary indication of revenue capacity was also provided qualitatively.

Participating in their own ranking and evaluation exercise (see Exhibit 5), the FWG identified which funding tools they considered most suitable for funding Bend's needed transportation projects and priorities. Eight funding tools emerged as most suitable. The FWG also asked staff

Menu of New Funding Tools

The original 17 funding tools under evaluation were: general fund allocations, room tax, **transportation system development charges**, **utility franchise fees**, business fee, parking fee, **local improvement districts**, **general obligation bonds**, **local option levy**, **urban renewal**, **transportation utility fees**, **seasonal fuel tax**, **county vehicle registration fees**, payroll tax, advertising/naming rights, tolls, and **targeted sales tax**.

Tools highlighted and bolded in green made it to the short-list.

and the consultant team to consider a local option levy for operations costs if paired with a general obligation (GO) bond for capital costs.

Exhibit 4. Funding Tool Ranking Exercise

FUNDING SOURCES: RANKING EXERCISE						
Funding Source	Legality	Efficiency	Equity	Political Acceptability	Magnitude of Additional Funding	FWG Ranking Exercise
<i>Existing funding sources that could potentially be expanded</i>						
City General Fund allocation	Green	Green	Yellow	Yellow	\$\$	●●●●●●●● 4
Room Tax	Yellow	Yellow	Green	Orange	\$\$	●●●●●●●● 1
Transportation System Development Charges (TSDCs)	Green	Yellow	Green	Green	\$\$\$	●●●●●●●●●●●●●● ✓ 9
Utility franchise fees	Green	Green	Green	Yellow	\$	●●●●●●●● 2
Business fee	Green	Green	Orange	Yellow	\$	●●●●●●●●●● 5
Parking fee	Green	Green	Green	Yellow	\$	●●●●●●●●●● 3
<i>Potential new funding sources</i>						
Local Improvement Districts (LIDs)	Green	Yellow	Green	Yellow	\$	●●●●●●●●●●●●●● ✓ 9
Property tax: general obligation (GO) bonds	Green	Green	Yellow	Yellow	\$\$\$	●●●●●●●●●●●●●● ✓ 10
Property tax: local option levy	Green	Green	Yellow	Yellow	\$\$\$	●●●●●●●●●●●●●● ? 5
Property tax: special road districts	Green	Yellow	Green	Yellow	\$	●●●●●●●●●●●●●● 1
Urban renewal funding	Green	Yellow	Green	Yellow	\$\$\$	●●●●●●●●●●●●●● ✓ 8
Transportation utility fees (e.g. transit utility fee, street tree program)	Green	Green	Green	Yellow	\$\$\$	●●●●●●●●●●●●●● ✓ 8
Local seasonal fuel tax (city or county)	Green	Green	Green	Yellow	\$\$	●●●●●●●●●●●●●● ✓ 11
County vehicle registration fee	Green	Green	Green	Yellow	\$\$\$	●●●●●●●●●●●●●● ✓ 9
Payroll tax	Green	Yellow	Orange	Yellow	\$\$\$	●●●●●●●●●●●●●● 14
Advertising/naming rights	Green	Yellow	Green	Yellow	\$	●●●●●●●●●●●●●● 5
Tolls	Green	Orange	Green	Yellow	\$\$\$	●●●●●●●●●●●●●● +tblk 14
Sales tax	Green	Green	Yellow	Orange	\$\$\$	●●●●●●●●●●●●●● ✓ 8

Output from FWG#2 ranking exercise. Each member was given ten gold circles to allocate to funding tools that they believed to be most suitable for Bend based on the meeting packet they reviewed and the group discussion about it. They were also given red circles to allocate to tools that they did not believe to be suitable for further consideration at this stage. Results and outcomes are discussed below.

Meeting Outcome

Evaluating the menu of funding tools became the foundation for the next step of work. Nine tools ended up on a short-list of tools earmarked for more analysis. These tools are:

- Increased Transportation System Development Charges
- Local improvement districts
- Urban renewal
- Seasonal fuel tax
- Targeted sales tax
- General obligation bond
- County vehicle registration fees
- Transportation utility fees
- Local options levy

Funding Work Group Meeting #3

Funding Work Group Meeting #3 took place on September 20, 2018. The following provides a summary of the technical content and meeting outcome.

Summary of Technical Content

At FWG #3, the project team reviewed funding packages and more detailed information on the funding tools that comprised the packages.

Prior to this meeting, the FWG members received a packet of information that included an evaluation of individual funding tools across a set of dimensions that could limit or encourage each tool's use in one of four funding packages. For context, each funding package served as a preliminary (hypothetical) proposal of what a potential funding strategy could look like. Therefore, the evaluation of individual funding tools, see Figure 1 in Appendix C, is key technical detail because each package should:

- Meet all target funding needs.
- Support all project types earmarked in the BTP (i.e. O&M vs. capital; transit vs. roadway).
- Provide sufficient funds available for use across the geographic region, of which some areas of Bend would require more or less funds contingent on project locations.
- (Ideally) spread the financial burden across different groups (e.g. residents, property owners, businesses, commuters, tourists, etc.).
- (Ideally) not be overly problematic to implement, of which some funding tool possesses different logistical needs (e.g. public vote, renewal, council action, etc.).

The overview of funding tool dimensions and other information provided in the FWG packet gave the FWG a better understanding of each funding tools' nuances, advantages, and risks. Recognizing this was key to understanding the development and makeup of each package. In that, each tool played a different role; piecing tools together to form funding packages was demonstrative of an iterative process that took each of the tool's dimensions into consideration.

In addition to an overview of funding tool dimensions, the consultant team provided context for each tool's revenue capacity. This included information about (1) the legal, maximum revenue capacity generated from each tool and (2) revenue capacity given different imposed rates. Discussions about revenue projections stayed at a relatively high-level; the FWG did not go into detail discussing data sources, assumptions, or methods. That said, FWG members did receive this information in their packet, see Appendix C.

The compilation of these details allowed the FWG to have a robust discussion of the implications to using each tool and implications of each funding package. The FWG provided direction on how to refine the packages for inclusion in the IFA report and provided direction on the preliminary strategies for inclusion in the IFA report.

Meeting Outcome

Input given at FWG #3 centered on each of the funding tools individually, each of the funding packages individually, and general principles that the eventual Funding Plan should encompass. Regarding the funding tools, the group shared their thoughts about whether funding capacities seemed reasonable or overly burdensome. FWG members also discussed suitability of each of the tools from a messaging and optics standpoint, particularly for the tools that would require a public vote.

Based on the discussion during FWG meeting #3, the consultant team drafted recommendations for initial FWG review and approval. FWG members had the opportunity to review and provide comment on the draft recommendations, which the consultant team then revised and included as the key content in this IFA. These may be further revised after FWG #4.

Next Steps

Moving forward, this Initial Funding Assessment report will be presented to CTAC and then the Steering Committee in order to inform the groups, solicit feedback, and seek approval from the Steering Committee for the IFA and its initial recommendations. The initial recommendations capture high-level strategies but do not include a detailed funding package; this will be developed and refined in 2019, with input from CTAC.

Analysis, findings, and recommendations captured in this IFA will feed into the second and third phases of the BTP, see next Exhibit. According to the current timeline, in spring and summer of 2019, CTAC will develop a list of priority projects and programs for Bend's Transportation Plan. Based on these projects and programs, the staff and consultant team will develop a more specific estimate of the full extent of project costs of Bend's Transportation Plan over the 20-year analysis period. With input from the FWG and CTAC, the staff and consultant team will continue to fine-tune projections for new funding tools and revenues. The FWG will then consider a refined funding package, which will be based on the initial recommendations in this IFA, using the updated cost and revenue estimates. The funding package will be described as part of a funding plan. Once the FWG has reached agreement on the funding plan, it will be presented to CTAC for input, then to the Steering Committee for approval.

This process leads us to a funding plan that (1) considers the costs of needed projects and programs as identified by CTAC, and (2) identifies suitable new funding tools to cover funding needs that exceed the City's current funding capacity.

Exhibit 5. Phase 1 Workplan, Leading to Phase 2

