

Public Budgeting Project Portfolio

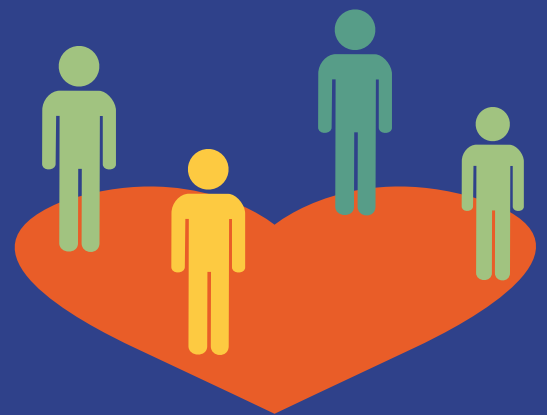
Public budgeting students offer an array of insights on diverse topics



The UO's School of Planning, Public Policy and Management offers graduate students a course in a fundamental public sector skill – public budgeting. Taught by Professor Rebecca Lewis, the class has responded to the diverse interests of the Sustainable City Year Program's partners, from identifying gaps in revenue for a parks and recreation department to evaluating the most effective funding for downtown improvements to identifying what revenue sources can be used to reduce the impacts on city and transit budgets resulting from shifts in technology. This course and the accompanying case studies they review provide students and SCYP partners with invaluable recommendations and alternatives ready for implementation. A selected project portfolio follows.

What is the Sustainable City Year Program?

The Sustainable City Year Program is an innovative university-community partnership program founded by the Sustainable Cities Institute at the University of Oregon in 2009-10. In this unique model, existing courses, faculty, and students from across campus are purposefully directed toward a single Oregon community over an academic year to address vexing issues identified by the partner. SCYP and the students, faculty, and communities it engages with are an example of Oregon innovation, leadership, and how leveraging resources can contribute to meaningful, additional, and society-wide value. SCYP creates a conduit for translating knowledge into practice, and provides significant workforce development opportunities for students, adding 'hard' and 'soft' skills and hands-on experience to all levels of students' education.



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FALL 2023

City of Salem's Commercial and Residential Operations Fee: Recommendations to Augment Fee Equity

Partner: City of Salem

Instructor: Rebecca Lewis

Project Description: The City of Salem sought recommendations to improve the operations fee collection to support the general fund. The project examined various approaches to enhance equity and efficiency in fee administration. The primary focus was on ensuring horizontal and vertical equity, productivity, neutrality, certainty, and convenience, while minimizing administrative burdens. The report offered three recommendations for residential fee restructuring, evaluated through various metrics.

Recommendations:

- **Adopt Approach 1 - Home Size:** This method assessed the fee based on residential type and square footage, which ranked highest in equity and minimized administrative complexity. It was recommended to pair this with a discount for low-income residents to further improve equity.
- **Maintain Utility Bill Collection:** Continue to use utility bills for fee collection as the most efficient method, ensuring administrative convenience and stable revenue collection.
- **Implement Discounts for Low-Income Residents:** By incorporating a discount option, Salem could reduce the financial burden on low-income households, promoting fairness while maintaining revenue productivity.



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FALL 2022

Financing Affordable Housing Subsidies in Sisters, Oregon

Partner: City of Sisters

Instructor: Rebecca Lewis

Project Description: Graduate students explored and evaluated potential revenue-generating activities to augment the City of Sisters' Affordable Housing Reserve Fund. The project included researching various tax and revenue strategies, forecasting potential revenue outcomes, and analyzing the trade-offs associated with each option. Given Sisters' limited capacity to raise revenue due to state measures and staffing constraints, the project emphasized the need for innovative approaches and collaborative efforts with nearby jurisdictions. The project goal was to equip the City of Sisters with a comprehensive strategy for long-term revenue generation that balances productivity with the community's economic vitality.

Recommendations:

- **Construction Excise Tax (CET):** Recommended by all groups due to its ease of implementation and revenue potential, CET aligns with the City's housing goals.
- **Prepared Food Tax (PFT):** This tax could generate significant revenue from tourism. Monitoring similar taxes in other cities like Cannon Beach is suggested.
- **Vacant Home Tax:** Proposed to discourage second homes and encourage long-term rentals, potentially providing substantial revenue.
- **Evaluate Local Economic Conditions:** Tracking local spending and economic trends will improve future tax projections.
- **Collaborate with Neighboring Jurisdictions:** Regional coordination on tax policies, like the Gross Receipts Tax, could boost effectiveness.



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FALL 2021

Financing an Aquatic Center: Health and Wellness in Hermiston

Partner: City of Hermiston

Instructor: Rebecca Lewis

Project Description: The city of Hermiston is interested in constructing a large scale community and recreation center with an indoor aquatics center and other amenities. Students evaluated three options to finance the aquatic center: 1) Create a special park and recreation district; 2) Create an intergovernmental entity; or 3) Place construction and management of facility under the Hermiston Parks and Recreation Department. Students also evaluated comparator facilities and districts; identified potential methods to increase funding, including a review of a County district boundary and valuation; and researched options to increase district tax collections.

Recommendations: Students recommend that the City form a parks and recreation special district. This funding mechanism provides the most flexibility for the aquatic center without relying solely on issuing a general obligation bond. Using property taxes along with user fees and system development charges to finance those bonds provides benefits rated as good on equity, neutrality, and productivity and moderate/poor for efficiency. Since the city of Hermiston does not have any current bond obligations, it would be reasonable to take on the proposed \$30 million general obligation bond with a defined development plan to fund its aquatic center. Similar to the case studies, the City could adopt other strategies such as setting a new permanent tax rate combined with user fees to supplement funding and operation of the new aquatic center.



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FALL 2020

Downtown Improvements: Special District Recommendations

Partner: City of Troutdale
Instructor: Rebecca Lewis

Project Description: As an element of its recently adopted 20-year Town Center Plan, the city of Troutdale identified improvements and revitalization of their downtown district and surrounding areas as a priority. Public Budgeting students investigated potential funding options to improve and maintain Troutdale's downtown commercial streetscape via a special district tax such as a Business Improvement District (BID) and/or an Economic Improvement District (EID).

Recommendations:

Using Troutdale's goals for an EID/BID program, as well as insights from comparator city case studies, students proposed a potential BID/EID district size, how a Main Street Organization might be organized, and relevant best practices from 10 comparator cities. Students estimated expenditures for the first five years of Troutdale's EID/BID program, as well as funding options to help meet that goal. The only proposed option that reaches estimated expenditure goals is an EID based on lot square footage. However, there may be external or political factors to consider if this City moves forward with this option. Students included tax rate options that could be analyzed in more detail to determine which option or options best suit the goals and the needs of the Troutdale community.



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FALL 2020

Capital Improvement Planning Recommendations

Partner: City of Troutdale
Instructor: Rebecca Lewis

Project Description: The city of Troutdale is considering eight corridors identified in the Town Center Plan for improvement and development. Students proposed four funding options—fees, grants, cost sharing, and debt financing—as well as three capital improvement plan (CIP) prioritization systems to assist Troutdale with their corridor selection. Possible project selection prioritization systems included:

1. County, city, and state goals matrix evaluation criteria
2. Funding-first; potential funds that Troutdale could potentially access include: (a) Metro regional flexible funding, (b) Multnomah county funding, and (c) multimodal active transportation fund
3. Troutdale City Council values and priorities

Recommendations:

Students recommend that Troutdale implement prioritization system **1**, County, city, and state goals matrix evaluation criteria. This system is the best suited to meet Troutdale's needs because it blends the City's goals with those of surrounding jurisdictions. This system will also maximize Troutdale's capacity to apply for grants because the surrounding jurisdictions offer grant funding. Based on the recommended prioritization system, corridors A (Halsey), C (Historic Columbia River Highway-Main Street), D (Historic Columbia River Highway East), and H (Downtown / Confluence) are identified for improvements. In addition, students propose that Troutdale create a strategic plan to guide CIP selection process and other local initiatives. This could be a collaboration between the community (using focus groups, surveys, and other forms of participation) and local leadership (City Council).



FALL 2019

Assessment of *MovingAhead's* Potential Funding Options

Partner: Lane Transit District

Instructor: Rebecca Lewis

Project Description: Lane Transit District tasked student groups to come up with innovative sources to fund a service expansion known as *MovingAhead*. The *MovingAhead* package is estimated to have \$274 million in capital costs, as well as \$4.3 million in increased annual operations costs. In response to this challenge, two groups were tasked with developing funding options for capital costs and two groups were tasked with finding funding options for operations costs. Among the four groups, urban renewal districts and transportation utility fees were common outcomes.

Recommendations: Both groups looking at capital costs used land value capture mechanisms and recommended these to raise large amounts of funding. Both groups recommending operations funding strategies mentioned transportation utility fees, giving the groups some commonality. Neither land value capture mechanisms nor transportation utility fees require voter approval. These options should be researched more thoroughly to ensure viability and stability as funding options.



FALL 2018

Transportation Revenue in the Age of New Mobility

Partners: Cities of Eugene and Gresham

Instructor: Rebecca Lewis

Project Description: Students were tasked with evaluating new mobility's potential effects on current revenue sources for the cities of Eugene and Gresham. Additionally, students examined innovative sources of revenue that the cities could consider adopting. Collectively, the students identified 13 innovative sources of revenue that could help cities recoup lost revenue. The students evaluated each source based on equity, neutrality, efficiency, and productivity. Each student group then recommended a funding package for Eugene or Gresham based on their analysis.

Recommendations:

- Adopt a combination of revenue sources to provide resilient, stable funding that will withstand future changes in technology and distribute the tax burden widely.
- Coordinate regionally or push for the adoption of state level taxes to mitigate potential location effects (changes in behavior based on policy differences between jurisdictions); increase collection efficiency; and reduce local administrative burden.
- Consider adopting at least one high-yield revenue source such as a Vehicle Miles Traveled (VMT) tax.
- Address potential equity issues by implementing tiered rate fee systems for some revenue sources, including the VMT tax, the electric vehicle charging tax, Transportation Network Company (TNC) ride fees, tolls for roads and bridges, and shared use parking.
- Address potential traffic congestion by implementing congestion pricing, "zombie" autonomous vehicles taxes, and pick-up/drop-off zones for TNCs.
- Consider new mobility's potential impact on public transit and take appropriate steps to ensure long-term access to transportation options.



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FALL 2017

Autonomous Vehicle Revenue Implications for Portland, Tigard, and Tualatin

Partner: TriMet

Instructor: Rebecca Lewis

Project Description: The Portland region is expected to grow by 400,000 people in the next 20 years and as the region grows, so will the cost of providing efficient transportation services. TriMet will also be impacted by shifts in technology such as autonomous vehicles and shared vehicles. In order to continue providing the level of service transit riders expect, TriMet and the cities it serves will need additional revenue. Students investigated the municipalities' existing transportation funding structure and analyzed which transportation revenue streams will be impacted the most by technology shifts. Students then developed baseline needs as a result of these shifts and recommended innovative revenue options to meet the anticipated revenue gap.

Recommendations: Seven different funding packages were developed: three focused on Portland, two on Tigard, and two on Tualatin. The proposed funding packages used new funding solutions as well as traditional sources. The most common new funding solution was a Vehicle Miles Traveled (VMT) tax and the most common traditional revenue source was restructuring or increasing vehicle registration fees.



FALL 2016

Operating and Capital Funding Proposal for Albany's Parks and Recreation Department

Partner: City of Albany

Instructor: Rebecca Lewis

Project Description: The city of Albany's Parks and Recreation (P&R) Department maintains over 800 acres of parkland as well as community enrichment and sports programs. The P&R Departments also organizes multiple community festivals. As the community grows, however, so does the cost of providing these amenities and the department has felt this strain in both its operating and capital budgets. Students sought to discover and evaluate possible funding options at the City's disposal through comparator parks and recreation department case studies. Students then evaluated operating and capital needs and created at least three funding strategy packages, evaluating those packages against industry criteria, and ultimately recommending one funding package to meet the goals of the City. While students were not required to meet the deferred maintenance needs, some student groups ultimately found ways to include these costs in their strategies.

Recommendations: Ultimately, the city of Albany was presented with seven different funding packages; three focused on the operating needs of the P&R Department while four sought to fund the capital needs. Several groups reviewed user fee structures, recommended a parks utility fee, and notably, all four of the capital student groups recommended increasing park SDC rates. These recommendations are based on strategies used throughout Oregon and municipalities nationally.



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FALL 2015

A Budgeting Analysis of a Proposed Special District in Downtown Redmond

Partner: City of Redmond

Instructor: Rebecca Lewis

Project Description: Public Budgeting students examined the viability of an Economic Improvement District (EID) or Business Improvement District (BID) in Redmond, Oregon's downtown. The city of Redmond provided three elements it wanted included in any proposed EID or BID, including a full time staff person, beautification efforts, and promotions and marketing.

Recommendations: The graduate students' analyses recommended the establishment of an EID in downtown Redmond based on the assessed value of commercial property within the proposed special district boundaries. The assessment should be levied initially for a three-year period, which is a sufficient period of time for business and property owners to benefit from the EID, while being short enough to allow for input and revision as appropriate after three years. This revenue option ranks high in terms of equity, administrative efficiency, and political feasibility, and would support a balanced budget. Because of its high political feasibility relative to the other revenue options, this option has the best probability of supporting the establishment of a special district.



FALL 2015

Redmond Area Parks and Recreation Capital Finance Strategy: District Tax Valuation Analysis

Partner: City of Redmond, Redmond Area Parks and Recreation District

Instructor: Rebecca Lewis

<https://scholarsbank.uoregon.edu/xmlui/handle/1794/20659>

Project Description: The Redmond Area Parks and Recreation District (RAPRD) has developed a plan for a new 72,000 square foot downtown recreation center to better serve Redmond area residents, with funding for a portion of the capital costs secured and an expected 80% cost recovery rate for annual operations. Students were tasked with developing funding strategies that would generate the remaining resources needed: \$16.2 million for capital construction and \$382,900 annually for operations. The financial strategies examined for this project included a General Obligation (GO) bond, system development charges (SDCs), and a permanent levy with a district boundary change.

RAPRD also requested an evaluation of three new district geographies. These options and the current district were evaluated using students' funding recommendations, which found marginal differences in revenue generation potential between the different geographies.

Recommendations: Students recommended that RAPRD adopt a mixture of pay-as-you-use and pay-as-you-go strategies in a three-part approach to fund the remaining capital construction and annual operation needs. First, a general obligation (GO) bond would be a key part of the capital construction strategy. Due to the difficulty of getting voter approval and the high cost of debt service, students recommended supplementing a GO bond with increased system development charges once an updated Capital Improvement Plan is completed. To fill the \$382,900 gap in annual operations funding, students recommended a new permanent levy with a redrawing of the district's border as the third funding strategy. Students suggested RAPRD re-district to the "Option 3" geography because it marginally decrease tax burdens on residents and achieves a better representation of RAPRD's service area, including better recreational opportunities to the community of Tumalo. Finally, to fully pursue the funding strategies, students noted that RAPRD should consider adopting more rigorous and transparent planning practices, including the creation and public publication of a strategic plan, Capital Improvement Plan, and forecasting plan.



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FALL 2015

Business Medical District Economic Improvement District, Redmond

Partner: City of Redmond

Instructor: Rebecca Lewis

Project Description: Students were tasked with examining the viability of an Economic Improvement District (EID) or Business Improvement District (BID) in Redmond, Oregon's Medical District. The city of Redmond provided three elements that it wanted included in any proposed EID or BID, including maintenance, business recruitment, and administration and management. Students considered case studies of similar EIDs in Bend, Corvallis, Hillsboro, and Salem, and incorporated applicable elements and/or budgetary items into their recommendations.

Recommendations: Students proposed two funding strategies: The first assessed properties based on square footage, and the second assessed properties based on assessed value. The strategies were analyzed based on several criteria: Equity, neutrality, administration, productivity, certainty, convenience, and political feasibility. The group ultimately recommended strategy two, assessing property owners according to assessed value, as this strategy is most likely to accomplish Redmond's goals and secure political feasibility. This strategy ranks high in terms of equity, administrative efficiency, and political feasibility, and would support a balanced budget. Students eliminated the strategy of assessing properties according to square footage, because this option was found to be less equitable, administratively efficient, and politically feasible.



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