

# March 18, 2024 Ad-Hoc Street Improvement & Funding Information

## Gas Tax

- Gas Tax Revenue Projections:
  - \$.01 increase would generate approximately \$100,000 per year.
  - \$.03 increase would generate approximately \$320,000 per year.
  - \$.05 increase would generate approximately \$500,000 per year.

## Local Street Option Levy

- Property Tax Revenue Projections:
  - \$.50 per thousand would generate approximately \$628,720 per year (includes 5% uncollectible). The increase for a \$350,000 home would be approximately \$175.00 per year or \$14.60 per month.

## Employee Tax

- Employee Tax Revenue Projections:
  - Total of 392 Establishments, 3,339 Employees, and \$132,301,621 in total wages. Average wage is \$39,623 in 2022.
  - 4.2% of the employees make less than \$30,000/year at \$4.2 million per year in total wages.
  - A 0.5% tax less the individuals making less than \$30,000 year would generate \$640,508 per year. A 1% wage tax would generate \$1,281,162.

## Transportation Utility Fee (TUF)

- Transportation Utility Fee Revenue Projections:
  - \$5.00 fee per month added to the utility billing would generate \$238,200.00 per year.
  - \$10.00 fee per month added to the utility billing would generate \$476,400.00 per year.
  - Fees for Businesses would be based on trip generation equivalent to a single family residence.
  - A TUF district could be created and the properties within the district could be charged a per trip fee based on the Institute of Transportation Engineers (ITE) Trip Generation Manual for each business adopted by the City Council and used to calculate System Development Fees at time of development.

## **Transportation Improvement District (TID)**

- Work with local State Representative and Senator to pass legislation allowing Cottage Grove and Lane County to create a transportation improvement district. This would allow to charge a fee to fund road improvements within the transportation improvement district. Many of the vehicles using the City streets are from residents living outside the City limits. This would allow for street repairs and improvements to be supported by more of vehicles using the City streets. The proposal fee would be collected on registered vehicles, trucks, and trailers within the district. It could be collected by the DMV at time of vehicle registration and or renewals.

## **Local Improvement District (LID)**

- Create a local improvement district along the boundaries of the proposed street improvement. Borrow the funds to complete the project and the debt would be serviced by each adjoining property based on the length of property fronting the improvement. The debt would be financed and paid over a period of years similar to a property mortgage.
- This method of funding and making street improvements is recommended to be used on local residential streets. The City could pay for a portion of the project using the City Street Fund's Capital Improvement Fund.

## **Additional Items**

- Recommend requiring an Audit Committee to review yearly Street Fund expenditures and report to the City and or Improvement District residents and businesses.
- Focus improvements to Artillery and Collector designated City streets.
- Seek Federal and State grant funding for street improvements.