

transportation revenues for cities come from federal sources (around four percent), with 96 percent of transportation revenues for cities derived from local and state sources. Counties and cities rely heavily on local property taxes, gasoline taxes, and local assessment and fees for transportation funding.

## **Transportation Funding for Josephine County**

The funding for Josephine County roads (known as the "County Road Fund") historically has come from two main sources: (1) the County's Oregon Highway Fund apportionment, and (2) the County's share of U.S. Forest Service timber receipts. An interest earning reserve is kept to respond to historical fluctuations in timber receipts, and to provide some cushion in case revenues decline unexpectedly.

### ***County Road Fund Revenues and Expenditures***

For the past ten years, state and federal revenues distributed to Josephine County have contributed approximately 95 percent of the County Road Fund revenues. The remaining revenues come from local fees and reimbursements, and interest. Prior to 1980 the County Road Fund's major source of revenue was receipts from timber sales on the national forests in Josephine County. The U.S. Forest Service revenues have been used by the County to make significant capital improvements to its road system.

Federal revenue from timber sales has declined in recent years to around 25 percent of total revenue (\$1.6 million.) Reserve fund revenue has been used to make up for the reduced federal revenue, but the County has indicated that it intends to reduce future expenditures for capital transportation improvements so that the County Road Fund will not rely on reserve revenue as a regular funding source. In fiscal year 1994 reserve funds constituted 10 percent of total revenue, or \$650,000.

Shared revenues from the Oregon Highway Fund contributed \$3.7 million to the County Road Fund in FY 1994, or 60 percent of the total revenue. The County generally uses these funds for the operation and maintenance needs of the County's roadways.

Local revenue sources for the County Road Fund are limited to interfund charges and reserve revenue. Josephine County has not levied property taxes or other local taxes for roads since 1981.

### ***Outlook for County Road Fund Revenues***

ODOT expects some growth in the State Highway Fund through fiscal year 98. Josephine County's share of the State Highway Fund is projected to grow at a rate of one to four percent per year. The increased revenue will probably be offset by inflation. However, this revenue source provides a reasonably reliable source of funds for roadway maintenance and operation. Given the ongoing needs for maintenance and the slow rate of growth it is unlikely that this source will provide significant funds for any capital improvements.

The County's share of forest revenues is no longer tied directly to the level of timber sales due to the "spotted owl compromise" legislation approved by Congress. Under the terms of

this legislation counties are guaranteed timber receipt payments on a schedule set by Congress. Under this legislation timber payments to the County road fund will decline from \$1.6 million in FY 1994 to \$1.4 million in FY 1998. Unless timber receipts produce payments larger than the guaranteed minimum, payments to the County are expected to decline from \$1.4 million in FY 1999 to \$1.1 million in FY 2003. While this is a fairly stable and reliable funding source, the amount of funds available to the County for capital improvements from this source is declining at a time when needs are increasing.

Other potential sources of revenue for transportation improvements include payments by developers to mitigate transportation impacts of new developments, and dedication of right of way for public use. While this could help with transportation facilities serving new development, it will not provide much help for transportation improvements to serve existing development. In addition, it is not possible to predict the amount or timing of such funding.

### ***Transportation Funding for Grants Pass***

The City of Grants Pass budgeted \$2.25 million in FY 1995, and \$1.79 million in FY 1996 for transportation purposes. The largest source of revenue for transportation purposes is the State Highway Fund, which contributed \$844,000 in FY 1995 (35 percent of total revenue), and \$870,000 in FY 1996 (42 percent of total revenue). This funding source has grown at a rate of four to five percent per year for the past five fiscal years. While this is a relatively slow rate of growth (likely less than the rate of inflation), it is a stable and predictable funding source. The only other source of state funding for transportation in Grants Pass during FY 1995 and FY 1996 is a \$64,000 Regional Strategy Grant funded by the Oregon Lottery.

Other sources of revenue for transportation come from local sources. These include Special Assessments collected from property owners for improvements that directly benefit their properties (which contributed \$761,000 over the two years for which data was available), \$782,000 in FY 1995 from the Grants Pass Parkway Redevelopment Agency (an urban renewal district funded by an incremental property tax assessed in the district), and the City's General Fund. The City does not use property tax revenue for transportation purposes. Funds transferred from the General Fund are generated from franchise fees, business license taxes, permit and license fees, fees for services, and the state per capita payments from alcohol and cigarette taxes.

The City spends over half of its transportation budget on capital improvements. In FY 1995, 67 percent of the \$2.25 million budget was used for transportation capital improvements. The remaining 33 percent was used for maintenance and operation of the transportation system. In FY 1996, 57 percent of the \$1.79 million budget is for capital improvements, and the remainder is for maintenance and operation.

### ***Outlook for Existing Transportation Revenue Sources in Grants Pass***

The City of Grants Pass currently allocates the majority of their transportation budget for capital improvements (57 percent in FY 1995 and 67 percent in FY 1996.) A major source of the funds for capital improvements comes from special sources linked to specific

transportation improvements, e.g., the Grants Pass Parkway Redevelopment Agency and Special Assessments. If funding continues to be available from these sources at the current level the City will continue to make significant investments in capital improvements. However these funding sources are not predictable, and do not contribute funds for general capital improvement needs.

The City appears to be deferring some needed maintenance (possibly due to the limited gas tax funds available to the City) and upgrades to existing facilities. The list of needed improvements included in Chapter 4 identifies many locations where roadways do not have shoulders, there is insufficient right-of-way and/or land width to meet current roadway design standards, and other physical deficiencies in the transportation facilities.

The City will need additional resources to complete these upgrade projects, properly maintain the transportation system, and to implement the identified capital improvement projects. The City must establish a stable funding base to cover the increasing maintenance costs, and provide for future capital projects. A street utility and/or local gas tax are two possible options that should be pursued as soon as possible.

#### ***State and Federal Revenues for Grants Pass***

According to estimates by ODOT, the State Highway Fund should grow faster than inflation for the next ten years, then decline in real terms through the following decade. It is reasonable to expect Grants Pass to experience similar trends. While this does not allow any significant increase in funds available to expand maintenance or capital budgets, it is a reliable and predictable source for the City.

Grant revenue from Regional Strategy Funds, and other state and federal sources are awarded on a case-by-case basis for economic development and other purposes. These grant programs are very competitive and the City cannot count on receipt of grant funds on a regular or predictable basis. While they could provide funding for some special projects, they will not be a very good source for implementation of the list of capital improvements identified in Chapter 4.

#### ***Transfers from the City's General Fund***

Transfers from the General Fund are from relatively stable sources of revenue. These funds contribute about \$200,000 per year for maintenance, and provide a source for capital improvements (\$111,000 in FY 1996). General Fund money can be used for any expenditure the City chooses, so this source is open to many competing demands. While the General Fund will continue to be a stable source for maintenance, it provides only a quarter of the funds used for maintenance of the transportation system. Contributions from the General Fund for capital improvements are very limited and less certain; but it appears that these funds can be tapped occasionally for high priority projects for the City for which there is no other funding source, or to provide local match for state and federal funds.

### ***Special Assessment Districts***

A special assessment district is created to fund a specific transportation project that benefits a designated geographic area. The district can levy taxes, collect charges for services and issue debt independently of other local governmental units. Special districts typically are formed to carry out local improvements or to provide public services for the benefit of property owners within the district boundaries. Local improvement districts (LIDs) commonly are used for transportation improvements by municipalities.

Grants Pass generates significant revenues from LIDs. However the revenue from this source is tied to specific projects and cannot be used for other transportation purposes. Future revenue from this source is tied to the successful formation of additional LIDs, so future revenues from this source will be highly variable and difficult to predict. However, this approach could be used to finance some of the improvements identified in Chapter 4, including urban upgrade projects.

The Grants Pass Parkway Redevelopment Agency can provide funds for transportation projects within the district that support the mission of the agency (economic development). Future revenue from this source will depend on development interest in the area and revenues generated by the agency; expenditures of funds from the Redevelopment Agency will be tied to projects that benefit the district.

### ***Right-of-Way Dedications and Developer Improvements***

Grants Pass requires developers to provide right-of-way dedications and to construct transportation improvements to support new developments. The City's Development Code contains several articles which require developers to provide streets and sidewalks within new developments in accordance with the City's design standards for such facilities. The City's development standards ensure that local streets built within new subdivisions and sidewalks on arterials and collectors will be improved to City standards as property is developed. The City will not need new revenue for these types of improvements, as they will be built along with any new development.

Standards also exist for roadway improvements in the area between the City limits and the Urban Growth Boundary. Josephine County adopted road standards (including urban street standards) for this area. Developments within this area would be required to meet these standards as part of their development.

### **Future Transportation System Improvements**

Chapter 4 includes the list of transportation improvements identified for the Grants Pass Urban Area. These include capital improvements to complete important links in the transportation system and provide for anticipated growth, and urban upgrade projects to bring existing facilities up to current design standards for the City and County. The list of improvements in Table 4-2 includes 31 transportation system improvement projects to be implemented over the next 20-25 years. The total cost for these improvements is estimated to be nearly \$53 million in 1995 dollars.

Table 8-1 summarizes the estimated costs for these projects according to their priority (high, medium or low), and their estimated timing for construction (1998-2005, 2006-2015, and 2015+). Project costs were estimated by developing "unit costs" for individual project components (e.g., lane feet of asphalt and square feet of sidewalk, traffic signals, etc.), identifying the individual components for each project, and then summing the total for each project. These costs are estimated in 1995 dollars, which have not been inflated to reflect actual dollar costs in the future.

**Table 8-1 Cost Summary for Transportation System Improvements - 1995 Dollars**

Timing	High Priority	Medium Priority	Low Priority
1998-2005	\$550,711	\$3,693,953	\$2,587,713
2006-2015	\$19,917,976	\$10,842,774	\$8,621,807
2015+			\$6,345,186
<b>Total</b>	<b>\$20,468,687</b>	<b>\$14,536,727</b>	<b>\$17,554,706</b>

In addition to transportation system improvements 88 urban upgrade projects were identified to improve existing roadways within the urban area. Of these, 10 are City of Grants Pass projects (\$929,944), 68 are Josephine County projects (\$52,448,940), and 10 are ODOT projects (\$25,854,000). Table 8-2 summarizes these projects by agency, timing and priority.

**Table 8-2 - Cost Summary for Urban Upgrade Projects - 1995 Dollars**

Timing	High Priority	Medium Priority	Low Priority
<b>1998-2005</b>			
City of Grants Pass	\$0	\$0	\$0
Josephine County	\$651,309	\$4,508,071	\$2,059,245
ODOT	\$21,355,000	\$315,000	\$0
<b>Subtotal</b>	<b>\$22,006,309</b>	<b>\$4,823,071</b>	<b>\$2,059,245</b>
<b>2006-2015</b>			
City of Grants Pass	\$514,222	\$347,589	\$45,565
Josephine County	\$4,526,541	\$11,570,539	\$1,258,786
ODOT	\$0	\$4,184,000	\$0
<b>Subtotal</b>	<b>\$5,040,763</b>	<b>\$16,102,128</b>	<b>\$1,304,351</b>
<b>2015+</b>			
City of Grants Pass	\$0	\$0	\$22,568
Josephine County	\$2,441,015	\$16,615,440	\$8,817,994
ODOT	\$0	\$0	\$0
<b>Subtotal</b>	<b>\$2,441,015</b>	<b>\$16,615,440</b>	<b>\$8,840,562</b>
<b>Total</b>	<b>\$29,488,087</b>	<b>\$37,540,639</b>	<b>\$12,204,158</b>

Device	Definition	Volume Reduction	Speed Reduction	Change in % Trucks	Environment/Pollution Changes in conditions		Safety			Emergency/Service Vehicle Access/Delay	Dependence on Police Enforcement	Level of Violation	Type/Classification of Street			Impact on Adjacent Arterial	Use on Bus Route	Use with Driveways On Street	Use with Curb & Gutters	Construct Cost/ Problems	Maintenance Cost/ Problem	Aesthetics/Landscaping Potential	Useful for Spot/Area-wide Problems	
					Noise	Air	Vehicle Conflicts	Pedestrian	Bicyclist				Collector	Registered Collector	Local Access									
					No change	No change	-	-	Improved				Yes	Yes	Yes									
Bicycle Lanes	Lanes reserved for bicycles	No	No	No	No change	No change	-	-	Improved	No effect	-	Low	Yes	Yes	Yes	No	Yes	Plan with care	-	Low	Low	-	Both	
Crosswalks	Painted pedestrian crossing areas mid-block or at intersections	No	No	No	No change	No change	No change	No change	No change	-	-	Low	Yes	Yes	Yes	No	Yes	Yes	Yes	Low	Low	No	Both	
Curb Extensions (Entry, Exit, Mid Block)	Extension of the curb into the roadway to create a narrower travel lane to protect parking strip or shorten pedestrian crossing distance	No	Slight	No	Slight Improvement	No change	No effect	Improved	Plan with care	No problems	-	-	Yes	Yes	Yes	No	No	Yes	Yes	Moderate	Low to Moderate	Yes	Both	
Diagonal Diversions	Barrier placed diagonally across an intersection to force drivers to make a sharp turn but not allow other movements	Yes	Likely	Yes	Reduction	Improved	Improved	Varies	Varies	Minor Constraint	Self Enforcing	-	No	Avoid	Yes	Yes	Plan with care	Yes	Yes	Low	Moderate	Yes	Usually Area-wide	
Enforcement (Visible & active police presence)	Extensive traffic enforcement, "emphasis patrols"	Not likely	Yes, temporary	Not likely	Possible reduction	No change	-	Improved	Improved	-	High	Low	Yes	Yes	Yes	Yes	Yes	Yes	-	-	Moderate	-	Both	
Forced Turn Islands, Barriers, Channelization	Traffic islands or curbs specifically designed to prevent traffic from executing specific movements at an intersection	Yes	Likely	Yes	Reduction	No change	Improved	Improved	Varies	Minor constraints	-	Low	Yes	Yes	Yes	Yes	No Major Effect	Yes	Yes	Can be complex	Low	Optional, Depends upon priority	Both	
Median Barriers	Barrier along the center line of a roadway to prohibit left turns or cross traffic	Yes	No	Possible	reduction	Decrease	Improved	Varies	Varies	Minor constraints	-	Low	Yes	Yes	Yes	No	Possible	Plan with care	Yes	Complex	Varies	Varies	Both	
Median Entry/Exit Islands	Traffic islands used to create narrower roadway at entry/exit point	Possible	No	Possible	Possible reduction	Possible Decrease	Improved	Improved	Varies	Minor constraints	-	Low	Yes	Yes	Yes	No	No	Yes	Yes	Low	Varies	Yes	Both	
Median Mid Block Islands	Traffic islands between intersections to create a narrower roadway or provide refuge for crossing pedestrians	No	Slight	Slight	No change	No change	Improved	Improved	Varies	Minor constraints	-	Low	Yes	Yes	Yes	No	Possible	Plan with care	Yes	Low	Low	Varies	Both	
Mid-Block Slow points, Chicanes	Curbed islands or curb extensions protruding into the roadway, leaving a single-lane or narrow two-lane gap, often at an angle to the centerline	Yes	Yes	Likely	Reduction	Decrease	Improved	Improved	Questionable	Minor constraint	Self Enforcing	-	Yes	Yes	Yes	No	Yes	Avoid near driveways	Yes	Moderate	Moderate to High	Yes	Both	
Neighborhood Traffic Safety/Campaign Program (Education)	Distribute safety information, special pedestrian safety classes for children	No	Not likely	Not likely	No change	No change	-	Possible improvement	Possible improvement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Both
Neotraditional Neighborhood Design	Integrated land use and transportation design to increase transit and non-motorized travel to non-residential destinations within the neighborhood	Likely	Likely	Likely	Likely reduction	Unknown	Improved	Improved	Improved	No constraint	-	Low	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Can be high	Varies	High	Area	
Novelty signs	"Slow - Nudist Crossing", etc.	No	No	No	No change	No change	No change	No change	No change	-	-	High	No	No	Yes	-	-	-	-	Low	High	No	Spot	
Odd speed limit signs	"13 MPH", etc.	No	No	No	No change	No change	No change	No change	No change	-	High	High	No	Yes	Yes	-	-	-	-	Low	High	No	Spot	
One-Way Entry/Exit Chokers, Half closures, Semi-Diversions	A barrier to traffic in one direction of a street which permits traffic in the opposite direction to pass through	Possible	Yes	Not likely	Reduction	No change	Improved	Improved	Improved	Minor constraint	Initially high	Varies	Avoid	Avoid	Yes	Possible	Plan with care	Yes	Yes	Low	Moderate	Yes	Both	
One-Way streets and signs	Restricted entry/exits to/from neighborhoods, one-way street patterns	Yes	Varies	Possible	Reduction	Improved	Improved	Improved	Improved	Plan with care	Low	Low	Yes	Yes	Yes	Yes	Plan with care	Yes	-	Low	Low	-	Usually Area-wide	
Parking Vanants Class I (Zones, Signs, Striping, timed, resident restricted)	Parking areas create narrower roadways and increased activity leading to increased attention by drivers	Possible	Likely	Likely	Possible reduction	No change	Possible improvement	Possible improvement	-	No effect	Low	Varies	Yes	Yes	Yes	Yes	Yes	Yes	-	Low	Low	-	Both	
Parking Vanants, Class II (Shifting Traveled Way)	Alternating parking from one side of street to the other, parallel or diagonal	Possible	Likely	Not likely	Possible reduction	No change	Increased conflicts	Possible improvement	Varies	No effect	-	-	Yes	Yes	Yes	No	No	Yes	Yes	Low	Low	Yes	Spot	

Table 4-1 A Catalog of RTM Actions

Device	Definition	Volume Reduction	Speed Reduction	Change in % Trucks	Environment/Pollution Changes in conditions		Safety			Emergency/Service Vehicle Access/Delay	Dependence on Police Enforcement	Level of Violation	Type/Classification of Street			Impact on Adjacent Arterial	Use on Bus Route	Use with Driveways On Street	Use with Curbs & Gutters	Construct Cost/ Problems	Maintenance Cost/ Problem	Aesthetics/Landscaping Potential	Useful for Spot/Area-wide Problems
					Noise	Air	Vehicle Conflicts	Pedestrian	Bicyclist				Collector	Local Streets									
													Commercial	Neighborhood Collector	Local Access								
Pavement Treatment, Class II (Texture/Composition, Patterns, Color)	Special pavement compositions and markings to alert drivers of special conditions	Not likely	Possible	Possible	Possible reduction	No change	-	Possible Improvement	Varies	No constraint	-	-	Yes	Yes	Yes	No	Yes	Yes	-	Low	Low	-	Both
Pavement Treatments, Class I Marking and Striping & Color	Special pavement markings at entries, hazard locations or crosswalks to alert drivers of special conditions	No	Possible	Not likely	No change	No change	-	Possible Improvement	-	No effect	-	-	Yes	Yes	Yes	No	Yes	Yes	-	Low	Low	Yes	Both
Raised Crosswalks	Crosswalks raised transversely across the pavement	Possible	Yes	Not likely	No change	No change	-	Improved	Plan with care	Minor constraint	Self Enforcing	-	Plan with care	Yes	Yes	Yes	Plan with care	Yes	Yes	Moderate	Low to Moderate	Yes	Site
Speed Alert w/Warning	Residents use radar to clock speeds, record license plate numbers, police send notice to drivers	No	Varies	Not likely	Slight, temporary, reduction	No change	-	Slight, temporary, improvement	No change	-	High	-	Yes	Yes	Yes	No	Yes	Yes	-	-	Low	-	Both
Speed Bumps (about 3.5" X 6")	Short strips of raised pavement, avoid using on public streets	Possible	Varies	Yes	Increased noise	Increase	Safety problem	Improved	Plan with care	Significant problems	Self Enforcing	-	No	No	No	-	No	-	-	Low	High	-	Spot
Speed Humps (about 2.75-4" X 12")	Raised sections of pavement across the traveled way with curved transitions	Possible	Yes	Possible	No change	No change	-	Improved	Plan with care	Minor constraint	Self Enforcing	-	Plan with care	Yes	Yes	Yes	Yes	Yes	Yes	Low	Low to Moderate	Yes	Both
Speed limit signs	"25 MPH in residential areas", etc	No	No	No	No change	No change	No change	No change	No change	-	High	High	Yes	Yes	Yes	No	-	-	-	Low	Low	No	Both
Speed Tables (3-4" X 22")	Speed humps with a long flat section, often used as crosswalks	Possible	Yes	Possible	No change	No change	-	Improved	Plan with care	Minor constraint	Self Enforcing	-	Plan with care	Yes	Yes	Yes	Plan with care	Yes	Yes	Moderate	Low to Moderate	Yes	Both
Speed Watch	Illuminated display shows actual speed to passing drivers	No	Varies	Not likely	Slight, temporary, reduction	No change	-	Slight, temporary, improvement	No change	-	None	-	Yes	Yes	Yes	No	Yes	Yes	-	-	Low	-	Spot
Stop Signs	Stop signs, two way or four way, used to assign right-of-way at intersections.	Seldom	Varies	Not likely	Increased noise	Increase	Varies	Varies	Varies	No constraint	Low	Varies	Follow MUTCD guidelines	MUTCD guidelines	MUTCD guidelines	No	Yes	Yes	-	Low	Low	-	Both
Street Closures, Cu-De-Sacs	A complete barricade of a street at an intersection or a dead end street	Yes	Yes	Yes	Reduction	Improved	No	Improved	Improved	Significant constraints	-	-	No	No	Yes	Yes	No	Yes	-	Moderate	Moderate to High	Yes	Both
Traffic Circles	These geometric design features force traffic at intersections into circular maneuvers	Possible	Yes, near circle	Yes	No change	No change	Improved	Varies	Varies	Minor Constraint	Self Enforcing	-	Plan with care	Yes	Yes	Yes	Plan with care	Yes	Yes	Low	Moderate	Yes	Both
Traffic signals	Vehicle or pedestrian actuated	No	Possible	No	Increase	Increase	Improved	Improved	Improved	-	-	Low	Yes	Avoid	No	No	-	-	-	Moderate	Low	No	Both
Truck prohibitions	"No trucks over 10,000 lbs.", etc	Minor	No	Yes	Likely reduction	Slightly improved	Improved	Improved	Improved	-	-	Low	No	Yes	Yes	Yes	-	-	-	Low	Low	No	Area
Turn Prohibition sign	Regulatory signs at intersections	Yes	Likely	Possible	Reduction	No change	Improved	Varies	Varies	No effect	Low	Varies	Yes	Yes	Yes	Yes	Yes	Yes	-	Low	Low	-	Both
Woonerf	Traffic calmed residential area where the street is an extension of the front yards and vehicles share street space with bikes and pedestrians	Yes	Yes	Yes	Significant reduction	Improved due to lower vol.	Improved	Improved	Improved	No constraint	-	Low	No	No	Yes	No	No	Yes	Yes	High	Vanes	High	Spot

Table 4-1. A Catalog of RTM Actions

## **Funding Needed Transportation Projects**

The projected revenues for the City of Grants Pass and Josephine County for transportation purposes described earlier in this chapter are nowhere near the estimated costs for the identified transportation projects. Therefore the City and County will need to pursue additional funding options in order to implement the Master Transportation Plan. The City and County may want to pursue additional funding sources in the following order:

- Use federal or state funds first. Try to get more funds and/or grants from federal and state programs, or tie what might otherwise be local (City and/or County) projects (such as urban upgrades) to federal or state highway projects.
- For projects that the federal or state agencies will not fund, be sure the projects are needed and that the design options have considered lower-cost alternatives to address the problems.
- For the remaining projects that primarily serve new development, or specific properties, charge new development (through system development charges) and property owners (through LIDs or urban renewal districts) where possible and appropriate. Continue to require developers to provide local streets needed within new developments consistent with urban area design standards.
- For remaining needed, but unfunded projects, charge all residents regardless of their use of the transportation system through locally generated taxes such as property taxes, business license fees, or a sales tax. The City or County could issue general obligation or revenue bonds, backed by the revenue generated through such fees or taxed to finance transportation improvements.

The summary of planned transportation improvements in Table 4-2 includes preliminary information about potential primary and secondary funding sources for each of the planned improvements. These sources include: State/Federal, City General Funds, County Road Fund, Private Development, LID (Local Improvement District), SDC (System Development Charge), and Other. This is simply a "first cut" at identifying appropriate sources to pursue for each of the projects. The final funding package for the projects could include a different mix from the identified sources, or potential new sources that are not included in the table. By doing the initial assessment it is possible to identify general amounts of funds that would be needed from each of the major funding sources over the next 20-25 years in order to implement the planned improvements.

### ***Federal and State Sources***

All federal funding is handled through ODOT's funding process. Federal funds are administered by the state for a variety of purposes at the state, regional, county and local levels. The City of Grants Pass and Josephine County would apply for such funds through the regular ODOT process, beginning with ODOT staff in Region 3. The key factor for federal funding of major transportation improvements is to get them included as part of the Statewide Transportation Improvement Program (STIP) which is updated and adopted every

two years. The process for the next STIP (covering the period from 1998-2001) began in the Spring of 1996.

ODOT is the primary funding source for the interstate and state highways it maintains. In the Grants Pass Urban Area that includes: I-5, Highway 99 (Rogue River Highway), Highway 199 (Redwood Highway), and Highway 238 (Jacksonville Highway). Federal/State funds are indicated as the primary funding source for eight projects in the years 1-10, and four projects in the years 11-20. Several of these projects are included in the current STIP.

Funding for the Fourth Bridge across the Rogue River is not included in the current STIP. Funding for this project with state or federal funds may be difficult since the bridge would not be part of a federal or state highway.

Federal/State funding is indicated as a secondary funding source for more than 40 projects included in this Plan. Such funding for these projects is speculative. The City and County should have an aggressive program to secure federal and state sources, but should not count on receipt of sufficient funds from these sources to finance the planned improvements.

One project that directly involves a federal highway that does not identify any federal/state funds as the primary funding source is the I-5 interchange anticipated in years 11-20. This project is estimated to cost \$1.8 million. Since the interchange is needed to serve proposed new development, the primary funding source at this time is from private development.

There may be other projects in the list of planned improvements that would reduce congestion or otherwise improve traffic flow on state highways because of improvements to the arterial system. The City and County should seek to link such improvements to arterials with improvements on state highways to increase the chances for state funding.

Federal programs authorized by ISTEA pay for selected transportation projects that meet the specific criteria of individual federal programs. To receive ISTEA funding from these programs a project must meet the federal program criteria, and must be included in the current STIP. The City and County should work with Region 3 of ODOT to identify which of the planned improvements included in Chapter 4 would be eligible for ISTEA funds and ensure that these projects are included in ODOT's STIP.

### ***Josephine County Sources***

Currently Josephine County does not share funds with the City of Grants Pass for transportation improvements. The County is responsible for maintenance of roadways in the urbanizing area and some roads within the city limits that remain under County jurisdiction. It might seem that the County should fund improvements in the unincorporated areas within the UGB. As a practical matter, the City will need to take a large role (or the lead at times) in funding improvements in this area for several reasons: (1) the County's ability to fund transportation projects is limited by the County's charter restrictions; (2) transportation revenues at the County level are declining (due in part to declining revenue from timber sales); and (3) as the City annexes areas within the UGB, projects currently outside the City limits may be inside the City by the time they are needed, or scheduled for implementation.

The City of Grants Pass and Josephine County occasionally participate in cost sharing on individual projects. There is no on-going formal process to jointly fund transportation improvements; decisions are made on a project-by-project basis. In any case the City and County should work together to develop the best approach to funding needed improvements that serve City and County interests, particularly in the unincorporated area within the UGB.

### ***City of Grants Pass Sources***

While federal, state and county funds will continue to be important sources of funding to implement the transportation plan, these sources obviously will not provide sufficient funds for all of the projects included in the plan. Most projects that are expected to be funded through these sources will require local matching funds. City sources will be needed for match, and to pay for improvements that cannot be funded through other sources.

The City of Grants Pass should follow the general strategy for project funding described earlier in this chapter, through careful matching of projects to funding sources so that those who benefit most from the improvements contribute the most to their costs. If property owners are unwilling to contribute to transportation improvements that benefit them (through LID, SDCs or other special assessments) the City must then decide whether to use general funds for the project or whether to eliminate the project.

Projects that serve people throughout the Urban Area can be financed from sources generated throughout the area. This includes existing funding sources or potential new sources tied to the use of the particular transportation improvements.

### ***Private Funding Sources***

The City of Grants Pass Development Code and the Josephine County Ordinances require developers to provide right-of-way dedications for public roads that serve the development and require that transportation facilities within the developments meet City and County design standards. The City Code and County Ordinances specify standards for new streets, sidewalks and paths. Private Development is indicated as the primary funding source for 23 of the projects included in Table 4-2. These projects would serve primarily new development areas. The secondary funding sources identified for these projects are mostly LIDs or the County Road Fund. Implementation of these projects is dependent on the development taking place and funding being provided by the private sector.

### ***Local Improvement Districts***

A Local Improvement District (LID) is a special governmental entity created to fund a specific project within a specified geographic area. The LID can levy taxes for its support, collect charges for its services and issue debt independently of other governmental units. LIDs typically are formed for the purpose of carrying out local improvements or providing public services for the direct benefit of property owners within the district boundaries and are rarely used for larger transportation projects serving regional traffic.

Over seventy of the projects included in Table 4-2 indicate LIDs as the primary funding source for implementation. The large number of projects and their associated cost, account

for more than 40 percent of the total cost for all of the projects included in this Plan. This is a larger total than for any of the other funding sources listed in Table 4-2. LIDs were selected as the primary potential funding source for these projects because they would serve relatively limited geographic areas. The secondary funding sources identified for these projects include private development, SDCs, County Road Fund and Federal/State funds. While these projects primarily benefit nearby property owners, some of them will have wider impacts and benefits that would justify using funds from these secondary sources.

If all of these projects are to be constructed, it would require revenues of about \$1.1 million/year for years 1-10, \$2.8 million/year for year 11-20, and \$6.1 million per year for years beyond 2015 (assuming five years in this period.) LID funded expenditures were budgeted at \$50,000 in FY 1995, and \$700,000 in FY 1996. The amount needed to implement the LID type projects included in this Plan for the next ten years far exceeds the level of LID revenue and expenditure in recent years. The level of expenditure indicated for the following decade far exceeds the level of all transportation capital expenditures funded by all revenue sources in the last two years. The level of expenditure needed for LID type expenditures beyond the next two decades is so high that the City will be faced with the choice of either implementing new fees or taxes to pay for the projects or simply doing without them.

### ***System Development Charges (SDCs)***

SDCs are fees paid by land developers to governmental entities in association with new development. SDC generated income is used to pay for capital improvements required to serve the new development, such as streets, water lines, and sewer service. Neither the City of Grants Pass nor Josephine County currently collect SDCs for transportation. This Plan does not identify any projects with SDCs as the primary potential funding source, but does identify SDCs as a potential secondary source for several projects, especially projects to be funded through LIDs.

### ***Other Funding Sources***

Other funding sources includes special purpose funding that may become available such as grants from the school district or the Grants Pass Parkway Redevelopment Agency. Four of the projects included in Table 4-2 identify the Redevelopment Agency as the primary potential funding source. The Redevelopment Agency would use urban renewal funds generated through a special property tax levied in the redevelopment district to fund these improvements. The secondary sources identified for these projects include LIDs and Private Development. These projects are not anticipated to receive any other local funding.

These four projects (medium and low priority) are estimated to require \$550,000 in years 1-10 and \$3.3 million in years 11-20.

### ***City of Grants Pass General Funds***

Three of the projects included in Table 4-2 identify City General Funds as the primary potential funding source; a secondary funding source was not identified for these projects.

The total estimated cost for these three projects is \$522,034; the majority of which is for one of the projects designated as high priority to be constructed within the next ten years.

An additional 14 projects identify City General Funds as a secondary funding source. The City's General Funds will be required to implement these projects as match for other funds, or to replace funding that may not come for the other identified sources. In addition, there may be additional projects included in Table 4-2 that will require City General Funds if their identified funding sources do not provide sufficient funds for the projects.

The City currently spends \$1-1.5 million per year for transportation-related capital construction. In the most optimistic scenario this would be sufficient to meet these identified needs. However, this conclusion is based on several key assumptions, including:

- Projects for which Federal/State is the primary funding source are fully funded from these sources, and the City will not need to provide matching funds. (These projects include the planned Fourth Bridge.)
- The City will implement SDCs, and this revenue source will contribute sufficient revenues to fund those projects identified for this source.
- All transportation projects within new developments are fully funded by private developers, LIDs, and/or SDCs, thus requiring no funds from the General Fund.
- LID funded projects that are not at least 60 percent funded by other sources will not be built; i.e., the City will not provide more than 40 percent of the funding for these projects.
- Projects identified with "Other" as the primary funding source will be fully funded by the school district, the Grants Pass Parkway Redevelopment Agency, or some other source, and will not require General Funds.

If these assumptions hold true, the City may be able to avoid raising additional revenue for transportation. However, it must pursue funding from Federal/State sources aggressively, implement SDCs, require developers to pay for transportation projects associated with new development, and refuse to build projects for which sufficient outside funding cannot be secured. In reality, these assumptions will be extremely difficult to achieve. There are several reasons to question them, as described below.

- Federal and state funding for the Fourth Bridge may be extremely difficult to secure because: (1) this bridge would not be on a federal or state facility; and (2) state and federal funds are limited and highly competitive. Even if federal or state funds become available for this project, a substantial local contribution would be required as match. This is an important project for the Urban Area. It is designated as High Priority and scheduled for implementation between 2006 and 2015.
- Developers and property owners may resist paying for transportation improvements and apply political pressure to use other sources to fund projects they want. The City may find it difficult to avoid using General Fund revenues to build some of the projects indicated to be funded from private sources such as SDCs, LIDs and Private Development.

- Increasing maintenance needs and inflation will erode the spending power of funds available for capital improvements for the transportation system. As the system ages, and as it expands to include new facilities, maintenance costs will increase faster than inflation. As maintenance costs increase, they may consume a larger proportion of the total funds available for transportation, thus reducing the amount available for capital improvements.

Currently there are no funding programs administered through the State that provide funds for new bridge construction. To secure federal funding, the Fourth Bridge project would need to be specifically funded by Congress as a special project when it reauthorizes the ISTEA legislation. Congressionally mandated project funding is highly speculative at this time. Even if Congress would authorize funds for this project, these funds would not cover the full costs. Additional City and County General Funds probably would be required, and the amount is likely to be substantial

The possibility for state funding may be slightly better since the Fourth Bridge may help traffic conditions on other state facilities (i.e. 6th and 7th Street through the downtown core.) However, state funds are very limited and the list of projects applying for these funds is long. In any case the City and County need to participate in ODOT's process to develop and update the STIP (Statewide Transportation Improvement Program,) to secure state funding for this project.

The Fourth Bridge is an important project for the area (designated as high priority) to be constructed sometime between 2006 and 2015. It is an expensive project, estimated to cost \$16 million in 1995 dollars. The most optimistic assumption is that federal and state funds would contribute 80 percent of the cost, which would require a local match of \$3.2 million. A more pessimistic assumption is that federal and state funds could contribute less than half of the costs. This represents a major difficulty for the City and County to raise the funds needed to implement the project. Even if the project were financed through bonds, the City and County would have to have some new revenue source to generate funds to pay off the bonds.

## **Additional Revenue Sources for Transportation Plan Implementation**

In summary, it is likely that the City of Grants Pass and Josephine County will have to find additional funding sources that will generate substantial amounts of revenue in order to implement this Transportation Plan. It is unlikely that sufficient federal, state, private, and other funds will be available to finance the projects indicated for funding from these identified sources. The level of expenditure needed to implement the planned system improvements and the long list of urban upgrades is way beyond the historical level of expenditure for the City, County and State for transportation purposes in this area.

In general, the City and County should seek revenue sources that charge travelers based on their use of the transportation system. However, it is difficult, if not impossible, to determine appropriate charges and to implement them successfully. Consequently the City and County

will need to look at revenue sources collected from the general population (residents and visitors) that are less directly tied to transportation usage.

### ***System Development Charges (SDC)***

It is recommended that the City of Grants Pass and Josephine County adopt an SDC program for transportation, which is sometimes referred to as Transportation Impact Fees (TIF). These types of charges are widely used in Oregon, and elsewhere, to help to finance transportation improvements needed to support new development. The national average for TIFs is \$1,329/residential unit. In 1994 Grants Pass issued 190 permits for new residential units (159 single family residences, 23 duplexes, and eight for apartment buildings.) Using the national average, local TIFs would have generated over \$250,000 for the City. Once it is established, a TIF program could be indexed to inflation or some other measure to ensure that it kept up with costs.

### ***Local Street Utility***

Even with a TIF, additional funding sources will be needed for the City and County. There are numerous projects that need to be implemented that are not related to new development and could not be funded through SDCs. Another possibility is to create a Street Utility. The utility could charge property owners a fee based on the amount of transportation "consumed" by the residence or business (possibly based on national trip generation rates for different types of land development). It might even be possible to charge "hook up" fees for new development.

As an example, a fee of \$2/month for each residential household, plus some charge to commercial properties could generate \$300,000 to \$400,000 annually for the City of Grants Pass. Revenue from this source would increase as the number of households and businesses increased, and it could be indexed to increase with inflation. In spite of the fact that this a fee based on use (rather than a general local tax) street utilities are not popular and are difficult to implement.

The City of Grants Pass and Josephine County will participate in the study of a transportation utility for the purpose of financing the development and maintenance of streets and storm drains within the above jurisdictions. The user fees are to be based on the number of parking spaces per unit of development with a minimum of one per living or commercial unit.

### ***Local Option Gas Tax***

Implementing a "local option" gas tax appears politically attractive because it charges travelers (presumably in some proportion to their use), places some of the transportation financing burden on non-residents, and a 1-2 cent/gallon gas tax probably would have little effect on the profits for local gasoline dealers. This revenue source could generate about \$140,000/year for each penny of tax. It is relatively easy to administer, does not cost much to collect, and provides a long term stable funding source.

However, a local option gas tax may require county-wide voter approval. Almost every proposed local option gas tax in Oregon has been defeated by voters. Given the general anti-tax sentiment in Josephine County, a local option gas tax would be a “hard sell” at the polls.

### ***Transportation System Tolls***

Another possible funding source is to levy tolls to directly charge users of specific facilities. This is particularly applicable to bridges, and should be considered for a Fourth Bridge. If a toll were applied to a new bridge, it would have to be applied to all river crossings so that travelers would not simply use the “free” facility in order to avoid paying a toll on the new facility. Based on 1994 average daily traffic on the 6th/7th Street bridged over the Rogue River (41,600), a 25 cent toll would generate over \$3 million annually (charging travelers in both directions). There are legal issues to be explored (especially whether a toll could be imposed on an existing state facility (6th and 7th Streets), as well as a thorough economic analysis to determine the relative merit of a toll. Such analysis should certainly be included in any future work related to the Fourth Bridge.

### ***Local Property Tax***

As a last resort the City and County may want to explore the use of property tax revenue to pay for improvements directly or to be used to pay off bonds issues to cover transportation improvement costs. Given the projected population growth in the Grants Pass Urban Area, there will be many competing demands for use of property tax revenue. The City and County will need to assess their overall needs for property tax revenues and the best way to allocate such resources.

General Obligation Bonds could be used to pay for transportation improvements. These bonds could be backed by existing revenue sources or by some new tax. GO bonds would require voter approval. There are several reasons why they may have a better chance of winning voter approval than some of the other revenue sources described above, including:

- GO bonds could rely on existing tax revenue rather than requiring a new tax source;
- GO bonds would be tied to a specific package of projects that the public could support, while other fees and taxes would not be directly tied to identified and approved projects (i.e. the voter would see what they are buying in advance).

Washington County has passed three bond levies to fund specific transportation improvements; the most recent levy funded a package of projects with a total cost of \$130 million.

## **Summary of Transportation Funding Options**

Governments at all levels are under pressure to maintain current levels of service without raising taxes. If the City and County are to implement the transportation improvements included in the Master Transportation Plan they will need do several things, including:

- Aggressively pursue federal and state funding for transportation improvements;

- Require that developers provide infrastructure improvements within new development and pay for improvements to the surrounding transportation system necessitated by the impact of new development;
- Charge property owners for transportation improvements that benefit their properties;
- Refuse to build projects which do not have sufficient funding from federal, state, private and other sources (as indicated in the financing options in Table 4-2 of this Plan); and
- Consider implementation of additional local funding sources to pay for the substantial list of transportation improvements identified for the Grants Pass Urban Area.