

EUGENE CITY COUNCIL AGENDA ITEM SUMMARY



Work Session: Street Repair Review Panel Recommendation of 2012 Bond Measure to Fix Streets

Meeting Date: May 23, 2012
Department: Public Works
www.eugene-or.gov

Agenda Item Number: A
Staff Contact: Kurt Corey
Contact Telephone Number: 541-682-8421

ISSUE STATEMENT

This work session is an opportunity for the Eugene City Council to discuss the citizen Street Repair Review Panel's (SRRP) recommendation for funding capital pavement preservation projects with a General Obligation (GO) bond measure to fix streets. The council is asked to provide direction for development of a resolution to place a GO bond measure on the ballot in November 2012.

BACKGROUND

Council Action History

Following considerable study and discussion, including forming a Council Committee on Transportation Funding and convening an ad hoc citizen Street Maintenance Task Force, the council on July 28, 2008, approved Resolution 4953, calling a city election on a measure authorizing the issuance of \$35.9 million of general obligation bonds to fund street preservation projects. Eugene voters on November 4, 2008, passed the five-year general obligation bond to fix streets, payable from property taxes beginning November 2009 and continuing through November 2013. The final set of street projects to be paid from this bond measure will occur in the summer of 2013.

The 2012 Pavement Management Report was presented to the council on February 29, 2012, and provided updated information on the condition of asphalt paving in Eugene using 2011 rating and inventory data. The report showed progress had been made on the condition of Eugene's streets, but more work was needed to further reduce the backlog of needed repairs on the 1,364 lane-miles of streets in the city. Specifically, the 2012 report calculated the backlog of repairs on improved asphalt streets was \$118 million; a reduction in the estimated backlog of needed repairs of more than \$50 million since the 2008 bond was approved. Despite this short-term downward trend the backlog is projected to continue to grow unless there is an increase in funding that is both sufficient and sustainable.

In anticipation of the expiration of the 2008 bond measure, at the October 26, 2011, council work session, the council provided direction to staff to work with the citizen Street Repair Review Panel to develop a recommendation on a 2012 bond measure. The 11 community members serving on the Street Repair Review Panel were: John Barofsky, Howard Bonnett, Janet Calvert, Mel Damewood, Paul Holbo, Bob Kline, Steve Lee, Ollie Snowden, Clayton Walker, Gary Wildish, and Sue Wolling. The group met five times over a four-month period before unanimously approving the recommendation on April 10, 2012, to renew the bond measure to fix streets.

Placing a measure on the November 2012 ballot would allow Public Works staff to continue a seamless process of designing and bidding an annual street repair program. It takes several years to plan and design major street repair projects. This would also provide public and private utilities sufficient time to complete their work in advance of street repairs. If voters approved a new bond measure late in calendar 2012, it would allow construction to occur during the summer of 2014. If a new bond measure was approved by voters in November 2012, the taxes would first be levied in November 2014, after the 2008 bond ends in 2013. This would be clearly stated in the bond measure ballot materials.

Use of Bond Proceeds

The citizen Street Repair Review Panel recommended the renewal of a bond measure to fix streets and unanimously concluded that the resolution for the future bond measure should include four principal areas:

Issuance of General Obligation Bonds: The City should issue a maximum of \$43 million of general obligation bonds to fund street preservation projects. The measure would generate approximately \$8 million in net revenues annually, plus inflation for five years. Of that amount, the SRRP recommended that over the five years of the bond, an average of six percent, or \$516,000, be allocated annually for bicycle and pedestrian improvements.

The measure is expected to cost an average homeowner in Eugene \$0.65 per \$1,000 of assessed value each year for five years or about \$127 per year. This rate is also the approximate average tax rate levied over the five years of the current bond measure. Attachment A includes a comparison of the estimated 2008 and projected 2012 general obligation bonds effect on the taxpayer.

Street Project Criteria: To guide the selection of street projects, the citizen SRRP recommended the following primary street project criteria: use of the most current engineering and cost-benefit information about needed street rehabilitation and reconstruction; citizen input with respect to prioritizing major streets in need of reconstruction; and geographic distribution throughout the community to ensure all areas of the City receive benefit from the bond proceeds.

Secondary street project criteria established by the citizen SRRP included the following: overlay projects will generally receive higher priority than reconstruction projects; arterial and collector streets are generally prioritized over local streets; and additional criteria includes streets with utility needs, presence of bike lanes or routes, Pedestrian and Bicycle Master Plan projects, transit routes, and local streets that serve schools or commercial or industrial areas.

If approved, the bond proceeds will fix approximately 74 lane-miles of streets and fund pedestrian and bicycle improvements.

Bond Criteria and Use: The citizen SRRP recommended the continuation of the bond criteria to limit the use of bond proceeds for specific street preservation projects included in the resolution. If all of the listed projects are completed and there are bond proceeds remaining, the council may add other street preservation projects to the list.

The bond proceeds will be used to overlay or reconstruct the driving surface of streets as well as to preserve existing integral elements of the street such as curbs, gutters, sidewalks, on-street bike lanes, traffic signals, street lights, medians, traffic calming devices, and other integral parts of a street

preservation project. These preservation efforts will be undertaken only to preserve existing elements, not to expand the motor vehicle capacity of the street system.

Regarding the use of the average annual allocation for bicycle and pedestrian improvements dedicated to off-street bike and pedestrian path preservation and repair projects, the SRRP recommended allowing the use of bond funds to support bicycling and walking projects guided by the Pedestrian and Bicycle Master Plan, City staff, and the Bicycle Pedestrian Advisory Committee.

Bond proceeds would pay bond issuance costs as well.

Accountability and Transparency: The citizen SRRP recommended the continuation of the accountability and transparency requirements in the resolution. To promote accountability and citizen involvement, the City Manager should contract with an outside auditor to prepare an annual written report on whether the bond proceeds were used in compliance with the limitations of the bond measure, and continue the use of the citizen Street Repair Review Panel to prepare an annual report documenting the City's use of the bond proceeds and noting whether the bond proceeds were used in compliance with the terms of the resolution.

Timing

The citizen Street Repair Review Panel recommended that the measure be placed on the November 6, 2012, ballot. Should the council wish to proceed with this election date, a resolution placing the measure on the ballot should be approved no later than July 23 to comply with the election timelines for the November election. The council tentative agenda includes a work session on June 27 to provide final direction for changes to the resolution in order to allow for adequate bond counsel review and approval of any changes and action on July 9 to place the measure on the November ballot.

RELATED CITY POLICIES

The council's goals include "Transportation Initiative: Develop mechanisms to adequately fund our transportation system for cars, trucks, bikes and pedestrians including maintenance and preservation and capital reconstruction."

COUNCIL OPTIONS

The focus of this council work session is to determine more specifically what to include in the resolution placing a bond measure on the ballot to fix streets. The resolution will become part of the materials included in the Voters' Pamphlet, and resolution language is the basis for the language contained in the ballot title (caption, question and summary).

The council has before it policy decisions related to the size of the measure and restrictions on uses of the revenue:

- **Measure size:** The citizen Street Repair Review Panel recommended a total measure of \$43 million, which works out to be approximately \$8 million plus inflation annually. The council could choose a different amount for the bond measure. Attachment A includes the estimated effect on taxpayers from different bond amounts.
- **Project list:** The citizen SRRP reviewed and approved a list of streets to be improved by the new bond measure. The proposed project list to be included in the measure is provided as Attachment

B. A map of the proposed projects is provided as Attachment C. The council could modify the project list or adopt other measure language as deemed appropriate.

- ***Pedestrian and bicycle improvements:*** The citizen SRRP recommended an average annual allocation of \$516,000 for pedestrian and bicycle improvements. The council could choose to maintain the language in the 2008 bond measure or to choose a different amount.

CITY MANAGER'S RECOMMENDATION

The City Manager recommends that a GO bond measure to fund \$43 million (\$8 million plus inflation annually over five years) of capital pavement preservation projects and pedestrian and bicycle improvements should be prepared for the November 2012 ballot. The resolution placing the measure on the ballot should include a project list and incorporate any additional language as directed by the council at this meeting.

SUGGESTED MOTION

Direct the City Manager to bring a resolution placing a \$43 million GO bond measure to fix streets on the November 2012 ballot, consistent with the proposed project list included as Attachment B.

ATTACHMENTS

- A. Effect on Taxpayer - 2008 vs. 2012 GO Bonds and Different Bond Amounts
- B. Proposed List of Projects to Be Included in the Bond Measure
- C. Map of Proposed Projects

FOR MORE INFORMATION

Contact: Kurt Corey, Public Works Director
Telephone: 541-682-8421
Staff E-Mail: Kurt.A.Corey@ci.eugene.or.us

General Obligation Bonds to Fix Streets Effect on Taxpayer

Comparison of 2008 GO Bonds vs. 2012 GO Bonds
and Estimation for Different Bond Amounts

2008 General Obligation Bonds to Fix Streets ACTUALS THROUGH FY12; PROJECTED TO FY14

	Bond Par Amount	Gross Annual Levy Amount	City-wide AV in 1000's	Tax Rate Per 1000	Assessed Value of Average Home	Cost to Average Home
FY10	\$ 6,500,000	7,146,667	11,590,081	\$0.62	158,447	\$98
FY11	\$ 6,810,000	7,477,333	11,741,991	\$0.64	163,303	\$104
FY12	\$ 7,140,000	7,808,511	12,017,702	\$0.65	168,546	\$110
FY13	\$ 7,480,000	8,170,213	12,408,380	\$0.66	173,602	\$114
FY14	\$ 7,970,000	8,691,489	12,830,434	\$0.68	178,810	\$121
	\$ 35,900,000	39,294,213	Average:	\$0.65	Average:	\$109

2012 General Obligation Bonds to Fix Streets Estimated Using the Average Tax Rate of the 2008 Measure

	Bond Par Amount	Gross Annual Levy Amount	City-wide AV in 1000's	Tax Rate Per 1000	Assessed Value of Average Home	Cost to Average Home
FY15	\$ 8,000,000	8,680,000	13,279,717	\$0.65	184,175	\$120
FY16	\$ 8,290,000	9,000,000	13,758,056	\$0.65	189,700	\$123
FY17	\$ 8,590,000	9,320,000	14,253,623	\$0.65	195,391	\$127
FY18	\$ 8,900,000	9,660,000	14,767,039	\$0.65	201,253	\$131
FY19	\$ 9,220,000	10,000,000	15,298,586	\$0.65	207,290	\$135
	\$ 43,000,000	46,660,000	Average:	\$0.65	Average:	\$127

Estimated Effect on Taxpayer from Different Bond Amounts

Bond Par Amount	Tax Rate Per 1000	Cost to Average Home
\$ 35,000,000	\$0.53	\$104
\$ 40,000,000	\$0.61	\$119
\$ 43,000,000	\$0.65	\$127
\$ 45,000,000	\$0.68	\$133
\$ 50,000,000	\$0.76	\$149
\$ 55,000,000	\$0.84	\$164
\$ 60,000,000	\$0.91	\$178
\$ 65,000,000	\$0.99	\$194
\$ 70,000,000	\$1.06	\$207

Project List for 2012 Bond Measure to Fix Streets

Map #	Street Name	Limits
1	01ST AVE	WASHINGTON ST - VAN BUREN ST
2	01ST AVE	BLAIR BLVD - WEST END
3	02ND AVE	BLAIR BLVD - GARFIELD ST
4	05TH AVE	BERTELSEN RD - WEST END
5	06TH AVE	BERTELSEN RD - COMMERCIAL ST
6	07TH AVE	BERTELSEN RD - OSCAR ST
7	07TH PL	7TH AVE/HWY 99 - BAILEY HILL RD
8	13TH AVE	WASHINGTON ST - GARFIELD ST
9	13TH AVE	BERTELSEN RD - COMMERCE ST
10	15TH AVE	FAIRMOUNT BLVD - AGATE ST
11	17TH AVE	FAIRMOUNT BLVD - AGATE ST
12	19TH AVE	FILLMORE ST - CHAMBERS ST
13	22ND AVE	FRIENDLY ST - POLK ST
14	25TH AVE	HAWKINS LN - BRITTANY ST
15	27TH AVE	COLUMBIA ST - SPRING BLVD
16	30TH AVE	SPRING OVERPASS - AGATE ST
17	30TH AVE	MILL ST (WEST) - FERRY ST (EAST)
18	30TH AVE	MILL ST - WILLAMETTE ST
19	39TH AVE	WILLAMETTE ST - 100' EAST OF DENSMORE RD
20	40TH AVE	HILYARD ST - DONALD ST
21	43RD AVE	N SHASTA - DILLARD RD
22	AVALON ST	ECHO HOLLOW RD - JUHL ST
23	BEST LN	WILLAKENZIE RD - KENTWOOD DR
24	BRAE BURN DR	39TH AVE - WILLAMETTE ST
25	BROADWAY	MILL ST - PEARL ST
26	BUFF WAY	WOODSIDE DR - FORRESTER WAY
27	CALVIN ST	WESTERN DR - HARLOW RD
28	CAPITAL DR	SPRING BLVD - 50' N OF CRESTA DE RUTA ST
29	CARMEL AVE	MINDA DR - 400' SOUTH OF MINDA DR
30	CASCADE DR	AVALON ST - JUHL ST
31	CENTENNIAL LP	MLK, JR BLVD (EAST) - MLK, JR BLVD/CLUB RD
32	CITY VIEW ST	28TH AVE - 29TH AVE
33	COBURG RD	SS FERRY ST BRIDGE - 50' S OF EWEB ON/OFF RAMP
34	COMMERCIAL ST	5TH AVE - SOUTH END
35	CORYDON ST	FORRESTER WAY - TANDY TURN
36	EAST AMAZON DR	HILYARD ST - DILLARD RD
37	ELIZABETH ST	KNOOP AVE - ROYAL AVE
38	FAIRFIELD AVE	WS HWY 99 - ROYAL AVE
39	FILLMORE ST	19TH AVE - 24TH AVE
40	FIRLAND BLVD	SPRING BLVD - AGATE ST
41	FORRESTER WAY	COBURG RD - WS DRWY 1033
42	GARFIELD ST	ROOSEVELT - 6TH AVE
43	GOODPASTURE LOOP	GOODPASTURE IS RD (EAST INTERSECTION) - GOODPASTURE IS RD (WEST INTERSECTION)
44	INTERIOR ST	NORTH END OF CUL DE SAC - SOUTH END OF IMPROVED SECTION

Attachment B

Map #	Street Name	Limits
45	IONE AVE	BEST LN - ADKINS ST
46	JACOBS DR	HWY 99N - FAIRFIELD AVE
47	JEFFERSON ST	8TH AVE - 18TH AVE
48	JUHL ST	NS ADDR 1424 - SOUTH END
49	KNOOP AVE	ECHO HOLLOW RD - ELIZABETH ST
50	LARKSPUR AVE	NORKENZIE RD - 640 FEET WEST OF NORKENZIE RD
51	LARKSPUR LOOP	NORKENZIE RD (N) - NORKENZIE RD (S)
52	LEIGH ST	NORTH END - WESTERN DR
53	LINCOLN ST	5TH AVE - 13TH AVE
54	LYDICK WAY	TOMAHAWK LN - HARLOW RD
55	MADISON ST	1ST AVE - 8TH AVE
56	MAHLON AVE	GARDEN WAY - HONEYSUCKLE LN
57	MILL ST	30TH AVE (NORTH) - 30TH AVE (SOUTH)
58	MONROE ST	1ST AVE - BLAIR BLVD
59	NORTH SHASTA LOOP	FIRLAND - 43RD AVE
60	PIONEER CT	PIONEER PIKE - NORTH END
61	PIPER LN	CHASA ST - FIR ACRES DR (INCL CUL-DE-SAC)
62	POTTER ST	24TH AVE - 29TH AVE
63	ROLAND WAY	OAKWAY RD - CAL YOUNG RD
64	SATRE ST	BAILEY LN - WESTERN DR
65	SHARON WAY	COBURG RD - ES DRWY 1023
66	SPRING BLVD	FAIRMOUNT BLVD - CAPITAL DR
67	TIMBERLINE DR	WARREN ST - WINTERCREEK DR
68	TOMAHAWK LN	HARLOW RD - 580' NORTH OF HARLOW RD
69	TULIP ST	CRESCENT AVE - HOLLY AVE
70	VAN NESS ST	23RD AVE - 27TH AVE
71	WASHINGTON ST	8TH AVE - 13TH AVE
72	WEST AMAZON DR	ES HILYARD - SS FOX HOLLOW
73	WESTERN DR	CALVIN ST - WEST END/MONROE MIDDLE SCHOOL
74	WILLAMETTE ST	24TH AVE - 29TH AVE
75	WILLAMETTE ST	10TH AVE - 13TH AVE
76	WOODSIDE DR	CAL YOUNG RD - SHARON WAY

