

A RESOLUTION CALLING A CITY ELECTION ON NOVEMBER 6, 2012, FOR THE PURPOSE OF REFERRING TO THE LEGAL ELECTORS OF THE CITY OF EUGENE A MEASURE AUTHORIZING THE ISSUANCE OF A MAXIMUM OF \$43,000,000 OF GENERAL OBLIGATION BONDS TO FUND STREET PRESERVATION PROJECTS AND BICYCLE AND PEDESTRIAN PROJECTS

The City Council of the City of Eugene finds that:

- A.** Using the City's current 5-cent per gallon local gas tax, other dedicated pavement preservation funding, and a \$35.9 million, five-year bond measure approved by voters in November 2008 to repair more than 54 streets, the City has completed nearly \$44.7 million in street preservation work since 2002, the beginning of Eugene's pavement preservation program, and the City has repaired 343 lane miles of streets through overlay, reconstruction and slurry seal treatments.
- B.** The revenues from the local gas tax and the 2008 bond measure have helped reduce the backlog of street repair projects. Currently the backlog of repairs on improved asphalt streets is \$118 million; a reduction in the estimated backlog of needed repairs of more than \$50 million since the 2008 bond was approved. Despite this short-term downward trend the backlog is projected to continue to grow unless there is funding that is both sufficient and sustainable. The taxes levied from the 2008 street bond end in 2013. Streets that have failed to the point of reconstruction create safety problems and cause vehicle repair problems, make walking, biking or driving on the streets uncomfortable, interfere with economic activity and diminish the quality of life.
- C.** In order to address the funding shortfalls with the City's street maintenance and preservation program, the City Council determined that a General Obligation Bond measure generating approximately \$8 million in net revenues annually should be referred to voters. Of that amount, the Council determined that an annual average of \$516,000 should be allocated over a period of five years to support bicycle and pedestrian projects guided by the Pedestrian and Bicycle Master Plan, City staff, and the Bicycle and Pedestrian Advisory Committee.
- D.** The bond proceeds will be used to overlay or reconstruct the driving surface of streets as well as to preserve existing integral elements of the street such as curbs, gutters, sidewalks, on-street bike lanes, traffic signals, street lights, medians, traffic calming devices, and other integral parts of a street preservation project. These preservation efforts will be undertaken only to preserve existing elements, not to expand the motor vehicle capacity of the street system. In addition, the City will allocate an annual average of \$516,000 of the bond proceeds over a period of five years to fund bicycle and pedestrian projects.
- E.** A general obligation bond measure of \$43 million would fund specific street preservation projects over a period of five years. This amount represents 76 different projects that would repair an estimated 74 lane miles of roads and fund bicycle and pedestrian projects. The \$43 million figure accounts for \$8 million per year for five years at an inflation factor of 4%.

- F.** The measure is expected to cost an average of \$0.65 per 1000 of assessed value each year for five years. For an average homeowner in Eugene, this would be about \$127 per year. This rate is also the approximate average tax rate levied over the five years of the 2008 bond measure. The taxes would first be levied in November 2014, after the 2008 bond taxes end in 2013.
- G.** The criteria for choosing bond projects included: a) use of the most current engineering and cost-benefit information about needed street rehabilitation and reconstruction; b) citizen input with respect to prioritizing major streets in need of reconstruction; and c) geographic distribution throughout the community to ensure all areas of the City benefit from the bond proceeds. Bond proceeds will only be used for street preservation projects included in the list of projects attached as Exhibit A to this Resolution. If all of the projects listed in Exhibit A are completed and there are bond proceeds remaining, the Council may add other street preservation projects to the list.
- H.** In order to promote accountability in the use of bond proceeds, the City Manager will contract with an outside auditor to prepare an annual written report on the use of the bond proceeds. The auditor will ascertain and report on whether the bond proceeds were used for the authorized purposes and in compliance with the restrictions set forth above. The City Manager will provide the report to the Council and make the report publicly available.
- I.** To further promote accountability and citizen involvement in street preservation projects, the City Manager will convene the citizen street repair review panel. The citizen street repair review panel will prepare an annual report, separate and distinct from the report prepared by the outside auditor, documenting the City's use of the bond proceeds and noting whether the bond proceeds were used in compliance with the terms of this Resolution. The City Manager will provide the street repair review panel's report to the Council and make the report publicly available.

NOW THEREFORE based upon the above findings,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EUGENE, a Municipal Corporation of the State of Oregon, as follows:

Section 1. A city election is called for the purpose of submitting to the qualified electors of the City a Measure authorizing the issuance of a maximum of \$43,000,000 of General Obligation bonds to fund street preservation projects and bicycle and pedestrian projects.

Section 2. The City Council orders this City election to be held in the City of Eugene, Oregon, concurrently with the general election on the 6th day of November, 2012, in accordance with the provisions of Chapter 254 of the Oregon Revised Statutes, and the ballots shall be counted and tabulated and the results certified as provided by law.

Section 3. The City Recorder is directed to give not less than ten days' notice of the City election by publication of one notice in the Register Guard, a newspaper published in the City and of general circulation within the City.

Section 4. If approved by the electors, the proceeds from the sale of the bonds will be used only for costs related to street preservation projects, bicycle and pedestrian projects and payment of bond issuance costs and not to expand the motor vehicle capacity of the street system. The use of bond proceeds for street preservation projects will be limited to projects included in Exhibit A to this Resolution unless upon completion of all the projects listed in Exhibit A to this Resolution the Council adds other street preservation projects to the list in order to utilize unspent bond proceeds. An outside auditor will report on whether the bond proceeds were used in compliance with these limitations.

Section 5. This Resolution shall become effective immediately upon its adoption.

The foregoing Resolution adopted the _____ day of _____, 2012.

City Recorder