



City of Oregon City

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Staff Report

File Number: 18-481

Agenda Date: 10/17/2018

Status: Agenda Ready

To: City Commission

Agenda #: 7c.

From: City Manager Tony Konkol

File Type: Policy

SUBJECT:

Clackamas County and Clackamas Cities Consideration to Enact a Countywide Vehicle Registration Fee (VRF)

RECOMMENDED ACTION (Motion):

Staff recommends that the City Commission authorize the City Manager to provide the County Administrator with the attached letter of support for a new VRF for countywide transportation improvements.

BACKGROUND:

On Thursday, September 6, 2018, the County held the Clackamas County Coordinating Committee Meeting (C4) which was an opportunity for the Clackamas County cities to consider options to implement a vehicle registration fee to address deferred transportation projects, including, but not limited to safety, maintenance, and capacity.

County staff presented three distribution models (see the attached Countywide VRF Distribution Scenario Concepts worksheet) for revenue stemming from a potential \$30/year vehicle registration fee. The model scenarios were: 1) state-mandated 60% to the County and 40% to the cities; 2) modified state formula of 50% to the County, 40% to cities, and 10% set aside for a strategic investment fund, with expectation that the County would use 10% of its share as a strategic investment fund; 3) modified state formula of 40% to the County, 20% to cities, and 40% set aside for a strategic investment fund.

County staff noted that of the three counties in the Metro region, Clackamas is the only county with no local funding mechanism (see the Road Funding by County attachment). Multnomah County collects \$18M annually from gas tax and VRF, and Washington County collects \$49M from gas tax, VRF, local property tax, and a road district.

Following discussion, C4 members discussed their preferences among the VRF models. During consensus gathering, every attending city agreed with the county continuing to work toward a vehicle registration fee of \$30 (with the exception of Canby, who preferred a fee of \$25), and a majority consensus rested on Scenario 2 pending further discussion.

On September 11, 2018, the Board of County Commissioners held a policy work session on the VRF proposal. State law allows a VRF to be implemented through a public vote or through Board

approval. It's our understanding that the Board is planning an adoption process that would include the County's normal ordinance adoption procedure. As with any ordinance, the VRF ordinance would be subject to referendum.

Before the September C4 and BCC meetings, Mike Bezner (Clackamas County Assistant Director of Transportation) also met with John Lewis (Oregon City Public Works Director), as well as agency staff from 10 other Clackamas County cities to discuss needs and possible uses of these new funds. Reportedly the responses were varied: most cities prioritized paving, followed by capital projects and sidewalks/ADA improvements, and then operations. For Oregon City, the funds could be used to help fill the gap between likely to be funded and unlikely to be funded capacity-enhancing projects that are already identified in the City's Transportation System Plan. As Oregon City's growth continues, the HB 2017 gas tax and this proposed funding will help in the effort to cover the \$98 million dollar funding gap in Oregon City's long term transportation project funding need.

The County has requested a letter of support from the cities, which has been attached for your consideration.