

CHAPTER 11: FINANCING PLAN

The purpose of this chapter is to describe how the County intends to fund the projects recommended in this plan. The cost to fund the rural 20-year recommended improvements is estimated to be \$104 million. However, this represents only part of the total cost for all of the transportation needs identified. The cost to address the remaining rural needs is estimated to be \$25 million, and the total urban needs are anticipated to exceed \$100 million. The total cost to address all of the identified needs would be at least \$229 million, or \$11 million per year over 20 years, far beyond our available funding of about \$1 million per year.

The Transportation Planning Rule requires that the plan include a financing program that evaluates the ability of existing and potential funding sources to cover the cost of proposed transportation improvements. This section provides an analysis of anticipated funding levels for transportation improvements over the next 20 years and provides a breakdown of how funds are generally allocated by the County Public Works Department. A timeline for the planned transportation improvements along with their cost estimates is included as part of this financing plan. At this time, the County does not anticipate having the necessary level of funding available for all of the recommended 20-year transportation improvements. Instead, the County has divided the plan into three funding categories: 1) funded 20-year improvements, 2) unfunded recommended 20-year improvements, and 3) remaining unfunded needs. Each of these categories is detailed in this section.

11.1 FUNDING FOR TRANSPORTATION IMPROVEMENTS

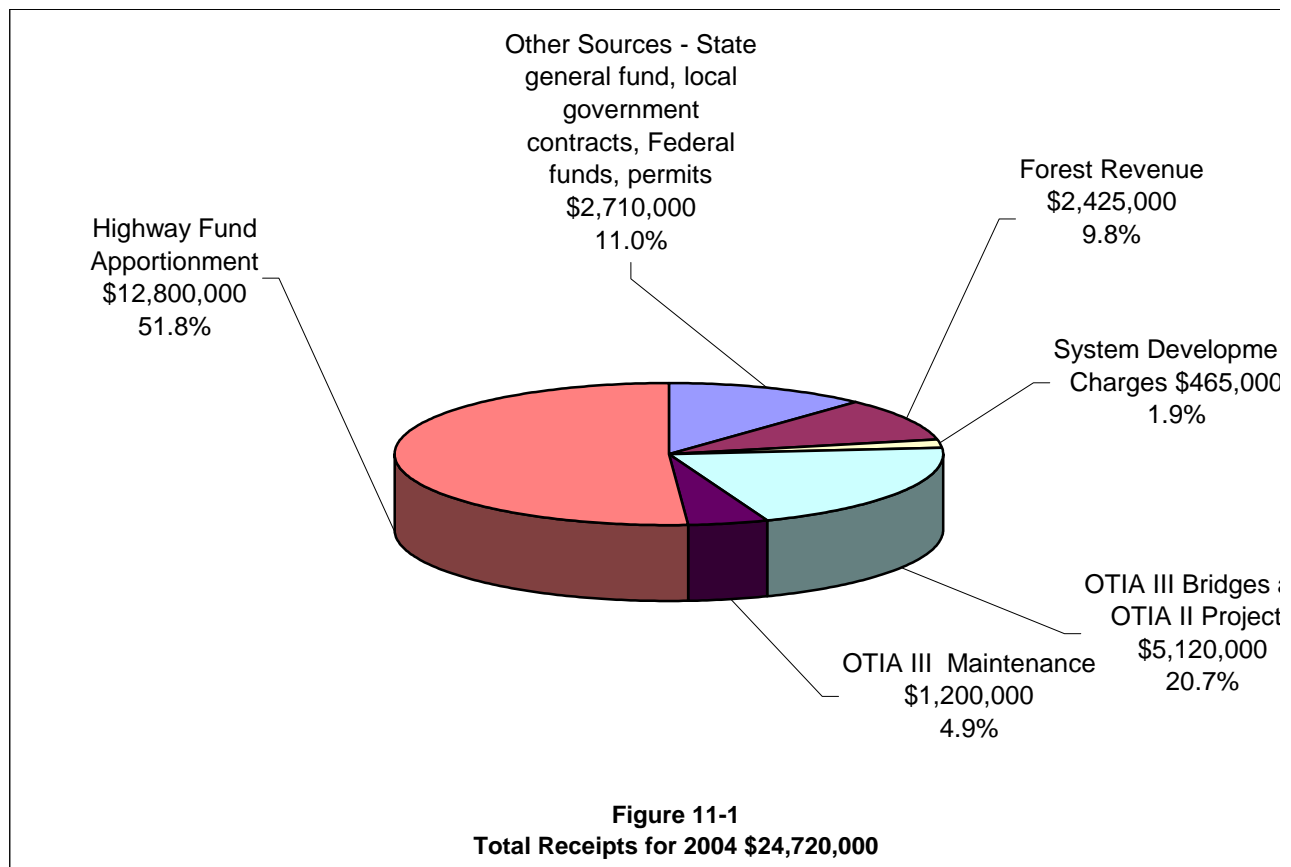
Marion County currently funds its transportation projects and maintenance through its Public Works department. In 2004, the Marion County Public Works Department received approximately \$24.7 million in revenue for road and street purposes. The three largest sources of revenue for the Public Works Department are the Oregon Highway Fund Apportionment, the Oregon Transportation Investment Act III (OTIA III), and the National Forest Revenue.

The Oregon Highway Fund accounts for approximately 52% of the 2004 revenue of the Public Works Department. The fund is comprised of state-imposed transportation user fees in the form of fuel taxes, weight mile taxes on trucks, and vehicle registration fees. Approximately 24% of the fund is shared with the counties and 16% is shared with cities. These shared funds are distributed to individual counties based on their share of vehicle registrations, and to individual cities based on their population. Marion County Public Works is receiving \$12.8 million (52% of the budget) from this fund in 2004. In 2004-5 the department is also receiving \$5.1 million (or 21% of the budget) from the State through the Oregon Transportation Investment Act III (OTIA III) for replacement of two bridges. The next largest source of revenue has been the National Forest Revenue, which consists of receipts from the Secure Rural Schools and Communities Self-Determination Act of 2000. These receipts account for about 10% of the Department's revenues. In addition, OTIA III maintenance dollars provide the County with \$1.2 million (5% of the budget) in transportation system funding per year for the next 10 years.

Since the adoption of the 1998 Rural Transportation System Plan, Marion County has adopted System Development Charges (SDCs) that are paid by new development outside Urban Growth Boundaries for

their impact to the general transportation system. System Development Charges have also been adopted for developments in the Stayton, Silverton, Woodburn, and Salem Urban Growth Boundaries, and these revenues are used to fund growth and capacity-related improvements within those Urban Growth Boundaries. Marion County receives approximately \$465,000 (2% of budget) in SDC funds annually, which are used to fund growth and capacity-related projects.

The other sources of receipts which make up the remaining 11% of the Department's 2004 revenue include the State general fund, local or special benefit area assessments (LID, EID, other specific area), interest income, traffic fines, permits, receipts from other local governments, mineral leases, and other federal fund receipts. **Figure 11-1** shows the sources of receipts that make up the annual revenue for the Public Works Department.



11.2 FORECASTING FUTURE REVENUE

In developing this fiscally-constrained plan, we are only considering revenue that is anticipated to be dependable over the timeframe of this plan.

The Oregon Transportation Investment Act III (OTIA III) bridge replacement funding is part of a special funding package passed by the Oregon Legislature. While the state could provide similar funding in the future, we have adopted conservative planning assumptions and will not include this source in our forecast future revenue.

State projections indicate a future increase in Oregon Highway Fund revenue due to an increase in fuel consumption. However, for conservative assumptions in planning purposes, we are assuming a constant level of Oregon Highway Fund Apportionments received.

The OTIA III maintenance dollars are provided by this legislation for the next ten years. For accurate analysis (and considering the conservative assumptions used for other sources), these dollars are included in the future revenue projections.

Therefore, forecast future revenue for County activities is equivalent to current revenue (\$24.7 million) less the OTIA III Bridge Replacement funding (\$5.1 million). This amounts to an annual average revenue forecast of \$19.6 million.

Future grant funding is likely to become available (and Marion County will be receiving a substantial amount in coming years), but it cannot be dependably forecast for planning purposes. The needs and recommended projects identified in this plan would be good candidates for grant funding.

11.3 ALLOCATION OF REVENUE

With a projected average revenue of \$19.6 million per year, the County Public Works Department must allocate this money between various activities. **Figure 11-2** provides a breakdown of how the funds are expected to be allocated. On average, administrative and general engineering activities require about 24% of the budget. This amounts to \$4.8 million in 2005 dollars, and includes activities like dealing with transportation impacts of land use cases, driveway review and inspection, and overseeing the overall safety of the roadways, along with typical administrative costs. In addition, Public Works must contribute \$1.9 million annually in administrative fees to the County General Fund for business, legal, and personnel services. The remaining \$12.9 million will go towards operations and maintenance activities; pavement preservation; bridge preservation; emergency projects; annual necessities; and capital projects. The amount set aside for each of these categories is based on needs. The primary need is operations and maintenance. The County must set aside enough funds to maintain its existing transportation facilities to acceptable levels. This requires an average annual expenditure of about \$9.2 million per year. After that, the remaining \$3.7 million of the budget can be allocated to construction, expansion, and preservation of the infrastructure.

The most cost-intensive activity of the construction, expansion, and preservation program is pavement management and resurfacing. The County has a responsibility to maintain an adequate level of pavement condition on existing facilities before looking at expanding the roadway system. The belief is that an expanded roadway system would be inefficient and counterproductive if the resources are not available to maintain it. It was determined that a minimum of \$2.1 million per year is needed to provide the necessary overlay and maintenance treatments to allow the County to preserve our paved road system.

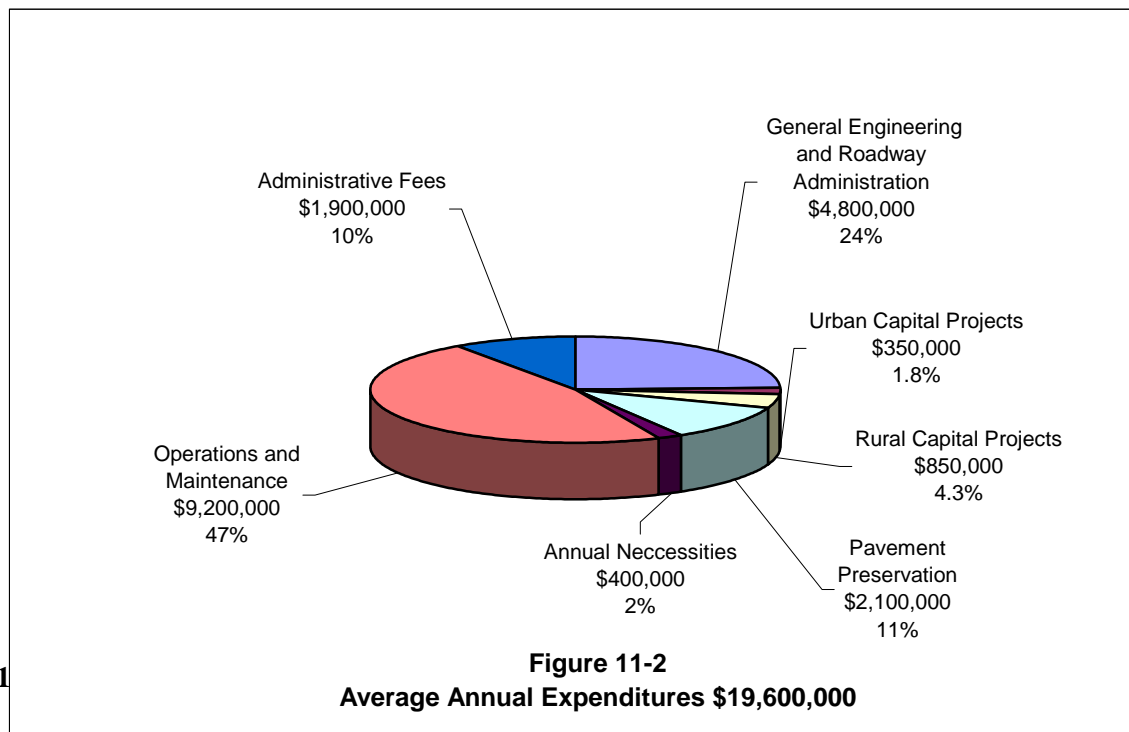
The County will need to construct unanticipated projects during emergencies, such as floods, slides, and severe storms, and the County covers these needs with contingency funds when necessary, so these expenses were not considered as part of this plan.

Per Oregon Revised Statutes, the County is required to spend at least 1% (\$128,000) of its Highway Fund Apportionment on facilities for bicyclists and pedestrians. This will typically be spent on bicycle and pedestrian facilities and upgrades provided along with larger capital improvement projects.

Funds must also be budgeted for other annual necessities such as bridge structure preservation, signal repairs, small drainage improvements, and department equipment. It is also prudent to have money available as cost-sharing and matching funds to pursue grants and other sources of funding. Therefore, the funds needed for these activities is \$0.4 million per year and will likely be allocated as follows:

<u>Annual Necessities</u>	
Bridge structure preservation	\$100,000
Signal equipment/upgrades/repair:	\$50,000
Misc. safety/emergency projects:	\$40,000
Misc. road drainage projects:	\$15,000
Department Equipment:	\$25,000
Grants, cost sharing, match programs:	<u>\$170,000</u>
	\$ 400,000

After funding these various programs, the remaining revenue available for capital projects is \$1.2 million per year. However, this must also be split between urban and rural areas. This split is made based on the total vehicle-miles traveled on County Roads in urban and rural areas. 71% of the total vehicle-miles traveled on County Roads occurs in rural areas (outside Urban Growth Boundaries). The remaining 29% occurs in urban areas. Based on this 71/29 split, the amount available for the implementation of the Rural Transportation System Plan and its recommended improvements is \$850,000 per year, or \$17 million (in 2005 dollars) over 20 years. **Figure 11-2** shows the anticipated annual allocation of the annual revenue forecast of \$19.6 million:



With only \$17 million available for rural projects over the next 20 years, the financially constrained 20-year plan represents only a portion of the recommended 20-year improvements (which are estimated to cost over \$104 million including bridge projects). Some projects will be completed through grant funding, and some will be completed in cooperation with other agencies or private developers, so there are many cases where the County's share of the project cost is significantly less than the full project cost. However, even with these other sources of funding, the cost to construct the recommended improvements significantly exceeds the money anticipated to be available for their construction. **Table 11-1** represents the fiscally constrained plan of improvements, in 2004 dollars, approved under this updated RTSP over the next 20-years. Although the County can pursue implementation of these projects, we still are required to obtain all necessary permits and goal exceptions for improvements.

Table 11-1
20-Year Financially Constrained Plan

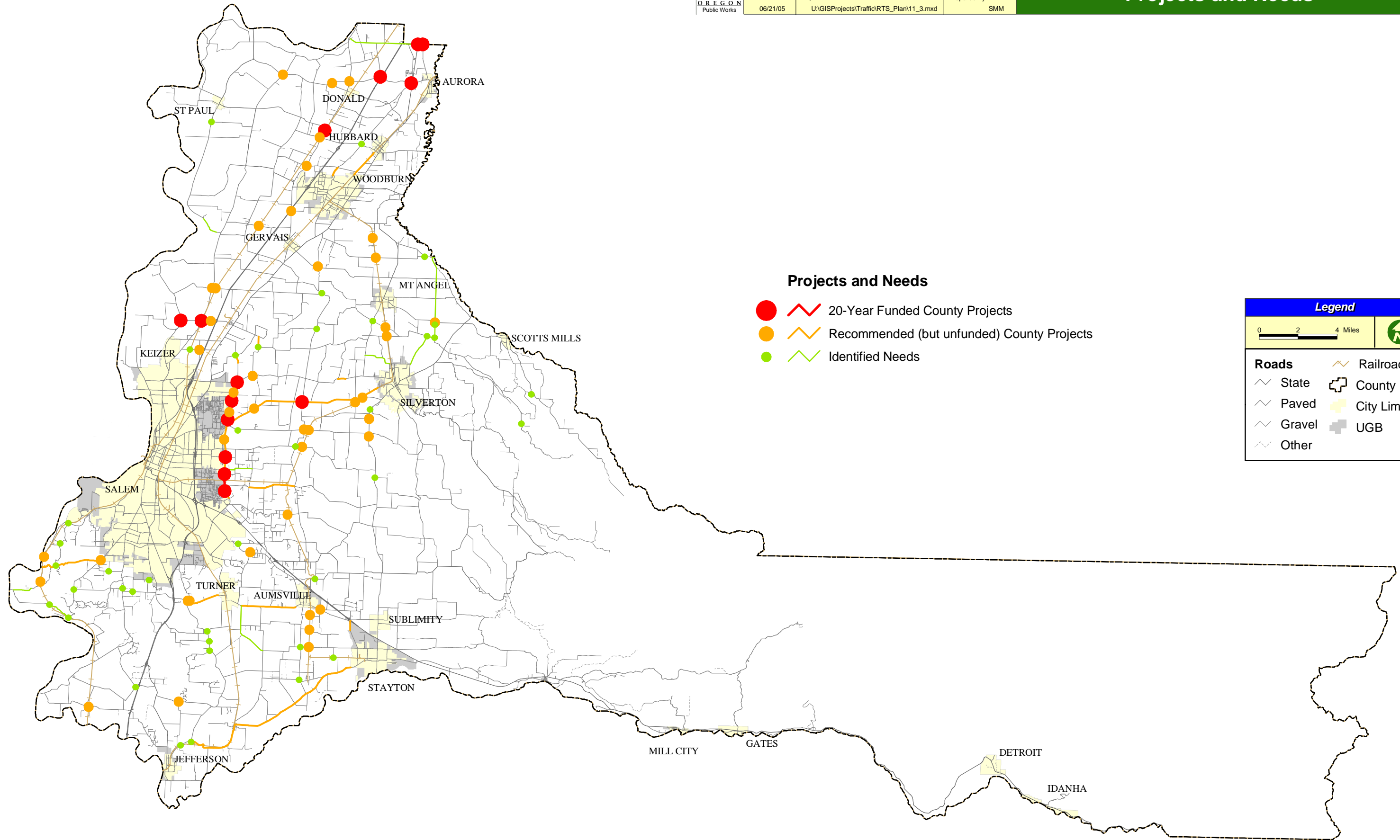
TYPE	LOCATION	DESCRIPTION	ESTIMATE
ZERO TO FIVE YEAR TIME FRAME			
PROJECTS			
Capacity	Arndt Rd / Airport Rd	Construct traffic signal and left turn lanes at intersection	\$200,000 Matching funds for OTIA Grant
Capacity	Arndt Rd from Wilsonville-Hubbard Hwy to Airport Rd	Add a second eastbound through lane and paved shoulders	\$150,000 Matching funds for OTIA Grant
Safety	Cordon Rd / Pennsylvania Ave	Construct left turn lane on Cordon Rd	\$50,000 (Submitted for \$420,000 HEP funding)
Safety	Cordon Rd / Auburn Rd	Install traffic signal at intersection	\$100,000 (Submitted for \$450,000 STP funding)
Safety	Cordon Rd / Herrin Rd	Construct left turn lane on Cordon Rd	\$500,000
Safety	Ehlen Rd / Boones Ferry Rd / Hwy 551	Construct left turn lane on Ehlen Rd	\$500,000
Capacity	Cordon Rd / MacLeay Rd	Construct traffic signal and left turn lanes at intersection	City of Salem Project
Modernization and bike/ped	Marion Rd from Turner UGB to Mill Creek Rd	Strengthen pavement and construct paved shoulders (bikeways) on both sides	Developer Requirement
Bridge and bike/ped	Jefferson-Marion Rd over Union Pacific Railroad	Replace bridge and realign road	OTIA Grant (no match)
Bridge and bike/ped	Mt. Angel – Gervais Road over Pudding River	Replace bridge	OTIA Grant (no match)
Bridge	River Rd S (Independence Bridge) over Willamette River	Scour protection	\$200,000 Matching funds for HBRR Grant

TYPE	LOCATION	DESCRIPTION	ESTIMATE
Bridge	South Abiqua Road over Abiqua Creek	Replace bridge	\$200,000 Matching funds for HBRR Grant
Bridge and bike/ped	Marion Rd over Mill Creek (south of Mill Creek Rd)	Replace Bridge	Developer Requirement
Bridge	Bridges with low sufficiency ratings	Replace bridges with low sufficiency ratings; specific bridges to be identified by future testing	\$400,000 likely HBRR matching funds
Capacity	Silverton Rd / Howell Prairie Rd	Construct traffic signal and left turn lanes at intersection	\$750,000
Safety	Cordon Rd / Hayesville Drive	Construct left turn lane on Cordon Rd	\$300,000
Safety	Brooklake Rd / Wheatland Rd	ITS Safety – Speeding (non-stopping) Vehicle Warning	\$100,000
Contingency and Miscellaneous			\$800,000
COST TOTAL OF ZERO TO FIVE YEAR TIMEFRAME PROJECTS			\$4,250,000
TRANSPORTATION PLANNING ACTIVITIES IN ZERO TO FIVE YEAR TIMEFRAME			
Sub-Area Plan	Brooks Community	Brooks Community Transportation Plan	In-House
Corridor Study	Cordon Rd from City of Salem to Hazelgreen Rd	Corridor Study to develop detailed plan (signal locations, turn lanes, future capacity, access management, etc) for Cordon Rd	In-House, Cooperating with Salem
FIVE TO TEN YEAR TIME FRAME			
PROJECTS			
Safety	Ehlen Rd / Bents Rd	Realign Bents Rd to the west; install signal; could become part of an interchange reconstruction project	\$1,100,000
Safety / Railroad	Butteville Rd / Portland & Western Railroad	Safety improvements: Install gates at crossing and possible realignment	\$200,000
Capacity / Modernization	River Rd NE / Brooklake Rd	Construct traffic signal and left turn lanes at intersection; some relocation of roads may be necessary	\$900,000
Capacity / Modernization	Cordon Rd / Hazelgreen Rd / 55 th Ave	Construct traffic signal and left turn lanes at intersection	\$900,000
Bridge	Bridges with low sufficiency ratings	Replace bridges with low sufficiency ratings; specific bridges to be identified by future testing	\$400,000 likely HBRR matching funds
Contingency and Miscellaneous			\$750,000
COST TOTAL OF FIVE TO TEN YEAR TIMEFRAME PROJECTS			\$4,250,000

TYPE	LOCATION	DESCRIPTION	ESTIMATE
TRANSPORTATION PLANNING ACTIVITIES IN FIVE TO TEN YEAR TIMEFRAME			
Corridor Study	Brooklake Road from River Rd NE to Oregon 99E	Corridor Study to develop detailed plan (signal locations, turn lanes, future capacity, access management, etc) for Brooklake Rd	In-House
Sub-Area Plan	Butteville Community	Butteville Community Transportation Plan	In-House
Special Study	Woodburn area second interchange study	Evaluate the level of need for, potential benefit of, potential cost of, and resulting impacts of a second interchange in the Woodburn Area	In Cooperation with ODOT, Woodburn, and other cities
TEN TO FIFTEEN YEAR TIME FRAME			
PROJECTS			
Safety / Capacity	Cordon Road from State through Center Streets	Widen to two lanes each direction; includes intersection improvements	\$3,000,000 (County share or first part of project funding)
Bridge	Bridges with low sufficiency ratings	Replace bridges with low sufficiency ratings; specific bridges to be identified by future testing	\$650,000 likely HBRR matching funds
Contingency and Miscellaneous			\$600,000
COST TOTAL OF TEN TO FIFTEEN YEAR TIMEFRAME PROJECTS			\$4,250,000
TRANSPORTATION PLANNING ACTIVITIES IN TEN TO FIFTEEN YEAR TIMEFRAME			
Sub-Area Plan	Marion Community	Marion Community Transportation Plan	In-House
Sub-Area Plan	Mehama Community	Mehama Community Transportation Plan	In-House, with ODOT
Corridor Study	Riverside/Sidney/Ankeny Hill Roads from I-5 to Independence	Study potential for corridor improvements	In-House, with Polk County, ODOT, and Cities
FIFTEEN TO TWENTY YEAR TIME FRAME			
PROJECTS			

TYPE	LOCATION	DESCRIPTION	ESTIMATE
Safety / Capacity	Cordon Road from State through Center Streets	Widen to two lanes each direction; includes intersection improvements	\$1,600,000 (Remainder of project funding; may come from other sources)
Capacity / Safety	Cordon Rd / Swegle Rd	Install traffic signal at intersection	\$400,000
Safety / Modernization	River Rd S / Orville Rd / BN Railroad Bridge	Realign roadway to cross railroad at grade (no bridge); reconfigure Orville Rd intersection	\$1,400,000 (County share or first part of project funding)
Bridge	Bridges with low sufficiency ratings	Replace bridges with low sufficiency ratings; specific bridges to be identified by future testing	\$450,000 likely HBRR matching funds
Contingency and Miscellaneous			\$400,000
COST TOTAL OF FIFTEEN TO TWENTY YEAR TIMEFRAME PROJECTS			\$4,250,000
TRANSPORTATION PLANNING ACTIVITIES IN FIFTEEN TO TWENTY YEAR TIMEFRAME			
Alternatives Analysis	Salem to Silverton	With capacity problems expected on Silverton Road, analysis of alternatives to increase capacity between Salem and Silverton	In-House
Sub-Area Plan	Monitor Community	Community Transportation Plan	In-House
Sub-Area Plan	Delaney Interchange Area	Delaney Interchange Area Transportation and Access Plan	In-House with ODOT
Major Regional Study	Possible Bridge over Willamette River between Keizer and Newberg	Study the possibility, potential benefit, and costs and impacts of a possible new bridge over the Willamette River between Keizer and Newberg	Staff, along with other counties, cities, and ODOT
TWENTY YEAR CAPITAL IMPROVEMENT PROGRAM TOTAL			\$17,000,000

Each of the 5-year periods contains money set aside for contingencies. This is intended to provide approximately \$100,000 each year for unexpected costs that sometimes occur during the design or construction of a project. This money would also be available for emergency projects, miscellaneous small projects or other improvement opportunities that arise. If these costs do not occur, the surplus can be used to finance additional unfunded projects. Should the County experience unforeseen circumstances, priorities under this plan can be adjusted if it becomes necessary for the County to accelerate or delay the time frame of individual projects. If this occurs, the County may revise the RTSP to reflect the changes. **Figure 11-3** shows the location and anticipated funding status of County Road projects. **Figure 11-4** shows the type (turn lane, signal, safety, widening, etc.) of each recommended project, and also includes recommended projects on State Highways.

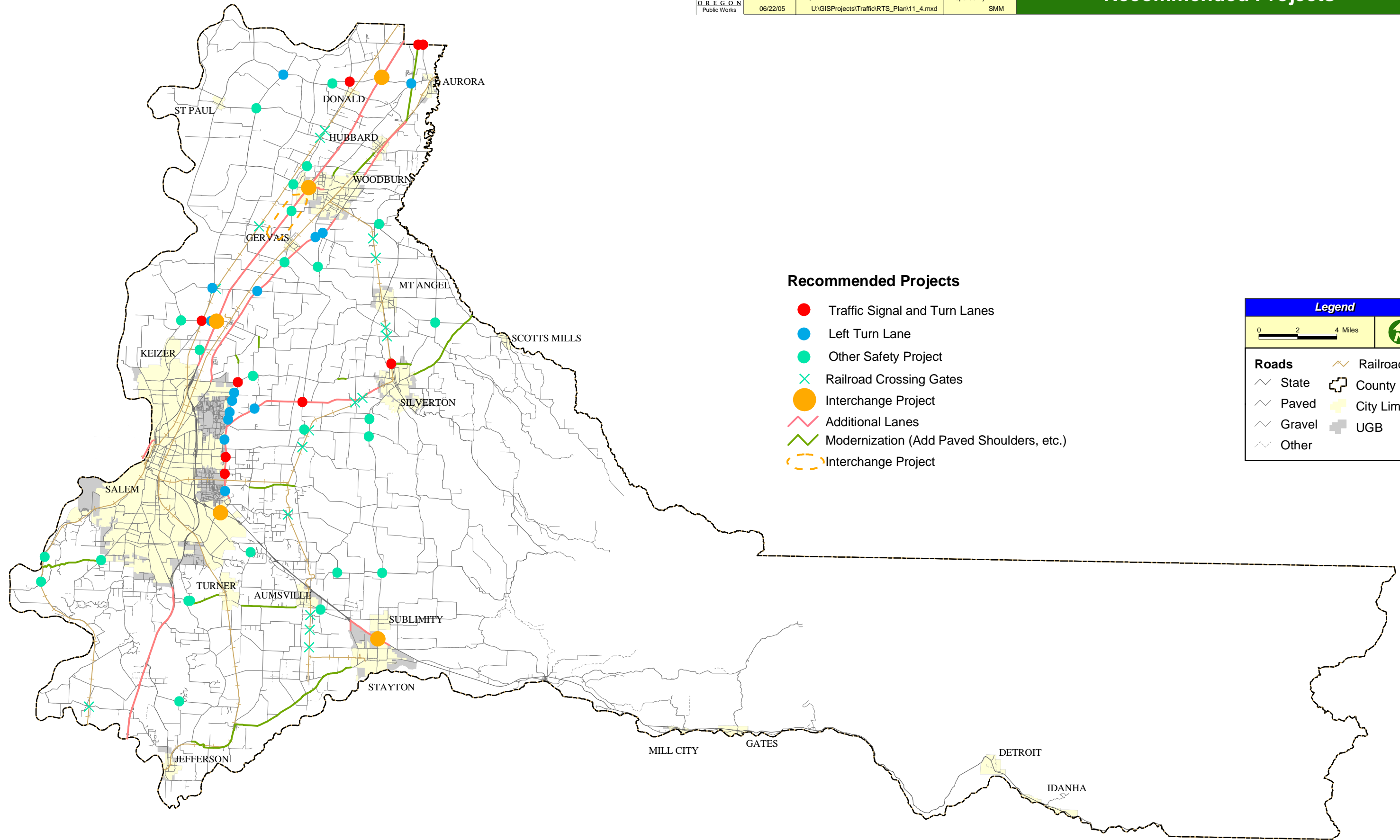


- Projects and Needs**
- — 20-Year Funded County Projects
 - — Recommended (but unfunded) County Projects
 - — Identified Needs

Legend

0 2 4 Miles

State	Railroad
Paved	County
Gravel	City Limits
Other	UGB



Recommended Projects

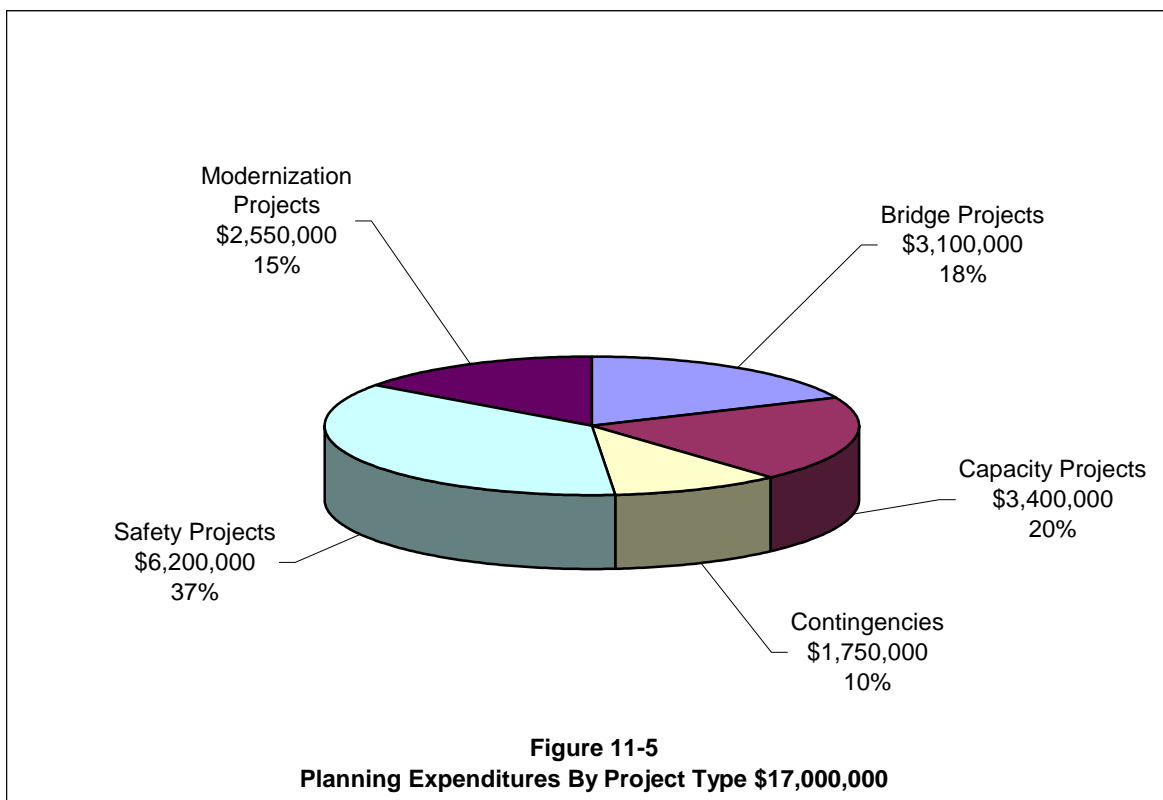
- Traffic Signal and Turn Lanes
- Left Turn Lane
- Other Safety Project
- ✕ Railroad Crossing Gates
- Interchange Project
- Additional Lanes
- Modernization (Add Paved Shoulders, etc.)
- - - Interchange Project

Legend

0 2 4 Miles

State	Railroad
Paved	County
Gravel	City Limits
Other	UGB

There are five main categories of projects in the financially constrained plan: 1) safety projects (which include bicycle/pedestrian safety improvements); 2) preservation and modernization projects (including projects to add shoulder bikeways); 3) capacity projects; 4) bridge replacement and rehabilitation projects; 5) planning; and 6) contingencies. **Figure 11-5** provides a cost breakdown for each type of project in the financially constrained plan. As the figure shows, \$6.2 million (37%) will be for safety projects, \$2.55 million (15%) for modernization projects, \$3.4 million (20%) for capacity projects, \$3.1 million (18%) plus grant funding for bridge projects, and \$1.75 million (10%) in contingencies. This breakdown is consistent with the earlier finding that most of the needs in the rural County are safety, preservation, and modernization-related rather than capacity related.



11.5 UNFUNDED 20-YEAR IMPROVEMENTS

The remaining recommended improvements that do not appear in Table 11-1 are still desirable to undertake within this 20-year plan and are also approved under the RTSP. However, due to the projected revenue shortfall, funding for these projects have not been determined. The County will continue to look for additional sources of funding to facilitate their completion. **Table 11-2** lists the unfunded 20-year recommended improvements and potential funding sources that could be available to accomplish these projects. It is estimated that the County will need approximately \$72 million in additional funding to complete the recommended 20-year rural improvements (listed as recommended projects in Chapter 8), plus \$15 million additional for bridge projects, which are considered separately.

Table 11-2
Unfunded 20-Year Recommended Improvements

TYPE	LOCATION	DESCRIPTION	ESTIMATE
UNFUNDED 20-YEAR RECOMMENDED IMPROVEMENTS			
Safety / Modernization	River Rd S / Orville Rd / BN Railroad Bridge	Realign roadway to cross railroad at grade (no bridge); reconfigure Orville Rd intersection	\$1,400,000 (Remainder of funding; may come from other sources)
Capacity / Safety	Cordon Rd from Caplinger Rd (Salem UGB) to State St	Widen to two lanes each direction; includes intersection improvements	\$3,400,000
Safety / Railroad	St. Louis Rd at BNRR Crossing	Install gates at crossing	\$100,000
Safety	Butteville Rd / Crosby Rd	Line up Crosby Road approaches (they are currently slightly offset)	\$150,000
Safety	Cordon Rd / Ward Dr	Construct left turn lane on Cordon Rd	\$400,000
Safety	Cordon Rd / Carolina Ave / Indiana Ave	Construct left turn lane on Cordon Rd	\$500,000
Modernization, Safety, and bike/ped	Delaney Road from Battle Creek to Mill Creek (near Turner)	Widen Delaney road to 32' (travel lanes and paved shoulders), reconfigure intersection with Battle Creek Rd, and replace Battle Creek bridge.	\$2,800,000
Safety	Silverton Road at 64 th Place	Left turn lane on Silverton; straighten skew	\$600,000
Capacity	Cordon Rd from Center St through Sunnyview Rd	Widen to four lanes with raised median and turn lanes at key intersections	\$4,600,000
Modernization & Bike/Ped	Boones Ferry Rd from Woodburn UGB to Crosby Rd	Widen pavement to 32 feet	\$400,000
Safety	River Rd S (MP 3.36) / BN Railroad Bridge	Realign roadway to cross railroad at grade (no bridge)	\$2,000,000
Safety, Modernization & Bike/Ped	54 th Ave across Lake Labish	Widen roadway and include shoulders	\$500,000
Capacity	Cordon Rd from Sunnyview Rd through Silverton Rd	Widen to four lanes with raised median and turn lanes at key intersections	\$4,600,000
Safety / Modernization	Waconda Rd at Portland & Western Railroad	Install gates at crossing	\$100,000
Safety / Modernization	Broadacres Rd at Portland & Western Railroad	Install gates at crossing	\$100,000
Safety	Cordon Rd / Kale St	Construct left turn lane on Cordon Rd	\$300,000
Capacity	Silverton Rd from Cordon Rd (Salem UGB) to Indigo St	Widen to two lanes each direction plus left turn lanes where appropriate	\$4,800,000
Safety	Bates Rd / Willamette Valley Railway	Install gates at crossing	\$100,000

TYPE	LOCATION	DESCRIPTION	ESTIMATE
Safety	Porter Rd / Willamette Valley Railway	Install gates at crossing	\$100,000
Safety	Vitae Springs Rd at Skyline Rd	Reconfigure intersection	\$750,000
Capacity / Modernization	Golf Club Rd from Oregon 22 to Stayton UGB	Widen to two lanes each direction plus left turn lanes where appropriate	\$1,500,000
Safety	Brush Creek Rd / Willamette Valley Railway	Install gates at crossing	\$100,000
Safety / Railroad	Sunnyview Rd / Willamette Valley Railway	Install gates at crossing; Remove stop signs	\$100,000
Modernization / Capacity / Safety	McKay Rd at French Prairie Rd	Construct left turn lanes and eastbound right turn lane on McKay Rd; possible signal	\$500,000
Capacity / Modernization	Brooklake Rd / Huff Ave	Construct left turn lane on Brooklake Road and possibly a traffic signal at intersection	\$750,000
Modernization and bike/ped	Jefferson-Marion Rd from Parrish Gap Rd to Stayton Rd	Widen travel lanes and install paved shoulders	\$1,500,000
Capacity	Silverton Rd from Indigo St to Howell Prairie Rd	Widen to two lanes each direction plus left turn lanes where appropriate	\$4,700,000
Safety	McKee School Rd / Willamette Valley Railway	Install gates at crossing	\$100,000
Safety / Railroad	MacLeay Rd / Willamette Valley Railway	Install gates at crossing; Remove stop signs	\$100,000
Safety / Railroad	Shaff Rd / Willamette Valley Railway	Install gates at crossing; Remove stop signs	\$100,000
Safety	Howell Prairie Rd / Lardon Rd / Kaufman Rd	Line up Lardon Road and Kaufman Road to make one four-way intersection	\$350,000
Capacity	Ehlen Rd / Butteville Rd	Install traffic signal at intersection and northbound right turn lane	\$750,000
Drainage / Modernization / Bridge	Hazelgreen Rd across Pudding River flood plain	Raise roadway and bridge to above flood level; possibly improve bridge and curves	\$1,500,000
Capacity / Modernization	Brooklake Rd from River Rd NE through I-5 Interchange	Widen to two lanes each direction plus center turn lane (see note 1)	\$3,000,000
Safety	Downs Rd / Willamette Valley Railway	Install gates at crossing	\$100,000
Safety / Modernization	Mill Creek Rd / Bishop Rd / Leverman Rd	Reconfigure some approaches	\$400,000
Safety	Yergen Rd at Donald Rd	Convert to a single T-Intersection at a right angle	\$500,000
Safety	Wintercreek Rd / Skelton Rd	Cut/fill and raise intersection	\$400,000
Safety	Cascade Hwy / Evergreen Rd / Evergreen School	Flatten vertical curve	\$500,000
Modernization and bike/ped	Stayton Rd from Jefferson-Marion Rd to Stayton UGB	Widen travel lanes and install paved shoulders	\$2,000,000
Modernization and bike/ped	Vitae Springs Rd from Orville Rd to Skyline Rd	Widen travel lanes and shoulders	\$2,500,000
Capacity / Safety / Modernization	Silverton Rd from Howell Prairie Rd to Brush Creek Rd	Widen to two lanes each direction plus turn lanes where appropriate	\$5,100,000

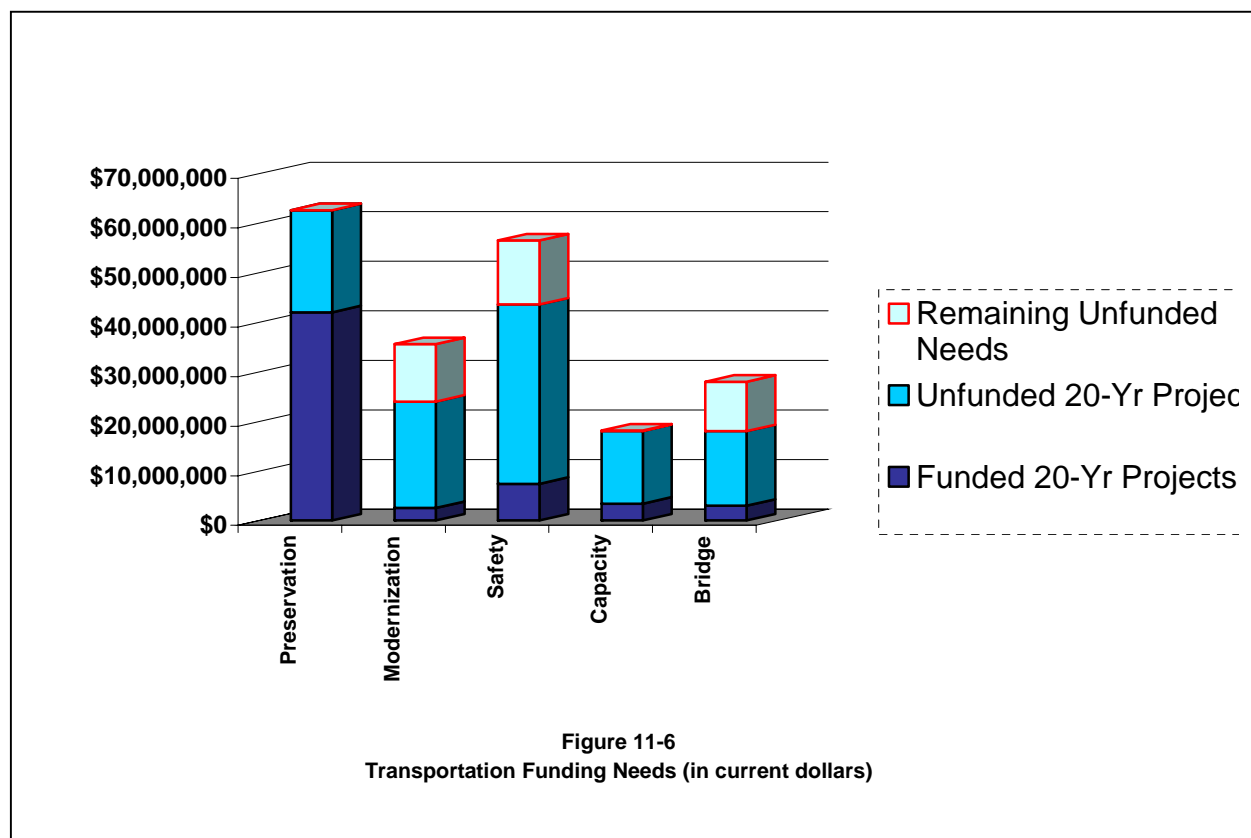
TYPE	LOCATION	DESCRIPTION	ESTIMATE
Modernization / Safety	Hazelgreen Rd / 62 nd Ave	Convert to a T-intersection at a right angle	\$100,000
Safety / Railroad	Kaufman Rd / Willamette Valley Railway	Install gates at crossing; Remove stop signs	\$100,000
Safety / Railroad	Monitor-McKee Rd / Willamette Valley Railway	Install gates at crossing; Remove stop signs	\$100,000
Safety	Delaney Rd / Parrish Gap Rd	Raise Parrish Gap approach	\$400,000
Safety	Sublimity Rd at Chemeketa C.C and Festival Grounds	Construct left turn lane	\$450,000
Safety / Bike/Ped / Modernization	65 th Ave across Lake Labish	Widen roadway and include shoulders	\$800,000
Modernization and bike/ped	Mill Creek Rd from Marion Rd to Aumsville UGB	Widen travel lanes and shoulders; consider widening bridges	\$2,000,000
Modernization and bike/ped	Vitae Springs Rd from River Rd S to Orville Rd	Widen travel lanes and shoulders; possibly improve grades	\$3,000,000
Capacity / Safety / Modernization	Silverton Rd from Brush Creek Rd to Silverton UGB	Widen to two lanes each direction plus turn lanes where appropriate	\$4,100,000
Safety	35 th Ave / Perkins St	Reconfigure to a single cross intersection	\$300,000
Modernization / Safety	Howell Prairie Rd at Mt. Angel-Gervais Rd	Reconfigure intersection to a single cross intersection	\$500,000
Modernization & Bike/Ped	State Street from 63 rd Ave to Howell Prairie Rd	Widen roadway to include paved shoulders	\$800,000
Safety	Paradise Alley / Willamette Valley Railway	Install gates at crossing	\$100,000
Safety	Talbot Rd / BNSF Railway	Install gates at crossing	\$100,000
Safety	Hook Rd / Willamette Valley Railway	Install gates at crossing	\$100,000
Safety / Modernization	Meridian Rd / Mt. Angel – Scotts Mills Rd / East College Rd	Reconfigure intersection to two T-intersections or one cross intersection; possibly install left turn lanes	\$150,000
Safety	70 th Ave at Mill Creek Rd	Move 70 th west to improve turning radii and bridge rail clearance	\$150,000
Safety	Aumsville Hwy at Witzel Rd	Vertical realignment; sight distance improvement	\$400,000
Safety	Cascade Hwy / Kaufman Rd	Improve intersection configuration	\$400,000
Safety	River Rd NE / Waconda Rd	Construct left turn lanes on River Rd NE	\$500,000
Modernization & Bike/Ped	Woodburn-Hubbard Rd from Woodburn to Hubbard	Widen roadway to include paved shoulders	\$600,000
Safety	Butteville Rd / Parr Rd	Safety Improvement – reduce grades, improve visibility	\$800,000
COST TOTAL OF 20-YEAR UNFUNDED RECOMMENDED IMPROVEMENTS			\$72,300,000

Note 1: This project is not authorized until its need is identified in a Sub-Area plan for the Brooks-Hopmere community

11.6 REMAINING UNFUNDED NEEDS

In addition to the unfunded 20-year improvements in Table 11-2, another 50 projects have been identified as needed projects that would be beneficial to the public and are estimated to cost \$25 million. These projects are listed as needs but not as recommended projects in Chapter 8. These projects are not specifically authorized by this RTSP, and may need additional land use approvals before they could be constructed, although some projects (such as converting Y-intersections to T-intersections) are small enough that they would not need additional approvals, and could be constructed as resources allow. An additional estimated \$10 million would be necessary for bridge projects in this category.

The large number and high cost (over \$122 million) of the recommended and needed but unfunded projects indicates that the County is facing a large shortfall in the revenue necessary to adequately fund our transportation system. **Figure 11-6** provides an illustration of this shortfall for transportation improvements.



11.7 NON – ROAD PROJECTS

Traditionally, the vast majority of Marion County's transportation projects have been on roads, which is appropriate considering the fact that most of the transportation funding received by the County (such as the gas tax) is required to be used for road-related projects. However, non-road projects are increasing in importance and potential benefit. Chapter 9 of this plan includes recommendations for many different types of projects that do not involve roads. Some of these projects, like intercity transit, multi-use trails, and commuter rail, have the potential to be very beneficial to the County. There is a considerable amount of grant funding available for projects such as these, but most of them require local matching funds. In addition, the County may identify beneficial projects that it would like to construct with County funds.

Over the next twenty years, the County will need to develop better ways of funding transportation projects (like transit, rail, and trails), that are not currently eligible for funding with fuel taxes. This funding will be necessary to make these projects happen, whether through matching funds for grants or through funding the projects directly.

11.8 POTENTIAL FUNDING OPTIONS

In order to complete the recommended 20-year plan, new funding sources or increased levels of funding from existing sources would be needed. A discussion of some of the potential funding sources is provided below in this section.

11.8.1 Federal Surface Transportation Funding

In August 2005, Congress passed and the President signed the Safe, Accountable, Flexible, Efficient Transportation Equity Act: a Legacy for Users (SAFTEA-LU) which provided \$244 billion for highway, highway safety, transit and other surface transportation programs over the 6 years from 2005 through 2011. SAFTEA-LU expanded on the initiatives established by the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) and the 1998 Transportation Equity Act for the 21st Century (TEA-21). In the past, federal funds contributed about 30% of road-related revenue statewide. Federal transportation revenues come from a variety of taxes on gasoline, diesel, other fuels, tires, truck sales, and interstate truck weight. These funds were allocated to programs established by the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) and the Transportation Equity Act for the 21st Century (TEA-21). Marion County received most of the ISTEA and TEA-21 funds through the Surface Transportation Program, the Bridge Replacement and Rehabilitation program, with funding also coming through the Transportation Enhancement program and the Hazard Elimination Program. Marion County will continue to actively and persistently pursue funding through these and other grant programs.

11.8.2 State Gas Tax

The largest source of the County's revenue comes from the Oregon Highway Fund Apportionment, the largest portion of which consists of state gas tax dollars. In projecting future funding for County transportation improvements, it was assumed there would be no increase in the gas tax over the next 20 years. However, any increase to the state gas tax would result in a significant increase to the County fund. It is estimated that a one-cent per gallon increase to the gas tax would bring close to an additional \$300,000 per year to the County fund.

As the gas tax is a fixed amount per gallon of gas, it is not indexed to inflation. Therefore, due to inflation, the real value of total gas tax revenue is decreasing, as each dollar collected buys less and less. The tax on one gallon of gas buys considerably less today than it did when the gas tax value was set many years ago.

Changes in the average fuel-efficiency of vehicles also affects gas tax revenue. The driver of a compact car that gets 45 miles per gallon only pays a third of the gas tax paid by the driver of a sport-utility vehicle that gets 15 miles per gallon. As gas prices increase and as people become

more aware of the world's limited supply of fossil fuels, a trend is anticipated towards more fuel-efficient vehicles, including hybrid vehicles. This trend toward more fuel-efficient vehicles would be a wise use of natural resources, but would result in lower gas-tax revenue paid by the drivers of these vehicles. Thus, this trend toward more fuel-efficient vehicles would result in less revenue per vehicle-mile traveled. The result would be that, even though these vehicles would place essentially the same demands on the transportation system, they would be paying much less to maintain that system. This could result in future revenue shortages.

11.8.3 State Motor Carrier Transportation Fees

Another large source of the Oregon Highway Fund Apportionment is road usage fees, commonly called the 'weight-mile tax' paid by trucks and other users. This fee is based on the amount of mileage each vehicle travels and the amount of weight the vehicle was carrying for that mile. In projecting future funding for County transportation improvements, it was assumed there would be no increase in these transportation fees over the next 20 years. However, any increase to these fees would result in a significant increase to the County fund. A 1% increase in these fees would bring approximately an additional \$40,000 per year to the County fund.

11.8.4 State Vehicle Registration Fees

Another key source of state transportation revenue is state vehicle registration fees, which are charged when a vehicle is registered or that registration is renewed. In 2001, the Oregon legislature passed the Oregon Transportation Investment Act, and one provision of that Act was an increase in vehicle registration fees for Oregon drivers. This increase has been effective in providing needed revenue for state, county, and city transportation agencies to help them maintain their road systems and meet the ever-increasing demand for vehicular travel.

11.8.5 Local Gas Tax, Vehicle Registration Fees, and Aggregate Tax

One possible means of generating revenue for Marion County's transportation system would be the implementation of a local gas tax, registration fee, or some other means of collecting local funding. In 1997, Marion County proposed several measures to County voters to fund transportation improvements and repairs. These included local gas taxes, diesel taxes, registration fees, and aggregate extraction taxes. Each of these measures was soundly defeated by voters.

At this time, Marion County has no plans to pursue any of these local revenue generation measures such as fuel taxes, registration fees, or resource extraction fees. If the funding situation becomes significantly worse in the near future or other sources are not developed, measures such as these may be reconsidered.

11.8.6 System Development Charges

Marion County has adopted Systems Development Charges (SDCs) to fund transportation projects in rural Marion County and in the areas of unincorporated Marion County that lie within the urban growth boundaries of four cities: Woodburn, Silverton, Salem, and Stayton. SDCs are fees paid by developers to cover the costs of capacity impacts as a result of the development. The fees are determined by the costs associated with impacts on adjacent areas and services, such as

increased trip generation from associated land use. The amount of the County SDC inside the Woodburn and Silverton urban growth boundaries is the same as the fee implemented by those cities. The SDC within the Salem urban growth boundary is based on the recommendations contained in the report, *Transportation Systems Development Charge Study (1994)*. Revenue generated by the SDC will fluctuate with the level of new development and the trip rate identified in the SDC ordinance. In addition to SDCs, the County will continue to require developers to provide improvements in subdivisions as a condition for their development.

The System Development Charges are approximately \$465,000 per year. These funds are used for growth and capacity-related improvements in the rural County area. Increases in System Development Charges could provide additional funding for growth and capacity-related improvements.

11.8.7 Local Improvement Districts

In many instances, transportation improvements have a very direct benefit to nearby property owners, such as improving motor vehicle or bicycle/pedestrian access to adjacent properties. In these cases, nearby property owners could accelerate a project by forming a Local Improvement District (LID) and contributing a portion of the funding for the project. The LID could assess additional fees on properties in the district to fund specific improvements, and thus the local property owners would over a period of years pay back the County for the improvements made.

While these LIDs were used in the past to fund many projects (such as paving gravel roads), they are no longer considered viable for the County as the LIDs necessitate the County providing the up-front funding for a project, and then having substantial administrative costs and uncertainty in collecting the money from the property owners. In the County's efforts to be a good steward of the taxpayer revenue it receives, these LIDs are no longer being used. However, it is possible for local property owners to pool resources to accomplish projects; see the next section.

11.8.8 Local Improvement Cooperation

Projects on the transportation system can be accomplished by private funding, provided that the proposed project is acceptable to Marion County. If so, the residents, property owners, and/or users of a particular area can provide the funding necessary to construct the project. If there is interest the county encourages individuals to work together to pool resources to come up with the funding for these projects.

The main difference between this cooperation approach and a Local Improvement District (LID) is in who provides the up-front funding for the project.

11.8.9 Street Utility Fee

An alternative source of local funding is a Street Utility Fee assessed to households and businesses based on the average amount of street use generated by each type of land use. One example where a Street Utility Fee is in place is Medford, Oregon where single-family residences currently pay \$2 per month. The Street Utility Fee in Medford generates \$1.3 million per year.

Since the Street Utility Fee can be constructed as a fee rather than a tax, it would not be subject to the limits of Measure 5 and Measure 50, and would not require voter approval. Although not legally required, voter approval of a Street Utility Fee would probably be necessary for political acceptance because voters will probably perceive the fee as a tax.

11.8.10 Property Tax Levy

A property tax levy is also an option to raise the revenue needed to complete the unfunded portion of the plan. The recommended but unfunded portion of the rural plan is estimated to be over \$87 million over 20 years, or about \$4.3 million per year (in current dollars). Based on the total assessed property value of \$13.9 billion in Marion County as reported by the Oregon Department of Revenue, a yearly tax rate of \$0.072 (in current dollars) per \$1000 of assessed value would be needed to generate \$1 million per year. The County does not intend to implement a property tax levy at this time.

11.8.11 Local Access Fees

Another option to increase revenue for Marion County's transportation system would be the implementation of a Local Access Fee. This would be a fee charged to each property owner and/or vehicle user for the privilege of using Marion County roads. The fee could be based on property, number or usage of driveway accesses, trip generation of a property, vehicles registered, or vehicle-miles traveled. The specifics of how to calculate the amount of such a fee, or how the fee would be collected, would be determined if the County decides to work towards implementing such a fee.

11.8.12 Ballot Measures / Bond Issues

Several other local jurisdictions (such as the City of Salem) have funded transportation projects through issuance of bonds authorized by voters through ballot measures. A 'package' or list of transportation projects is developed, the cost of those projects identified, and the package is put before the voters in an election to determine whether or not they are willing to pay for that package of improvements. This is another option that the County could pursue in order to raise additional revenue for necessary transportation projects.

11.8.13 Tolls or other Specific User Fees

In this option, drivers would pay a specific fee, or toll, in order to make a specific trip on a specific roadway. This option is widely used in the eastern United States, and provides a significant amount of revenue for the transportation systems of those areas. One difficulty of tolls is the considerable administrative cost involved in their implementation and, for most methods of collection, considerable vehicle delay in paying the tolls. Marion County has no plans to pursue tolls at this time. However, this could become an option if additional revenue becomes necessary.

11.8.14 Earmarks

One option that is gaining prevalence is ‘earmarking’ funds in federal legislation to go for specific projects. For this option, Congress would need to insert an ‘earmark’ for a specific amount of funds for a specific project into a legislative bill that is actively being considered. If the bill passes, that funding becomes available. This approach could be particularly useful for large projects.

11.8.15 Grants and other Funding Programs

There are several types of public and private funding programs for which Marion County transportation projects may be eligible. The County will continue to actively pursue grant funding for projects that would be beneficial, as long as the administrative costs associated with the program do not outweigh the benefit of the potential for receiving funding, and as long as the project can still be appropriately constructed within the parameters of the funding program. Grants are anticipated to be a particularly good source of funding to pursue, and the County intends to continue to do so.

Many grants and funding programs require a local match, often in dollars as opposed to in-kind. The County will maintain some funds as a potential match for this type of funding.

11.8.16 Transit Funding Programs

The ability to obtain funding is a critical part of implementing the transit improvements proposed in the 20-year plan. A list of potential funding programs for transit services are provided below.

Section 5310 Funds

Section 5310 funds are Federal funds to purchase vehicles and equipment for transportation for the elderly and/or disabled. Improvements to paratransit service would be eligible for these funds.

Section 5311 Funds

Section 5311 funds are Federal funds to purchase and operate vehicles for public transportation in small cities and rural areas under 50,000. Transit programs that can be supported by these funds include: intercity transit service, bus and taxi systems, vans, and dial-a-ride programs. Section 5311 funds offer the greatest potential for funding the proposed intercity transit recommended in Chapter 9.

Special Transportation Fund (STF)

The Special Transportation Fund is generated through the State cigarette tax and can be used to provide transportation services for the elderly and/or disabled. Although a shuttle service strictly designed for commuters would not be eligible for this fund, a shared shuttle service between commuters and the elderly and/or disabled might qualify. The County is supporting the development of a commuter shuttle service that would also provide para-transit service during off-peak hours with the Salem Transit District and the North Santiam River Basin Transit Services.

Title XIX

Title XIX provides Federal funds for the medical transportation of the elderly, disabled, and disadvantaged. Some paratransit services would be eligible for these funds.

Transportation Safety and Service Fee (TSSF)

In 1997, the Governor and the Oregon House Transportation Committee looked at options for expanding the base of transportation funding in the State. One of the options discussed was a Transportation Safety and Service Fee, or “access fee,” where every household and business in Oregon would pay a \$2.00 per month fee for the benefits of having transportation facilities available. The belief is that everybody in the state benefits from the transportation system, whether they use the system for transportation themselves, or receive products or services that come via the transportation system. It was estimated that the TSSF would generate between \$31 million and \$39 million statewide each year. Of that, 70% would be allocated to senior and disabled transportation, up to a maximum of \$28 million. (The remainder of the funds would have been allocated to other programs: 20% to the Oregon State Police for highway patrol officers; 7% for high speed rail; 2% for other projects such as rail, ports, roads, aviation, public transportation, freight, and other non-road transportation improvements; and 1% for grants to ports.) Although this legislation was considered, it was never presented to Oregon voters. It was determined that a gas tax increase would be more feasible and should be pursued instead. However, it is possible that an access fee could be pursued again in the future.

11.8.17 Funding for Pedestrian and Bicycle Projects (Including Trails)

The Oregon Bicycle and Pedestrian Program, administered by ODOT, offers Bicycle and Pedestrian Program Grants. These grants can be used to add pedestrian and/or bicycle facilities within road rights-of-way. These grants apply to projects that would complete missing and/or needed sections of sidewalk, bike lane, or paved shoulder. They are also a good source for enhanced pedestrian crossing projects. One limit of this funding is that to be eligible, the resulting project must be in a road right-of-way.

The Transportation Enhancement Program, administered by ODOT, provides federal highway funds for projects that strengthen the cultural, aesthetic, or environmental value of our transportation system. This funding can be used for a variety of types of projects, from bicycle and pedestrian facilities to trails to scenic beautification to historic preservation to transportation museums. One limitation of this program is that the cycle for accepting applications occurs once every two years, and the County can only apply for one project outside the Salem-Keizer planning area per application cycle. Most cities within Marion County can apply themselves for one project each, and a total of four projects may be submitted by all jurisdictions within the Salem-Keizer planning area. Marion County will work to make best use of the opportunities presented by this program.

11.8.18 Other Funding Sources

Many other funding programs exist, and many more are likely to be developed within the timeframe of this plan. Marion County will work to make best use of whatever funding programs become available when they can help improve transportation in the County.