



TUALATIN CITY COUNCIL MEETING

Monday, May 12, 2025

TUALATIN CITY SERVICES
10699 SW HERMAN ROAD
TUALATIN, OR 97062

Mayor Frank Bubenik
Council President Valerie Pratt
Councilor Maria Reyes Councilor Bridget Brooks
Councilor Christen Sacco Councilor Cyndy Hillier
Councilor Octavio Gonzalez

To the extent possible, the public is encouraged to watch the meeting live on local cable channel 28, or on the City's website.

For those wishing to provide comment during the meeting, there is one opportunity on the agenda: Public Comment. Written statements may be sent in advance of the meeting to Deputy City Recorder Nicole Morris up until 4:30 pm on Monday, May 12. These statements will be included in the official meeting record, but not read during the meeting.

For those who would prefer to make verbal comment, there are two ways to do so: either by speaking in person or entering the meeting using the zoom link and writing your name in chat. As always, public comment is limited to three minutes per person.

Phone: +1 669 900 6833

Meeting ID: 861 2129 3664

Password: 18880

Link: <https://us02web.zoom.us/j/86121293664?pwd=SS9XZUZyT3FnMk5rbDVKN2pWbnZ6UT09>

7:00 P.M. CITY COUNCIL MEETING

Call to Order

Pledge of Allegiance

Announcements

1. Proclamation Declaring May 2025 as Mental Health Awareness Month in the City of Tualatin
2. New Employee Introduction- Management Analyst II Jackson Porterfield

Public Comment

This section of the agenda allows anyone to address the Council regarding any issue not on the agenda, or to request to have an item removed from the consent agenda. The duration for each individual speaking is limited to 3 minutes. Matters requiring further investigation or detailed answers will be referred to City staff for follow-up and report at a future meeting.

Consent Agenda

The Consent Agenda will be enacted with one vote. The Mayor will ask Councilors if there is anyone who wishes to remove any item from the Consent Agenda for discussion and consideration. If you wish to request an item to be removed from the consent agenda you should do so during the Citizen Comment section of the agenda.

1. Consideration of Approval of the Work Session and Regular Meeting Minutes of April 28, 2025

Special Reports

1. Outside Agency Grant Awardee- MITCH Charter School

General Business

If you wish to speak on a general business item please fill out a Speaker Request Form and you will be called forward during the appropriate item. The duration for each individual speaking is limited to 3 minutes. Matters requiring further investigation or detailed answers will be referred to City staff for follow-up and report at a future meeting.

1. Climate Action Plan – Implementation Funding

Council Communications

Adjournment

Meeting materials, including agendas, packets, public hearing and public comment guidelines, and Mayor and Councilor bios are available at www.tualatinoregon.gov/citycouncil.

Tualatin City Council meets are broadcast live, and recorded, by Tualatin Valley Community Television (TVCTV) Government Access Programming. For more information, contact TVCTV at 503.629.8534 or visit www.tvctv.org/tualatin.

In compliance with the Americans with Disabilities Act, this meeting location is accessible to persons with disabilities. To request accommodations, please contact the City Manager's Office at 503.691.3011 36 hours in advance of the meeting.



Proclamation

WHEREAS, mental health is part of everyone's overall health and wellbeing, and mental illness is prevalent in our country, state, and nation, with one in five adults experiencing a mental health issue every year; and

WHEREAS, stigma and the resulting discrimination is a primary obstacle to early identification and effective treatment of individuals with mental illness and their ability to recover and lead full, productive lives; and

WHEREAS, approximately half of chronic mental illness begins by the age of 14 and suicide is the second leading cause of death of individuals age 10 to 14 and 25-34; and

WHEREAS, long delays, averaging 11 years, occur between the time symptoms first appear and when individuals get help, and it is therefore essential to cure the stigma and discrimination that is the primary cause for those delays; and

WHEREAS, every citizen and community can make a difference in helping cure the stigma and discrimination that for too long has surrounded mental illness and discouraged people from getting help; and

WHEREAS, public education and civic engagement improves the lives of individuals and families affected by mental illness;

NOW, THEREFORE, BE IT PROCLAIMED BY THE CITY COUNCIL OF THE CITY OF TUALATIN, Oregon that Tualatin recognizes May 2025 as Mental Health Awareness Month in the City of Tualatin to increase public understanding of the importance of mental health, to promote identification and timely treatment of mental illnesses, and to cure the resulting stigma and discrimination.

INTRODUCED AND ADOPTED this 12th day of May, 2025.

CITY OF TUALATIN, OREGON

BY _____
Mayor

ATTEST:

BY _____
City Recorder



Mental Health Awareness Month: May 2025



Mental Health Conditions Are Common



1 in 5 people lives with a mental health condition. (1 in 25 lives with a serious mental illness.)

ANXIETY

DEPRESSION

BIPOLAR DISORDER

SCHIZOPHRENIA

Every year in the U.S...

More than **12 million** had serious thoughts of suicide

14.7 deaths per 100,000 Population per year

One suicide death occurs every **11.5 minutes**

Here in Clackamas County...

18.6 deaths per 100,000 Population

12th leading cause of death overall

2nd leading cause of death in 10-24 year olds

Eye Openers about Suicide



Spotting the Signs

BEHAVIOR

- Agitation
- Aggressive behavior
- Erratic behavior
- Manic behavior
- Extreme confusion
- Withdrawn
- Visibly depressed
- Suicidal ideation
- Others?



How do I Intervene?

Calmly approach – R U OK?

Encourage & Reassure. Protect Yourself.

Actively listen, without judgement.

Listen with empathy. You are NOT there to fix it.

Recommend help. Call 988 first.

988 – OR – 503-655-8585. Know your local resources.

Encourage. Partner. Support.

Offer options for support. Hand off to a trusted resource.

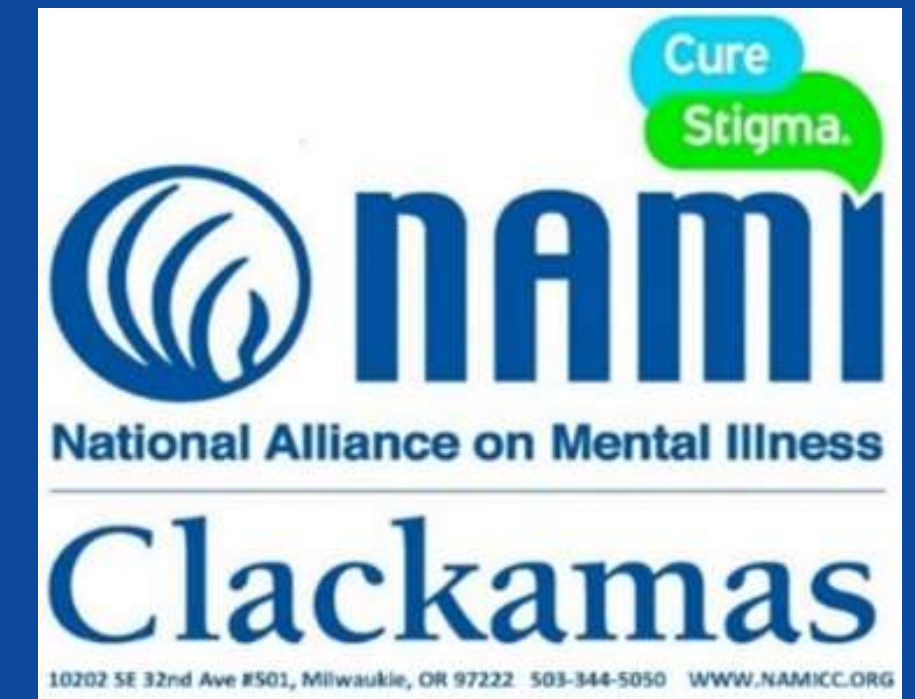


- **Easier Lifeline Access**
- **Help Not Handcuffs**
- **Area Code Specific**
- **OPEN TO ANYONE!**



NAMI Clackamas can help.

NAMI Clackamas is the grassroots non-profit organization providing free mental health **education, support, and advocacy** delivered by people with lived experience to improve quality of life for everyone in our community (since 1978).



NAMI CLACKAMAS: FREE CLASSES



8-week Peer-to-Peer classes for adults with mental illness looking to better understand their condition and journey toward recovery

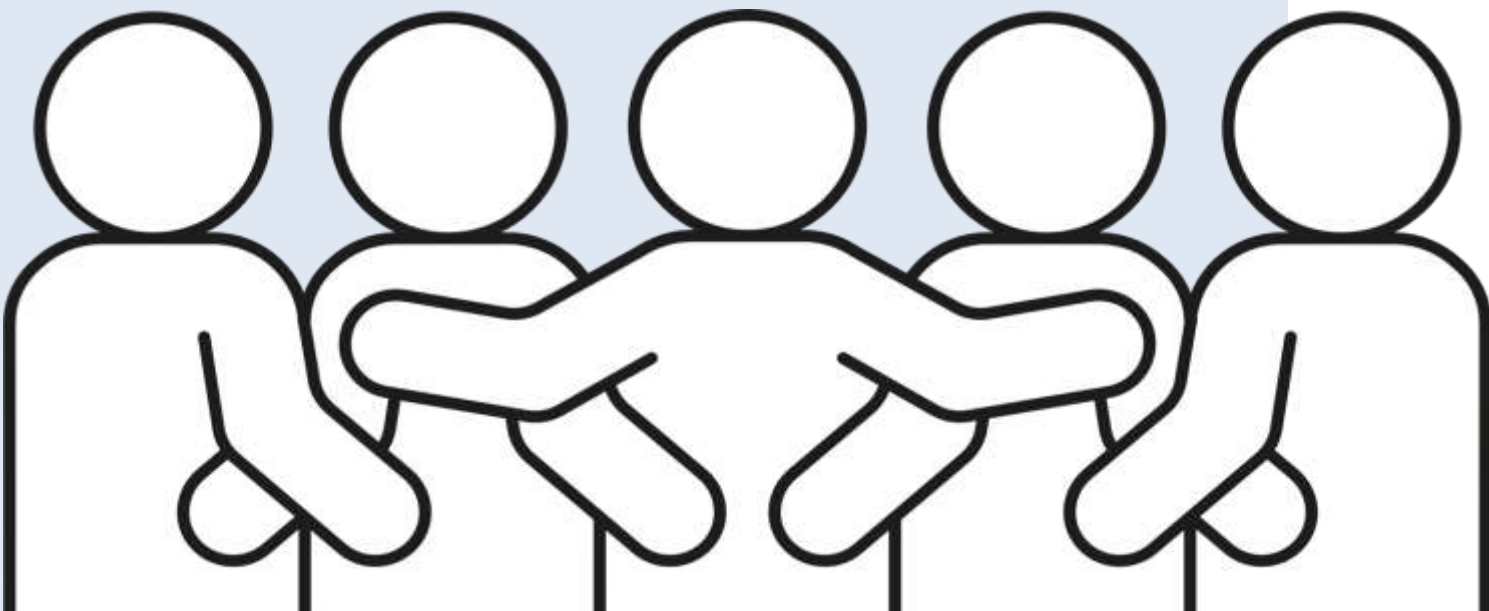


8-week Family-to-Family classes for family, significant others, and friends of people with mental illness



6-week NAMI Basics class for parents, guardians, and others who care for youth

NAMI CLACKAMAS: FREE SUPPORT GROUPS



Three weekly open **Connection Peer Support Groups** for individuals with mental illness plus:

- Weekly **Latinx Support Group & Book Club**
- Bi-weekly **Women's Peer Support Group**
- Bi-weekly **Queer Peer Support Group**
- Weekly **Peer Support Group in the County Jail**

Three monthly/biweekly **Family Support Groups** for those who care about someone with mental illness plus:

- Monthly **Family Book Club**

Biweekly **Suicide Bereavement Group**

Monthly **Compassionate Friends**
family support after loss of a child.

- **In Our Own Voice** presentations to educate our community about mental illness and that recovery is possible
- **Mental Health Matters** presentations to civic clubs, faith communities, neighborhoods, and other groups
- **Lunch & Learn** mental health presentations to inform businesses and their employees
- **Ending the Silence** presentations to middle & high school students to dispel stigmas, teach about signs, symptoms, and action steps

**NAMI
CLACKAMAS:
FREE
PRESENTATIONS**



NAMI CLACKAMAS: FREE ONE-ON- ONE PEER HELP



Peer Resources staff provide one-on-one support (in person, Zoom, or phone) to help those impacted by mental illness connect to needed resources such as housing, health coverage, providers, transportation, and community resources

NAMI CLACKAMAS: SPECIAL PROJECTS



www.namicc.org

**Mental Health Education Classes &
Support Group for Adults in
Custody in Clackamas County Jail**

**Volunteers with Resources for Families in
Clackamas County Courtrooms**



**NAMI
CLACKAMAS:**

**BARRIER-
FREE**



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DIAGNOSIS

REFERRAL

INSURANCE

O

COST

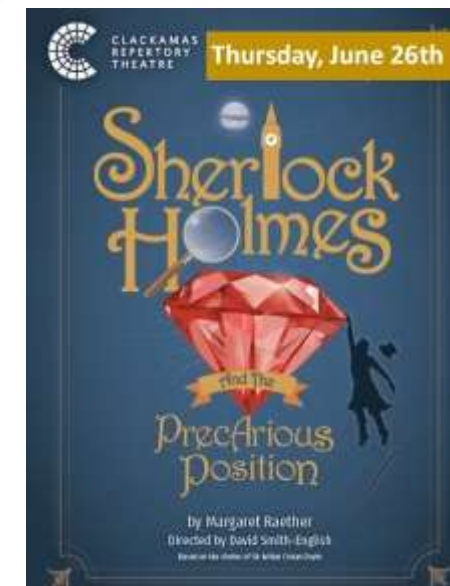
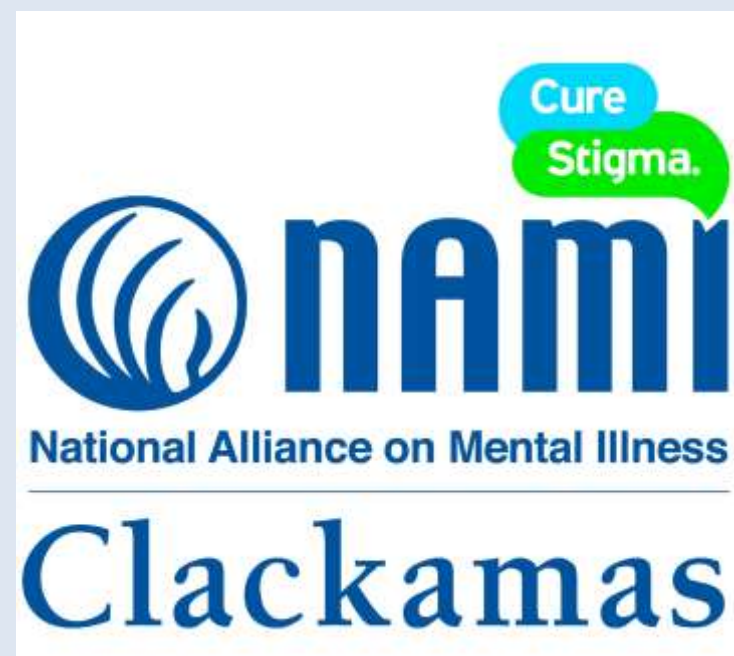


OUR VOLUNTEERS ARE AMAZING!

- Teach
- Facilitate
- Serve
- One-time, short-term, or long-term

To volunteer, contact
volunteercoor@namicc.org

NAMI CLACKAMAS: SUPPORT OUR MISSION



**Stand-Up(s) Against
Stigma Comedy
Night: March**

**NAMI Walks:
Saturday, May 17**

**Theatre Night:
Thursday, June 26**

**Party with a Purpose
Auction/Dinner:
Thursday, Sept. 25**

Champions Circle

"You are not your illness. You have an individual story to tell. You have a name, a history, a personality. Staying yourself is part of the battle." — Julian Seifter



Please tell us
what you
thought of the
presentation

Thank you!

Questions?: info@namicc.org
or 503-344-5050



@namiclackamas



/NamiClackamas



Questions?





**Free mental health support when you need it
currently available to those ages 13-30**

[Peers.net/namiclackamas](https://peers.net/namiclackamas)



x





CITY OF TUALATIN

Staff Report

TO: Honorable Mayor and Members of the City Council

THROUGH: Sherilyn Lombos, City Manager

FROM: Nicole Morris, Deputy City Recorder

DATE: May 12, 2025

SUBJECT:

Consideration of Approval of the Work Session and Regular Meeting Minutes of April 28, 2025

RECOMMENDATION:

Staff respectfully recommends the Council adopt the attached minutes.

ATTACHMENTS:

- City Council Work Session Meeting Minutes of April 28, 2025
- City Council Regular Meeting Minutes of April 28, 2025



TUALATIN CITY COUNCIL

OFFICIAL WORK SESSION MEETING MINUTES

FOR APRIL 28, 2025

PRESENT: Mayor Frank Bubenik, Council President Valerie Pratt, Councilor Bridget Brooks, Councilor Maria Reyes, Councilor Cyndy Hillier, Councilor Christen Sacco, Councilor Octavio Gonzalez

Work Session

Mayor Bubenik called the meeting to order at 5:00 p.m.

1. Food Cart Policy Discussion.

Assistant Community Development Director Steve Koper and Senior Planner Erin Engman led a discussion on food carts. Planner Engman provided an overview of existing policies under Municipal Code Chapter 9-10, which require permits and stipulate conditions such as unobstructed vehicle and pedestrian access, on-site waste management, and self-contained systems. She noted that food carts may only operate on paved surfaces and only one is allowed per site, except in the Basalt Creek Employment zone where a pod is permitted. A zoning map of eligible locations was shared, and seating requirements under Oregon Health Authority rules were discussed. Staff asked for Council input on potential code amendments.

Councilor Sacco stated she supports exploring food carts in the CORA area to create a walkable community gathering space. She shared that the IDEA Committee had also expressed interest in food carts as a way to encourage economic diversity and community inclusion.

Councilor Brooks asked what other cities are doing to support food carts. She stated she liked how the City of Tigard offers opportunities for new food cart operators. She suggested allowing a drink or ice cream stand on the commons as a way to draw people to the area.

Council President Pratt stated she would like to see food carts at the lake during the summer. She asked what the screening requirements were. Planner Engman explained they involve landscaping intended to soften the look of the site.

Council President asked why food carts cannot be located on gravel lots. Planner Engman responded that the city requires all developed lots to be paved.

Councilor Reyes asked whether the gravel lot requirement is a city or state regulation. Director Koper clarified it is a city regulation.

Councilor Reyes stated she would like to learn more about food carts and explore other areas of the city for this opportunity.

Councilor Gonzalez stated he is interested in screening requirements to ensure food cart pods appear clean and well-maintained. He asked whether these sites would be located on private land or sponsored by the city.

Councilor Hillier stated she would like food carts to be allowed in more zones. She expressed interest in exploring potential outcomes of changing the code to allow food cart pods on gravel lots and learning how other cities are approaching food cart development.

Mayor Bubenik stated he would like to see how food carts could be allowed in the CORA area. He noted that any changes should consider traffic and parking impacts so the Council can understand potential unintended consequences of introducing food carts downtown.

2. City Council 2025 Priorities.

City Manager Sherilyn Lombos presented the City Council's 2025 priorities. She stated the Council met from February 28 to March 1 to develop updated priorities and team agreements. City Manager Lombos stated the team agreements we reaffirmed as: "We are one team," "We are prepared," "We are strategic," and "We are innovative." She asked if Council would like to include further definitions. Council consensus was to retain the abbreviated statements without added detail.

City Manager Lombos reviewed the Council's existing vision statements, which the Council affirmed without changes. She then presented the seven priority areas aligned with the vision.

Councilor Brooks stated that even if a topic is not explicitly listed, she does not want that to be a limiting factor. She would like to see neighborhood engagement applied broadly across city topics.

Councilor Gonzalez requested that the term CIO (Community Involvement Organization) be spelled out in future materials. He also suggested the City should breathe more life into the CIO program by discussing it more at committee meetings and increasing collaboration.

City Manager Lombos outlined outcomes and actions for the second and third priorities: housing and economic development.

Council President Pratt spoke to the economic development action related to destination signage. She noted it should focus on highlighting commons areas and their amenities.

Councilor Brooks asked if updated brochures are available as part of the city's brand refresh and expressed interest in adding more wayfinding markers throughout the city. City Manager Lombos responded that the Chamber Directory is the closest existing resource for a brochure.

City Manager Lombos shared outcomes and actions for the fourth priority, transportation.

Council President Pratt stated she appreciates receiving regular transportation updates.

Mayor Bubenik stated that both north-south and east-west connections in Basalt Creek are equally important. He wants to ensure promotion of TriMet service in the area so that the community is aware of available options.

Councilor Brooks emphasized the importance of communicating the city's unique features to residents.

City Manager Lombos presented outcomes and actions for the fifth priority, the environment.

Councilor Brooks stated she is interested in efforts to help cool the city and address urban heat.

City Manager Lombos shared information on the sixth priority, parks.

Council President Pratt stated she would like to see a partnership with the school district on playing fields added to the list. City Manager Lombos stated these efforts are related to the bond program.

City Manager Lombos thanked the Council for their feedback. She stated that staff appreciates the additional clarity on priorities, as it informs and directs the work of the organization. She noted that funding for the identified priorities will be incorporated and reflected throughout the upcoming budget process.

3. CORA Community Advisory Committee Appointments.

Mayor Bubenik stated that two Council members are needed to serve on the CORA Community Advisory Committee (CAC). He and Councilor Sacco will serve as primary members and proposed Council President Pratt as the alternate.

Councilor Brooks stated she supports the proposed appointments.

Councilor Reyes expressed a desire to serve on the committee and asked how the appointments were decided. Mayor Bubenik stated that he selected himself and Councilor Sacco because they had served on the original committee.

Mayor Bubenik stated that committee member appointments will return to the Council for final approval. City Manager Lombos clarified that while the categories of committee members were approved by Council, the individual names will not come back for confirmation.

Councilor Reyes asked why the Aging Task Force is listed as a defined category. Mayor Bubenik stated that it ensures representation from that segment of the community.

Councilor Reyes stated she would like a Spanish-speaking member included to better engage with that portion of the community. Economic Development Manager Sid Sidaro stated he would be presenting to the Latino Network and could seek a representative from the group. Council consensus was reached to add the Latino Networking group as a committee category.

City Manager Lombos stated that the CAC is not the only opportunity for community involvement and that there will be many opportunities to participate over the coming years.

Mayor Bubenik added that all Council members are Development Commissioners and will ultimately have decision-making authority on the process.

Council President Pratt asked how frequently the Council would receive updates. Manager Sidaro stated the Council representatives will report back as needed. City Manager Lombos stated milestone updates will also be provided.

Councilor Reyes stated she would like to be as involved as possible in the process.

Councilor Brooks expressed interest in being part of the creative process. She also emphasized the importance of considering environmental factors and parks planning.

Councilor Gonzalez stated he was concerned the Hispanic community was not originally included in the advisory committee and noted that they represent a significant portion of the population. He stated this should have been a first consideration.

Council President Pratt acknowledged it was an oversight and apologized for the impact.

Councilor Hillier concurred and acknowledged her role in the oversight.

Councilor Reyes stated it was unacceptable that representation for the Hispanic community was not included from the outset.

City Manager Lombos stated that staff will provide an update on committee selections once they are finalized.

4. Council Meeting Agenda Review, Communications & Roundtable.

City Manager Lombos presented her manager's report. She stated CIO meetings are underway and she continues to participate in WCCLS governance and funding discussions. She noted that a budget update will come to the Council in May. She provided updates on discussions related to police department facility needs and funding sources, stated that HR is bringing Paid Leave Oregon in-house to improve employee service, and reported that the city's AI policy is being developed alongside public education classes at the Juanita Pohl Center. She announced that Public Service Appreciation Week is next week and highlighted the new art installation at Veterans Plaza.

Councilor Gonzalez asked if there is an update on the EV charging station grant. City Manager Lombos stated there is no update at this time. Mayor Bubenik stated the city will continue to advocate for the funding.

Councilor Brooks reported attending the Policy Advisory Board meeting and noted the Veterans Plaza art installation is underway.

Councilor Sacco reported attending the IDEA Committee meeting, provided an update on the upcoming Pride Stride event, and noted her attendance at the State of the City event.

Councilor Hillier reported attending the Ibach CIO Annual Meeting, the State of the City, the Volunteer Celebration, and a town hall hosted by congressional representatives on Medicare and Social Security.

Council President Pratt reported attending the C4 Metro meeting and the Core Area Parking Advisory Committee meeting.

Mayor Bubenik reported attending the WEA Board Meeting, Sherwood's State of the City, a QPO tour with the Chamber, the League of Oregon Cities Legislative Update, a town hall with Representative Walters and Senator Wagner, the State of the City event, the Chamber Board Meeting, the MMC meeting, and the Volunteer Appreciation event.

Adjournment

Mayor Bubenik adjourned the meeting at 6:45 p.m.

Sherilyn Lombos, City Manager

_____/ Nicole Morris, Recording Secretary

_____/ Frank Bubenik, Mayor



TUALATIN CITY COUNCIL

OFFICIAL MEETING MINUTES

FOR APRIL 28, 2025

PRESENT: Mayor Frank Bubenik, Council President Valerie Pratt, Councilor Bridget Brooks, Councilor Maria Reyes, Councilor Cyndy Hillier, Councilor Christen Sacco, Councilor Octavio Gonzalez

Call to Order

Mayor Bubenik called the meeting to order at 7:00 p.m.

Pledge of Allegiance

Announcements

1. Proclamation Declaring the Week of May 4-10, 2025 as Public Service Recognition Week in the City of Tualatin

Human Resources Director Stacy Ruthrauff introduced public service recognition week honoring city employees.

Councilor Gonzalez read the proclamation declaring the week of Week of May 4-10, 2025 as Public Service Recognition Week in the City of Tualatin.

2. Proclamation Declaring the Week of May 11-17, 2025 as National Police Week in the City of Tualatin

Police Chief Greg Pickering introduced National Police Week.

Council President Pratt read the proclamation declaring the week of May 11-17, 2025 as National Police Week in the City of Tualatin.

3. Proclamation Declaring May 11-17, 2025 as National Prevention Week in the City of Tualatin

Members of the Tualatin High School Leadership, Education, Advocacy, and Prevention (LEAP) Youth Alliance presented on National Prevention Week. They explained that LEAP is a student-led club focused on substance misuse prevention and the importance of mental health as a contributing factor. The students shared that the club uses evidence-based strategies to raise awareness and empower youth to make healthy choices.

They described National Prevention Week as an opportunity to educate peers about the science behind addiction and promote informed decision-making. Events planned for the week include school outreach and activities designed to engage students in substance use prevention.

Councilor Sacco thanked the students for their leadership and advocacy.

Councilor Hillier read the proclamation declaring May 11-17, 2025 as National Prevention Week in the City of Tualatin.

4. Gathering Market at Winona Grange Announcement

Council President Pratt and Councilor Hillier announced the The Winona Grange Gathering Market to be held every fourth Sunday, May-September, 2025, at the Winona Grange. The market will include farmers, food vendors, artisans, musicians, and story time for children.

5. Proclamation Declaring April 30, 2025 as Vietnamese-American Remembrance Day in the City of Tualatin

Thao Tu, President of the Vietnamese Community of Oregon, thanked the Council for approving the proclamation for Vietnamese-American Remembrance Day.

Councilor Sacco read the proclamation declaring April 30, 2025 as Vietnamese-American Remembrance Day in the City of Tualatin.

6. New Employee Introduction- Community Development Director Aquilla Hurd-Ravich

City Manager Sherilyn Lombos introduced Community Development Director Aquilla Hurd-Ravich. The Council welcomed her.

Public Comment

None.

Consent Agenda

Motion to adopt the consent agenda made by Council President Pratt, Seconded by Councilor Sacco. Voting Yea: Mayor Bubenik, Council President Pratt, Councilor Brooks, Councilor Reyes, Councilor Hillier, Councilor Sacco, Councilor Gonzalez

MOTION PASSED

1. Consideration of Approval of the Work Session and Regular Meeting Minutes of April 14, 2025
2. Consideration of Approval of a New Liquor License Application for Tualatin Luxor Nails and Spa
3. Consideration of Approval of a New Liquor License Application for Oregon Wine Services and Storage
4. Consideration of Approval of Late Liquor License Renewal for 2025
5. Consideration of **Resolution No. 5874-25** Authorizing the City Manager to Execute a Grant Agreement for a Metro Area Communications Commission Grant; and Appropriating Special Purpose Revenues in the City's General Fund During the FY 2024-25 Budget
6. Consideration of **Resolution No. 5875-25** Authorizing the City Manager to Execute an Agreement with Washington County for Installation of Photo Enforcement Equipment Along Washington County Roads
7. Consideration of **Resolution No. 5876-25** Authorizing the City Manager to Execute a Professional Services Agreement with Otak, Inc. for Martinazzi Sewer Trunk Upsizing (Priorities 3 & 4) - Engineering and Construction Management

8. Consideration of **Resolution No. 5877-25** Authorizing the City Manager to Amend and Extend a Contract for Street Sweeping Operations with Great Western Sweeping
9. Consideration of **Resolution No. 5878-25** Authorizing Acceptance of Grant Funds for Retail Theft Enforcement
10. Consideration of **Resolution No. 5879-25** Awarding a Contract for Construction of Little Woodrose Park Rehabilitation Project

Special Reports

1. Outside Agency Grant Awardee- Tualatin Food Pantry

Tualatin Food Pantry Executive Director Danielle Schneider presented an update on the pantry's services. She stated the pantry operates out of Rolling Hills Community Church and provides low-barrier access to food and supplies. Director Schneider stated clients can access the pantry twice per month and receive five days' worth of provisions. She noted that the pantry currently serves over 1,050 households monthly, totaling more than 4,000 people.

Council President Pratt asked about locally grown produce. Director Schneider stated many community members donate homegrown fruits and vegetables, which are very popular.

Councilor Reyes asked how the pantry ensures services are not abused. Director Schneider explained that they use a tracking system through the Oregon Food Bank.

Councilor Brooks asked why the Oregon Food Bank is providing fewer supplies. Director Schneider stated that federal program cuts have reduced available resources.

Councilor Brooks asked how residents can organize a food drive. Director Schneider encouraged anyone interested to contact the pantry for assistance.

Mayor Bubenik thanked Director Schneider and acknowledged the challenges food insecurity poses, particularly amid federal funding reductions.

2. Tualatin Valley Fire and Rescue State of the District

Tualatin Valley Fire and Rescue Division Chief James Smario presented the State of the District. He highlighted wildfire deployments in Oregon and California. Chief Smario stated that Tualatin had 3,551 service calls in 2024, most of which were EMS-related. He described three programs launched within EMS: the Advanced Practice Community Paramedic, Advanced Resource Medic, and Nurse Navigation/Dispatch Health. Chief Smario stated that a recently passed local option levy will sustain the district for the next ten years. He discussed challenges in recruitment and reviewed progress on capital projects funded by the 2021 bond. Chief Smario stated work is underway at Stations 35, 20, and 22, as well as at the training center.

Councilor Hillier thanked TVF&R for their service and praised their creative approach to improving community care.

Councilor Brooks asked about lessons learned from interstate mutual aid. Chief Smario said they gained a strong appreciation for Tualatin's robust water infrastructure and backup systems.

Mayor Bubenik thanked the department for its ongoing work.

3. Tualatin Planning Commission Annual Report

Assistant Community Development Director Steve Koper and Planning Commission Chair Bill Beers presented the Planning Commission's 2024 Annual Report. Director Koper highlighting the statutory role of the Planning Commission in advancing Oregon's Statewide Planning Goal 1, which focuses on citizen involvement in land use decisions. He noted that the Planning Commission is among the most active advisory bodies in the City and expressed gratitude to the members for their dedication and service. Director Koper stated in 2024, the Commission held eight meetings and reviewed a range of proposals and updates. These included development code amendments, mandates related to the Climate Friendly and Equitable Communities (CFEC) parking reforms, zone map changes, and updates to Comprehensive Plan policies. The Commission also reviewed the updated Stormwater Master Plan, the Basalt Creek Parks and Recreation Plan, and zoning changes associated with the Norwood development. He stated additional items included a conditional use permit and a sign variance. Director Koper shared that the Commission received several informational presentations during the year, including updates on the Transportation System Plan, a TriMet session, a presentation from Ride Connection, and legal training to support commissioners in their decision-making roles.

Chair Beers reflected on the experience of serving on the Commission, calling it rewarding and meaningful. He thanked the Council for their continued support and noted that many commissioners are also active on other city committees, further demonstrating their strong commitment to the community.

Councilor Brooks thanked the Commission for its time, effort, and attention to detail in reviewing complex issues.

Council President Pratt expressed appreciation for the Commission's depth of analysis and thoughtful recommendations.

Mayor Bubenik echoed his thanks, acknowledging the Commission's role in helping the Council make well-informed policy decisions.

Public Hearings - Legislative or Other

1. Consideration of **Ordinance No. 1498-25** Vacating a 4,959 square-foot Right-of-Way Tract of Land Identified as the Northerly Unimproved Street Stub of SW 68th Avenue

Mayor Bubenik opened the public hearing for the City Council to consider Ordinance No. 1498-25, vacating a 4,959 square-foot Right-of-Way tract of land identified as the northerly unimproved street stub of SW 68th Avenue on Tax Map 2S124DD, created by the "Stoneridge" subdivision plat and authorizing the City Manager to take any and all actions necessary to implement the Ordinance (VAC25-0001). He stated the hearing is held pursuant to ORS 271.120.

Associate Planner Madeline Nelson and Assistant Community Development Director Steve Koper presented the vacation. Planner Nelson stated that the subject property is a remnant public right-of-way created as part of the "Stoneridge" subdivision and has since been informally maintained as open space. The proposed vacation would allow the property to be officially incorporated into the

adjacent city park. She confirmed that the applicable approval criteria had been met and that all affected property owners had provided consent.

PUBLIC COMMENT

None.

COUNCIL QUESTIONS

Council President Pratt asked what the consequences would be if the vacation were not approved. Director Koper stated that continuing to use the site as a park within the right-of-way could pose complications in the future related to ownership and management.

Mayor Bubenik closed the hearing.

Motion for first reading by title only made by Council President Pratt, Seconded by Councilor Brooks.

Voting Yea: Mayor Bubenik, Council President Pratt, Councilor Brooks, Councilor Reyes, Councilor Hillier, Councilor Sacco, Councilor Gonzalez

MOTION PASSED

Motion for second reading by title only made by Council President Pratt, Seconded by Councilor Brooks.

Voting Yea: Mayor Bubenik, Council President Pratt, Councilor Brooks, Councilor Reyes, Councilor Hillier, Councilor Sacco, Councilor Gonzalez

MOTION PASSED

Motion to adopt Ordinance No. 1498-25 vacating a 4,959 square-foot right-of-way tract of land identified as the northerly unimproved street stub of SW 68th Avenue made by Council President Pratt, Seconded by Councilor Brooks.

Voting Yea: Mayor Bubenik, Council President Pratt, Councilor Brooks, Councilor Reyes, Councilor Hillier, Councilor Sacco, Councilor Gonzalez

MOTION PASSED

Public Hearings - Quasi-Judicial

1. Consideration of **Ordinance No. 1499-25** Requesting the Annexation of 54.79 acres of Land Located at Tonquin Loop, west of Grahams Ferry Road, and North of Basalt Creek Parkway into the City of Tualatin from Unincorporated Washington County

Mayor Bubenik opened the public hearing to consider Ordinance No. 1499-25, a request to approve an annexation of 54.79 acres of land located at Tonquin Loop, west of Grahams Ferry Road, and north of Basalt Creek Parkway into the City of Tualatin from unincorporated Washington County. He read the required land use statements.

Assistant Community Development Director Steve Koper and Associate Planner Madeline Nelson presented the staff report for ANN 24-0001. She stated that the site is designated within the Basalt Creek Employment Planning District and that the application satisfies the annexation

criteria outlined in the Tualatin Development Code. Planner Nelson stated there is no development proposed at this time and that any future development would require a separate architectural review and site plan approval. She stated staff recommends approval.

Applicant Representative with AKS Engineering and Forestry Melissa Slotemaker shared a map of the annexation area and affirmed that the request is procedural, with no proposed site alterations. She emphasized the annexation aligns with long-term planning efforts and is necessary to enable future development.

PUBLIC COMMENT

None.

COUNCIL QUESTIONS

None.

Mayor Bubenik closed the hearing.

Motion for first reading by title only made by Councilor Brooks, Seconded by Councilor Reyes.
Voting Yea: Mayor Bubenik, Council President Pratt, Councilor Brooks, Councilor Reyes, Councilor Hillier, Councilor Sacco, Councilor Gonzalez

MOTION PASSED

Motion for second reading by title only made by Councilor Brooks, Seconded by Councilor Reyes.
Voting Yea: Mayor Bubenik, Council President Pratt, Councilor Brooks, Councilor Reyes, Councilor Hillier, Councilor Sacco, Councilor Gonzalez

MOTION PASSED

Motion to adopt Ordinance No. 1499-25 requesting the annexation of 54.79 acres of land located at Tonquin Loop, west of Grahams Ferry Road, and north of Basalt Creek Parkway into the City of Tualatin from Unincorporated Washington County made by Councilor Brooks, Seconded by Councilor Reyes.

Voting Yea: Mayor Bubenik, Council President Pratt, Councilor Brooks, Councilor Reyes, Councilor Hillier, Councilor Sacco, Councilor Gonzalez

MOTION PASSED

Council Communications

Councilor Brooks reported that the Policy Advisory Board is advocating to protect Community Development Block Grant funds. She also noted the recent passing of State Senator Erin Woods and Moses Ross and extended her condolences.

Mayor Bubenik announced an upcoming ribbon cutting at Veterans Plaza.

Adjournment

Mayor Bubenik adjourned the meeting at 8:50 p.m.

Sherilyn Lombos, City Manager

_____/ Nicole Morris, Recording Secretary

_____/ Frank Bubenik, Mayor

MITCH CHARTER SCHOOL

City of Tualatin Outside Agency
Awardee Grant Presentation
May 12, 2025





Breakfast & Lunch Program

- Day 1: November 13, 2024
- 87% of MITCH families opted in (TTSD ~40%)
- Feeding average 175 students/day
- Sharing Bin supports students in need of more nutrition
- Students excited to try new fruits and veggies

Breakfast & Lunch Program

- Grant Funding from City of Tualatin
 - Funding was used for program expenses like carts, electrical outlets, lunch attendant salary
- MITCH PSO Funding
- CEP Program through TTSD Nutrition Services
 - Provides free breakfast and lunch to all students

Breakfast & Lunch Program Community Feedback

"This breakfast and lunch program has changed my life. Thank you!"

"We are also so thankful for the lunch program! It has made our mornings run so much smoother and the kids are always excited to tell me what food day it was. "

"The mornings have gotten so much easier!!"

"Thank you lunch committee!
You all worked so hard on this
and this is such an exciting
addition for MITCH families!"





CITY OF TUALATIN

Staff Report

TO: Honorable Mayor and Members of the City Council

FROM: Sherilyn Lombos, City Manager

DATE: May 12, 2025

SUBJECT:
Climate Action Plan – Implementation Funding

RECOMMENDATION:
Staff is requesting direction to proceed on one or more of the options to fund the Climate Action Plan program implementation.

EXECUTIVE SUMMARY:

In October 2024 the City Council adopted a short—term work plan with a number of associated actions, one of which was to conduct an analysis of options for sustainable funding for the climate action program with the outcome of funding for a staff resource/position to oversee and manage the program, and funding for the general program.

Staff contracted with EConorthwest to perform that analysis. The consultant team analyzed a number of options and working with staff narrowed them down to ones that were the most viable. In February EConorthwest presented information to the City Council (see attached memo dated February 13, 2025). Council asked for some additional information on Right-of-Way/Franchise fees, Building Permit fees, and a Utility Fee Round-Up program.

Based on the Council's direction, EConorthwest provided the attached Addendum which includes information about how the City's Right-of-Way fees compare, and how much revenue could be raised by increasing those rates. It also includes an updated estimate of Building Permit fees, and finally, it includes how a "Share the Pennies" program might work in Tualatin.

Staff have recommended the inclusion of a Climate Action Plan Implementation Program Coordinator position in the 25/26 budget, which would be housed out of the City Manager's Office. In addition, there is one-time funding included in the budget to account for needed consultants or other costs associated with moving the Climate Action Plan forward in a meaningful and strategic way in FY 25/26. It is assumed that there will be some level of funding necessary above and beyond the personnel costs of a new position; therefore, staff estimates that the Climate Action Plan implementation needs approximately \$250,000 per year to be fully funded.

ATTACHMENTS:

- Climate Funding Analysis for the City of Tualatin (February 13, 2025)
- Climate Funding Analysis for the City of Tualatin: Addendum (April 20, 2025)
- Building Permits & Fees Analysis
- Presentation

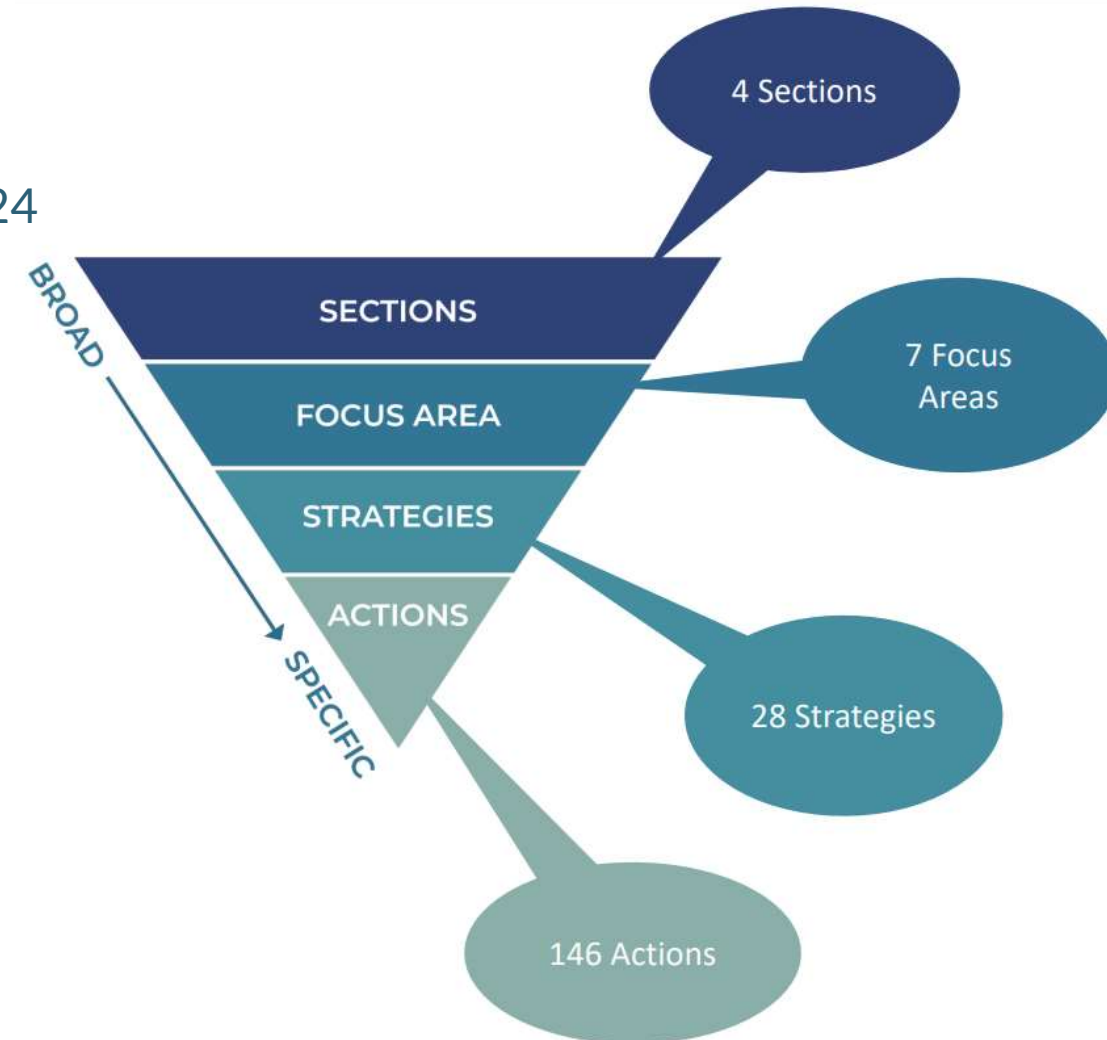


Climate Action Plan Implementation Funding

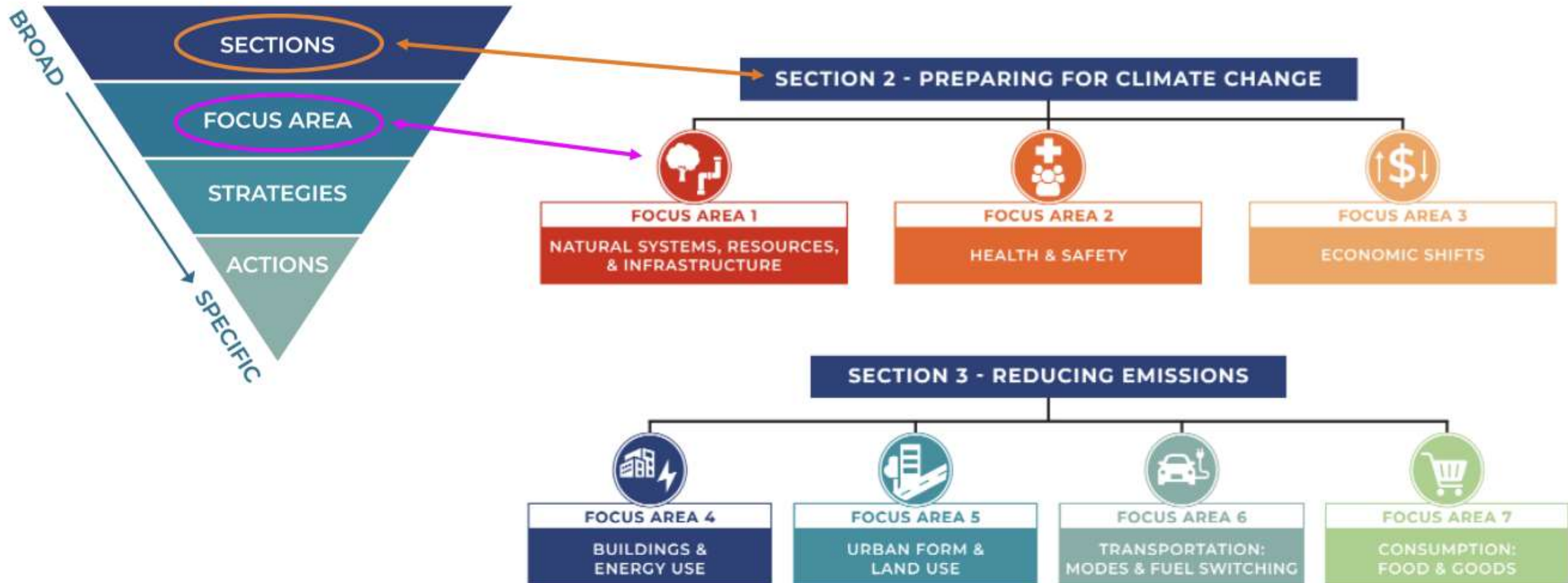
May 12, 2025

ReCAP

- Climate Action Plan adopted by Council on May 28, 2024
Resolution #5775-24
- 2-year Work Plan adopted by Council on October 14, 2024
- Included in Council's 2025 Priorities



ReCAP



July 2024

December 2024

July 2025

December 2025

July 2026

1. SUSTAINABLE FUNDING: Conduct an analysis of options for sustainable funding for the climate action program with the outcome of funding for a staff resource/position to oversee and manage the program, and funding for the general program (*Fall 2024*)

2. SUSTAINABLE FUNDING: Following up on the analysis and presentation of options, implement a sustainable funding source for the climate action program including hiring a staff resource/position to oversee and manage the program (*Summer 2025*)

ACTION: Conduct Analysis of Funding Options

ECOnorthwest's scope focused on analyzing fiscal tools to begin funding climate action implementation.

- Scanned funding tools available to the City
- Analyzed six tools in context of the City's budget and financial condition

Main Project Goals

- Inform how to fund a staff member dedicated to climate actions
- Identify tools to begin funding needed climate projects
- Council support on funding stream to implement climate projects

Summary of Climate Funding Tools

COMMON TOOLS

- **Local Option Levies**
- **Right-of-Way Fees / Franchise Fees**
- **Utility Fees**
- **Gas Tax**
- **Building Permit Fees**
- **Grants**

INNOVATIVE AND EMERGING TOOLS

- **Share the Pennies
(utility bill round-up)**
- **Stormwater Utility Fee**
- **Climate Tax**
- **Development Impact Fee**
- **Green Lodging Tax**
- **Green Bonds**

Right-of-Way / Franchise Fees



- How do the City of Tualatin's rates compare?

SERVICE TYPE	TUALATIN	MILWAUKIE	GRESHAM
Electric	3.5%	8.0%	10.0%
Natural Gas	5.0%	8.0%	10.0%
Telecommunication	5.0%	7.0% (communications) 5.0% (cable systems)	7.0% (ORS 221.515) 5.0% (all other)
Solid Waste	3.0%	5.0%	10.0%

- How much revenue could the City raise by increasing the rates?

SERVICE TYPE	CURRENT RATE	FY 2024 REVENUE	+0.5%	+1.0%	+1.5%
Electric	3.5%	\$1,653,000	\$249,000	\$498,000	\$747,000
Natural Gas	5.0%	\$721,000	\$75,000	\$151,000	\$226,000
Telecommunication	5.0%	\$257,000	\$27,000	\$53,000	\$80,000
Solid Waste	3.0%	\$300,000	\$51,000	\$103,000	\$154,000



Building Permit Fees



GL Account	2025 Budget	With 5% Surcharge
42231 - Permits - Structural	\$ 598,500	\$ 628,425
42232 - Permits - Plumbing	\$ 115,500	\$ 121,275
42234 - Permits - Mechanical	\$ 173,985	\$ 182,680
42236 - Permits - Manufactured Homes	\$ 210	\$ 220
42239 - Permits - Excavation & Demo	\$ 1,050	\$ 1,100
42251 - Fees - Structural	\$ 220,500	\$ 231,530
42252 - Fees - Plumbing	\$ 21,000	\$ 22,050
42254 - Fees - Mechanical	\$ 115,500	\$ 121,280
42255 - Fees - Fire & Safety	\$ 105,000	\$ 110,250
42259 - Fees - Miscellaneous	\$ 2,625	\$ 2,760
	<u>\$ 1,353,870</u>	<u>\$ 1,421,570</u>
	Total Increase	<u>\$ 67,700</u>



Share the Pennies Program



SERVICE TYPE	49 CENTS	99 CENTS
87% Participation Rate (13% Opt-Out Rate)	\$64,000	\$130,000
50% Participation Rate (50% Opt-Out Rate)	\$37,000	\$75,000



Costs of the Implementation Program



- Climate Action Plan Program Coordinator Position
 - Proposed to start Summer 2025
 - Housed in the City Manager's Office
 - Salary, benefits, ancillary costs (training, memberships, etc.)
- Implementation Program Expenses
 - Consultants
 - Action implementation (to be determined)
- Need \$250,000 per year to fully fund program



Looking for direction from the City Council for how to raise the funds to support the Climate Action Plan implementation.

THANK YOU

DATE: February 13, 2025
TO: Sherilyn Lombos (City Manager) and Don Hudson (Assistant City Manager/Finance Director), City of Tualatin
FROM: Becky Steckler, AICP, Jen Cannon, AICP, and James Kim, ECONorthwest
SUBJECT: Climate Funding Analysis for the City of Tualatin

Executive Summary

Climate change is a global issue, and everyone contributes to it. Greenhouse gas (GHG) emissions are coming from our buildings, cars, and industries. The City of Tualatin's assessment showed its main sources of emissions are building energy (42 percent); imported emissions from goods, food, and fuel production (41 percent); and transportation energy (12 percent).¹ Although local emissions in Tualatin are expected to decrease over time thanks to strong state climate regulations impacting utilities,² this reduction alone will not be enough to reach the City's goal of net zero emissions by 2050.

The City of Tualatin is already stepping up to the challenge. It approved a Climate Action Plan (CAP) in early 2024 after two years of work. In October 2024, the City Council adopted a two-year work plan with actions that ensure the community moves closer to achieving its climate action goals. Two of those actions are (1) dedicating employee resources to manage and communicate implementation of the CAP and (2) evaluating potential funding sources to support CAP actions.

To that end, ECONorthwest researched potential fiscal tools for funding the City of Tualatin's implementation of the CAP. The first step was to conduct a scan of funding tools that the City might want to consider. These tools were explored in the context of the City's budget and financial condition. With feedback from the City of Tualatin, ECONorthwest prioritized six tools for further evaluation.

As a result of that analysis, ECONorthwest identified two promising revenue sources to fund climate-related work in the short-term. These resources can help fund staffing costs needed to kickstart the management and communication of the CAP actions. The City of Tualatin City Council can consider adopting one or more of the funding tools.

- ◆ 0.5% increase in right-of-way fees for electricity, telecommunication, and waste management services to raise about \$327,000 per year.

¹ The City of Tualatin. *Tualatin's Community Climate Action Plan*. 2024. https://www.tualatinoregon.gov/sites/default/files/fileattachments/public_works/page/54031/cap_executive_summary_0513.pdf

² Oregon Department of Energy. "Oregon Energy Strategy." <https://www.oregon.gov/energy/Data-and-Reports/Pages/Energy-Strategy.aspx>

- ◆ 5% increase in building permit fees to raise about \$60,000 per year, though this value will fluctuate year to year with economic cycles.

To fund its CAP in the long-term, the City of Tualatin will need additional resources. There is a long list of options the City can consider. Working with City staff, ECONorthwest identified three best options. They will not fully fund the CAP, but they are the least likely to face barriers. To be sure, adopting any one of these options will require concerted effort from the City, including campaigns to organize support and address concerns. Moreover, the use of the new revenues may be limited to specific purposes (e.g., transportation infrastructure). The three analyzed options are:

- ◆ 1.5% increase in right-of-way fees for electricity, natural gas, telecommunication, and waste management services to raise about \$1,208,000 per year. This action will require establishing new franchise agreements.
- ◆ 3-cent gas tax to raise about \$246,000 per year, though this value will fluctuate year to year and decrease over time with increasing vehicle fuel efficiency.
- ◆ 5% increase in Transportation Development Tax to raise about \$70,000 per year, though this value will fluctuate year to year with economic cycles and a nexus study may be required.

Additionally, the City may want to consider applying for grant opportunities that can provide one-time funding. This memorandum includes some examples the City could monitor and explore.



Organization of This Memorandum

- ◆ **Fiscal Context** (page 4): A quick reminder of limitations on revenue options for Oregon cities.
- ◆ **Short-Term Funding Options** (page 5): Two revenue options to get started on CAP actions.
- ◆ **Long-Term Funding Options** (page 9): Three revenue options to continue working on CAP actions.
- ◆ **Grant Opportunities** (page 14): A list of current or upcoming grant opportunities to monitor or apply for.
- ◆ **Additional Funding Ideas** (page 17): A list of other funding options that were considered, but ultimately not recommended.

Research Process

ECONorthwest worked with the City Manager and the Assistant City Manager/Finance Director between November 2024 and January 2025 to identify research objectives, vet potential funding options, and confirm analysis details. Estimating the revenue potential required detailed financial data from the City as well as information from City reports, including the Annual Comprehensive Financial Report.

When evaluating the funding tools for their advantages and disadvantages, ECONorthwest used a systematic framework to make sure all tools were consistently evaluated. The evaluation informed the “Arguments For” and the “Arguments Against” sections of each revenue tool, using the following criteria:

- ◆ **Adequacy:** How much revenue can it generate?
- ◆ **Administrative ease:** Is it easy to implement with existing resources?
- ◆ **Flexibility:** What can the revenue be used for?
- ◆ **Stability:** Will the revenue fluctuate over time?
- ◆ **Fairness:** Who benefits and who pays? Does the tool treat similar taxpayers consistently? Do those with more resources pay more than those with less?
- ◆ **Nexus:** Is there a clear connection between the tax and the taxed economic activity?
- ◆ **Neutrality:** Is it likely to cause unintended changes in where people spend money and how much they spend?
- ◆ **Political viability:** Who will support and who will oppose it?
- ◆ **Transparency:** Is it easy to see or understand the new tax?



Fiscal Context

Like many other communities in Oregon, the City of Tualatin faces a difficult challenge: to provide more services with limited funds. People generally expect their governments to do more but do not necessarily want to pay higher taxes.

This is particularly true with climate-related investments and actions. Residents, employers, and workers in Tualatin may recognize the dire need to combat climate change and its effects, and they may support the City's strategies and goals in the CAP. But only few will decide to pay new taxes now to fund investments and actions that are unlikely to generate results until years later.

The City's existing funding sources cannot grow fast enough to even partially fund its CAP actions because of limitations on property taxes, the main source of revenue for Oregon cities. Measures 5 and 50 created a framework that capped property taxes and made annual increases more predictable.

- ◆ Measure 5, passed in 1990, capped property taxes at \$10 per \$1,000 of real market value for general government services and \$5 per \$1,000 for education services.
- ◆ Measure 50, passed in 1997, created a permanent tax rate limit for each taxing district that cannot be changed by the district or its voters. Voters can approve temporary levies (i.e., local option levies) to exceed the permanent tax rate.
- ◆ Measure 50 also separated the assessed value from the real market value. The assessed value is used to calculate property taxes for each property and cannot grow more than 3 percent each year, though exceptions apply for new constructions and major renovations. Measure 5 limits still apply to the real market value.

Since the adoption of Measures 5 and 50, the real market values (e.g., housing prices) and the cost of providing government services grew faster than the assessed values of existing properties. Although a steady flow of new development has allowed property tax revenues to grow at 4 to 5 percent per year, future growth remains uncertain. Moreover, property taxes from industrial equipment can increase or decrease each year depending on depreciation of existing equipment and investment in new equipment.

As a result of the property tax limitations, Oregon cities are generally left with the following options to fund new programs and projects.

- ◆ Asking voters to approve local option levies every 5 or 10 years.
- ◆ Attracting and permitting new construction and major improvements that can increase the taxable assessed value, though they represent a small fraction of the total tax roll.
- ◆ Increasing other taxes and fees or adopting new ones that charge for government services, including access to the public right-of-way.

To fund climate actions, the City of Tualatin may have to make difficult decisions.



Short-Term Funding Options

The City of Tualatin's short-term goals to advance the CAP include finding dedicated resources for managing and communicating its implementation. Assuming the City's planned budgets and existing funding sources cannot fund new CAP actions, the City will need to raise new revenue. An analysis of potential funding tools found two tools that can be implemented relatively easily while raising meaningful revenue. Although there certainly are some important tradeoffs to consider, they may be the best options for raising new revenue in the short-term.

A1. Right-of-Way Fees / Franchise Fees (0.5 percent)

Cities can charge utility-type companies for their privilege to use public rights-of-way (like streets, sidewalks, and roads) to install and maintain infrastructure such as pipes, wires, and poles. These are also called franchise fees, privilege taxes, and utility license fees, with slightly different nuances. They are a tax on the company's gross revenue. These fees continue year to year without a sunset period.

Right-of-way fees can cover administrative costs of regulating the utility or be used as a general revenue source. These revenues can be used to fund energy efficiency programs, renewable energy investments, and water conservation efforts. The City of Tualatin's franchise fee revenues were \$3.0 million in FY 2024, representing about 7 percent of governmental activities revenues.³

The City of Tualatin currently assesses the following right-of-way/franchise fees:

- ♦ Electric: 3.5 percent of gross revenue⁴
- ♦ Natural gas: 5.0 percent of gross revenue⁵
- ♦ Telecommunications: 5.0 percent of gross revenue⁶
- ♦ Waste management: 3.0 percent of gross revenue⁷

These charges are in addition to application fees, system development charges, and installation charges.

The fees on telecommunication carriers cannot exceed 7 percent of gross revenue (see ORS⁸ 221.515).

Disclaimer: EConorthwest's analysis is based on its interpretation and knowledge of Oregon laws. The City of Tualatin should consult its Legal Services Department before acting on information in this memorandum.

³ City of Tualatin. *Annual Comprehensive Financial Report*. For Fiscal Year ended June 30, 2024.

⁴ City of Tualatin. *Fee Schedule*. Fees effective July 9, 2024.

⁵ Ibid.

⁶ Ibid.

⁷ City of Tualatin. "Current Franchise Agreements." www.tualatinoregon.gov/legal/current-franchise-agreements

⁸ Oregon Revised Statutes



The fees on other public utilities may not exceed 5 percent of gross revenue, unless a franchise agreement is place (see ORS 221.450). The fees can be greater with a franchise agreement. The City of Tualatin has a franchise agreement with PGE but not with other electric or natural gas companies. The City of Tualatin also has a franchise agreement for waste management services. Increasing the fees beyond 5 percent of gross revenue on companies without a franchise agreement may require establishing franchise agreements.

Nearby cities have increased their utility license fees to support their general funds, which include climate-related uses.

- ◆ The City of Milwaukie: In 2024, the City Council increased fees on electric and natural gas providers from 5 percent to 8 percent. The fee on communications providers was already 7 percent.⁹
- ◆ The City of Gresham: In 2020, the City Council increased fees on electric and natural gas providers from 7 percent to 10 percent.¹⁰ A portion of the increased fee is dedicated to City’s Streetlight program. The fee on communications providers is 7 percent.¹¹

While these fees are paid by utility companies, the costs are likely to be passed onto utility customers. Utility companies can include line items for the fee in their monthly bills to customers or incorporate them into other charges. In either case, Tualatin residents and business owners may not notice this change because they tend to focus on the total bill amount. Still, excessive increases in the fees are likely to financially impact Tualatin residents and business owners.

Even if the fees are fully passed onto utility customers, the impact on monthly bills is expected to be a couple of dollars. For example, if monthly utility expenses add up to \$400, a 0.5 percent increase would equal a \$2 increase.

Utility use is clearly related to GHG emissions. Generating and supplying electricity produces GHG missions, though the state requires electricity suppliers to eliminate their greenhouse gas emissions by 2040.¹² Burning natural gas to heat homes and water produces GHG emissions. The energy required to power telecommunication networks and devices—including broadband and data centers¹³—relies on electricity. Finally, waste disposal makes up a tiny fraction of local GHG emissions, but that share will grow as a percent of total emissions as emissions associated with electricity decreases over time.

Analyzed Action: Increase existing right-of-way/franchise fees on electric utility, telecommunication, and waste management companies by 0.5 percentage points. This would increase the fees to 4.0 percent of gross revenue for electric companies, 5.5 percent

⁹ City of Milwaukie. “Utility license fee increase for electricity and natural gas.” www.milwaukieoregon.gov/finance/utility-license-fee-increase

¹⁰ City of Gresham. “Utility License Fees.” www.greshamoregon.gov/services/utilities/utility-license-fee-increase/

¹¹ City of Gresham. *Master Fee Schedule*. July 3, 2024.

¹² Oregon Department of Environmental Quality. “Oregon Clean Energy Targets.” www.oregon.gov/deq/ghgp/pages/clean-energy-targets.aspx

¹³ U.S. Department of Energy. “DOE Releases New Report Evaluating Increase in Electricity Demand from Data Centers.” December 20, 2024.



of gross revenue for telecommunication companies, and 3.5 percent of gross revenue for waste management companies. Do not change the right-of-way fee for natural gas companies since it may require new franchise fee agreements.

Figure 1. Current and Analyzed Right-of-Way Fees (Option A1)

UTILITY TYPE	CURRENT RATE	ANALYZED RATE
Electric	3.5%	4.0%
Natural Gas	5.0%	5.0% (no change)
Telecommunication	5.0%	5.5%
Waste Management	3.0%	3.5%

Source: ECONorthwest

Arguments For

- ◆ Fee increases are expected to generate about \$327,000 per year.¹⁴
- ◆ Fee increases are relatively small (0.5 percent), keeping the total tax rates competitive compared to some other jurisdictions in the region.
- ◆ Right-of-way/franchise fees can generate consistent revenue that comes from a broad tax base.
- ◆ Revenue can be added to the general fund and used flexibly.
- ◆ Increasing existing fees is easier to implement than establishing new ones.
- ◆ Utility uses are directly related to greenhouse gas emissions, so charging based on resource consumption is aligned with the goals of the CAP.
- ◆ Fee increases could incentivize property owners to make energy efficiency improvements in their buildings.

Arguments Against

- ◆ Though they are charged directly to utility providers, they are likely to be passed on to utility customers.
- ◆ They disproportionately affect lower-income households that spend a larger portion of their income on utilities.
- ◆ Natural gas use is also directly related to greenhouse gas emissions. Increasing the fee on electricity use without increasing the fee on natural gas use could appear illogical.

¹⁴ Based on ECONorthwest's calculations using financial data provided by the City of Tualatin.



A2. Building Permit Fee Surcharge

The City charges many types of building permit fees on new development and major improvements. Revenue from these fees in the last 4 years averaged about \$1.2 million per year. In the City of Tualatin, building permit fees are deposited into the Building Fund, which funds activities of the building division. Building energy is the largest source of emissions for Tualatin.¹⁵

Analyzed Action: Increase building permit fees by 5 percent and identify activities of the building division that align with CAP goals.

Arguments For

- ◆ A 5 percent increase is expected to generate about \$60,000 per year.
- ◆ The fees ensure those driving new development also fund its environmental mitigation.
- ◆ In general, voters are more likely to support fees on new development and growth rather than fees on themselves.

Arguments Against

- ◆ Revenue can depend on the pace of development, which can fluctuate with economic conditions and development decisions. In the past four years, annual building permit fees revenue ranged from about \$700,000 to \$1.6 million.
- ◆ The fees can increase development costs, impacting affordability.
- ◆ Support for fees on new development can be at odds with support for removing barriers to housing production. Opposition is likely to be concentrated among developers and people engaged in development activities.
- ◆ Use of building permit fees revenue is limited to activities of the building division, but many kinds of projects can be funded within this category (e.g., *Strategy 4.1 Energy efficiency and conservation*).

¹⁵ The City of Tualatin. *Tualatin's Community Climate Action Plan*. 2024.



Long-Term Funding Options

Implementing the goals in the CAP will require a large amount of ongoing funding. The options above are unlikely to be sufficient. EConorthwest analyzed three other potential options for long-term funding. Revenue from some of these options can only be used for transportation-related programs. Transportation energy makes up 12 percent of local emissions for Tualatin.¹⁶

B1. Right-of-Way Fees / Franchise Fees (1.5 percent)

The City of Tualatin can raise much more revenue with right-of-way/franchise fees if the rates are increased higher than by 0.5 percentage points. Fees on telecommunication carriers cannot exceed 7 percent of gross revenue. Fees on other companies without a franchise agreement is limited to 5 percent of gross revenue, so higher fees can require establishing new franchise agreements.

Analyzed Action: Increase existing right-of-way/franchise fees by 1.5 percentage points for electric, natural gas, and telecommunication companies. This would increase the fees to 5.0 percent of gross revenue for electric companies, 6.5 percent of gross revenue for natural gas and telecommunication companies, and 4.5 percent for waste management companies.

Figure 2. Current and Analyzed Right-of-Way Fees (Option B1)

UTILITY TYPE	CURRENT RATE	ANALYZED RATE
Electric	3.5%	5.0%
Natural Gas	5.0%	6.5%
Telecommunication	5.0%	6.5%
Waste Management	3.0%	4.5%

Source: EConorthwest

Arguments For

- ◆ Fee increases are expected to generate about \$1,208,000 per year.¹⁷
- ◆ Right-of-way/franchise fees can generate consistent revenue that comes from a broad tax base.
- ◆ Revenue can be added to the general fund and used flexibly.
- ◆ Increasing existing fees is easier to implement than establishing new ones.
- ◆ Utility uses are directly related to greenhouse gas emissions, so charging based on resource consumption is aligned with the goals of the CAP.

¹⁶ The City of Tualatin. *Tualatin's Community Climate Action Plan*. 2024.

¹⁷ Based on EConorthwest's calculations using financial data provided by the City of Tualatin.



Arguments Against

- ◆ Though the fees are charged directly to utility providers, they are likely to be passed on to utility customers. It would be prudent to conduct some public opinion research and engage members of the public before moving forward.
- ◆ If the fees are fully passed onto utility customers and monthly utility expenses add up to \$400, a 1.5 percent increase would equal a \$6 increase per month.
- ◆ They disproportionately affect lower-income households that spend a larger portion of their income on utilities. Expanding the City's Utility Bill Assistance program could offset some equity concerns.
- ◆ The fee increases could make the tax rates less competitive compared to other jurisdictions in the region.

B2. Gas Tax

All levels of government can charge a tax on gasoline sold at gas stations in Oregon. Drivers purchasing gasoline in Tualatin pay federal (\$0.184 per gallon), state (\$0.40 per gallon), and Washington County (\$0.01 per gallon) taxes. The City of Tigard is the only jurisdiction in Washington County to charge a local gas tax (\$0.03 per gallon). Other nearby jurisdictions with local gas taxes are:

- ◆ Multnomah County: \$0.03 per gallon
- ◆ City of Portland: \$0.10 per gallon
- ◆ City of Troutdale: \$0.03 per gallon
- ◆ City of Milwaukie: \$0.02 per gallon
- ◆ City of Happy Valley: \$0.02 per gallon

The City of Tualatin's Road Operating Fund—which accounts for gas taxes received from the State of Oregon and Washington County for the operation and maintenance of the street system, traffic signals, bike paths and landscaping of roadside area—received about \$3.1 million in revenues in FY 2024, including interest.¹⁸

A key concern with a local gas tax is that drivers may avoid purchasing gas in Tualatin. There are neighboring jurisdictions without gasoline taxes (though Tigard charges it), so drivers who are aware of the tax may plan ahead and fill up elsewhere. This could not only limit the revenue potential but also negatively impact gas station employment.

However, studies show gas taxes tend to have a minimal impact on gas purchases. A 3-cent increase is expected to decrease gas demand by less than 1 percent.¹⁹ The small effect on gas

¹⁸ City of Tualatin. *Annual Comprehensive Financial Report*. For Fiscal Year ended June 30, 2024.

¹⁹ A review of literature shows a range of reductions. (1) David Coyle, Jason DeBacker, and Richard Prisinzano. "Estimating the supply and demand of gasoline using tax data." *Energy Economics* 34, no. 1 (2012): 195-200. doi.org/10.1016/j.eneco.2011.07.011. This study indicates a short-run elasticity of negative 0.07, which is equivalent to a 0.06% reduction based on an assumed gas price of \$3.50 per gallon and a 3-cent gas tax. A higher assumed gas price would mean a smaller reduction. (2) Lutz Kilian and Xiaoqing Zhou. "Gasoline demand



demand is in part due to the small size of the gas tax. Hypothetically, a 30-cent gas tax could reduce gas demand by several percentage points.²⁰

Analyzed Action: Ask voters to adopt a 3-cent gas tax.

Arguments For

- ◆ A 3-cent gas tax is expected to generate about \$246,000 per year.²¹
- ◆ Administration would be easy, as it is collected and distributed by the Oregon Department of Transportation's Fuel Tax Group.
- ◆ Gas taxes can address greenhouse gas emissions from the transportation sector. They are applied broadly to all gas users.

Arguments Against

- ◆ Gas tax is becoming a less reliable revenue source as vehicles become increasingly more fuel-efficient and as people transition to electric vehicles (EVs)—Oregon is one of top EV states.²² An alternative transportation funding source is a road usage charge (RUC), or vehicle miles traveled (VMT) tax. The State of Oregon has one of the longest running Road Usage Charge pilot programs in the country. While lawmakers are anticipated to introduce legislation for a transportation package in 2025,²³ it remains to be seen if they will expand the RUC, which could potentially replace the gas tax. It is unclear if a new RUC program would allow for local rates or fees (similar to the local gas tax).
- ◆ A gas tax can disproportionately affect lower-income households that spend a larger portion of their income on gasoline. Moreover, higher-income households are more likely to own EVs, avoiding the gas tax altogether.
- ◆ Use of the revenue is limited to transportation-related projects, though there still are many transportation activities related to the Climate Action Plan (i.e., *Strategy 6.1 Fuel Switching* and *Strategy 6.2 Active Transportation*)

more responsive to price changes than economists once thought.” Federal Reserve Bank of Dallas. June 16, 2020. Accessed December 27, 2024. <https://www.dallasfed.org/research/economics/2020/0616>. This article suggests a short-run elasticity of negative 0.37, which is equivalent to a 0.32% reduction based on an assumed gas price of \$3.50 per gallon and a 3-cent gas tax. (3) Shanjun Li, Joshua Linn, and Erich Muehlegger. “Gasoline Taxes and Consumer Behavior.” Harvard Kennedy School. M-RCBG Faculty Working Paper No. 2012-02. www.hks.harvard.edu/sites/default/files/centers/mrcbg/files/MRCBG_FWP_2012_02-Muehlegger_Gasoline.pdf. This study indicates a 5-cent increase would reduce gas consumption by 1.3% in the short-run.

²⁰ But one should be careful to use estimates that are extrapolated from a study on small changes. The effect of the first 10-cent increase could be different than the effect of the next 10-cent increase or the following 10-cent increase.

²¹ Based on EConorthwest's calculations using Oregon Department of Transportation's taxable distribution reports. This imputed value also incorporates a 1% reduction to account for a small chance that some drivers may sometimes purchase their gas in nearby jurisdictions as a result of the new gas tax.

²² Gosia Wonzniacka. “Oregon surpasses 100,000 registered electric vehicles, remains one of top EV states.” *Oregonlive*. November 19, 2024. www.oregonlive.com/environment/2024/11/oregon-surpasses-100000-registered-electric-vehicles-remains-one-of-top-ev-states.html

²³ Elizabeth Castillo. “Oregon lawmakers address transportation policy and hit the road.” Oregon Public Broadcasting. June 10, 2024. www.opb.org/article/2024/06/09/think-out-loud-oregon-lawmakers-address-transportation-policy-on-road-trip/



- ◆ Gas tax revenue can fluctuate over time as people adjust their driving behaviors based on economic conditions.
- ◆ Public support for a gas tax is not yet explored. The City of Tualatin may want to develop a clear communication plan and ask potential voters (through surveys, conversations, public meetings) before moving forward with a ballot measure. ORS 319.950 requires a vote to implement a gas tax.

B3. Transportation Development Tax Surcharge

The City of Tualatin's Transportation Development Tax (TDT) can fund infrastructure improvements necessary for growth. This fee can align development with sustainability goals, such as transit-oriented growth, multimodal transit, and renewable energy integration. With proper studies that demonstrate the nexus (or link) between the fee and the impact of new development, the City of Tualatin can raise new TDT revenues to fund EV charging stations, bike paths, and transit hubs, for example. TDT revenues in the last 4 years averaged about \$1.4 million per year.²⁴ TDT rates vary by use; for example, \$11,478 per unit for single family detached and \$7,510 per unit for apartments.²⁵

Analyzed Action: Conduct one or more nexus studies to assess the possibility of raising the TDT for funding capital investments in climate-related infrastructure.

Arguments For

- ◆ A 5 percent increase is expected to generate about \$70,000 per year.
- ◆ The tax ensures those driving new development also fund its environmental mitigation.
- ◆ In general, voters are more likely to support a tax on new development and growth rather than a tax on themselves.

Arguments Against

- ◆ Revenue can depend on the pace of development, which can fluctuate with economic conditions and development decisions. In the past four years, annual TDT revenue ranged from about \$700,000 to \$1.9 million.
- ◆ The tax can increase development costs, particularly for smaller housing types that have smaller building area to spread out the costs. The City could offer deferrals and financing options to minimize impact on new development, though administering those options will take up staff time.
- ◆ Adjusting the TDT rates may require one or more nexus studies, which can be time-consuming and difficult to finish all adjustments in a year.

²⁴ Based on ECONorthwest's calculations using financial data provided by the City of Tualatin for fiscal years 2021 through 2024.

²⁵ City of Tualatin. *Transportation Development Tax Rate Schedule*. For Fiscal Year 2024-25.



- ◆ Use of TDT revenue is limited to infrastructure projects related to new capacity, but many kinds of transportation projects can be funded within this category.
- ◆ Support for a tax on new development can be at odds with support for removing barriers to housing production. Opposition is likely to be concentrated among developers and people engaged in development activities.



Grant Opportunities

In addition to the funding options described above, the City could apply for grants in 2025 and beyond. An obvious advantage of grants is that they do not tax residents or local businesses. They are not costless because City staff resources will be needed to research the grants, build partnerships, and write grant applications. Some grants may require the City to provide matching funds or regular progress reports. Still, grants can provide one-time funding without imposing new costs on residents and local businesses.

The City currently has limited capacity with existing staff to apply and manage grants. The City would need to first secure short-term funding or reallocate resources to fund a staff person that could then apply for grants.

Cities have used grants to kickstart their climate-related programs. For example, the City of Tualatin and a coalition of cities received \$15 million through the Charging and Fueling Infrastructure (CFI) Grant Program in 2024, although this funding is currently on hold.²⁶ Grants are temporary funding opportunities, but they can provide short-term funding needed to advance the CAP. Although application periods are variable and the future of federal funding is uncertain, the City of Tualatin can watch for the next opportunity. While there are potentially hundreds of grants that Tualatin could apply for, a few of the possible state and private foundation climate grant fund opportunities include:

- ◆ **Community Renewable Energy Grant Program | Oregon Department of Energy:** Oregon communities can receive up to \$100,000 for planning projects and up to \$1 million for constructing community renewable energy or energy resilience projects. Eligible projects include renewable energy generation systems like solar or wind, and energy storage systems, electric vehicle charging stations, or microgrid technologies paired with new or existing renewable energy systems. Eligible applicants are encouraged to partner with community groups, non-profits, private businesses, and others on potential projects.
 - CAP Priorities:
 - *Focus Area 4: Buildings and energy*
 - *Strategy 6.1: Fuel switching – EVs, renewable diesel, biodiesel, ethanol, and other low-emissions fuels*
 - Deadline: final funding round to be announced in 2025
 - Link: <https://www.oregon.gov/energy/Incentives/Pages/CREP.aspx>
- ◆ **Clean Water State Revolving Fund | Oregon Department of Environmental Quality:** This program works like an environmental infrastructure bank that provides below-market rate loans to eligible recipients for water infrastructure projects. As money is paid back into the state's revolving loan fund, Oregon Department of Environmental Quality (DEQ) makes new loans to other recipients for high priority,

²⁶ City of Tualatin. "City of Tualatin Awarded \$15 Million for EV Charging Infrastructure." August 27, 2024. <https://www.tualatinoregon.gov/publicworks/city-tualatin-awarded-15-million-ev-charging-infrastructure>



water quality activities. Repayments of loan principal and interest earnings are recycled back into the program to finance new projects that allow the funds to revolve at the state level over time. Eligible projects include wastewater treatment, nonpoint source pollution management program, stormwater management, water conservation and reuse, energy efficiency, and more.

- CAP Priorities

- *Strategy 1.3: Improve the resilience of Tualatin's natural systems, resources, and infrastructure to handle an increase in heavy precipitation events, flooding, and winter storms*

- Deadlines: April 11, 2025; August 8, 2025; December 12, 2025

- Link: <https://www.oregon.gov/deq/wq/cwsrf/Pages/CWSRF-Application.aspx>

- ◆ **Climate Pollution Reduction Grant (CPRG) | Oregon Department of Environmental Quality:** The State of Oregon was awarded \$197 million from the EPA to fund pollution reduction, energy efficiency, and climate resiliency projects in the state. The grant will focus on three main areas for reducing greenhouse gas emissions: waste and materials, buildings, and transportation. The grant is currently in its 1st year of the planning phase, and funding may be available for local jurisdictions, public utilities, local organizations, and Tribes. The State has not yet announced its process for distributing the funds, including whether they will have a competitive grant process for all or a portion of the funds.

- CAP Priorities:

- *Focus Area 4: Buildings and energy*
- *Focus Area 6: Transportation – modes and fuel switching*
- *Focus Area 7: Consumption – food and goods*

- ◆ **Urban and Community Forestry | Oregon Department of Forestry:** Oregon Department of Forestry received \$26.6 million through the federal Inflation Reduction Act (IRA) to promote urban and community forest investment and tree equity for overburdened and underserved communities. The funding must entirely benefit either federally recognized tribes or disadvantaged communities as defined by the Climate and Environmental Justice Screening Tool, the Environmental Protection Agency (EPA) IRA Disadvantaged Communities Mapping Tool, or other government-sponsored vulnerability tools

- CAP Priorities:

- *Strategy 5.2: Urban and community forestry and carbon sequestration*

- Deadline: based on past funding availability, next round of funding is likely to be announced in the summer of 2025

- <https://www.oregon.gov/odf/forestbenefits/Documents/ucf-ira-funding-faq.pdf>

- ◆ **Partners for Places | The Funders Network:** The Partners for Places grants “aims to enhance local capacity to build equitable and sustainable communities in the United



States and Canada. These matching awards support the planning and implementing of urban sustainability and green stormwater infrastructure projects.”²⁷ This opportunity requires partnerships between (1) a local government sustainability and / or water department, (2) a frontline community partner, and (3) a place-based funder. The grant requires a local foundation match of 50% of project budget. Each community partnership must signal its collective priorities and collaborative approaches in the application.

- CAP Priorities:
 - *Strategy 1.3: Improve the resilience of Tualatin’s natural systems, resources, and infrastructure to handle and increase in heavy precipitation events, flooding, and winter storms*
 - *Strategy 2.3: Increase preparedness and provide resources to help people who live, work, learn, and play in Tualatin better handle the impacts of heavy precipitation events and winter storms*
 - *Strategy 3.3: Improve resilience of Tualatin’s businesses and workers to handle and increase in heavy precipitation events, flooding, and winter storms*
- Deadline: February 28, 2025
- <https://www.fundersnetwork.org/partners-for-places/>

²⁷ The Funders Network. “Partners for Places.” www.fundersnetwork.org/partners-for-places/



Additional Funding Ideas

During the evaluation of the funding tools above, ECONorthwest also identified many other tools that the City of Tualatin might be interested in. ECONorthwest worked with the city staff and determined that these were less promising than the tools listed above.

- ◆ **Green lodging tax:** The City can increase the transient lodging tax (TLT)—currently 2.5 percent—and dedicate the new revenue to uses related to the Climate Action Plan. Seventy (70) percent of TLT revenue’s uses are already limited to “tourism promotion” or “tourism-related facilities.”²⁸ Green lodging taxes are charged on hotel stays and other short-term accommodations, providing revenue for climate resilience projects in tourism-heavy areas. For example, in Hawaii, revenue from lodging taxes funds coastal adaptation projects to address sea-level rise, ensuring the sustainability of the state’s tourism economy.
- ◆ **Local option levies (property tax):** In Oregon, jurisdictions can adopt local option levies to raise new property tax revenues. Voters need to approve and renew local option levies (every 5 years for operating levies and every 10 years for capital levies). The time limitation reassures voters that they have a choice in the tax’s future. The City of Tualatin currently does not have a local option levy.
- ◆ **Stormwater utility fee:** Based on examples from Cincinnati, Ohio,²⁹ and Philadelphia, Pennsylvania,³⁰ the City can create a new fee that is based on impervious surface area and targets properties contributing to runoff and flooding.
- ◆ **Utility fees for business-type services:** These are charges for water, sewer, and stormwater services. The City can increase the utility fees or create a new fee category that is charged to utility customers.
- ◆ **Utility fee round-up:** Share the Pennies is a voluntary program in Memphis, Tennessee that rounds up utility customers’ bills by default to the nearest dollar. Customers are automatically enrolled in the program with the ability to opt-out at any time. The success of the opt-out design is based on behavioral science principles.³¹ The revenue funds weatherization and energy-efficient retrofits for low-income households. While the city staff were interested in this innovation, it was found that the round-up and the opt-out mechanism are technically difficult and did not recommend it at this time.

²⁸ ORS 320.300 outlines definitions for tourism promotion and tourism-related facilities as “a conference center, convention center or visitor information center; and other improved real property that has a useful life of 10 or more years and has a substantial purpose of supporting tourism or accommodating tourist activities.”

²⁹ City of Cincinnati. “Rates and Service Charges.” www.cincinnati-oh.gov/stormwater/rates-and-service-charges/.

³⁰ Philadelphia Water Department. “Residential Stormwater Charge.” water.phila.gov/stormwater/billing/residential/

³¹ Key behavioral science principles are choice architecture, default effect/status quo bias, and framing effect/social norms. Choice architecture: The way options are presented to people influence their decisions. Subtle nudges can guide behavior without limiting freedom of choice. Default effect/status quo bias: People tend to stick with default options rather than making an active choice to manage it. Framing effect/social norms: A choice to “opt-out” suggests people are deciding to not participate in something that is normal or expected.



ECONorthwest also recommended to the city staff to avoid the following options. Some tools have raised much revenue for Portland and other cities in the county. However, for reasons explained below, these tools are not suitable for the City of Tualatin.

- ◆ **Dynamic congestion pricing:** This is a daily fee on vehicles for entering a specific area. The fee can vary during peak times, incentivizing public transit use and reducing emissions. Funds generated are reinvested in transportation improvements, including public transit and active transportation infrastructure. New York City spent a great deal of financial and political capital to adopt the county's first congestion pricing, which started on January 1, 2025. Internationally, London, Singapore, and Stockholm also charge congestion prices.

However, congestion pricing is extremely difficult to implement. First, the tracking, managing, and enforcement mechanism is costly. Second, New York's experience shows strong resistance to congestion pricing in the United States, at least before they are implemented. Oregonians also have a history of opposing tolls.³² Efforts to create a tolling system for the Portland region's freeways were put on hold by Governor Kotek in March 2024, delaying toll collection to until at least 2026.³³ Congestion pricing would make more sense as a regional policy, not a local one.

- ◆ **Gross receipts tax:** Portland's Clean Energy Surcharge is a 1 percent gross receipts tax on large retailers, generating significant revenue for equity-focused climate projects. Funds are allocated to initiatives that prioritize underserved communities, including energy efficiency programs, renewable energy projects, and workforce development in green industries. Gross receipts tax is applied to the gross sales revenue businesses generate. Unlike a sales tax that is applied to final sales to consumers, a gross receipts tax is applied to business transactions.

However, Oregon law (ORS 317A.158) prohibits other local jurisdictions from adopting gross receipts taxes unless it was in place before the law took effect. Portland is the only jurisdiction in Oregon to have a gross receipts tax.

- ◆ **Parking tax:** Parking taxes are charged in addition to typical parking fees to fund sustainable transportation infrastructure. These taxes encourage more efficient land use and reduce car dependency by supporting public transit, bike lanes, and pedestrian infrastructure.

However, the tax base in Tualatin is not large enough to warrant a parking tax. Paid parking in Tualatin is limited to the Core Area Parking District. So, a parking tax is unlikely to generate much additional revenue. The FY 2024 revenue for the Core Area Parking District Fund was \$95,181, including interest.³⁴

- ◆ **Sustainability sales tax:** In Colorado, Boulder County and the City of Denver charges a sales tax to help fund their climate goals. Both were approved by voters, 2019 for

³² Michaela Bourgeois. "Survey finds majority of Oregon voters oppose proposed tolling projects." *KOIN*. February 26, 2024. www.koin.com/news/oregon/survey-finds-majority-of-oregon-voters-oppose-proposed-tolling-projects/

³³ Oregon Department of Transportation. "I-205 Toll Project." www.oregon.gov/odot/tolling/pages/i-205-tolling.aspx

³⁴ City of Tualatin. *Annual Comprehensive Financial Report*. For Fiscal Year ended June 30, 2024.



Boulder County and 2020 for Denver.^{35,36} These sales taxes generate substantial, stable revenue for a wide range of climate actions.

However, a sales tax in Tualatin would not be viable. Voter approval can be extremely challenging, especially in Oregon where no municipality has successfully passed a general sales tax. A sales tax could drive away business activity to neighboring jurisdictions. Also, sales taxes disproportionately burden lower-income households.

³⁵ Boulder County. *Sustainability Tax: 2023 Report*. www.bouldercounty.gov/climate/s-tax-2023-report/

³⁶ Conrad Swanson. "Denver Ballot Measure 2A, 2B Results: Voters Approve Taxes for Homeless, Environment." *The Denver Post* (blog). November 4, 2020. www.denverpost.com/2020/11/03/denver-election-results-2a-2b-taxes-homeless-environment/



DATE:	April 30, 2025
TO:	Sherilyn Lombos (City Manager) and Don Hudson (Assistant City Manager/Finance Director), City of Tualatin
FROM:	Becky Steckler, AICP, and James Kim, ECONorthwest
SUBJECT:	Climate Funding Analysis for the City of Tualatin: Addendum

Introduction

The City of Tualatin approved a Climate Action Plan (CAP) in early 2024, and the City Council adopted in October 2024 a two-year work plan with actions that ensure the community moves closer to achieving its climate action goals. Two of those actions are (1) dedicating employee resources to manage and communicate implementation of the CAP and (2) evaluating potential funding sources to support CAP actions.

The City of Tualatin asked ECONorthwest to research potential fiscal tools for funding the City of Tualatin's implementation of the CAP. To that end, ECONorthwest delivered on February 13, 2025, a memorandum titled *Climate Funding Analysis for the City of Tualatin*. As documented in this memorandum, ECONorthwest identified two potential revenue sources to fund climate-related work in the short-term. These resources can help fund staffing costs needed to kickstart the management and communication of the CAP actions.

- ◆ 0.5% increase in right-of-way fees for electricity, telecommunication, and waste management services
- ◆ 5% increase in building permit fees

ECONorthwest also evaluated other options such as higher rates for the right-of-way fees, a gas tax, and an increase to Transportation Development Tax. ECONorthwest also looked at many other funding ideas including a utility fee round-up program, which would automatically enroll

the City's utility customers into a voluntary program that rounds up utility bills to the nearest dollar.

After presentation of the research and findings to the City Council February 24, 2025, the City staff requested a follow-up analysis based on some of the feedback from the City Council. This memorandum provides a summary of the follow-up analysis. It does not recommend specific actions. Rather, it presents the findings of financial analyses.



Right-of-Way Fees

How do the City of Tualatin's rates compare?

The City of Tualatin's right-of-way fees (sometimes called franchise fees) are between 3 percent and 5 percent, depending on the utility service type. These rates are much lower than in Milwaukie, where the rates are between 5 percent and 8 percent, or in Gresham, where the rates are between 5 percent and 10 percent.

Figure 1. Right-of-Way Fees in Tualatin and Nearby Cities

SERVICE TYPE	TUALATIN	MILWAUKIE	GRESHAM
Electric	3.5%	8.0%	10.0%
Natural Gas	5.0%	8.0%	10.0%
Telecommunication	5.0%	7.0% (communications)	7.0% (ORS 221.515)
		5.0% (cable systems)	5.0% (all other)
Solid Waste	3.0%	5.0%	10.0%

Source: City of Tualatin, City of Milwaukie, City of Gresham

How much revenue could the City raise by increasing the right-of-way fee rates?

The original memorandum estimated the revenue potential of changes to the City's right-of-way fee rates for 0.5 percentage points increase and 1.5 percentage points increase. The 0.5 percentage points increase did not consider natural gas, whereas the 1.5 percentage points increase included natural gas. It is possible the City of Tualatin may choose different rates of increases across utility service types. To assist with that decision-making process, ECONorthwest created the following estimates in Figure 2.



Figure 2. Estimated Revenue Potential of Increases to City of Tualatin's Right-of-Way Fee Rates

SERVICE TYPE	CURRENT RATE	FY 2024 REVENUE	+0.5%	+1.0%	+1.5%
Electric	3.5%	\$1,653,000	\$249,000	\$498,000	\$747,000
Natural Gas	5.0%	\$721,000	\$75,000	\$151,000	\$226,000
Telecommunication	5.0%	\$257,000	\$27,000	\$53,000	\$80,000
Solid Waste	3.0%	\$300,000	\$51,000	\$103,000	\$154,000

Source: EConorthwest

Note: Revenue increase estimates are based on expected revenues in Fiscal Year (FY) 2025.



Building Permit Fees

Updated estimate of Building Permit Fees

The City of Tualatin Community Development Department estimated that increasing the building permit fees on new development and major improvements by 5 percent would raise approximately \$66,000 per year. This is a revision to EConorthwest's estimate of \$60,000 from February 12, 2025, based on more updated and detailed data available to the City.



Utility Fee Round-Up

How might a “Share the Pennies” program work in Tualatin?

While the utility fee round-up program—Share the Pennies in Memphis, Tennessee—was interesting in several aspects, it was found to be impractical because the round-up feature would not be technically feasible within the existing operating system used for the City’s utility billing.

However, an alternative approach might be a small, fixed charge that is less than a dollar. New revenues from these “pennies” could be tracked and used for funding CAP actions. The analysis in Figure 3 shows 49 cents and 99 cents as examples.

Like the program in Memphis, this would be an opt-out program, meaning existing and new utility addresses would be automatically enrolled into the program with an option of removing oneself from the program. In Memphis, the share of customers who chose to opt out was about 13 percent.

Figure 3. Estimated Revenue Potential of a Tualatin Version of the Share the Pennies Program

SERVICE TYPE	49 CENTS	99 CENTS
87% Participation Rate (13% Opt-Out Rate)	\$64,000	\$130,000
50% Participation Rate (50% Opt-Out Rate)	\$37,000	\$75,000

Source: ECONorthwest



Building Permits and Fees Analysis
5% Surcharge
May 2025

GL Account	2025 Budget	With 5% Surcharge
42231 - Permits - Structural	\$ 598,500	\$ 628,425
42232 - Permits - Plumbing	\$ 115,500	\$ 121,275
42234 - Permits - Mechanical	\$ 173,985	\$ 182,680
42236 - Permits - Manufactured Homes	\$ 210	\$ 220
42239 - Permits - Excavation & Demo	\$ 1,050	\$ 1,100
42251 - Fees - Structural	\$ 220,500	\$ 231,530
42252 - Fees - Plumbing	\$ 21,000	\$ 22,050
42254 - Fees - Mechanical	\$ 115,500	\$ 121,280
42255 - Fees - Fire & Safety	\$ 105,000	\$ 110,250
42259 - Fees - Miscellaneous	\$ 2,625	\$ 2,760
	<u>\$ 1,353,870</u>	<u>\$ 1,421,570</u>
	Total Increase	<u>\$ 67,700</u>