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CITY OF PORTLAND

OFFICE OF MANAGEMENT AND FINANCE

Date: 08/13/14
To: Our Streets Business Workgroup
From: Fred Miller
RE: Follow-up on August 11th Business Workgroup Meeting

Thank you for your continued participation on the Our Streets Business Workgroup. I continue to feel that we are making real progress in achieving our goals.

In order to clarify some of this progress with the Committee, I began the presentation with a summary of key issues that I think are emerging from this committee:

1. There is general agreement that more dollars are needed to “fix” Portland streets.
2. The PBOT budget is not “fat.” More dollars are requested to address the problem.
3. The original proposal of \$53 million (1/2 from business) is too high to earn business community support.
4. Business community support for a proposal depends on the city committing more resources to transportation. If fixing streets is important, the city should show its support by allocating more available revenues to maintenance and safety.
5. As a funding mechanism, the committee generally prefers a transportation user fee. Small businesses, however, had some interest in a business income tax rather than a user fee.
6. There is general support for ensuring that any residential funding mechanism be designed to minimize regressive impacts.
7. There is strong support for ensuring that all new revenue is spent on maintenance and safety, and that there be no reduction in the annual level of expenditures. There was discussion of an oversight committee and a “dedicated” maintenance and safety fund within the PBOT budget.
8. The business committee tends to emphasize maintenance; the residential committee is more focused on safety projects. Generally, projects have both maintenance and safety components.

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9. There was interest in a sunset provision. One option would be to have a vote triggered if objectives were not met. An oversight committee could have a role in the determination.
10. There was mention of referring a proposal to voters, but also a feeling that if an acceptable funding package were found it could just be implemented.

PBOT presented two new Transportation User Fee options.

1. Sliding scale flat fee by trip category: This uses a flat rate per trip category based on square footage and type of property use. The data is derived from the water billing system platform which contains ~11,000 accounts.
2. Business entity-based flat fee by business category – this is a flat rate for business categories based on square footage, revenue and number of employees. It uses the Business License Tax database and contains ~65,000 accounts.

For the next meeting PBOT will bring the following:

- A refined business entity fee with clarification on the categories for assigning monthly rates and clear explanation of the methodology for this mechanism.
- The administration costs for the options.
- Ideas for potential mechanisms for a sunset.
- Ideas for a Street Maintenance and Safety Trust Fund.

I look forward to seeing you on Monday, August 25th in Room C, 2nd Floor of the Portland Building and welcome your calls before that time if you would like to discuss our challenge. I am at 503-823-1182.