

# CITY of LA GRANDE

## Joint Work Session City Council and Parking, Traffic Safety and Street Maintenance Advisory Commission

Monday, April 18, 2022

6:00 p.m.

Council Chambers  
La Grande City Hall  
1000 Adams Avenue  
La Grande, Oregon

You can view the Work Session on Facebook Live at the following link:  
[www.facebook.com/CityofLaGrande](http://www.facebook.com/CityofLaGrande)

## AGENDA

*The purpose of a Work Session is to provide an opportunity to informally discuss topics of common concern and interest and to exchange ideas with Staff, not to make decisions or to direct Staff toward a specific action or conclusion beyond identifying additional information the Council and/or Parking, Traffic Safety, and Street Maintenance Advisory Commission would like to have presented at a later date. As no decisions are made, there will be no voting at the Work Session. The City Manager or members of the Staff may confirm any additional information required as part of any future discussions regarding the presented topic(s). If a Work Session topic subsequently requires official action, it will become an action (voting) item on a following Regular Session Agenda. In accordance with the Oregon Public Meetings Law, Council Work Sessions are open to the public; however, in order to make efficient use of time, public comments and questions generally are not entertained during the discussion segment of the Work Session. Time will not be designated for public comments at the conclusion of the discussion. Members of the public are routinely provided with an opportunity to address the Mayor and Council during the Public Comments portion of each Regular Session Agenda.*

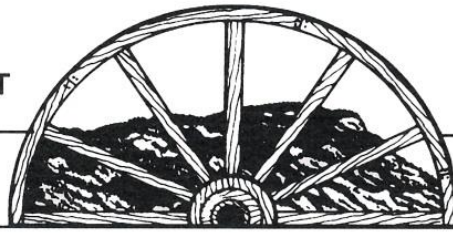
- 1. CALL to ORDER** 6:00 p.m.  
~ Stephen E. Clements, Mayor
- 2. STREET AND ROAD INFRASTRUCTURE RECOMMENDATIONS**  
The City Council requested the Commission develop recommendations for a long-term strategy to address the condition of the infrastructure to include potential funding options  
~ Kyle Carpenter, Public Works Director  
~ Corrine Dutto, PTSSMAC Chairperson
- 3. ADJOURN** 7:30 p.m.

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Sandra Patterson  
City Recorder

*Persons requiring special accommodations who wish to participate in the Work Session are encouraged to make arrangements prior to the meeting by calling 541-962-1309. The City of La Grande does not discriminate against individuals with disabilities*

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TO: Robert Strobe, City Manager

CC: City Council

FROM: Kyle Carpenter, Public Works Director  
Corrine Dutto, PTSSMAC Chair  
Ashley O'Toole, PTSSMAC Member  
Bruce Kevan, PTSSMAC Member  
Rod Sands, PTSSMAC Member  
Daniel Hagert, PTSSMAC Member

DATE: April 12, 2022

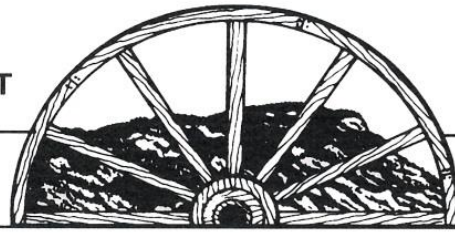
RE: Parking, Traffic Safety, and Street Maintenance Advisory Commission  
(PTSSMAC) Funding Recommendations.

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As we all know, the conditions of the roadways within the City is one of the most widely commented on topics within the City of La Grande's provided services. During a previous work session, the La Grande City Council tasked the Parking, Traffic Safety, and Street Maintenance Advisory Commission (PTSSMAC) with reviewing the existing financial resources dedicated to roadway maintenance and construction, identifying other possible revenue streams, and making recommendations to the City Council on strategies to increase the available resources utilized in maintaining our roadway infrastructure within La Grande. Through many hours of research and multiple meetings as a commission, PTSSMAC is prepared to provide the following recommendations for a future strategy for improving and maintaining our transportation network.

While assessing the current infrastructure and available resources, it became clear that this was in fact a multifaceted problem, and not simply a shortfall in funding. While existing resources provide an excellent base for developing a maintenance schedule, the current condition of the roadways will require that a significant portion of these available resources be utilized to return roadways to a condition worth maintaining. It is based on these conditions that a new strategy must be adopted for the City to obtain an infrastructure system that reflects the desires of the community. This strategy must address not only securing funds to be directed at maintaining roadways that are in agreeable conditions, but identifying funds that can be used to reconstruct or repair substandard roadways as well. For this the committee looked for not only perpetual funding sources that are available annually, but also making use of one-time funds that can be used to repair roadways to a useable condition. To arrive at a well-rounded recommendation, the commission identified four (4) areas in which funding could be obtained above current levels, as well as a Capital Improvements list that identifies the upcoming major roadway projects and their associated costs. Employing these tools the commission presents the following recommendations:

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### *American Rescue Plan Act (ARPA) funds:*

The City of La Grande received a one-time payment of approximately \$3,000,000 from the Federal Government as a part of the 2021 American Rescue Plan Act (ARPA). During a June 2021 work session, the City Council discussed potential uses for these funds, and was very supportive to the idea that some of these funds could be utilized for roadway improvement projects. Based on the understanding of the current guidance the possibility that the entire amount could be available for use on roadway projects is incredibly alluring. Attached is the Capital Improvements list, including projected project budgets, that was developed by staff and the commission during this effort. At a quick glance, a one-time payment of \$3,000,000 would complete a significant amount of the list and allow for a shift of work towards residential roadways. It is the commission's recommendation to commit as many dollars as possible (if not the full amount) towards roadway construction and maintenance.

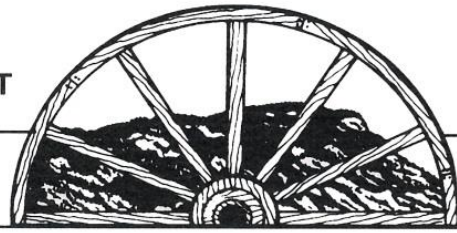
### *Street User Fee:*

The Street User Fee is a Transportation Utility Fee that is assessed on a per user basis that benefits the maintenance and major construction on fully developed roadways in La Grande. The fee is assessed through water and sewer billing based on a "user" being defined as a water meter user. The fee currently generates \$410,000 per year at a rate of \$8 per meter per month. While the resulting resources are a valuable tool in maintaining our streets, the source has some limitations that could be addressed through Council Action. The per user fee does not support user equity in that a multi-family development served by a single oversized meter would pay the same fee as a single family dwelling. Additionally, the roadways that are eligible for work funded from the fee are limited to fully developed roadways, which restrict use of the funding source on some of the City's most maintenance needy roadways. Finally, the commission also discussed the possibility of increasing the per user charge to generate more revenue from the fee. This increase could also be completed utilizing a resolution as outlined in the Ordinance establishing the fee. This option, while considered viable, was thought to be a secondary action that should be reserved in case primary recommendations proved unsuccessful. The recommendation by the commission for the Street User Fee is to correct some of the details of the Ordinance that established the fee, and reserve the increase of the monthly user fee for the future if it becomes necessary.

### *Transportation System Development Charge (SDC):*

A System Development Charge (SDC) is a one-time fee applied to new construction or developments that will increase impact to a municipality's infrastructure. The determination of the amount of the fee and how the fee will be administered is outlined in the Oregon Revised Statutes. The SDC mechanism is a way to place the burden of additional wear and tear and the need for capacity expansion in the transportation system to those who are causing the changes. While the investigation into the level of funding that would result from this action was found to be minimal, its installation would provide the City with protection against funding large roadway

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projects to accommodate major developments. Additionally, dollars generated by an SDC are limited to use on Capital Improvement projects, which would not provide any relief in generating funds for maintenance on the existing transportation infrastructure. The commission's recommendation surrounding the Transportation SDC is to move forward with implementation regardless of what other actions are pursued. While offering a potential small return in the terms of resources, it will provide the City with protection of future development making the roadway conditions and maintenance funding dilemma more problematic.

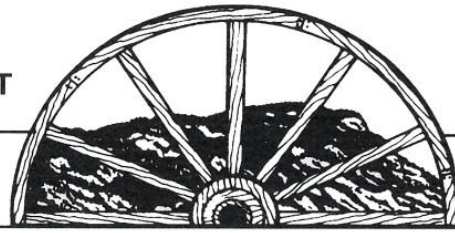
### *Impose a Local Gas Tax:*

The final option investigated to develop new revenue sources was to establish a local gas tax within the City of La Grande. The local gas tax is a tool that is currently being utilized in thirty (30) other cities in Oregon, ranging in rates from \$0.01 to \$0.10 per gallon. As a comparison, current Federal and State taxes assessed per gallon are \$0.244 and \$0.36. This strategy has been attempted before in La Grande, where in 2016 an effort was put forth to establish a proposed tax of \$0.03 per gallon, which was projected to generate an annual revenue of \$400,000. The proposal did not obtain voter approval, and was never established.

By reviewing the initial effort to establish a local gas tax, the commission was able to gain some valuable experience on what a renewed effort would look like, and areas in which the campaign could be improved. It was noted that the initial effort was last minute and did not get the advantage of a properly planned effort would provide. For example it is known that the La Grande School District is putting a bond measure on the ballot this year and adding a second request for funds is likely to have a negative effect for both requests. By delaying the placing of the gas tax onto the ballot not only will the competing interests be avoided, but it will provide City Staff and volunteers adequate time to deploy a community education effort prior to the vote. Key points that will be stressed during the effort will be:

- An estimated one half of the generated revenue would come from out of town residents who are filling tanks here in La Grande.
- Those who drive more (therefore filling their tanks more often) will contribute more to the revenue.
- A \$0.03 per gallon local gas tax results in an additional cost of \$0.60 per 20 gallon fill up
- A seasonal gas tax could be pursued to further take advantage of "through traffic" by only collecting during peak travel months.

While the commission does recommend that a gas tax be pursued as an option to create more funding, they also recommend that this action be delayed to avoid the likely negative results that would come from a rushed campaign, competition with other funding requests, and the current fuel pricing predictions. This option is recommended to be put into action in the next election year.

*Final Recommendation Strategy:*

In summary, the final recommendation of the commission is:

1. Immediately work to eliminate the portions of the Street User Fee which causes inequity in its application and restricts the flexibility of the dollars generated. With these corrections it is estimated that an additional **\$43,500** of annual revenue can be gained.
2. Immediately establish a Transportation System Development Charge. Using a like City as an estimate for projected revenue, it is estimated that this option would provide **\$16,000** annually to be put toward Capital Improvement projects.
3. Designate the City's ARPA funds toward street rehabilitation and maintenance projects. With the potential inflow of a one-time **\$3,000,000** revenue, a significant portion of the current Capital Improvements list could be completed.
4. Begin work on pursuing a Local Gas Tax in the next election year. Preliminary work on what attributes of a gas tax would help to make it a successful venture (e.g. limited time venture, seasonal collection, etc.) could be put forth early on an attempt to educate the public and craft a successful campaign. If successful, a \$0.03 per gallon gas tax would generate **\$400,000** annually.
5. If necessary, pursue an increase in the monthly charge of the Street User Fee through a new Resolution. The process to increase the fee is established within the Ordinance and would result in additional annual revenue of **\$51,250** (per \$1 of increase).

In closing, the commission would like to note that the intent of their recommendations is made in an effort to address both aspects of the adversities that face the continuing roadway conditions in La Grande. The recommendations call for a plan that will increase annual revenues into the Street fund in the short-term, and a large one-time infusion of dollars to fund work while additional sources of annual revenue can be developed. The plan will provide funds to make the efforts to correct the existing issues highly visible by tackling many of the high use roadways quickly and in large volume, which may further garner support for the potential or pursuing a local gas tax. By establishing a Capital Improvement plan and working on correcting inequities in the existing systems, the goal of placing the burden of funding roadway maintenance and construction to the user is achieved.

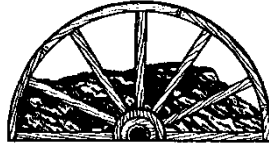
It is appreciated to have the opportunity to present these recommendations, and remain ready to answer any questions or provide support in the pursuit of any of the actions outlined.

## *Top 20 Roadway Projects To Be Funded*

Rank	Project Roadway	Project Beginning	Project End	Type of Project	Project Area	Estimated Cost
1	Gekeler Lane	4th Street	16th Street	Grind and Inlay	153,500	\$ 521,900.00
2	16th Street	Gekeler Lane	Washington Ave	Overlay	99,000	\$ 222,750.00
3	2nd Street	Penn Ave	K Ave	Reconstruction	65,500	\$ 530,550.00
4	Walnut Street	N Ave	Adams Ave	Grind and Inlay	85,000	\$ 289,000.00
5	6th Street	K Ave	C Ave	Overlay	125,000	\$ 281,250.00
6	12th Street	Washington Ave	Gekeler Lane	Grind and Inlay	160,000	\$ 544,000.00
7	Willow Street	Cove Ave	East L Ave	Overlay	75,000	\$ 168,750.00
8	Monroe Ave	Fir Street	RR Tracks	Overlay	78,000	\$ 175,500.00
9	Alder Street	K Ave	N Ave	Grind and Inlay	41,000	\$ 139,400.00
10	N Ave	4th Street	Washington Ave	Grind and Inlay	95,500	\$ 324,700.00
11	East L Avenue	Willow Street	25th Street	Overlay	110,000	\$ 247,500.00
12	21st Street	Cove Ave	East H Ave	Overlay	135,000	\$ 303,750.00
13	25th Street	Cove Ave	East L Ave	Overlay	85,000	\$ 191,250.00
14	South 20th Street	Gekeler Lane	Grandview Ave	Overlay	72,000	\$ 162,000.00
15	Division Avenue	Union Street	North 4th St	Overlay	135,000	\$ 303,750.00
16	Jackson Avenue	North 4nd Street	Depot St	Overlay	55,000	\$ 123,750.00
17	Harrison Avenue	Columbia Street	N Cedar St	Overlay	100,000	\$ 225,000.00
18	Walnut Street	Culd-a-Sac	City Limits	Overlay	71,000	\$ 159,750.00
19	Jefferson Avenue	3rd Street	Hemlock Street	Reconstruction	215,000	\$ 1,741,500.00
20	2nd Street	C Avenue	K Ave	Overlay	105,000	\$ 236,250.00
						\$ 6,892,300.00

### **Method Unit Costs (sq ft)**

Grind and Inlay	\$ 3.40
Reconstruction	\$ 8.10
Overlay	\$ 2.25



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TO: Mayor and City Council/Urban Renewal Agency

CC: Budget Committee; Parking, Traffic Safety, and Street Maintenance Advisory Commission; Department Directors

FROM: Robert Strobe, City Manager

DATE: April 6, 2022

RE: Street and Road Funding

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During the Annual Retreat, the City Council made increased funding for Street and Road Infrastructure a top priority. The Parking, Traffic Safety, and Street Maintenance Advisory Committee (PTSSMAC) has been tasked to identify long-term recommendations regarding funding, which will be presented to the City Council in a Joint Work Session on Monday, April 18, 2022. Independent of those efforts, I am planning to include two changes which would bring a total of \$473,818 of additional, one-time funding for streets in the FY 2022-2023 Proposed Budget. Please note that decisions regarding the following information will be made as part of the Budget approval and adoption process and I am not seeking approval outside of the established process. I just wanted to make the City Council, PTSSMAC, and the Budget Committee aware of this information now as it may influence the conversation at the April 18<sup>th</sup> Work Session.

The Proposed Budget will include two separate allocations to help address the inability to adequately fund the maintenance of the City's streets. The first allocation will require a change in the Fund Balance Classification Policy contained in Resolution 4781, Series 2019. The proposal would designate the unallocated 25% of unrestricted, unanticipated increase in General Fund cash, currently designated to roll into the General Fund, as unrestricted dollars to be used for Street and Road Infrastructure instead. The remaining 75% would continue to be designated for General Fund capital improvements. This change would allocate an additional \$116,064 to the Street and Road Budget. It would be my intent to place a revised Resolution on the City Council's June Meeting Agenda if the City Budget Committee approves the Proposed Budget with this change. Note that if such a change in the Resolution is passed, this would be a recurring contribution that would go to streets, assuming there is an unanticipated increase in cash. A future City Council could pass a new Resolution to change this practice.

The second allocation of \$357,754, which represents the estimated amount the City's General Fund we receive from an Urban Renewal Under Levy, would be transferred to the Street and Road Budget. This revenue amount is larger than originally anticipated due to a higher Assessed Value amount coupled with a 3% projected growth estimate from the County Assessor. This lower under levy does not reduce any of the funding levels discussed during the Retreat. The Urban Renewal levy will fund 100% of the program expenses for our core economic development programs, a \$300,000 in increased capital project funding over the current year, and increases the total budgeted URA unappropriated ending fund balance from \$255,266 to \$342,706.

Because an under levy is an annual decision, this would be a one-time allocation and will require the Budget Committees of both the City of La Grande and the La Grande Urban Renewal Agency to approve budgets with the under levy included. Additionally, the two governing bodies would need to adopt their respective budgets with the under levy as proposed. The City's adopted budget would also need to include the appropriations in the Street and Road Budget.

The impact of these changes is to provide an additional \$473,818 to help address the condition of the City's streets by reducing the amount of revenue available for use in the City's General Fund. The change doesn't impact the City's Proposed Budget, as we did not rely on any of these funds for FY 2022-23 proposed expenditures. Nor does the reduction in revenues to Urban Renewal reduce any existing programs or capital project funding.