

## Revenue Sources

### A. Discretionary revenues

Discretionary transportation revenues, also known as “General Transportation Revenue” (GTR), may be expended on any transportation service provided by the City. About \$2 million of discretionary revenue currently are allocated to capital improvement programs, usually to meet matching fund requirements for grants. The remainder pays for ongoing operating programs.

GTR is comprised of two sources: State Highway Trust Fund (mostly gas taxes) and parking meter fees and fines. The Oregon Constitution, Article IX, Section 3a, limits the use of gas tax revenue to “construction of roads, streets, and roadside rest areas.” General Transportation Fund moneys not expended in a given fiscal year are returned to the fund and may be carried over to the next fiscal year and reallocated. This amount varies considerably year to year as circumstances change.

#### 1. Gas Tax

\$48.7M

Gas tax revenue received by the Office of Transportation is technically more than just a gas tax. It is composed of three sources:

- The City’s share of the State Highway Trust Fund’s net revenues distributed by the State of Oregon in accordance with State statute to incorporated cities. There are three sources of revenue for this Fund: motor fuels tax (\$0.24 per gallon), weight-mile tax (levied on trucks based on rates per mile by weight groups) and vehicle registration fees. This is the largest and most stable source of transportation revenue on an annual basis.
- A portion of Multnomah County’s share of the State Highway Trust Fund’s net revenues.
- A portion of a Multnomah County business license fee that is charged on wholesale fuel transactions.

Items 2 and 3 are provided to the City in accordance with terms of an intergovernmental agreement between the City of Portland and Multnomah County.

#### 2. Parking revenue

\$18M

Parking revenue comes from fees collected from street parking meters, a small allotment from net revenues from City-owned parking garages, parking permits, and a share of parking citation fines.<sup>1</sup> City Council voted to increase and unify Portland street-parking rates to \$1.25 per hour beginning July 1, 2005, to pay for the Transit Mall redevelopment. Prior to this, fees was last increased in 1998. Revenues expected in FY 2004-2005 are:

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<sup>1</sup> In accordance with state law, Portland’s parking fine revenue is split between the City and the State District Court.

Meter Revenue	\$13.5 million
Parking Fines	\$2.6 million
Parking Garages	\$ 0.7 million
<u>Parking Permit Fees</u>	<u>\$1.2 million</u>
TOTAL	\$18.0 million

These resources support the costs of parking management, including meter collections, meter maintenance and replacement, and parking enforcement activities, with the balance available as flexible GTR revenue for use on other parts of the transportation system.

## B. Dedicated Funding Sources

### 1. General Fund

\$6M

Prior to 1991, the Street Light Program was funded by a dedicated levy. After Measure 5, Council opted to fund the program's operating and capital requirements with General Fund resources. This transition was phased in over three years.

Since FY95-96, PDOT has received additional General Fund support to finance other services such as the Abandoned Autos and Downtown Street Cleaning programs. This additional support was withdrawn in FY2001-02 in anticipation that local street fee funding would replace it. The financial plan assumes continued General Fund support dedicated to the Street Lighting program at the levels provided in FY04-05 (about \$5 million in operating and \$400,000 in capital), with the operating portion adjusted annually for inflation.

In addition, the CSTSP (see Appendix D) will generate approximately \$2.5 million in FY04-05 and approximately \$3.5-4 million per year thereafter in General Fund Revenues to fund transportation safety programs.

### 2. Transportation Systems Development Charge (SDC)

\$8.5M

Developers pay SDC's to offset City costs for transportation system improvements that are necessitated by continued development. The SDC was initially adopted by City Council for FY 1998-1999. SDC revenues are collected annually and held until needed for allocation to approved, scheduled projects. In FY 2003-2004, the allocation of SDC revenues to projects is \$7.2 million.

So far, PDOT's SDC collections have varied considerably. SDC forecasts are necessarily conservative, due in part to their general unpredictability, and also to continued expectations of a soft economy, which in turn depresses development.

The ordinance authorizing SDC's expires in 2007. If this revenue source is not renewed, Council will face a choice of either finding a new funding source for these costs, or not performing the work required to accommodate growth.

### 3. Other Business and Private Sector Reimbursements

\$7.2M

Besides SDC's, about 7% (\$10 million) of the budget comes directly from the private sector. This category includes various charges for permits, licenses, and sidewalk assessments, and for work funded by Local Improvement Districts (LID).<sup>2</sup>

### 4. Interagency Agreements (IA's)

\$31.4

The Office of Transportation provides reimbursable services to other City bureaus through Interagency agreements (IA's). IA's typically generate \$15-20 million in annual revenue, about 10-15% of the overall budget. These funds are earmarked to pay for work performed for the contracting Bureau. Interagencies include:

- The largest IA for many years has been with the Bureau of Environmental Services (BES) for annual sewer maintenance, totalling \$16.1 million in FY05-06.
- The Water Bureau contracts roughly \$1.2 million of maintenance services annually.
- The LID Construction Fund has typically contributed about \$1 million dedicated to street improvement work on Local Improvement Districts (LID's). An unusually high LID budget pushed this number temporarily higher (\$13.6M) in FY05-06.
- Services performed for the Bureau of Development Services amount to approximately \$300,000 annually.
- The remaining IA funds are a combination of small, ongoing agreements (under \$100,000) and one-time agreements of varying size (from a few thousand to several million dollars).

### 5. Intergovernmental contracts

\$34M

Like IA's, intergovernmental contracts are earmarked for specific projects or contracted ongoing work. The Portland Development Commission (PDC) is a major source of capital development funding for transportation, ranging from about \$3 million to nearly \$10 million since FY98-99. Tri-Met has accounted for a range of \$478,000 to \$3.2 million, but more typically about \$1.8 million, for various transit-related development projects. The Port of Portland has funded various major capital projects totaling as much as \$12 million in a given year. Only projects in partners' capital plans have been included in this forecast.

### 6. Grants & Donations

\$22M

Federal and state grants provide funding for major transportation development projects. The Transportation Equity Act for the 21<sup>st</sup> Century, or TEA-21, will supply substantial transportation revenue for Oregon, particularly for highway rehabilitation. The Oregon Department of Transportation (ODOT) will allocate these funds through

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<sup>2</sup> An LID occurs when property owners join together and decide to pay for specific neighborhood improvements, usually paving unimproved roads, through self-imposed assessments.

the four-year State Transportation Improvement Plan (STIP) process, which includes the Metropolitan Transportation Improvement Plan (MTIP).

Local governments compete for federal funding through the STIP and MTIP. The Joint Policy Advisory Committee on Transportation (JPACT) makes the decisions on how federal revenues will be spent, with the goal of coordinating projects to achieve the highest value for the region from these capital expenditures. Only approved grants have been included in this forecast.