



ALBANY CITY COUNCIL
AGENDA

Monday, December 11, 2023
4:00 p.m.

Council Chambers, City Hall
333 Broadalbin Street SW

Watch on YouTube: <https://www.youtube.com/user/cityofalbany>

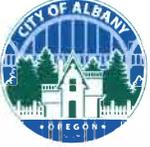
Please help us get Albany's work done.

Be respectful and refer to the rules of conduct posted by the main door to the Chambers and on the website.

1. Call to order and roll call
2. Business from the public
3. Presentation from CASA of Linn County – Leslee Mayers [Verbal]
Information
4. Public restroom facilities – Chris Bailey [Verbal]
Information
5. Code amendments, housekeeping – Kris Schendel [Pages 3-10]
Discussion
6. Fireworks discussion – Shane Wooton and Marcia Harnden [Verbal]
Discussion
7. Marvin's Garden update – Marcia Harnden and Shane Wooton [Verbal]
Discussion
8. Pavement management funding discussion – Chris Bailey [Pages 11-18]
Discussion
9. Business from the council
10. City manager report
11. Adjournment

This meeting is accessible to the public via video connection. The location for in-person attendance is accessible to people with disabilities. If you have a disability that requires accommodation, please notify city staff at least 48 hours in advance of the meeting at: cityclerk@albanyoregon.gov.

Testimony provided at the meeting is part of the public record. Meetings are recorded, capturing both in-person and virtual participation, and are posted on the City website.



MEMO

TO: Albany City Council

VIA: Marcia Harnden, Police Chief

Peter Troedsson, CM.  12/06

FROM: Kristopher Schendel, Senior Code Compliance Officer

DATE: November 21, 2023, for the December 11, 2023, City Council Work Session and December 13, 2023, City Council Regular Session

SUBJECT: Albany Municipal Code Housekeeping

Relates to Strategic Plan theme: Great Neighborhoods and Effective Government

Action Requested:

Staff requests the City Council amend Albany Municipal Code (AMC) Chapters 5.06.140 Forms and conditions for MFU permit and property MFU authorization, 6.10 Violation - Penalty, 6.18.010 Definitions, 8.01.020 Debris, garbage, and junk, 13.36.180 Motor vehicle or recreational vehicle use for sleeping or housekeeping purposes and related parking restrictions, and 13.90.110 Regulations.

Discussion:

Staff are continuously receiving community feedback and reviewing the AMC to provide the most effective government possible. In the most recent review staff discovered loopholes, oversight, and/ or unintended consequences to multiple AMC. City staff has adjusted these codes and is providing them to Albany City Council for review and consideration.

Staff recommends that the City Council adopt the proposed amendments to the AMC.

Budget Impact:

None.

KS

Attachments: Ordinances amending AMC Chapters 5.06.140 Forms and conditions for MFU permit and property MFU authorization, 6.10 Violation - Penalty, 6.18.010 Definitions, 8.01.020 Debris, garbage, and junk, 13.36.180 Motor vehicle or recreational vehicle use for sleeping or housekeeping purposes and related parking restrictions, and 13.90.110 Regulations.



ORDINANCE NO. _____

AN ORDINANCE AMENDING ALBANY MUNICIPAL CODE (AMC) CHAPTER 5.06.140 FORMS AND CONDITIONS FOR MOBILE FOOD UNIT (MFU) PERMIT AND PROPERTY MFU AUTHORIZATION

WHEREAS, the City of Albany is amending AMC Chapter 5.06.140, Forms and conditions for MFU permit and property MFU authorization; and

WHEREAS, current code allows for each MFU to have an individual expiration date; and

WHEREAS, this method increases staff demand and workload; and

WHEREAS, switching to a set expiration date would streamline the task and provide better efficiency.

NOW THEREFORE, THE PEOPLE OF THE CITY OF ALBANY DO ORDAIN AS FOLLOWS:

Amending AMC Title 5, Business Licenses and Regulations. AMC Chapter 5.06.140 Forms and conditions for MFU permit and property MFU authorization, is hereby amended to:

5.06.140 Forms and conditions for MFU permit and property MFU authorization.

The permit and/or approval issued shall be in a form deemed suitable by the city manager or their designee.

(1) Property MFU Authorization. In addition to naming the property owner in the approval and other information deemed appropriate, the approval shall contain the minimum conditions:

- (a) A property MFU authorization, unless modified, shall not expire.
- (b) The approval shall be specific to the property and property owner and is not transferable in any manner.

(c) The property owner in subsection (1)(b) of this section shall notify the city manager or their designee if they wish to modify an existing approval by submitting a new application under AMC 5.06.040 along with the required fee(s).

(2) MFU Permit. In addition to naming the MFU owner as permittee and other information deemed appropriate, the permit shall contain the following minimum conditions:

(a) ~~Each permit shall terminate 365 calendar days after its issuance and~~ Permits shall expire on February 1 of each year and may be renewed by submitting an ~~new~~ application and paying the required fee(s). Fee(s) shall be halved if applied for after July 31.

(b) The issued MFU permit shall be personal to the permittee only and is not transferable in any manner. The permittee is responsible for compliance with all conditions of approval.

(c) The permittee shall notify the city manager or their designee if they wish to modify an existing permit by submitting a new application under AMC 5.06.030 along with the required fee(s).

(d) The MFU permit shall be displayed in plain view of the public during operating hours.

Passed by the Council: _____

Approved by the Mayor: _____

Effective Date: _____

Mayor

ATTEST:

City Clerk



ORDINANCE NO. _____

AN ORDINANCE AMENDING ALBANY MUNICIPAL CODE SECTION 6.10.080 VIOLATION - PENALTY

WHEREAS, the City of Albany is amending Albany Municipal Code (AMC) Section 6.10.080, Violation – Penalty, to address the discrepancies within the AMC; and

WHEREAS, non-compliance under AMC 6.04, Dogs, is treated as a violation under AMC 1.04.010 General Penalty; and

WHEREAS, non-compliance under AMC 6.10, Keeping of Animals, is treated as a misdemeanor under AMC 1.04.010 General Penalty; and

WHEREAS, the type of animal under these two sections should not change the enforcement mechanism.

NOW THEREFORE, THE PEOPLE OF THE CITY OF ALBANY DO ORDAIN AS FOLLOWS:

Amending AMC Title 6 Animals. AMC Section 6.10.080 Violation - Penalty, is hereby amended to add:

6.10.080 Violation – Penalty.

(1) Any person violating any of the provisions of this chapter ~~is guilty of a misdemeanor and~~ is subject to those penalties set forth in Section 1.04.010 of this code. In addition, the court may direct the removal of any animal or group of animals from the City which are deemed to be a public nuisance as defined herein. (Ord. 4558 § 1, 1983).

(2) In addition to those penalties provided for in subsection (1) of this section, any person violating any of the provisions of this chapter shall be assessed an animal control assessment of \$100.00, in addition to such other fines and assessments as may be set by the court.

(3) Violations of any provision of this chapter shall be prosecuted as strict liability offenses, subject only to the violation penalties and procedures of AMC 1.04.010.

Passed by the Council: _____

Approved by the Mayor: _____

Effective Date: _____

Mayor

ATTEST:

City Clerk



ORDINANCE NO. _____

AN ORDINANCE AMENDING ALBANY MUNICIPAL CODE SECTION 6.18.010 DEFINITIONS

WHEREAS, the City of Albany is amending Albany Municipal Code (AMC) Section 6.18.010, Definitions, to address the discrepancies within the AMC; and

WHEREAS, the definition of “Dog at large” within AMC 6.04.020, Dog at large, differs from the definition of “Dog at large” in AMC 6.18.010 Definitions; and

WHEREAS, making both sections match provides continuity within the AMC and allows for clarity and transparency.

NOW THEREFORE, THE PEOPLE OF THE CITY OF ALBANY DO ORDAIN AS FOLLOWS:

Amending AMC Title 6 Animals. AMC Section 6.18.010 Definitions, is hereby amended to:

6.18.010 Definitions

As used in this chapter, unless the context requires otherwise:

(1) “Dog at large” means any dog off the premises of the owner or the person having the control, custody, or possession of the dog, while the dog is not under complete control of the owner or such person by a leash or chain not exceeding 10 feet in length; but the use of such leash or chain shall not be required when said dog is in a motor vehicle.;

~~(a) On private property without the permission of the owner or person entitled to possession and not restrained by a physical control device and under the control of a person capable of physically restraining the dog; or~~

~~(b) On public property and not restrained by a physical control device and under the control of a person capable of physically restraining the dog.~~

Passed by the Council: _____

Approved by the Mayor: _____

Effective Date: _____

Mayor

ATTEST:

City Clerk



ORDINANCE NO. _____

AN ORDINANCE AMENDING ALBANY MUNICIPAL CODE SECTION 8.01.020 DEBRIS, GARBAGE, AND JUNK

WHEREAS, the City of Albany created Albany Municipal Code (AMC) Section 8.01.020, Debris, garbage, and junk; and

WHEREAS, in its creation specific language from the old AMC Title 7 was lost; and

WHEREAS, this lost language provided compliance guidelines regarding the use of structures; and

WHEREAS, adding in such language would reduce loopholes in the compliance process.

NOW THEREFORE, THE PEOPLE OF THE CITY OF ALBANY DO ORDAIN AS FOLLOWS:

Amending AMC Title 8 Community Livability. AMC Section 8.01.020 Debris, garbage, and junk, is hereby amended to:

8.01.020 Debris, garbage, and junk.

(1) It is hereby determined and declared that the keeping of any debris, garbage or junk out of doors on any street, public sidewalk, lot, or premises within the city, is a nuisance and is unlawful.

(2) The following shall be removed, and shall be kept removed, unless specifically authorized by ordinance to do otherwise:

(a) Debris.

(i) Accumulations of litter, scrap materials (such as wood, metal, paper, glass, and plastics), empty containers (such as glass, plastic, or metal), pieces of asphalt, concrete, lumber or other building supplies, junk, combustible materials, and stagnant water.

(ii) All dead bushes, dead trees, stumps, and yard clippings or cuttings of plant material; except for such material which:

(A) Is being maintained as part of a naturescaped property;

(B) Does not result in a nuisance as otherwise defined in this code; and

(C) Is located on a property which is otherwise substantially in compliance with this

chapter.

(iii) The remains of something broken down or destroyed; or the accumulations of any other items not designed for outdoor storage.

(b) Garbage.

(i) All household garbage, offal, dead animals, animal and/or human waste, food waste, refuse, rubbish, trash, and all other useless or discarded material.

(c) Junk.

(i) Accumulations of wood pallets.

(ii) All firewood that is not stacked and useable. "Useable" firewood has more wood than rot and is cut to lengths that will fit an approved fireplace or wood stove on the property.

(iii) All inoperable motor vehicles, in which multiple major components are defective or removed for more than 30 consecutive days; any motor vehicle which has been unlicensed for more than 30 consecutive days; defective motor vehicle parts, abandoned automobiles, used tires, inoperable and defective machinery, or parts thereof, inoperable and defective appliances and parts thereof, metal portions of inoperable machinery.

(iv) All construction materials, except those that are stored in a manner to protect their utility and prevent deterioration, which are reasonably expected to be used at the site.

(v) All appliances or appliance parts except for storage of appliances that are reasonably expected to be used at the site and are stored in a manner to protect their utility and prevent deterioration.

(vi) All furniture, except that which is stored in a manner to protect its utility and prevent deterioration and is reasonably expected to be used at the property.

(vii) All empty glass, plastic, or metal containers.

(viii) All other nontrash items which:

- (A) Are of a type or quantity inconsistent with normal and usual use; or
- (B) Are likely to obstruct or impede the necessary passage of fire or other emergency

personnel.

(3) When it is determined that a nuisance caused by the presence of debris, garbage or junk exists and there is no imminent danger to human life, safety or to property, the city manager or their designee shall issue a citation to the owner or person in charge of property.

(a) Upon the first offense, a 30-day notice shall be issued, with the citation, to allow the owner or person in charge of the property to abate the nuisance. If the owner or person in charge of the property completes abatement of the nuisance within the 30 days, the courts shall dismiss the citation.

(b) If special circumstances exist, a one time, up to 30-day extension may be granted to abate the nuisance.

(c) Any additional offenses by an owner or person in charge of a property shall remove the possibility of citation dismissal and abatement extension.

(d) When an owner or person in charge of property does not abate the nuisance, as defined in subsection (3)(a), (b) or (c) of this section, the city manager or their designee should proceed with abatement as set forth in Chapter 8.37 AMC.

(4) Placing items under a tarp or within a tarp structure does not remedy violations of this section. If compliance is met with the use of a structure, such structure shall be wholly enclosed except for doors used for ingress and egress and its use shall not constitute a violation of any other local, county, or state code.

(5) This provision does not apply to junk kept at a duly licensed junk yard or automobile wrecking house. (Ord. 5991 § 2, 2022).

Passed by the Council: _____

Approved by the Mayor: _____

Effective Date: _____

Mayor

ATTEST:

City Clerk



ORDINANCE NO. _____

AN ORDINANCE AMENDING ALBANY MUNICIPAL CODE (AMC) CHAPTER 13.36.180, MOTOR VEHICLE OR RECREATIONAL VEHICLE USE FOR SLEEPING OR HOUSEKEEPING PURPOSES AND RELATED PARKING RESTRICTIONS

WHEREAS, the City of Albany is amending AMC Chapter 13.36.180, Motor vehicle or recreational vehicle use for sleeping or housekeeping purposes and related parking restrictions; and

WHEREAS, the city manager may grant a special temporary use permit for up to 90 days; and

WHEREAS, in the event a permit needs to be revoked, it takes a city council decision; and

WHEREAS, revocation of such permit often needs to be done in a timely manner due to public health and safety.

NOW THEREFORE, THE PEOPLE OF THE CITY OF ALBANY DO ORDAIN AS FOLLOWS:

Amending AMC Title 13, Vehicles and Traffic. AMC Chapter 13.36.180 Motor vehicle or recreational vehicle use for sleeping or housekeeping purposes and related parking restrictions, is hereby amended to add:

13.36.180 Motor vehicle or recreational vehicle use for sleeping or housekeeping purposes and related parking restrictions.

It is unlawful, within the City limits, for any person to use, allow to use, or permit to use on their private property a motor vehicle or recreational vehicle for sleeping or housekeeping purposes except as follows:

- (1) Within an approved recreational vehicle park;
- (2) On the premises of a private residence and with the consent of the occupant of the residence; provided, that such use by any number of vehicles is limited to not more than seven days in any 90-day period;
- (3) Within a required front yard setback, as established by the Albany Development Code, parking of such vehicles is limited to not more than 48 hours;
- (4) Within a public right-of-way, parking of self-contained recreational vehicles is limited to 48 hours with the consent of the adjacent property owner. In addition, parking of any such vehicle is further limited by the provisions of AMC 13.21.030 and all other regulations pertaining to the parking of vehicles;
- (5) With the consent of the property owner and all adjacent property owners, the city manager or their designee may approve a special temporary use permit for recreational vehicle use of up to 90 days' duration in order to alleviate a temporary housing hardship which cannot otherwise be satisfied within a recreational vehicle park. Such approval may be subject to any conditions which the city manager deems appropriate to maintain public safety and community aesthetics. In addition, any such permit may be revoked by action of the city manager or their designee. city council.
 - (a) It is unlawful for any person to discharge wastewater from a recreational vehicle to a storm sewer, sanitary sewer, street, or upon private property except at an approved holding facility or dump station.
 - (b) No utility connections shall be made across public right-of-way to a vehicle except by temporary permit issued by the building official. (Ord. 5939, 2020; Ord. 4816 § 1, 1988; Ord. 4171, 1978).

Passed by the Council: _____

Approved by the Mayor: _____

Effective Date: _____

Mayor

ATTEST:

City Clerk



ORDINANCE NO. _____

AN ORDINANCE AMENDING ALBANY MUNICIPAL CODE SECTION 13.90.110 REGULATIONS

WHEREAS, the City of Albany is amending Albany Municipal Code (AMC) Title 13 Private Property Impounds Section 13.90.110, Regulations, requires clarification; and

WHEREAS, the current code leads to required signage being excessive in size; and

WHEREAS, amending the code will not change its² intent.

NOW THEREFORE, THE PEOPLE OF THE CITY OF ALBANY DO ORDAIN AS FOLLOWS:

Amending AMC Title 13 Private Property Impounds. AMC Section 13.90.110, Regulations, is hereby amended to:

13.90.110 Regulations.

(1) It shall be unlawful to tow a vehicle from a private parking facility unless:

(a) The private parking facility owner/operator gives the private property impound (PPI) tower express written authorization identifying the specific vehicle, signed at the time of the tow.

(2) Signage. It shall be unlawful to tow a vehicle from a private parking facility unless the private parking facility meets the following signage requirements:

(a) At least one sign shall be posted and readily visible at each entry into the parking lot, not more than 10 feet from the public right-of-way or street edge. Such signs shall:

(i) Be posted so that the center of the sign is not more than eight feet or less than four feet above the ground; and

(ii) Be at least 16 inches by 24 inches in size; and

(iii) Be printed in letters not less than ~~one two~~ one inches high; and

(iv) State that parking is prohibited, reserved or otherwise restricted; and

(v) State who is authorized to park and the hours during which parking is restricted. (Example: "Parking for customers of _____ only during _____ hours"); and

(vi) State that towing and storage of a vehicle will be at the owner's expense; and

(vii) Prominently display the PPI tower's name and 24-hour telephone contact number for release of a vehicle; and

(viii) Be maintained so as to remain legible and unobstructed by any tree, shrub, bush, vehicle or other obstacle; and

(ix) When replacing missing or defaced signs, new signs must be posted for a minimum of 24 hours before towing commences or resumes.

(b) When a private parking facility is shared by multiple business operations (e.g., shopping mall or office park), parking spaces must be marked, or signs posted, so as to indicate which spaces are reserved for each business.

(c) PPI towers may request an exception to the rules for sign location. Such request shall be made to the Police Chief or his/her designee and must be made in writing and offer an alternative posting for approval.

(d) Fire lanes from which vehicles may be towed shall be marked in compliance with the Oregon Fire Code.

(e) Signage shall not be required if the vehicle being towed has been properly posted as abandoned per ORS 98.830. (Ord. 5918 § 1, 2018; Ord. 5888 § 1, 2017).

Passed by the Council: _____

Approved by the Mayor: _____

Effective Date: _____

Mayor

ATTEST:

City Clerk



MEMO

TO: Albany City Council

VIA: Peter Troedsson, City Manager *PT 12/6*

FROM: Chris Bailey, Public Works Director *CB*

DATE: November 30, 2023, for the December 11, 2023, City Council Work Session

SUBJECT: Pavement Management Funding Discussion

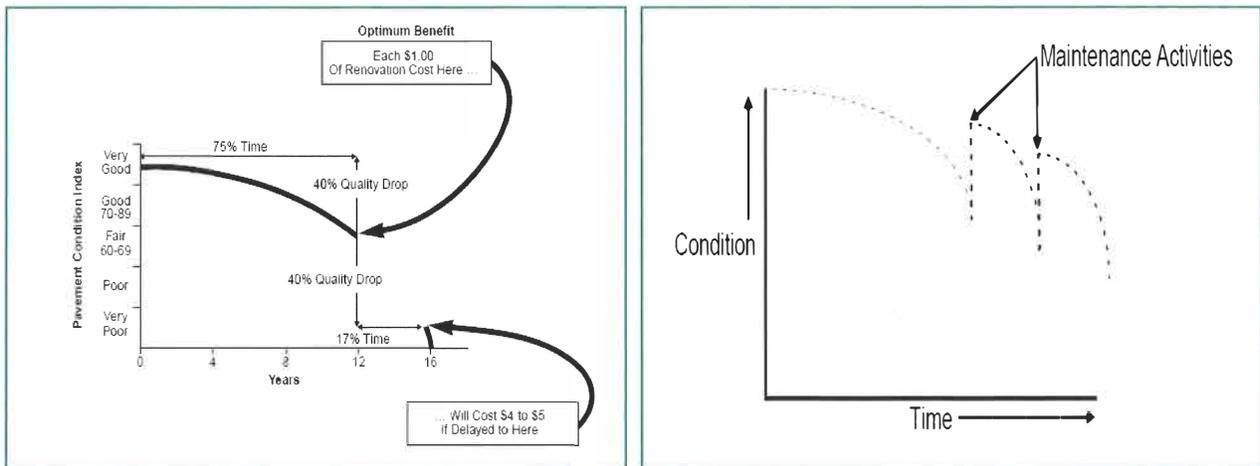
Relates to Strategic Plan theme: Great Neighborhoods, Effective Government

Action Requested:

Discussion only.

Discussion:

This is the third in a series of presentations this year discussing the need for additional funding to better manage pavement conditions on Albany roads. At the October 9, 2023, work session, the council received a detailed discussion on how streets are constructed, how they fail, the costs to provide various maintenance treatments, and the overall average condition of the three categories of roads in Albany. The Pavement 101 White Paper attached to the staff report for that meeting was provided as a primer on street classification, construction, and Pavement Condition Index (PCI) ratings, and may serve as a helpful reminder for the council as we continue through these discussions. One of the key pieces of information is a graphic depiction of the least life-cycle cost strategy for pavement preservation represented by these diagrams:



At the November 6, 2023 work session, staff provided information describing overall funding for the street fund. Based on current pavement condition ratings and assuming a target PCI of 60 or greater for all classifications of roads, the gap in available funding for pavement management projects is \$12.8 million per year for 40 years in 2023 dollars, as summarized in the table below.



Classification	Needed Funding	Current Funding	Funding Gap
Arterials & Collectors	\$4 million	\$2.5 million	\$1.5 million
Locals – Good/Fair	\$3.5 million	\$0.5 million	\$3.0 million
Locals – Poor	\$8.3 million	\$0	\$8.3 million
Total Annual Funding Gap: \$12.8 million			
* All funding is per year for 40 years; in 2023 dollars			

The goal of today’s discussion is to provide an overview of possible sources of additional funding for pavement management projects to address the funding gap discussed during the November presentation.

Considerations for Various Funding Alternatives

A detailed discussion of several funding alternatives is provided in Attachment A. There are key considerations to keep in mind when reviewing these alternatives. The list includes some options to distribute existing revenue currently received in the General Fund to the Street Fund for the purpose of pavement management. While this option is legally allowable and some of these funds historically have been directed to the Street Fund, the current structure of the city budget is such that any reduction in General Fund revenues would need to be replaced through some other source of funding, or existing services and programs would be cut. During the recession of 2009-10 and during the Covid-19 pandemic, city services and programs faced cuts in funding that in many cases have yet to be restored. It is unlikely that any current General Fund-funded program could receive less revenue and continue at current levels.

Another important consideration involves aligning the type of funding alternative with the type of work needed for the street system. For instance, bonds, loans, and Local Improvement Districts (LIDs) are one-time funds while gas taxes and utility fees provide ongoing, recurring revenue for the life of the tax or fee. One-time funds are not appropriate to pay for ongoing maintenance but are a good choice for large, discrete capital expenses that can then be maintained over time with recurring revenues.

Finally, some of the options described in Attachment A require a vote of the public, others require only a vote of the council. If at the end of this series of presentations the council directs staff to work on developing one or more funding option, it is the strong recommendation of staff to allow an adequate period of time for public outreach and education before any vote on a new funding alternative either by the council or the public. A key lesson learned from several past street funding efforts in Albany and around the state is that the process must include a substantial communication and outreach component in order to be successful. Regardless of which path the council chooses to take, providing as much information and transparency to the public as possible will be a critical part of this effort.

Budget Impact:

None.

CB:ss

Attachment

Attachment A

Alternatives for Additional Street Funds

A number of street funding alternatives available to council are identified below. Each funding alternative has its own set of benefits and drawbacks. Some alternatives rely on further burdening Albany residents with increased fees or taxes, while others rely on difficult internal budgeting decisions that could impact services that the community enjoys and has come to expect. While all are legal approaches to increasing street maintenance funding, the decision to pursue any of these options is a policy decision that can only be made by the council.

Existing Funding Sources

There are existing funding sources that could be redirected to the street fund. These are general fund revenues which originate from a variety of sources, including two specific sources of general fund resources: Franchise Fees and City Services Fee revenues. The general fund has historically supported the street fund, but as demands on the general fund increased over time, the city reallocated those revenues to the current range of general fund-funded programs.

General Fund

At the cost of other competing priorities, general fund monies could be directed to street maintenance activities. While this is likely not feasible on a large scale, there are some approaches to partner in costs for funding things like streetlights.

Streetlights serve multiple purposes that span both general fund and street fund programs. Most notably, in addition to the transportation benefits (such as providing lighting at street intersections), there are documented public safety benefits to streetlights, such as generally increasing visibility in public spaces in times of darkness. In recognition of these benefits, the city has a history of using general funds to partner in paying streetlight costs. In 2004, the general fund contributed \$320,000 to pay for streetlights. From 2005 through 2011, the general fund contributed \$260,000 per year (56% of streetlight costs in 2011).

In 2012, as the city adjusted to impacts of the recession, the general fund ceased transferring its share of streetlight costs to the street fund. As the economy has recovered and general fund revenue has increased, this transfer has not been reinstated. This decision represents an annual reduction in street maintenance funding of \$260,000, without considering inflation.

Council could choose to restore the streetlight funding combination that was suspended in 2011. If the general fund paid for 50% of streetlight costs, that would result in approximately **\$200,000 per year** being available for pavement preservation or restoration activities (based on FY 24-25 anticipated costs). Restoring the funding plan could also be phased in over time to minimize impacts.

Franchise Fees

The City of Albany receives approximately \$6.1M in franchise fee revenue annually (based on FY 22-23 revenues). Actual revenues vary depending on the terms of the franchise fee agreements, but in general, the city receives franchise fees as a percentage of the franchise utilities' revenue. Franchise fees are paid to the City of Albany by utilities such as the gas, power, and telephone companies for their use of the public right-of-way. Currently, all franchise fee revenue is used in the general fund, but historically, 30% of electric and 40% of natural gas franchise fee revenue went to street maintenance activities. Public Works is responsible for the day-to-day interactions with the franchise utilities, reviews and comments on franchise utility construction plans, issues permits, and coordinates all construction activities, but receives none of the revenues. Street cuts required for utility work can also reduce ride quality and increase risks of pavement failures that must then be addressed with street funds.

In 1996, The Mayor’s Task Force on Street Maintenance recognized that additional revenues were needed and recommended that the water and sewer utilities be treated similarly to franchise utilities and pay an annual fee, termed an in-lieu of franchise fee, to fund street improvements. Council implemented the recommended sewer and water in-lieu of franchise fees but soon after found it necessary to redirect the previously dedicated electric and gas franchise fee revenue to the general fund. Thus, rather than an increase of \$1.1M (2017 dollars) to street maintenance funds, the net impact of adding in-lieu of franchise fees while losing electric and gas franchise fees represented a loss to street maintenance funding of approximately \$100,000.

There are clear impacts to streets and staffing costs related to franchise utilities that are currently unreimbursed to Public Works. There are no restrictions on how franchise fees can be used, and franchise fee revenues represent 14% of the general fund’s total budget (not including City Service Fees and the public safety levy). Council could choose to again use a portion of franchise fee revenues to fund street work, however, redirecting these funds would come at a significant cost to the general fund. Council would have to first choose how to manage those impacts to the general fund before major changes could be implemented. Alternatively, council could set a future target based on growth over time where a percentage of increased revenue could be redirected on an annual basis until the desired share in revenue is achieved.

If historic revenue sharing was restored, an additional **\$1.5M per year** would be available for street preservation and restoration.

It is worth noting that most of Albany’s comparator cities do not rely on franchise fee revenue to fund pavement preservation activities. While there may be more examples, staff has identified only two cities that dedicate some franchise fee revenue to streets: Lake Oswego allocated \$4M in the 2023-25 biennium, and Roseburg allocates 15% of franchise fee revenue to their street programs.

City Services Fee

The City Services Fee (CSF) was established by the city council in 2021 to provide additional funding for general fund-funded programs. The stated purpose in the establishing ordinance was “to support staffing, programs, and services in fire, library, parks, planning, police, and municipal court.” The monthly charge for the CSF is based on the water meter size of each property with the typical single residential property (3/4 inch meter) paying \$9.00 per month. Charges for other property types vary based on meter size. A low-income program is available for residential customers. Those who qualify pay \$4.50 per month. In FY 2023, the CSF generated approximately \$560,000 for parks & recreation and an additional \$2.3 million for the remainder of the general fund.

The council could use the CSF program to provide funding for the street fund either directly or indirectly. If the council wanted to increase the CSF and dedicate some funding to street maintenance, it might be necessary to adopt a modified ordinance defining that as one of the approved uses of the revenue. There is also a concern that the underlying mechanism of calculating the charge is not as closely tied to street infrastructure as it could be. Typically, charges associated with streets relate back to the Institution of Transportation Engineers (ITE) trip generation statistics, a nationally-recognized source of data on transportation demand, not to water meter size.

Another option is to increase the CSF to backfill any transfer of other general fund revenue to the street fund in order to keep the general fund-funded programs intact. In either case, the city would need to conduct a robust outreach effort to explain any increases in or changes to the use of the CSF revenue to the public. Each dollar increase in the CSF rate is estimated to generate an additional **\$310,000** in annual revenue.

New Possible Funding Sources

General Obligation Bonds

General Obligation (GO) bonds involve borrowing money by selling bonds and using property taxes to repay the debt over time (usually 10 to 20 years). Because GO bonds rely on the use of property taxes above and beyond those otherwise paid, they must be approved by a vote of the people.

Albany does have a history of pursuing GO bonds to fund street improvements. In 1995, a \$10.8M GO bond was narrowly defeated. Following the recommendation of the Mayor's Task Force on Street Maintenance in 1996, Albany successfully passed a \$10M GO bond for specified street improvements in 1998. An attempt to fund a second \$10M street bond was defeated in 2000.

Based on increases in construction costs, \$10M in 1998 is now equal to approximately \$22M. **A \$20M GO bond is estimated to cost the Albany voters \$0.34 per thousand dollars of assessed value** at current rates (\$102 per year for a \$300,000 home). If council chose to pursue a bond, staff would need at least several months to a year to create the list of bond projects, work with financial consultants to structure the bond, and perform outreach prior to it being placed on the ballot.

Loans

Although Albany has not taken out loans for street projects, there are state loan programs that offer low-interest loans for which street projects would be eligible. These programs function similarly to other state loan programs the city has used in the past for the water and sewer utilities. The city charter may require a street loan application to be approved by voters.

Two potential loan sources are the Special Public Works Fund and the Oregon Transportation Infrastructure Bank. Staff has not contacted state representatives to discuss these loan programs in detail, but based on public information they offer low-interest loans with a 10 or 15-year payback period. The city would have to identify a source of repayment revenue for the loan, which does not currently exist. Council would need to redirect some source of revenue that would be available for the 10-15 year time period as dedicated to the repayment of the loan. The terms of the loan agreement are also likely to require a pledge of the full faith and credit of the city.

Tax Increment Financing

Tax Increment Financing (TIF) can be used to reinvest or rebuild an area within the city. A TIF district is established with a geographic boundary and a plan is adopted describing the use of the TIF funds. When a TIF district is created, the property tax revenue at the time of formation is calculated and becomes the base which continues to go to the taxing jurisdictions at that level. As property values increase, the taxes from that incremental increase go to the TIF agency to fund projects defined in the adopted plan. When the TIF district ends, the property taxes are fully distributed to the taxing jurisdictions. The goal is to generate more property tax revenue after investments by the TIF district than would have been created otherwise.

TIF districts invest in a variety of improvements that lead to additional public and private investment within the district. TIF funds can be used to pay for reconstruction, expansion, or improvement of transportation infrastructure within the TIF district. An example of this in Albany is the downtown streetscape projects which included improvements to First, Second, and Third Avenues.

TIF would not be suitable for widescale application across the city but may play a role in a layered approach to funding street improvements in Albany.

Local Improvement Districts

Under a Local Improvement District (LID), the city would pre-fund construction of street improvements and then, once completed, assess benefiting properties their share of the improvements. An LID can be initiated by the city or by petition of property owners. Property owners can choose to pay their assessments in full or arrange semi-annual payments, with interest, over a 10-year period. Funding for a project in the LID can be supplemented with SDCs when eligible and available, grants, or street capital funds to reduce the burden on the assessed properties. LIDs might be an important funding tool to consider for street improvements in a defined area.

Local Fuel Tax

Local fuel taxes are a common funding mechanism for Oregon communities and typically apply to both gasoline and road diesel sales. One of the main benefits is that revenues are generated from all drivers who purchase fuel in Albany, not just Albany residents. For an I-5 community such as Albany, this scenario can create significant local benefit. Albany tried, unsuccessfully, to create a local fuel tax in 1982, 1991, and 2018.

Local fuel tax rates vary by community. The amount of revenue Albany could receive through a local fuel tax is dependent on the amount of fuel sold in Albany and the voter-approved tax rate. Accurate information regarding the amount of fuel sold by community is not readily available. For estimating purposes, ODOT staff suggests relying on local data from the City of Springfield, which is a similarly sized community with a similar geographic relationship to Interstate 5. Based on that comparison, staff estimates that Albany could potentially receive around \$300,000 in revenue per penny of tax.

Thirty-two cities and counties in Oregon have fuel taxes that range from \$0.01 to \$0.10 per gallon. The table below is a list of jurisdictions with local fuel taxes and their tax rate as reported by ODOT's Fuel Tax Group website.

Jurisdiction	Population	Tax Rate
City of Portland	647,697	\$0.10
City of Coburg	1,316	\$0.06
City of Eugene	178,259	\$0.05
Multnomah County	810,242	\$0.03
City of Warrenton	6,421	\$0.03
City of Veneta	5,211	\$0.03
City of Troutdale	16,819	\$0.03
City of Tigard	55,539	\$0.03
City of The Dalles	16,202	\$0.03
City of Stayton	8,326	\$0.03
City of Springfield	62,189	\$0.03
City of Sisters	3,489	\$0.03
City of Scappoose	8,046	\$0.03
City of Reedsport (May 1st - Oct 31st)	4,324	\$0.03
City of Oakridge	3,224	\$0.03
City of North Plains	3,455	\$0.03
City of Newport (Jun 1st - Oct 31st)	10,755	\$0.03
City of Hood River	8,378	\$0.03
City of Cottage Grove	10,729	\$0.03

City of Coquille	4,023	\$0.03
City of Canby	18,979	\$0.03
City of Astoria	10,256	\$0.03
City of Silverton	10,643	\$0.02
City of Sandy	12,991	\$0.02
City of Milwaukie	21,305	\$0.02
City of Happy Valley	26,689	\$0.02
City of Dundee	3,249	\$0.02
City of Cornelius	14,389	\$0.02
City of Tillamook	5,324	\$0.02
Washington County	609,219	\$0.01
City of Woodburn	26,468	\$0.01
City of Newport Nov 1st - May 31st)	10,755	\$0.01
City of Hines	1,692	\$0.01
City of Reedsport (Nov 1st - Apr 30th)	4,324	\$0.00

As shown above, the most common rate is \$0.03 per gallon. Portland voters recently approved Oregon's highest local fuel tax at \$0.10 per gallon, limited to a five-year term. If Albany were to pass a \$0.03 per gallon fuel tax, it would potentially generate around **\$900,000 per year** in additional revenue for the street system.

Transportation Utility

Transportation utilities are another common funding mechanism for Oregon communities. Establishment of a transportation utility was recommended in 1996 by the Mayor's Task Force for Street Maintenance and considered by council again in 2001, 2003, and 2018. However, implementation was not pursued out of concerns of overburdening ratepayers. Staff has identified the following 26 cities with a transportation utility in place. Additionally, the City of Bend has approved the formation of a transportation utility and is working to develop their first utility rate over the coming months.

City	Population	Monthly Fee-Residential
Hillsboro	109,532	\$9.16
Medford	88,357	\$6.99
Corvallis	59,434	\$15.14
Tigard	55,339	\$8.52
Lake Oswego	41,148	\$16.07
Grants Pass	39,993	\$4.25
Oregon City	37,786	\$15.07
Tualatin	27,914	\$6.60
West Linn	27,420	\$16.81
Wilsonville	27,414	\$10.80
Newberg	25,767	\$5.40
Ashland	21,642	\$9.56
Milwaukie	21,305	\$11.59
Canby	18,979	\$5.00

LaGrande	13,404	\$8.00
Silverton	10,643	\$11.27
Eagle Point	9,986	\$7.00
Florence	9,561	\$7.30
Talent	5,851	\$3.92
Creswell	5,662	\$4.00
Philomath	5,653	\$8.00
Phoenix	4,019	\$2.85
Hubbard	3,460	\$7.14
North Plains	3,455	\$5.31
Bay City	1,539	\$11.49
Dufur	611	\$5.00

If council chose to consider creating a transportation utility, a significant amount of staff and council time would be required. Staff estimates that it would be approximately a two-year process like the stormwater utility and City Services Fee development processes. The amount of revenue generated would be based on council direction and would be the basis for establishing rates. A planning-level estimate is that a rate set at \$5.00 per single family property per month, with variable rates for non-single-family properties using the ITE trip rates, would generate approximately **\$1.7 million per year** in additional street revenue. A transportation utility can be established by ordinance with rates set by resolution, similar to Albany's other utilities.