



Your Dime at Work

Heavy Vehicle Use Tax (HVUT) Background and Projects

Heavy Vehicle Use Tax Background

Heavy Vehicles (over 26,000 lbs) are exempt from the Motor Vehicle Fuels Tax. However, heavy vehicles will be paying for their share of road wear and tear through the Heavy Vehicle Use Tax. This is a separate tax which will be required for businesses that pay both an Oregon Weight-Mile tax and a Portland Business License Tax. Businesses will pay 2.8% of their Oregon Weight-Mile tax.

The estimated revenue to be generated from the Heavy Vehicle Use Tax is \$2.5 million per year or \$10 million over 4 years. Per City Council Ordinance, the funds are to be allocated for 56% Street Repair/Maintenance and 44% Traffic Safety.

Projects for this revenue source were not yet selected at the time that the tax was voted on by City Council. PBOT staff agreed to work with the Portland Freight Committee to identify candidate projects which would then be brought to the Oversight Committee. In order to begin preparations to be able to deliver any Heavy Vehicle Use Tax projects by summer 2017, those projects will have to be identified immediately. Staff has been working with the Portland Freight Committee to identify projects to be considered by the Oversight Committee at the September meeting.



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Heavy Vehicle Use Tax Project Selection Guidance

- Street Repair/Maintenance projects
 - Focus on streets that are important to freight movement
 - Address “unmet need” – backlog of projects – to maintain streets, improving their condition and keeping them from falling into worse condition.
 - Preventive Maintenance saves \$ - invest in street maintenance before streets are in very bad shape – A dollar invested in preventive maintenance can save up to \$10 of cost to rebuild a street that has failed.
- Safety Projects
 - Focus on streets that are important to freight movement
 - Use data driven approach to identify safety improvements – either through crash history or proven safety improvements

Candidate Project Development Process

- Staff used the City’s Pavement Management System to identify streets in need of paving that were also on freight routes. This led to an initial list of 79 potential lane miles of paving.
- This list was reviewed with PBOT freight staff and other staff to narrow the list based on additional knowledge about freight priorities and other ongoing work which could impact potential paving projects.
- PBOT staff also developed a list of candidate safety projects on freight routes.
- Staff presented a candidate project list to a freight subcommittee on July 19th. The subcommittee provided feedback on both paving and safety candidate projects.
- The candidate project list was refined based on subcommittee feedback as well as continued staff analysis and a refined list was presented on August





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4th to the full Portland Freight Committee, at which time staff received additional feedback and made additional refinements.

- At the September Portland Freight Committee meeting staff presented four potential projects to be considered for the first phase of the Heavy Vehicle Use Tax Revenue. This list was approximately \$5 million worth of projects or half of the projected revenue. Due to the relatively small amount of revenue and many competing needs for freight improvements, the freight committee is only recommending the following two projects to be considered for approval by the Oversight Committee at this time. Staff will continue to work with the Portland Freight Committee to identify additional projects for subsequent years.

Recommended 1st phase Heavy Vehicle Use Tax projects

1. **Columbia Blvd paving project.** Columbia Blvd: N Interstate Place to N Kerby Ave. Cost estimate: \$2.1M
2. **Small scale capital projects to improve freight efficiency and safety.** Dedicate \$500,000 to address small scale freight improvements that have both safety and efficiency benefits. To start the program, potential projects will be identified from calls to 823-SAFE. These potential projects will be analyzed to see if there are improvements that are known to reduce conflict and improve safety. Examples of the types of projects that could be funded include:
 - a. Sandy and Killingsworth lane configuration project. This was an idea that was reported through 823-SAFE. The current configuration causes major congestion and safety issues as drivers try to merge to get to the freeway ramp. After evaluation of truck maneuvering requirements, there is a recommendation to modify the median island and restripe the two eastbound lanes to create an exclusive THRU lane and a THRU + Right lane.
 - b. Protected left phase improvements. These types of improvements could be implemented to help trucks that have challenges finding gaps to turn left.





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- c. Signal timing improvements on freight routes. Signal timing improvements will help trucks move steadily with fewer stops and starts. Crashes involving trucks are more likely to occur when trucks have to stop suddenly.

