MINUTES FOR THE NEWBERG TRANSPORTATION TASK FORCE

January 15, 2002
Newberg City Hall, Layman Room

Members Present: Gene Kennedy (chair), 1909 N. Springbrook Rd, 503-350-5280, gene.kennedy@Poorman-Douglas.com
Don Hall, PO Box 672, 503-573-0512, dhall@hevanet.com
Stan Kern, 4407 Bird Haven Loop, 503-538-3705, RKern420@aol.com
Gary Nelson, 4509 Blue Heron Ct, 503-538-4743, garyn@open.org
Robert Soppe, 709 E Sheridan, 503-538-5495, rs@ComProbSolv.com

Members Absent:

Staff Present: Dan Danicic, City Engineer, danicicd@ci.newberg.or.us
Mike Soderquist, CDD Director, soderqui@ci.newberg.or.us
Kathy Tri, Finance Director, trik@ci.newberg.or.us
John Ghilarducci, FCS Group, Inc., johng@fcsgroup.com

The meeting came to order at 7:00 p.m.

The Task Force reviewed an overhead presentation by John Ghilarducci from FCS Group, Inc.

Mr. Ghilarducci stated that $33.9 million in transportation improvements had been identified by the Task Force and citizen forums, not including the southern arterial. Of this amount, $15.8 million was identified as unfunded. He then listed eight (8) funding options, focusing on the "utility concept." Mr. Hall asked if the bond option implied that the City has a revenue source. Mr. Ghilarducci responded that there are different types of bonds, some backed by the full faith and credit of the City and some backed by a specific revenue. Were bonds to be used to finance street improvements, they would presumably be revenue bonds, backed by the receipts from a utility fee.

Mr. Ghilarducci reviewed the concept of a utility charge for funding transportation projects. Mr. Ghilarducci explained that with the utility concept there would be a nexus between service and fee; revenues are reliable and dedicated; and cost recovery is equitable. He added that these revenues can secure debt and free tax dollars for other uses. Table 7 listed potential funding sources, their political acceptability, tax equity, ease of administration, potential for legal defense and revenue capacity. Mr. Ghilarducci then reviewed the existing funding sources for streets showing that insufficient funds are available to pay for street capital projects. Next he reviewed various policy issues associated with a utility charge. He explained that there needs to be a linkage to use. This could be based on number of trips, using peak hour trips which related to the maximum impact on the system and would have a closer linkage to the size of the street, average daily trips or parking spaces which Ashland uses. In any case, the City will want to keep the system reasonably simple, legal and fair. The Task Force also needs to consider credits and exemptions. Other policy considerations include required minimum balances, financing costs, and consistency with utility accounts. Mr. Ghilarducci talked about taxes versus fees. He explained that it is critical that there be a linkage between payers and users. Gene Kennedy asked if the City could have a different rate for different users. Mr. Ghilarducci responded yes, that is possible. Gene Kennedy suggested recommending periodic reviews and reducing the fee if conditions warranted.

Robert Soppe asked if there is a difference between double ended trips versus trips that are single ended. Mr. Ghilarducci explained that some cities discount commercial properties which are most affected by linked trips. Mr. Ghilarducci added that the ITE (Institute of Traffic Engineers) study of daily trips took into account all these factors. Dan Danicic passed the ITE study around the table. It was explained that the ITE study was based on hundreds trips made in hundreds of cities around the United States. Tualatin groups users and puts the burden on property owners to show that trip generation is different from the ITE classifications. Robert Soppe asked if trips were round trips or one way. Mr. Ghilarducci indicated that trips are counted as one way.

Slide 15 showed how the fee could be calculated on a per trip basis. Slide 16 showed estimated pricing examples. Mr. Ghilarducci explained that the final charge will be tied back to the annual amount needed to pay for bonded debt. Slide 17 showed an example of pricing for equivalent length of daily trips. Monthly bills would range from $0.25 to $1.00 per trip.

Mr. Ghilarducci indicated that the cities of Ashland, Medford, Wilsonville and Tualatin currently have similar programs. He added that all these cities use the ITE manual as the basis for developing the fee structure and all assess the fee only on those lots which are deemed to be developed.

Robert Soppe indicated that there are a lot of policy issues to be discussed. These issues include when to start charging a property under construction. Kathy Tri suggested that the trigger event be when the water meter is set. Other policy questions regarded rental vacancies, vacant land, home based businesses, and bed and breakfasts, etc. Mr. Soppe suggested that task force members list policy questions for future discussion.

ADJOURNMENT: The Task Force adjourned at 9:10 p.m.

The next meeting was set at February 12, 2002.
Minutes 1_15 02.wpd