



1

Agenda

- ❖ Background
- ❖ Revenue Options
- ❖ Equity Considerations
- ❖ Future Financial Conversations

2

2

City Council Motion

July 17, 2024

Direct the City Manager to return to Council prior to the end of 2024, for a discussion of the potential Revenue Sources that were identified by the Revenue Advisors for funding decarbonization and greenhouse gas emission reduction efforts with an emphasis on serving low-income households, Black, Indigenous, and People of Color and other disadvantaged households.

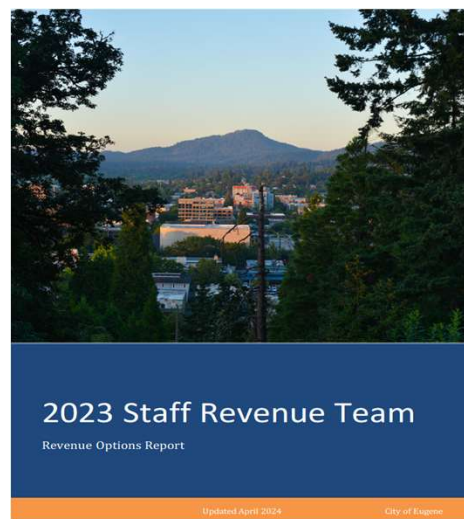
Passed (7-0)

3

3

Revenue Advisors

- ❖ Advisory group to the City Manager
- ❖ Ten members
- ❖ Met between December 2023 and April 2024



4

4

Revenue Advisors Funding Considerations



**Critical
Funding
Gap**



**Areas
At
Risk**



**New
and/or
Expanded**

Revenue Criteria

- ❖ Revenue Generated
- ❖ Administrative Effort
- ❖ Sustainable Revenue Source
- ❖ Nexus with Funding Area
- ❖ Triple Bottom Line
 - ❖ Social Equity
 - ❖ Economic
 - ❖ Environmental
- ❖ Impact on other Council Goals
- ❖ Fairness
- ❖ Political Feasibility

5

5

Revenues Identified for New/Expanded Services

	Funding Option	Estimated Yield	Implementation Timeline
	Affordable Housing Bond	Up to \$225 million	1 to 2 years
★	Climate Impact Fee	Variable	1 to 2 years
	Payment in Lieu of Tax	Variable	2 years
	Restaurant Tax	\$10 million	1 to 2 years
★	Local Option Levy	\$5 million	6 to 12 months
★	Franchise Fees	Up to \$1.5 million	6 to 12 months
	Construction Excise Tax Increase	\$1.1 million	6 to 12 months
	Admissions Tax	\$600,000	Up to 2 years
	URA Frozen Base	\$400,000	6 months
	Solid Waste Collection Fee	\$350,000	6 to 12 months

6

6

Local Option Levy

A temporary property tax that is paid by all owners of taxable property within the City limits.

Maximum of five years for operating costs.

Maximum of ten years for capital costs.



7

7

Climate Impact Fee

A one-time fee charged to mitigate the impact of emissions created through development related activities.



8

8

Franchise Fee – Natural Gas Supplier Tax

Franchise Fee:

A fee assessed for the privilege of use of City-owned rights-of way for distribution of utility services or products based upon gross revenues.

The City negotiates a franchise agreement with the utility.

No legal restrictions on how revenues are used.

Natural Gas Supplier Tax:

A tax levied on natural gas suppliers based on gross revenues.

No franchise agreement is enacted.

No legal restrictions on how revenues are used.

9

9

Natural Gas Supplier Tax

A tax levied on the gross revenues of natural gas suppliers from operations within the city limits.



1% = \$350,000
annually



Council
Ordinance



Six to Twelve
Months



Limited Scalability

10

10

Other Potential Funding Sources

State & Federal Funding

SB 844

Bonds

11

11

BIPOC & Low-Income Focus

Portland, Oregon – Portland Clean Energy Fund

- Funds dedicated to supporting climate action in BIPOC and low-income communities
- Managed by the City
- Provides grants to community organizations
- Utilizes grant committee for oversight and allocations
- Uses maps & data to identify areas with high concentrations of priority populations
- Uses a point-based scoring system

Minneapolis, Minnesota – Climate Legacy Initiative

- Managed by the City
- Proposes an independent third-party to convene an advisory system
- Green Zones – environmental justice communities
- Targets at least 40% of funding for green zones

12

12

BIPOC & Low-Income Focus

Cook County Illinois – Healthy Homes for Healthy Families

- Improve housing conditions by addressing environmental health risks
- Leverages county and ARPA resources to improve health outcomes in marginalized communities
- County partners with a non-profit for program administration
- Application requirements

Denver, Colorado – Climate Protection Fund

- Managed by the City
- 50% of the fund allocated to projects that specifically benefit marginalized communities.
- Range of allowable uses
 - Energy efficiency improvements
 - Renewable energy installations
 - Clean transportation infrastructure
 - Job creation
 - Community solar gardens
 - Programs reducing air pollution

13

13

BIPOC & Low-Income Focus Considerations



Dedicated Fund



Public Accountability & Reporting



Advisory Board



Set Clear Allocation Targets

- ❖ Determine Use of Funds
- ❖ Equity Framework (Goals/Principles)
- ❖ Identify & Prioritize Target Communities
- ❖ Develop Equity Based Application Process
- ❖ Community Outreach & Awareness
- ❖ Evaluation Metrics
- ❖ Public Transparency & Accountability
- ❖ Community Feedback Loop

14

14

Financial Considerations – Next Steps



Critical
Funding
Gap



Areas
At
Risk



New
and/or
Expanded

December 11, 2024

- Financial Condition Update

January 2025

- Budget Priorities & Considerations

15

15



16

16