



# **Transportation System Maintenance Funding Overview**

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# System Facts



## Washington County maintains:

- Approximately 1,300 miles of roads:
  - half urban; half rural
  - 1,075 miles paved; 225 miles gravel
- Of paved roads:
  - 198 miles are arterials
  - 247 miles are collectors
- Many county-maintained arterials and collectors are in cities
- 189 bridges
- 3,021 culverts
- 700 miles of ditches



# Transportation Funding Strategy

Washington County, Oregon

## “Three Legged Stool”

### System Maintenance

#### Gas Tax and User Fees

- State and county fuel taxes, vehicle registration fees (Road Fund)

**Approx. \$23 million/year**

Prioritization policy focuses on major transportation system first

- **Urban Road Maintenance District (Property tax)**

**Approx. \$3.7 million/year**

Unincorporated Area Local Streets



### Existing Safety/Capacity Deficiencies

#### Property Taxes (MSTIP)

- MSTIP 1: \$27 million
- MSTIP 2: \$60 million
- MSTIP 3: \$265 million
- MSTIP 3b: \$65 million
- MSTIP 3c: \$138 million
- Total to date: \$555 million
- MSTIP 3d: \$175 million (2013-18)

**Approx. \$35 million/year**

### Keeping Up with Growth

- TIF: Averaged \$14 million/year from 1990 – 2010
- TDT: Projected \$17+m/year; Actual average \$5m/year
- North Bethany TSDC and CSD: new



# Maintenance Funding Challenges

- **Current needs exceed current revenues**
- **We anticipate that trend to accelerate in coming years**
- **We're working to maximize efficiencies and prioritize our expenditures for maximum benefit, but will still fall short**
- **Looming questions:**
  - Do we reduce maintenance services?
  - Do we look for alternative funding sources?
  - Consider some combination of the two options?



# A Common Refrain

***“Portland Transportation Bureau studies options for new revenue and savings”***

*Oregonian, November 28, 2012*

***“Using less gas offers mixed results for state”***

*Salem Statesman Journal, September 29, 2012*

***“Why can’t Portland repave its rutted roads?”***

*Oregonian, February 26, 2012*

***“Clackamas County considers county gas tax, vehicle registration or road utility fees to fund maintenance”***

*Oregonian, February 5, 2012*

***“Once-flush ODOT now facing lean times”***

*Portland Daily Journal of Commerce, August 15, 2011*

***“Funding uncertainty strains ODOT planning”***

*Portland Daily Journal of Commerce, January 19, 2011*



# Road Fund Overview

- **Maintains major urban roads; all rural roads**
- **Funds Minor Betterments (\$500,000 in FY 12-13)**
- **Revenue Sources:**
  - State apportionment provides approx. **\$23 million/year**
    - State gas tax
    - Vehicle registration fees
    - Weight mile taxes paid by freight haulers
  - One-cent countywide gas tax: **\$850K to county annually;**  
\$1.2 million to cities (40/60% split)
  - Permit revenues (net loss)

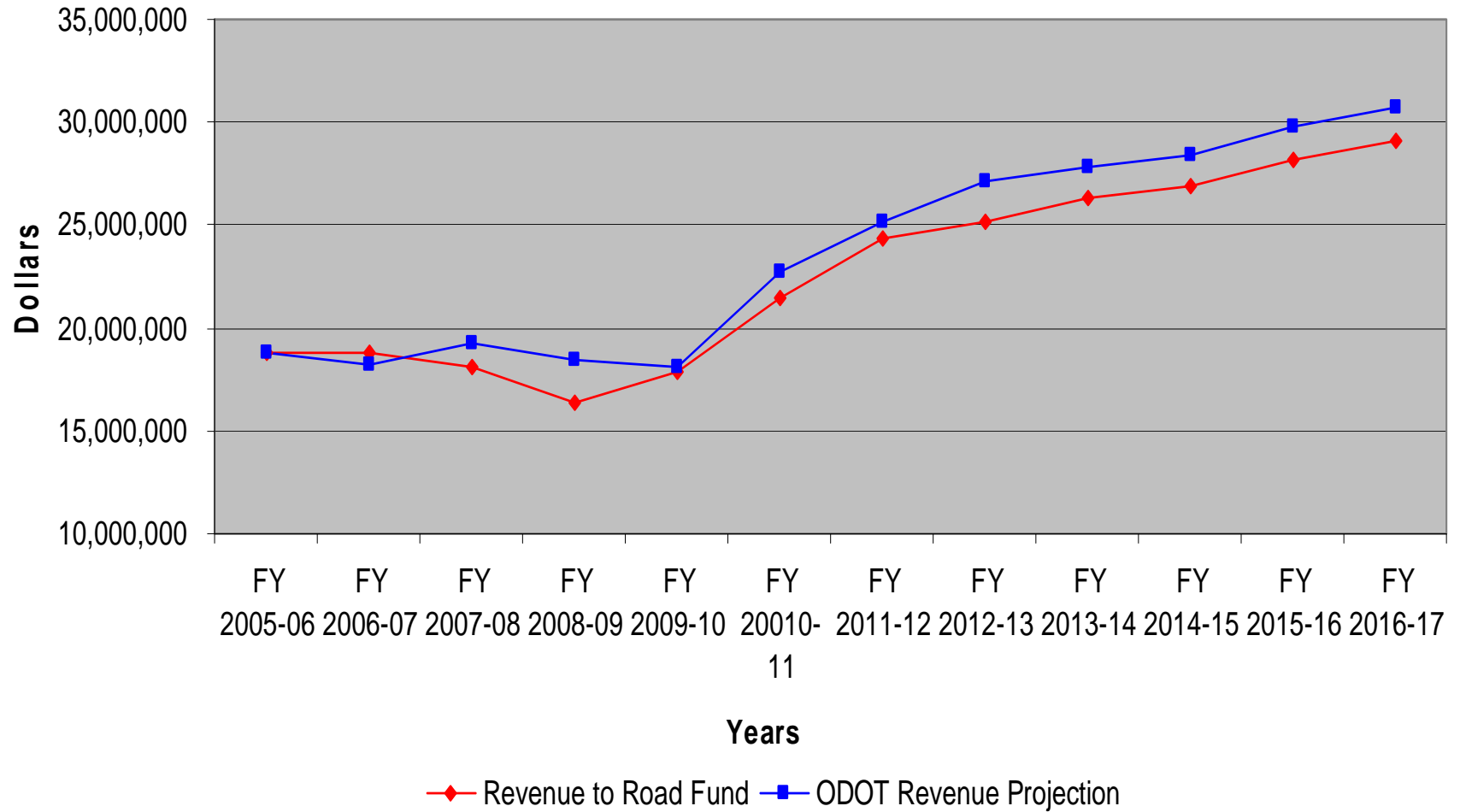


# Road Fund Overview

## Challenges:

- Growing gap between needs and revenues
- Deferred maintenance is increasing
- Material and labor cost increases outpacing revenue growth
- Early MSTIP projects need first significant maintenance
  - higher cost per roadway mile
- Gas tax dependence
  - higher fuel efficiency; rising gas prices; transit use all depress revenue
- HB 2041 (OTIA) sunsets in FY 12-13 (\$1.7 million)
- Competition – capital vs. maintenance
- High PCI targets on major roads
- High community expectations for pavement; landscaping, etc.

# ODOT Projections vs. Road Fund Revenue

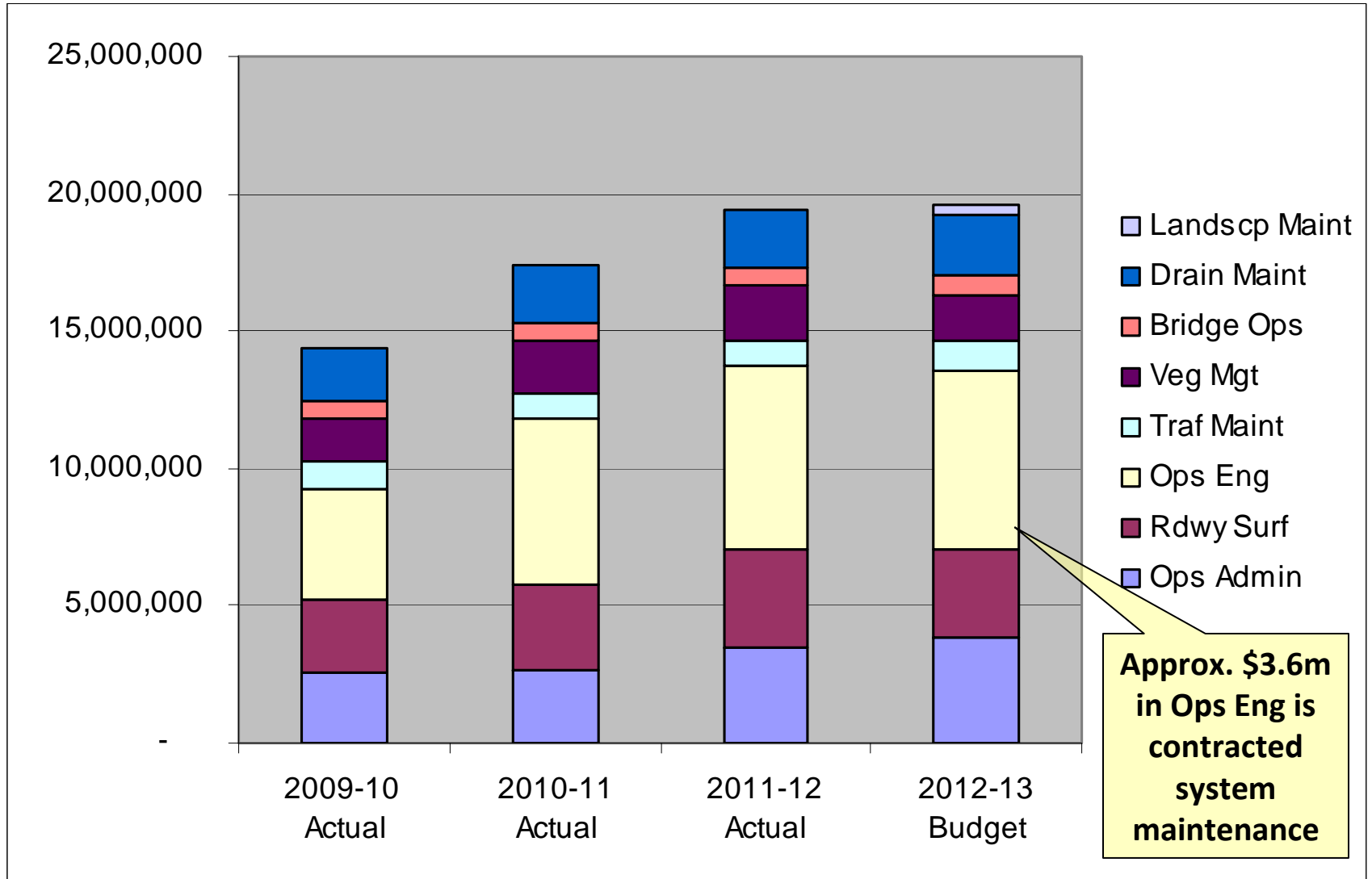






# Operations Road Fund Expenses

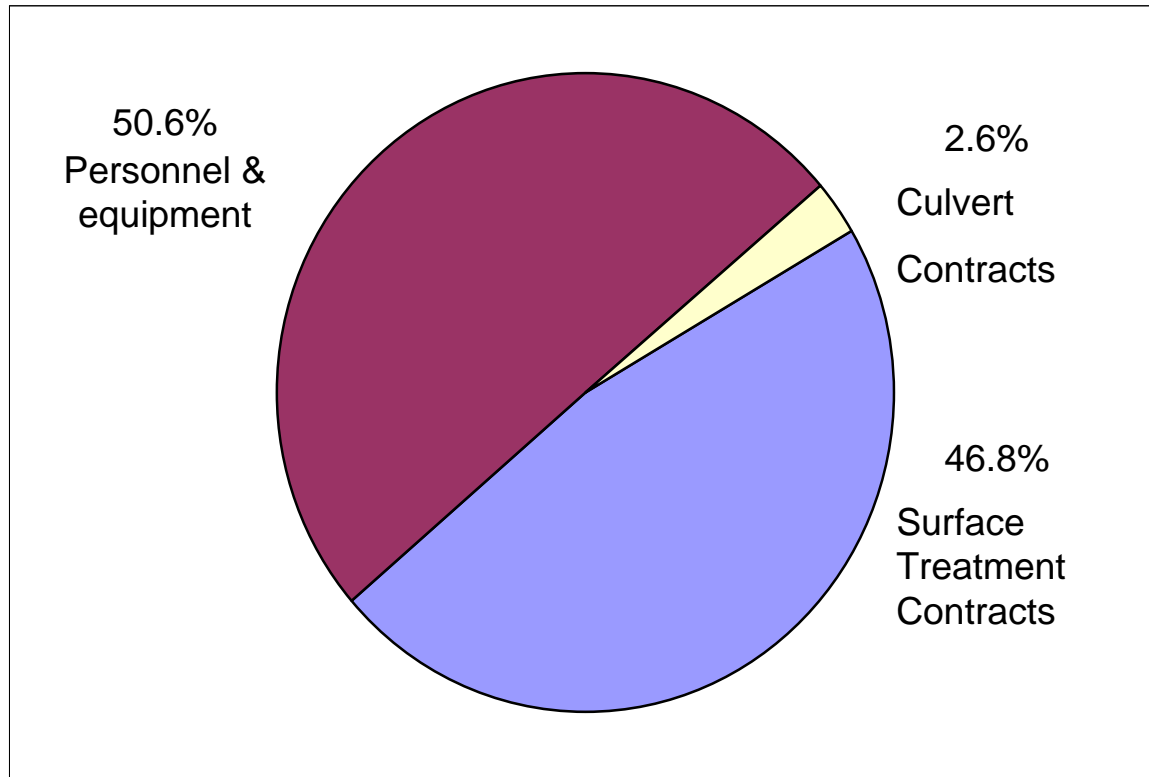
## Combined Programs Expenditure Summary





# Operations Engineering Expenditures

50% of the budget is spent on contracted services





# Pavements

- **Arterials and Collectors are highest maintenance priority**
- **198 miles of Arterials; 247 miles of Collectors**
- **Target PCI (Pavement Condition Index):**
  - Adopted with 1988 Transportation Plan
  - Arterials: 80
  - Collectors: 75
- **Current Actual PCI:**
  - Arterials: 77 (up from 75 in 2010)
  - Collectors: 76
- Estimate approx. **\$2 million to \$6.7 million in deferred needs** depending on target PCI

# Pavements

## Target PCI and Average PCI in 2010 and 2012 by Functional Classification

Road Functional Classification	Target PCI (Transportation Plan Policy 21.4)	2010 Average PCI	2012 Average PCI	Change
Urban Arterial	80	75	77.3	+2.3*
Urban Collector	75	77	75.7	-4.4
Urban Local	75	85	83.5	-2.3**
Rural Arterial	80	77	73.5	-3.3
Rural Collector	75	82	79.4	-3.2
Rural Local	65	75	71.9	-4.4

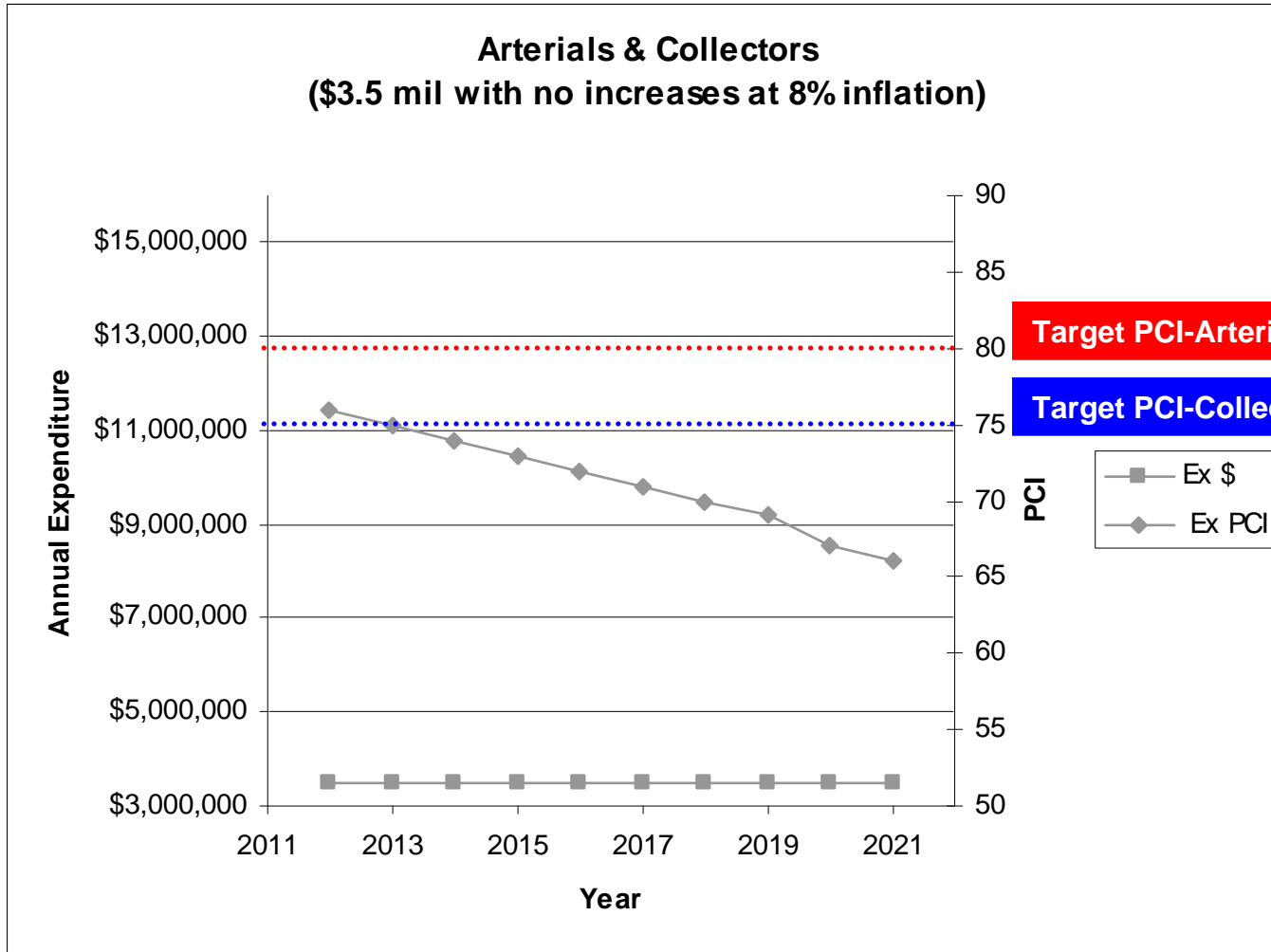
*\*Most pavement maintenance funds in FY 10-11 and 11-12 went to overlays on urban arterials.*

*\*\* The drop in Urban Local PCI is by design. Last year the Board adopted a target PCI of 75. Only low PCI roads within URMD will receive surface treatments until the average PCI reaches the target.*



# Pavements

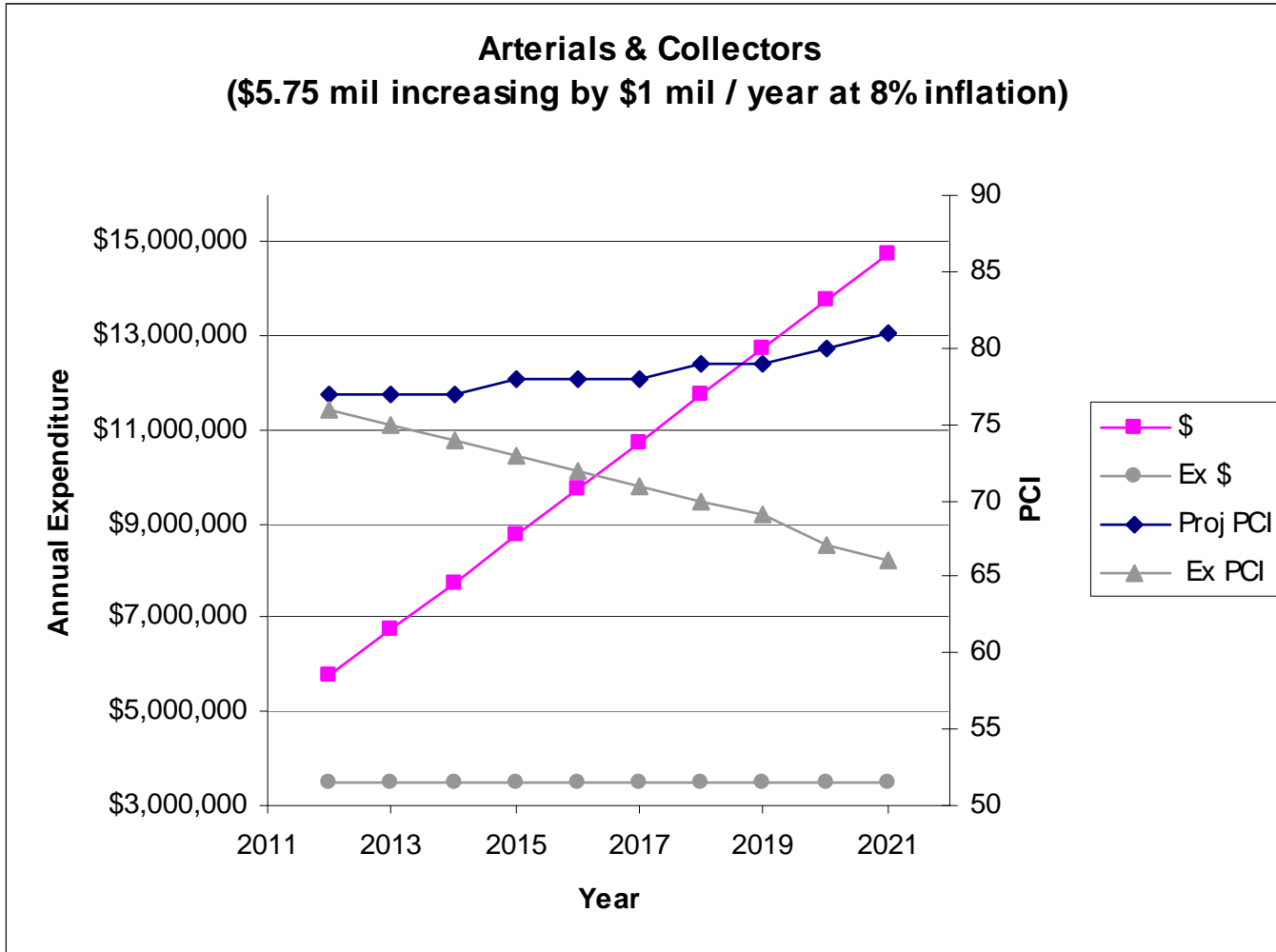
Maintain Current Spending = PCI of 66 in 2021



**\$35 million** over 10 years yields an overall PCI reduction of 9 points

# Pavements

## Adopted Target PCI in 2021



**\$102.5 million** needed over 10 years to meet the target PCI values in Transportation Plan

# Bridges

- 80% of county's 189 bridges have some sort of maintenance need
- Current estimated maintenance need is \$1.3 million
- \$325,000 programmed for FY 2012-13
- Estimate approximately \$975,000 deferred need



South Road (scour)



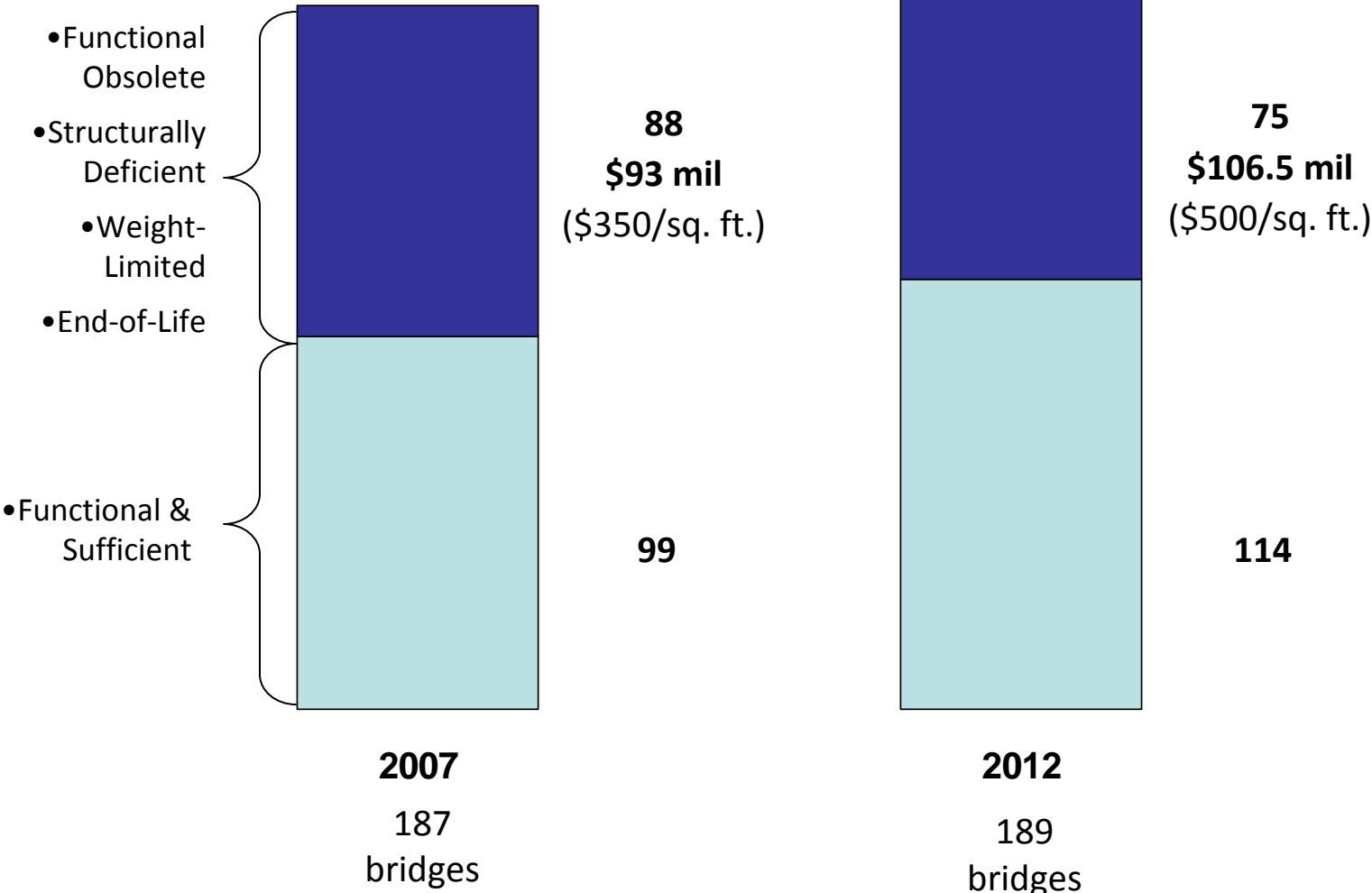
Gaston Rd (insects)



Roy Road (pile splice)

# Bridges

189 bridges, system-wide, including 8 pedestrian bridges

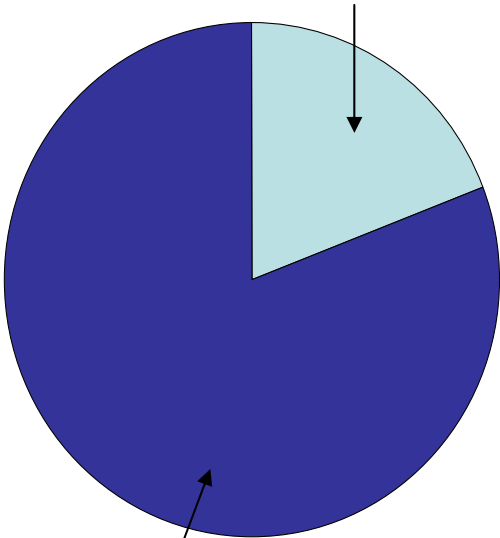




# Culverts

## All Culverts

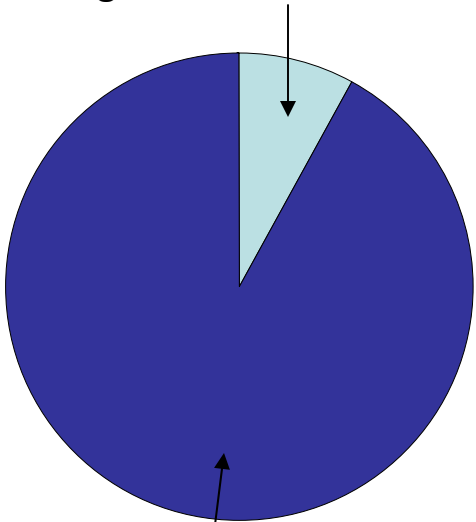
581 Major Culverts  
(36" diam or greater)



2,440 Minor Culverts  
(less than 36" diam)

## Major Culverts

47 "Do Not Meet"  
Target service levels



534 "meet" target  
service levels

**\$6 million** needed  
to replace the 47  
major culverts not  
meeting service  
levels



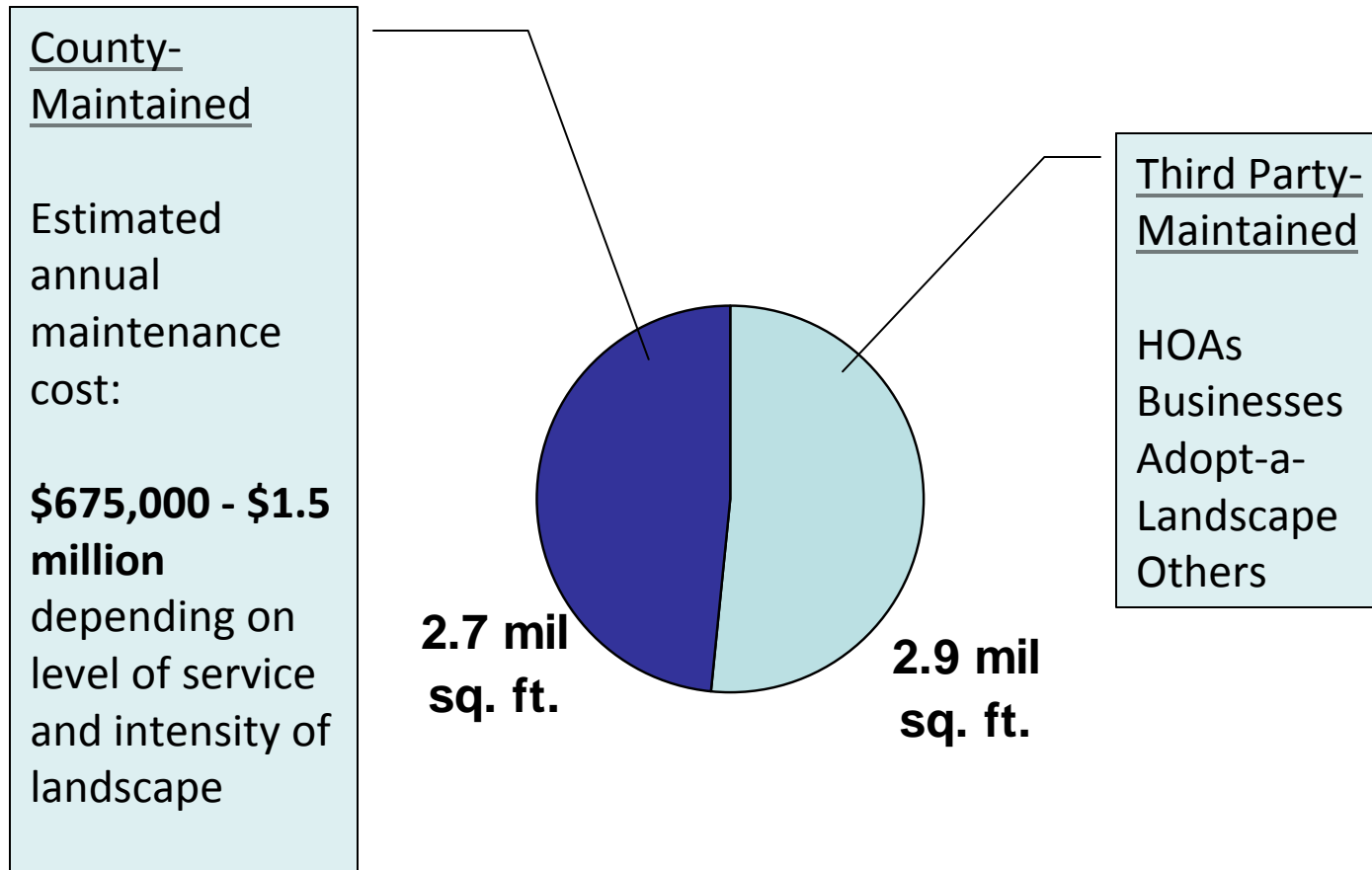
# Ditches

- 3.7 million linear feet (700 miles) system-wide
- 85% of the system has been rated
- Average Rating is 87 out of 100
- Big pushes following 1996 flood and 2007 storms to restore and maintain the ditch system
- Ditches are dynamic
- In good shape now – until next storm event



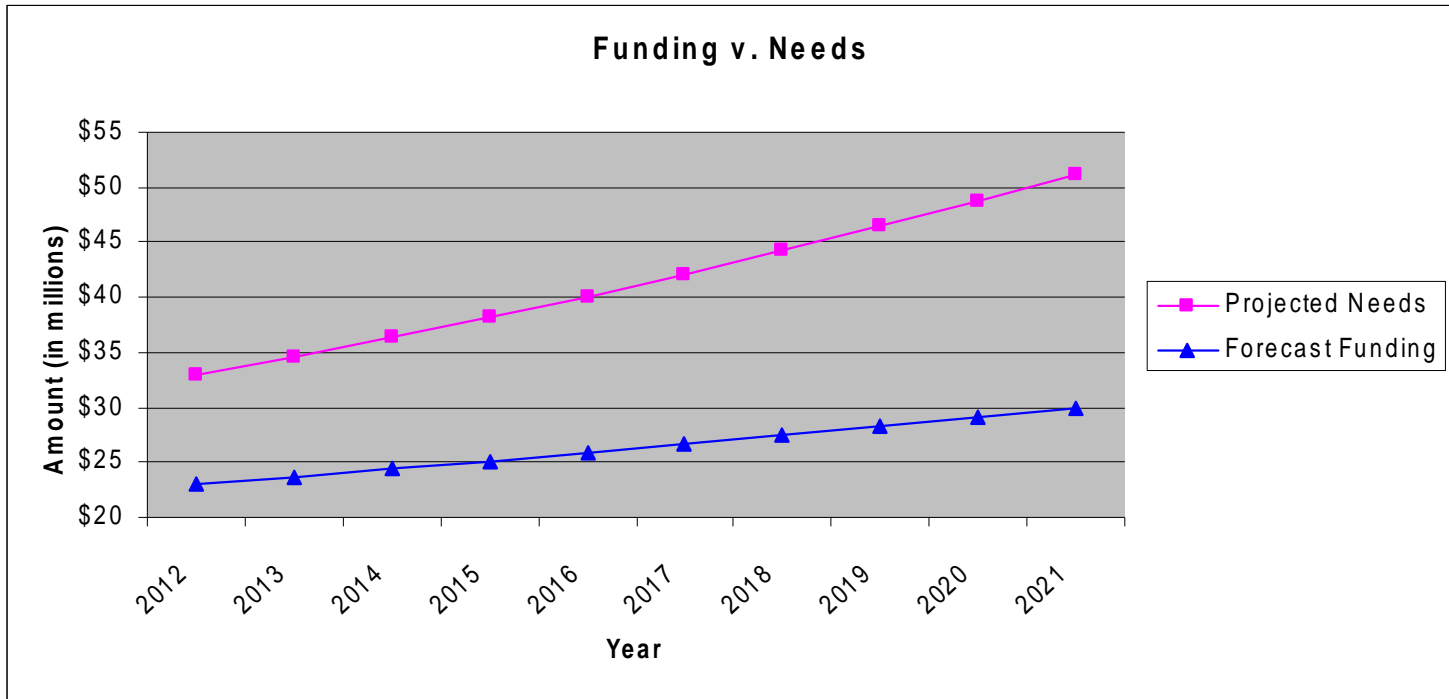
# Landscaping

5.6 million square feet of landscaping area in the right-of-way on urban arterials



# Increasing Need

Funding gap expected to double within 10 years



**Forecasted Funding** grows at approx. **3%** annually while **Projected Needs** grows at approx. **5%** annually



# Managing Expenditures

- Ensure we're employing best practices, realizing all possible efficiencies, and prioritizing limited funding:
  - Pavement management audit
  - Completing review to ensure essential, mandated and priority 1 services are fully funded first
  - Working with URMDAC and RROMAC to develop target service levels for other assets to help assure clear prioritization of limited resources
- Evaluate contracted vs. internal maintenance
- Transfer roads to cities



# Road Maintenance Priority Matrix

Adopted as part of Transportation Plan

Activity	Arterial	Collector	Rural Resource	Neighborhood Route	Local Roads
Mandated	1	1	1	1	1
Emergencies	1	1	1	1	1
Hazards	1	1	1	1	1
General Maintenance	2	3	4	5	8
Minor Improvements	6	7	11	13	14
Reconstruction	9	10	12	15	16

\* "1" is the highest priority; "16" the lowest



# Possible Funding Sources

## Possible options to address the funding gap:

- State shift from gas tax to road user fees
  - ODOT conducted a road user fee pilot program in 2007; recently launched 2<sup>nd</sup> road usage charge pilot program
- Increase state gas tax/registration fees
- Increase countywide gas tax (currently 1 cent/gallon)
  - Could not be adopted until Jan 2, 2014; countywide election required
  - Increase to 3 cents/gal. would provide \$1.7m add'l. revenue
- Countywide road maintenance levy or fee



# Possible Funding Sources

- Countywide vehicle registration fee:
  - Permitted under HB 2001
  - Could be adopted after July 1, 2013
  - Could generate **\$4.7 million** (\$10/vehicle/year) to **\$20.2 million** (\$43/vehicle/year) annually, based on 2011 registrations\*
  - Revenues would be shared with cities (minimum 40% to cities, unless otherwise agreed upon with cities)
  - Possible to phase in over time
  - How to allocate to maintenance vs. capital needs?

*\* 470,660 vehicles registered in Washington Co. as of December, 2011 (Source: Oregon DMV)*



# Next Steps...

## Suggested follow-up activities

- Consider findings of the pavement maintenance review
- Establish performance levels for all major system assets
- Consider service reductions
- Consider expanding or developing new funding sources
- Others