



## TECHNICAL MEMORANDUM

**Date:** January 8, 2024

Project #: 27003.5

**To:** Laura Weigel, AICP; Ryan Dar; City of Milwaukie

**CC:** Seth Brumley, Oregon Department of Transportation

**From:** Matt Steele, Amy Griffiths, PE, Matt Hughart, AICP

**Project:** Milwaukie Transportation System Plan

**Subject:** Financial Forecast

## INTRODUCTION

Future federal, state, and local funding for transportation investments can be uncertain, creating a challenge to accurately forecast available revenue that can be used to make future transportation-related investments. In this context, the City of Milwaukie Transportation System Plan (TSP) Update will focus on identifying a prudent and conservative list of transportation investments, emphasize lower cost methods that strengthen mobility for all users within the City, reduce climate pollution, and increase reliance on technologies to promote efficient streets.

This memorandum presents information on the recent historical funding sources and forecasts amounts that could be available in the future to address near- and long-term transportation investments. This memorandum also identifies additional funding sources that the City may consider pursuing to address funding gaps when implementing future transportation investments. This information will help the City evaluate transportation projects, define priorities, and maximize all available funding opportunities to preserve and improve its infrastructure.

## HISTORICAL FUNDING SOURCES

Understanding the City's historical funding sources for transportation investments helps to forecast potential funding available for TSP projects through the 2044 planning horizon, as well as identify funding needs. Based on data provided by the City, franchise revenue (including water, wastewater, and stormwater revenue), Safe Access for Everyone and Street Surface Maintenance Program taxes and fees, inter-governmental taxes and grants, and charges for development have been the primary sources of revenue for TSP projects; however, investment earnings and other miscellaneous funding have contributed to TSP projects as well. **Table 1** summarizes the historical funding sources between FY 2019- FY 2023.

Table 1. Historical Funding Sources

Funding Source	Fiscal Year					Notes
	2018-19	2019-20	2020-21	2021-22	2022-23 <sup>1</sup>	
<b>Franchise Revenue</b>	\$1,277,875	\$1,361,934	\$1,229,381	\$1,284,892	\$1,462,638	Ordinance 1905 dedicates 8% of net revenues of water, wastewater, stormwater to fund the transportation system
<b>Inter-governmental Sources</b>	\$2,106,185	\$2,621,106	\$2,475,290	\$2,421,213	\$1,881,708	State gas tax, vehicle registration fee, local gas tax, Kronberg Park multi-use trail grant; Safe Routes to School grant
<b>Investment Earnings</b>	\$536,040	\$745,510	\$86,439	\$175,859	\$227,862	Bond revenues invested with the City's banking partners
<b>Charges for Services / Fees</b>	\$2,283,027	\$2,030,403	\$2,106,561	\$2,188,594	\$2,270,520	SAFE and SSMP fees, including PGE privilege taxes
<b>Miscellaneous / Other</b>	\$177,031	\$65,035	\$61,444	\$56,130	\$6,060	
<b>Total Revenue</b>	<b>\$6,380,158</b>	<b>\$6,823,988</b>	<b>\$5,959,115</b>	<b>\$6,126,688</b>	<b>\$5,848,788</b>	
<b>Transportation Bonds</b>	\$20,978,527	-	-	-	\$18,807,270	Transportation bond, has a specified project list
<b>Revenue Including Bonds</b>	<b>\$27,358,685</b>	<b>\$6,823,988</b>	<b>\$5,959,115</b>	<b>\$6,126,688</b>	<b>\$24,656,058</b>	The transportation bonds are not a separate funding source and must be repaid

<sup>1</sup>FY 2022-23 data is unaudited.

## Franchise Revenue

Ordinance 1905 dedicates 8% of net revenues of water, wastewater, stormwater to fund the transportation system. The City of Milwaukie received an average of \$1.3 million per year from franchise revenue between FY 2019-FY 2023).

## Inter-Governmental Sources

The City of Milwaukie received an average of \$2.3 million per year from inter-governmental sources between FY 2019-FY 2023.

## Taxes and Fees

### *State Gas Tax*

The Oregon gas tax is currently \$0.38 per gallon. A portion of this revenue is distributed to cities annually on a per capita basis. These funds may only be used for road-related purposes: Milwaukie primarily uses them for street department operations and maintenance activities.

### *Local Gas Tax*

The City of Milwaukie has a gasoline tax rate of \$0.02, and a diesel tax rate of \$0.02, which is administered by Oregon Department of Transportation (ODOT) Fuels Tax Group. Money collected from this tax is dedicated to the Street Surface Maintenance Program for roadway surface preservation (including maintenance, rehabilitation, and reconstruction). These funds cannot be used to construct capital projects.

### *Vehicle Registration Fees*

Vehicle title fees range from \$101 to \$116, based on miles per gallon (MPG) – and \$192 for electric vehicle titles. Registration fees include plate fees (\$25.50), 2-year registration/renewal fees (\$126 to \$316 per vehicle, varying by vehicle year, fuel efficiency, and whether the vehicle is electric or not), County Fee (additional \$30 annual fee for vehicles in Clackamas County)<sup>1</sup>, and \$6 for transfer plate fees.

## Grants

The City of Milwaukie has benefited from several other revenue sources, such as transportation improvement grants and other miscellaneous programs administered by ODOT and the Federal Highway Administration (FHWA). Grants are non-repayable, and sometimes competitive funds given by an entity (in this case, ODOT and FHWA) typically for a certain purpose tied to public benefit. Although they are not considered consistent and reliable funding sources, grants have contributed (or will contribute) to several major projects identified in the City's Capital Improvement Plan (CIP). Recent grants include:

- Kronberg Park Multi-Use Trail Grant
- Safe Routes to School Grant

### *Kronberg Park Multi-Use Trail Grant*

Located between Kellogg Lake and southeast McLoughlin Boulevard, the Kronberg Park Multi-Use Trail will connect the Kellogg Creek Bike-Pedestrian Bridge and downtown Milwaukie area with the nearby sidewalk, crosswalk, and Trolley Trail at the south end of the park while restoring and preserving existing habitat. It will also improve access to the Main Street light rail station.

### *Safe Routes to School Grant*

Safe Routes to School (SRTS) is an approach that promotes walking and bicycling to school through infrastructure improvements, enforcement, tools, safety education, and incentives to encourage walking and bicycling to school. SRTS initiatives improve safety and levels of physical activity for

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<sup>1</sup> According to ORDINANCE NO. 01-2022, An Ordinance Amending Chapter 7.07, Vehicle Registration Fee, of the Clackamas County Code, the County distributes 40% of the revenue to incorporated cities based on the total number of Clackamas County residents residing within incorporated cities.



students. ODOT has two main types of Safe Routes to School programs: Construction and Education and technical assistance. Construction programs focus on making sure safe walking and biking routes exist through investments in crossings, sidewalks and bike lanes, flashing beacons, etc.

## **Investment Earnings**

The City of Milwaukie invests bond revenues with the City's banking partners: Piper Sandler and Umpqua Bank. The majority of unused funds are invested in treasury bills for a duration of 6 months to a year with Piper Sandler at a current rate of 5.17%. Unused funds not invested in treasury bills are invested with Umpqua bank at a current rate of 4.23%. The amount of investment earnings will decrease as the City uses the bond and the investment amount decreases.

The City of Milwaukie received an average of \$0.4 million in investment earnings per year from FY 2019-FY 2023.

## **Charges for Services and Fees**

The City of Milwaukie received an average of \$2.2 million in charges for services and fees per year from FY 2019-FY 2023.

## **Safe Access for Everyone (SAFE)**

SAFE is the City's program to improve safety for people walking, biking and more. SAFE calls for upgrading the City's network of connections, such as sidewalks, ramps and crossings to fill network gaps, replace portions that do not meet Americans with Disabilities Act (ADA) standards, and remove barriers for people to get where they need to go safely. SAFE's goal is to build 27.9 miles of sidewalk/multi-use paths and 900 ADA ramps in nine years.

The City collects a SAFE fee from residents as a part of the City's utility bill. The amount is based on the type of property and the way it is used. In addition, to support the SAFE program the City has received grants and urban renewal funds.

In 2016 the City established a Safe Access For Everyone (SAFE) Fee to support transportation projects to improve sidewalks and accessibility throughout the City. The Community identified priority one, two, and three projects to use these funds. The program would take over 25 years to complete. The Council decided to fast track the program and issue the first bond for priority one projects in 2018. Up until this time there was little funding available for transportation projects.

## **Street Surface Maintenance Program (SSMP)**

SSMP was adopted by Ordinance No. 1966, effective on July 1, 2007. The ordinance, in concert with other related ordinances, established funding sources, including a street maintenance fee, an electric utility privilege tax, and a local gas tax. All funds were dedicated to street maintenance and rehabilitation, with the goal of bringing all arterials and collectors in the City to a "good" or better condition within ten years.

## **Miscellaneous**

Possible miscellaneous revenues include reimbursement of damage claims by risk management and dividends on worker's compensation payments. Miscellaneous revenues are small and inconsistent.

The City of Milwaukie has received an average of less than \$0.1 million per year from miscellaneous sources between FY 2019-FY 2023.

## Transportation Bonds

The transportation SAFE and SSMP bond was issued in February 2023 in the amount of \$18.9 million by Western Bank. The Transportation Bond was issued at an interest rate of 3.96% through June 2042. This is the second of three projected bonds to support the SAFE program. A third bond is anticipated to be issued in the early- to mid-2030s if the City Council approves to bond. This bond is not a separate revenue source, but is issued to bring funds forwards in order to pay for transportation projects for which there would not be funding for the next 25 years. Some revenue from the State Gas Tax is allocated to debt service of the transportation bonds.

The following projects are listed in the most recent bond:

- Harvey Street Improvements
- Ardenwald North Improvements
- King Road Improvements
- Washington Street Area Improvements
- Logus Road, 40<sup>th</sup>, 42<sup>nd</sup> Ave
- Monroe Street Greenway
- Residential Street Surface Repair
- Street Surface Surry Seal
- Signal Upgrades

## HISTORICAL EXPENDITURES

**Table 2** summarizes the historical expenditures sources between FY 2019- FY 2023. Capital projects and debt service for transportation bonds are the two highest historical expenditures.

**Table 2. Historical Expenditures**

Expense	Fiscal Year					Notes
	2018-19	2019-20	2020-21	2021-22	2022-23 <sup>1</sup>	
Personnel	-\$520,709	-\$544,745	-\$563,377	-\$648,853	-\$665,900	Labor and benefits cost.
Materials & Services	-\$808,642	-\$464,918	-\$385,583	-\$615,851	-\$503,548	Professional service and contracting costs. This generally does not include materials and services dedicated to capital investments.
Maintenance	-\$472,000	-\$1,400,000	-\$385,000	-	-\$45,000	Maintenance funds are primarily

						allocated to road resurfacing. The City did not slurry seal any roadways in FY 2021-22.
Capital Projects	-\$4,369,277	-\$3,757,802	-\$4,329,975	-\$7,033,348	-\$2,737,769	
Debt Service	-\$1,995,576	-\$1,996,831	-\$1,995,332	-\$640,831	-\$1,972,596	Cost to repay the 2018 Transportation Bond, which is structured to repay both principal and interest in the first 3 years, then pay interest only until 2042. The Remainder of the principal bond cost and interest will then be paid from 2042 to 2048. This expenditure will increase in the future for the new 2023 bond.
Transfer to Other Funds	-\$1,935,000	-\$1,914,000	-\$2,030,000	-\$2,090,000	-\$1,020,500	
Contingency and Reserve	-	-	-	-	-\$2,235,000	Issued 10% of bond issued in 2022-2023. This expenditure is not expected to recur unless a new bond is issued.
<b>Total Expenditures</b>	<b>-\$10,101,204</b>	<b>-\$10,078,296</b>	<b>-\$ 9,689,267</b>	<b>-\$11,028,883</b>	<b>-\$9,180,313</b>	

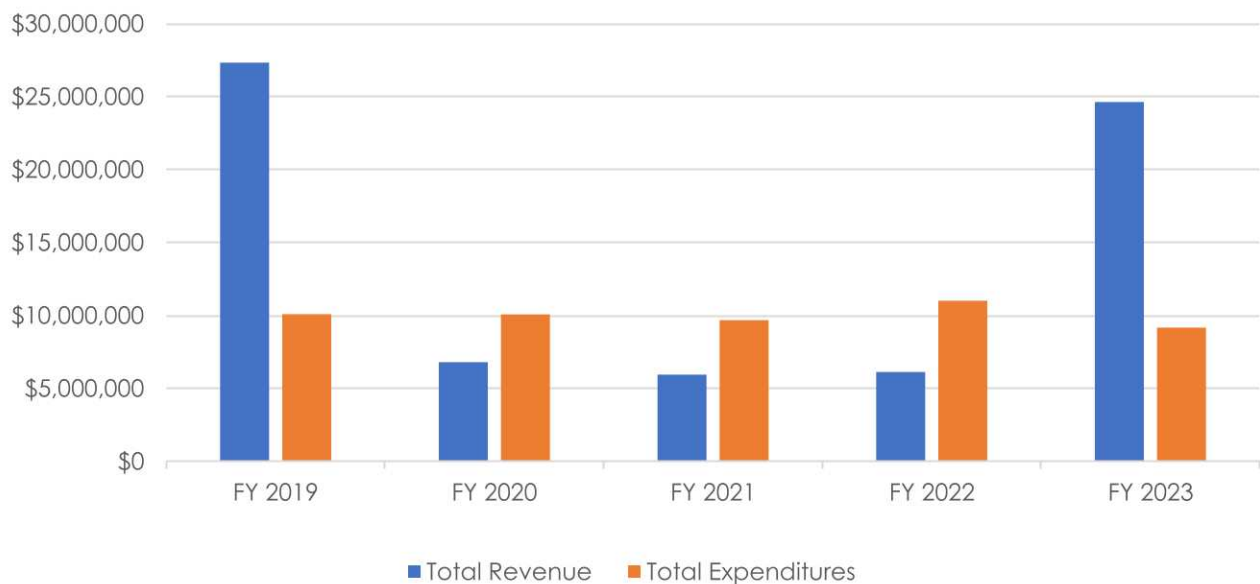
<sup>1</sup>FY 2022-23 data is unaudited

## HISTORICAL FUNDING AVAILABLE

**Figure 1** illustrates the annual revenue and expenditures, including transportation bonds, between FY 2019- FY 2023. On years where transportation bonds are not issued, total expenditures outpace revenue.<sup>2</sup>

<sup>2</sup> The City of Milwaukie requires a 17% policy reserve.



**Figure 1. Total Revenue<sup>1</sup> vs. Expenditures**

<sup>1</sup>Increased revenues in FY 2019 and FY 2023 are inclusive of transportation bonds, which are repaid over time.

**Table 3** includes the beginning balance each fiscal year and provides the total funding available each year between FY 2019- FY 2023.

**Table 3. Historical Funding Available**

	Fiscal Year				
	2018-19	2019-20	2020-21	2021-22	2022-23 <sup>1</sup>
Beginning Fund Balance	\$4,447,806	\$22,204,780	\$18,950,472	\$15,220,320	\$10,318,125
Total Revenue (Excluding Bonds)	\$6,380,158	\$6,823,988	\$5,959,115	\$6,126,688	\$5,848,788
Transportation Bonds	\$20,978,527	-	-	-	\$18,807,270
Total Expenditures	-\$10,101,204	-\$10,078,296	-\$9,689,267	-\$11,028,883	-\$9,180,313
<b>Total Funding Available with Bonds</b>	<b>\$21,705,287</b>	<b>\$18,950,472</b>	<b>\$15,220,320</b>	<b>\$10,318,125</b>	<b>\$25,793,870</b>

<sup>1</sup>FY 2022-23 data is unaudited

## FUNDING FORECAST

The historical funding data shows that the City expects to continue to receive funds from a variety of federal, state, and local sources; however, the amount of funds could vary over time<sup>3</sup>. This section provides funding forecasts for the City for implementation of TSP projects. The forecasts are intended to model what revenue the City could anticipate over the next 20 years through the TSP planning horizon.

**Table 4** summarizes the funding projection for the 20-Year Planning period. This projection assumes that the current funding generation will continue over the next 20 years. It was estimated by averaging the historical funding sources over the past 5 fiscal years. Potential funding that can be made available earlier through transportation bonds are excluded from this projection, however SAFE and SSMP fees and taxes are assumed to continue according to historic trends.

**Table 4. Funding Projection for the 20-Year Planning Period (in 2023 dollars)**

Funding Source	Total
Franchise Revenue	\$26,467,000
Inter-governmental Sources	\$46,022,000
Investment Earnings	\$7,087,000 <sup>1</sup>
Charges for Services / Fees	\$43,516,000
Miscellaneous / Other	\$1,463,000
<b>Total Revenue (Excluding Potential Bonds)</b>	<b>\$124,555,000</b>

<sup>1</sup> Investment earnings are assumed to continue at the same rate, though they may decline as bond funding is used.

**Table 5** summarizes the projected expenses for the 20-Year Planning period. This projection assumes that current expenditures will continue over the next 20 years. It excludes capital expenditures to calculate the availability for capital expenditures. It is assumed that the debt service continues at the historic rate while the City continues to repay past bonds.

**Table 5. Projected Expenses for the 20-Year Planning Period (in 2023 dollars)**

Expense	Total
Personnel	\$11,774,000
Materials & Services	\$11,114,000
Maintenance	\$9,208,000
Debt Service	\$34,405,000
Transfer to Other Funds	\$35,958,000
<b>Total Expenditures (Excluding Capital Investments)</b>	<b>\$102,459,000</b>

<sup>3</sup> It is likely that revenue from the vehicle fuel tax will decline due to increased usage of electric vehicles. ODOT is exploring alternatives to the vehicle fuel tax.



Based on the estimates from **Table 4** and **Table 5**, the City is projected to have approximately \$22 million available for capital projects over the next 20 years.

## ADDITIONAL FUNDING SOURCES

Additional funding sources are summarized below. The sources are organized by local, state, and federal funding mechanisms and are tailored to transportation-specific investments. In addition to these sources, the City may also seek state and federal grant opportunities where transportation facilities are a secondary focus of the funds. For example, the Statewide Transportation Improvement Fund (STIF) is intended for transit service, facility, and operations improvements, but transportation projects that improve access to transit – such as sidewalks or bike lanes leading to transit stops – could also be eligible for funds.

### Local Funding Mechanisms

Potential local-level funding sources are summarized in **Table 6**. These funding sources can be used currently to fund capital projects or may be considered by the City for implementation as new funding sources. Including this table in the TSP does not create new funding sources but rather presents the various funding sources that local governments throughout Oregon have utilized. In general, local funding sources are more flexible than funding obtained from state or federal grant sources. Sources that the City already uses but that can have expanded funding generation or application are highlighted in dark grey.

**Table 6. Potential Local Funding Mechanisms**

Funding Source	Description	Potential Application
<b>General Fund Revenues</b>	The City can contribute General Fund revenues to transportation projects and programs. Revenues are available if revenues or increased or funding is diverted from other City programs. The City Council decides where the general fund is allocated.	These revenues can be used for any aspect of the transportation system.
<b>Street Utility Fees/Road Maintenance Fees</b>	A fee based on the number of automobile trips that a particular land use generates; usually collected through a regular utility bill. Fees can also be tied to the annual registration of a vehicle to pay for improvements, expansion, and maintenance of the street system.	<b>The City already uses this funding source through the Street Surface Maintenance Program, however there are opportunities to continue and expand use by increasing the fees to generate more revenue.</b> This revenue can be applied to system-wide transportation facilities including streets, sidewalks, and bikeways. Projects eligible for SSMP funding include major rehabilitation and

Funding Source	Description	Potential Application
		reconstruction of roadways.
<b>Transportation System Development Charges (SDC)</b>	SDCs are fees assessed to development for impacts on public infrastructure. SDCs may be an improvement fee, a reimbursement fee, or a combination thereof. Reimbursement fee revenues are dedicated to capital projects that increase capacity to meet the needs of growth. SDC credits are provided to developers for public improvements they construct which add capacity to the system beyond that required to serve their development. SDC credits may also be given for development provisions that reduce vehicular capacity demand on the transportation system, such as providing end-of-trip bike facilities within the new development. The city could expand the SDC rate for transportation.	<b>The City already uses this funding source, however there are opportunities to continue and expand use.</b> SDCs may only be used for the portion of transportation improvements that generate additional capacity demand related to growth.
<b>Stormwater SDCs, Grants, and Loans</b>	SDCs, grants, loans, and stormwater improvement fees can be obtained for improving stormwater management facilities constructed as part of transportation system improvements.	<b>The City already uses stormwater utility fees for transportation, but not stormwater SDCs. Applying stormwater specific SDCs could increase revenue generation and provide opportunity to expand use.</b> SDCs may only be used for the portion of transportation improvements that generate additional stormwater management capacity related to growth.
<b>Local Fuel Tax</b>	A local tax can be assessed on the purchase of fuel within the City. This tax is added to the cost of fuel at the pump, along with the state and federal fuel taxes. The City could increase the local gas tax leveraged per gallon.	<b>The City already uses this funding source, however there are opportunities to continue and expand use by increasing the local gas tax leveraged per gallon.</b> This revenue can be applied to system-wide transportation facilities including streets, sidewalks, and bikeways.
<b>Incentives</b>	The City could provide enticements such as bonus densities and flexibility in design in exchange for a public benefit. Examples might include providing miscellaneous facilities such as additional EV parking, bicycle parking,	<b>The City already uses this funding source, however there are opportunities to continue and expand</b>



Funding Source	Description	Potential Application
	and transit stops in exchange for bonus densities. Incentives may be used with SDC methods to reduce transportation impacts from new development.	<b>use.</b> This revenue can be applied to system-wide transportation facilities including streets, sidewalks, bikeways, and transit.
<b>Public/Private Partnerships</b>	Public/private partnerships have been used around the country to provide public transportation amenities within the public right-of-way in exchange for operational revenue from the facilities. These partnerships could be used to provide services such as vehicle charging stations, public parking lots, bicycle lockers, or car share facilities.	This revenue can be applied to system-wide transportation facilities including streets, sidewalks, bikeways, and transit.
<b>Tax Increment Financing (TIF)</b>	TIF is a tool that cities and counties may use to create special districts (tax increment areas) where public improvements are made to generate private-sector development. During a defined period, the City freezes the tax base at the pre-development level. Property taxes for that period can be waived or paid, but taxes derived from increases in assessed values (the tax increment) resulting from new development can go into a special fund created to retire bonds issued to originate the development or leverage future improvements. A number of small-to-medium sized communities in Oregon have implemented, or consider implementing, urban renewal districts that will result in a TIF revenue stream.	<b>The City already uses this funding source, however there are opportunities to continue and expand use.</b> This revenue can be applied to system-wide transportation facilities including streets, sidewalks, bikeways, and transit.
<b>Revenue and General Obligation Bonds</b>	Bonding allows municipal and city government to finance construction projects by borrowing money and paying it back over time, with interest. Financing requires smaller regular payments over time compared to paying the full cost at once, but financing increases the total cost of the project by adding interest. General obligation bonds are often used to pay for construction of large capital improvements and must be approved by a public vote. These bonds add the cost of improvement to property taxes over time.	<b>The City already uses this funding source, however there are opportunities to continue and expand use.</b> Construction of major capital improvement projects within the City, street maintenance and incidental improvements.
<b>Local Improvement Districts (LIDs)</b>	LIDs pool funds from property owners to make local transportation improvements.	This revenue can be applied to transportation facilities including streets, sidewalks, bikeways, and transit located within the LID area.
<b>Street Fund Serial Levy</b>	This levy is a voter-approved property tax levied in addition to the permanent tax rate.	This revenue can be applied to operations or capital programs.



Funding Source	Description	Potential Application
<b>Vehicle Registration Fee</b>	An extra fee on all registered motor vehicles in the City. Requires City-wide and county approval and implementation.	This revenue can be applied to operations or capital programs. Although the City already receives a county wide portion of the Vehicle Registration fee, the City may be able to increase this funding source by issuing an extra fee.
<b>Hotel/Motel Taxes</b>	Under state law, 70% of revenues from such taxes must fund programs boosting tourism. Many jurisdictions have hotel/motel taxes and could use a portion of the revenue for transportation investments.	There currently are no hotels or motels within City limits, however this could change in the future or the program could be expanded to include short-term rentals. This revenue can be applied to tourism, economic development, and sidewalk improvement programs.
<b>Dedicated Property Taxes</b>	The City can establish a dedicated property tax to fund its Major Streets Transportation Improvement Program (SSMP).	<b>The City already uses this funding source, however there are opportunities to continue and expand use.</b> This revenue can be applied to system-wide transportation facilities.

## State and Federal Funding Mechanisms

In addition to local funding sources, the City can seek opportunities to leverage funding from state and federal funding sources. **Table 7** outlines state and federal sources and their potential applications. The City has sought funding through several of these programs in the past and will continue to do so. State and federal sources change regularly as new transportation legislation is passed or existing legislation is modified. Potential state funding sources are limited and competitive. Any future improvements that rely on state funding may require City and regional consensus that they are more important than needs elsewhere in the region and the state.

Table 7. Potential State and Federal Funding Mechanisms

Funding Source	Description	Potential Application
<b>State Fundings Mechanisms</b>		
<b>Statewide Transportation Improvement Program (STIP)</b>	STIP is the State of Oregon's four-year transportation capital improvement program. ODOT's system for distributing these funds has varied over recent years. Generally, local agencies apply in advance for projects to be funded in each four-year cycle.	Projects on any facility that meet the benefit categories of the STIP.
<b>All Roads Transportation Safety Program (ARTS)</b>	The federal Highway Safety Improvement Program (HSIP) is administered as ARTS in Oregon. ARTS provides funding to infrastructure and non-infrastructure projects that improve safety on all public roads. ARTS requires a data-driven approach and prioritizes projects in demonstrated problem areas.	Areas of safety concerns within the City, consistent with Oregon's Transportation Safety Action Plan.
<b>Immediate Opportunity Fund (IOF)</b>	The IOF is discretionary and provides funding for transportation projects essential for supporting site-specific economic development projects. These funds are distributed on a case-by-case basis in cooperation with the Oregon Economic and Community Development Department. These funds can only be used when other sources of financial support are insufficient or unavailable. These funds are reserved for projects where a documented transportation problem exists or where private firm location decisions hinge on the immediate commitment of road construction. A minimum of 50 percent match is required from project applications.	Any identified projects that would improve economic development in the City and where there are documented transportation problems.
<b>Connect Oregon</b>	Lottery-backed bonds distributed to air, marine, and rail projects statewide. No less than 10 percent of Connect Oregon funds must be distributed to each of the five regions of the state, if there are qualified projects in the region. The objective is to improve the connections between the highway system and other modes of transportation.	System-wide transportation facilities.
<b>Oregon Parks and Recreation Local Grants</b>	Oregon Parks and Recreation Department administers this program using Oregon Lottery revenues. These grants can fund acquisition, development, and major rehabilitation of public outdoor parks and recreation facilities. Local match is required.	Trails and other recreational facility development or rehabilitation.
<b>Oregon Transportation Infrastructure Bank (OTIB)</b>	A statewide revolving loan fund is available to local governments for many transportation infrastructure improvements, including highway, transit, and non-motorized projects. Most funds made available through this program are federal; streets must be functionally classified as a major collector or higher to be eligible for loan funding.	Infrastructure improvements to major collectors or higher classified roads for vehicle, transit, and non-motorized travel.
<b>State Highway Fuel Tax</b>	ODOT is currently researching a state user fee for drivers to address steady or declining state gas tax revenues. An	System-wide transportation facilities including streets,



Funding Source	Description	Potential Application
<b>Increase or User Fee</b>	increase in the state gas tax or a user fee would need to pass through state legislation and would increase the state's transportation funds.	sidewalks, bikeways, and transit.
<b>Multi-modal Active Transportation Fund</b>	This fund invests in multimodal transportation infrastructure improvements across Oregon.	Pedestrian and bicycle-related projects.
<b>Safe Routes to School (SRTS)</b>	SRTS, administered by ODOT, focuses on infrastructure and non-infrastructure programs to improve access and safety for children to walk, roll, and/or bike to school. The City can continue to pursue grant funding through this program.	Pedestrian and bicycle-related projects within the vicinity of local schools.
<b>Oregon Community Paths (OCP)</b>	This State of Oregon program combines funds from the Multimodal Active Transportation Fund, Oregon Bicycle Excise Tax, and federal Transportation Alternatives Program to help communities create and maintain connections with primarily off-street pedestrian and bicycle facilities.	Off-street pedestrian and bicycle facilities (primarily).
<b>ODOT Bridge Program</b>	ODOT's Bridge Section coordinates selection and funding of Federal Highway Bridge Program bridges through the Local Agency Bridge Selection Committee, a committee of City, County, and state representatives. Local agency bridges are prioritized using a Technical Ranking System and selected in categories of Large (30,000+ square feet of deck area), Small On-System, and Small Off-System.	Bridges: The City does not currently have any bridges that fall into this category as the County maintains most bridges.
<b>ODOT Emergency Operations Program Funding</b>	A federal program that provides emergency funding for repair or reconstruction of highways and roads damaged during natural disasters or catastrophic failures. ODOT's Maintenance and Operations Branch administers the Emergency Operations Program and can assist local agencies navigate the Emergency Repair process.	Highway and bridge repair from natural disasters or catastrophic failures.
<b>Transportation Options</b>	The TO program focuses on implementation of the Oregon Transportation Options Plan, including: managing demand across the transportation system; educating students and the public on travel options and how to safely use them; connecting veterans, low income populations, communities of color, and others with ways to get to and from work or school; supporting vanpooling; and more.	Projects supporting implementation of the Oregon Transportation Options Plan.
<b>State Transit Improvement Fund (STIF) and Public Transportation Funds</b>	STIF is a newer dedicated source of funding under Section 122 of the House Bill (HB) 2017 Transportation Funding Package for improving or expanding public transportation service in Oregon.	Pedestrian and bicycle improvements that provide connections to transit.



Funding Source	Description	Potential Application
<b>State Highway Trust Fund/Bicycle Bill</b>	When roads are constructed or reconstructed, Oregon law requires walkways and bikeways be provided. Additionally, all agencies receiving State Highway Funds are required to spend at least 1% of those funds on bicycle and/or pedestrian infrastructure improvements (ORS 366.514). Currently, cities and counties receive 20% and 30% of the state's highway trust funds, respectively, which can be used for walking and biking projects along roads.	Bicycle and pedestrian projects.
<b>Sidewalk Improvement Program (SWIP)</b>	ODOT's SWIP builds pedestrian and bicycle facilities on state roads and local roads that help people moving across or around the state system.	Bicycle and pedestrian projects.
<b>Various Public or Private Grant Programs</b>	Many public and private grant programs exist, such as People for Bikes, that offer funding support for transportation infrastructure. New such grant programs are formed often and should be regularly tracked by the City.	Various depending on the grant program.
<b>Federal Funding Mechanisms</b>		
<b>Infrastructure Investment and Jobs Act (IIJA)</b>	The IIJA (aka "Bipartisan Infrastructure Law," BIL) signed into law in November 2021 includes a five-year (FY 2022-26) reauthorization of existing federal highway, transit, safety, and rail programs as well as new programs (resilience, carbon reduction, bridges, electric vehicle charging infrastructure, wildlife crossings, and reconnecting communities) and increased funding. Oregon will receive over \$4.5 billion over the next five years.	Projects around the state that will benefit drivers, transit riders, cyclists, and pedestrians, and that help maintain roads and bridges, and address climate change.
<b>Infrastructure for Rebuilding America (INFRA)</b>	INFRA (known statutorily as the Nationally Significant Multimodal Freight & Highway Projects) awards competitive grants for multimodal freight and highway projects of national or regional significance to improve the safety, efficiency, and reliability of the movement of freight and people in and across rural and urban areas.	Projects that improve safety, generate economic benefits, reduce congestion, enhance resiliency, and hold the greatest promise to eliminate freight bottlenecks and improve critical freight movements.
<b>Rebuilding American Infrastructure with Sustainability and Equity (RAISE)</b>	The RAISE Discretionary Grant program invests in road, rail, transit, and port projects that promise to achieve national objectives. RAISE can provide capital funding directly to any public entity, including municipalities, counties, port authorities, tribal governments, MPOs, or others in contrast to traditional Federal programs which provide funding to very specific groups of applicants (mostly State DOTs and transit agencies).	Road, rail, transit, and port projects aimed toward national objectives with significant local or regional impact.
<b>National Highway Performance Program (NHPP)</b>	The NHPP provides support for the condition and performance of the National Highway System (NHS), for the construction of new facilities on the NHS, and to ensure that investments of Federal-aid funds in highway construction are	NHS roads and bridges (and non-NHS bridges so long as bridge condition provision requirements are satisfied).

Funding Source	Description	Potential Application
	directed to support progress toward the achievement of performance targets established in a State's asset management plan for the NHS.	
<b>Highway Safety Improvement Program (HSIP)</b>	The HSIP is a core Federal-aid program with the purpose to achieve a significant reduction in traffic fatalities and serious injuries on all public roads, including non-State-owned roads and roads on tribal land. The HSIP requires a data-driven, strategic approach to improving highway safety on all public roads with a focus on performance.	Safety projects.
<b>Congestion Mitigation and Air Quality Improvement Program (CMAQ)</b>	CMAQ is a federally-funded program for surface transportation improvements designed to improve air quality and mitigate congestion. CMAQ funds are apportioned annually to each State according to the severity of its air quality problems. The program is jointly administered by Federal Highway Administration and the Federal Transit Administration.	All types of transportation projects that improve air quality and mitigate congestion.
<b>Transportation Alternatives (TA)</b>	The Bipartisan Infrastructure Law continues the TA set-aside from the Surface Transportation Block Grant (STBG) program. Eligible uses of the set-aside funds include all projects and activities that were eligible under the previous spending bill. This encompasses a variety of smaller-scale transportation projects.	Pedestrian and bicycle facilities, recreational trails, safe routes to school projects, community improvements such as historic preservation and vegetation management, and environmental mitigation related to stormwater and habitat connectivity.
<b>Federal Lands Access Program (FLAP)</b>	The FLAP was established to improve transportation facilities that provide access to, are adjacent to, or are located within Federal lands. The FLAP supplements State and local resources for public roads, transit systems, and other transportation facilities, with an emphasis on high-use recreation sites and economic generators.	Projects accessing high-use Federal recreation sites or Federal economic generators.
<b>Congressionally Directed or Discretionary Funds</b>	Congressionally Directed funds may be received through either highway program authorization or annual appropriation processes. These funds are generally described as "demonstration" or "earmark" funds.	Highway freight projects on the National Highway Freight Network, NHS highway/bridge projects/project in National Scenic Areas, freight rail/intermodal/port projects, rail-highway grade crossings or grade separation projects.

Funding Source	Description	Potential Application
<b>National Highway Freight Program (NHFP)</b>	The NHFP was created by the FAST Act to invest in freight projects on the National Highway Freight Network. This program is apportioned to States by formula and a State must have had a freight plan in place beginning FY 2018 in order to receive formula funding.	Construction, operational improvements, freight planning, and performance measures.

## NEXT STEPS

This memorandum documents the estimated types and amounts of revenue the City will have through 2044 for implementing prioritized projects and programs. It will be reviewed by the Project Management Team, the TSP Advisory Committee, and the TSP Technical Committee and updated to produce a final financial forecast. This financial forecast will be used when developing the financially constrained capital project lists.