



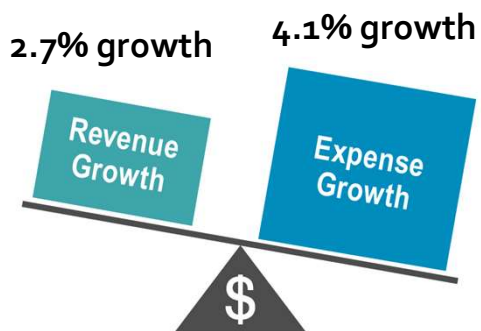
FINANCE & REVENUE UPDATE

Eugene City Council

October 11, 2023

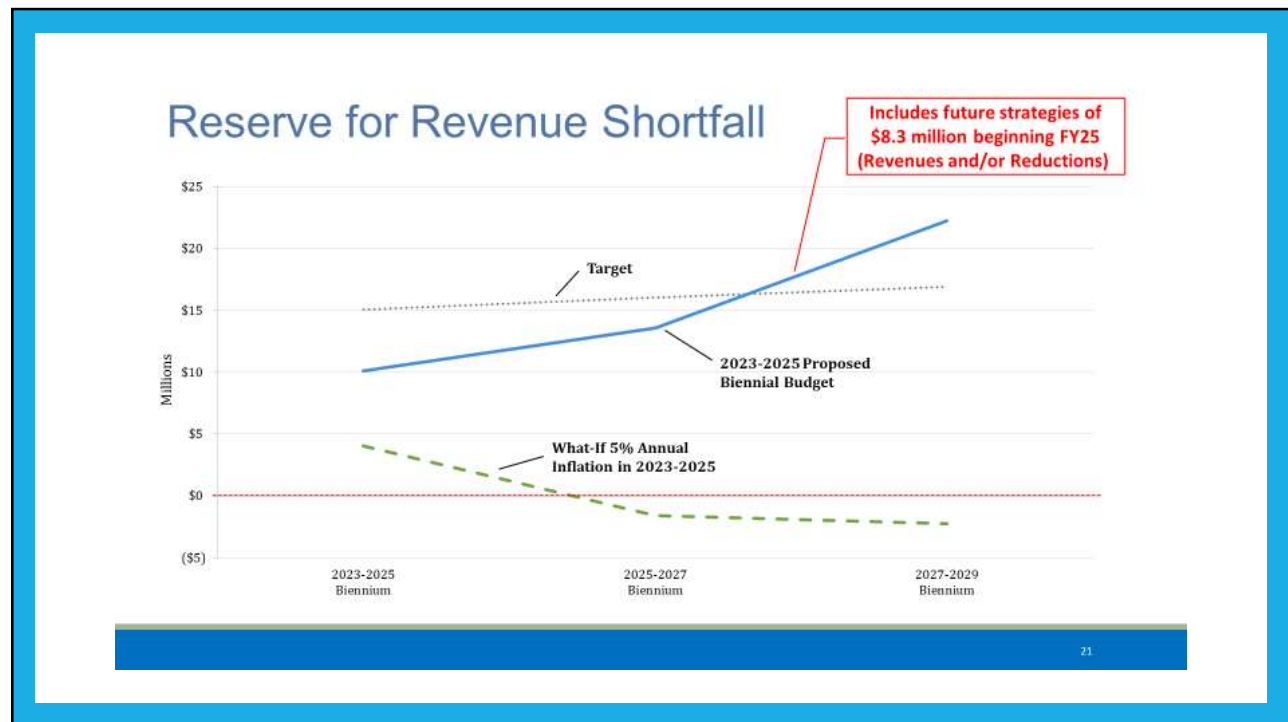
1

Financial Impacts



- Flat revenues
- Expenditure pressures
 - Higher wages
 - PERS rate impacts
 - Inflation
 - Cost of services
- Services Funded with 1X Funding
- Distressed Funds
- Evolving Service Needs
- Community Partnerships

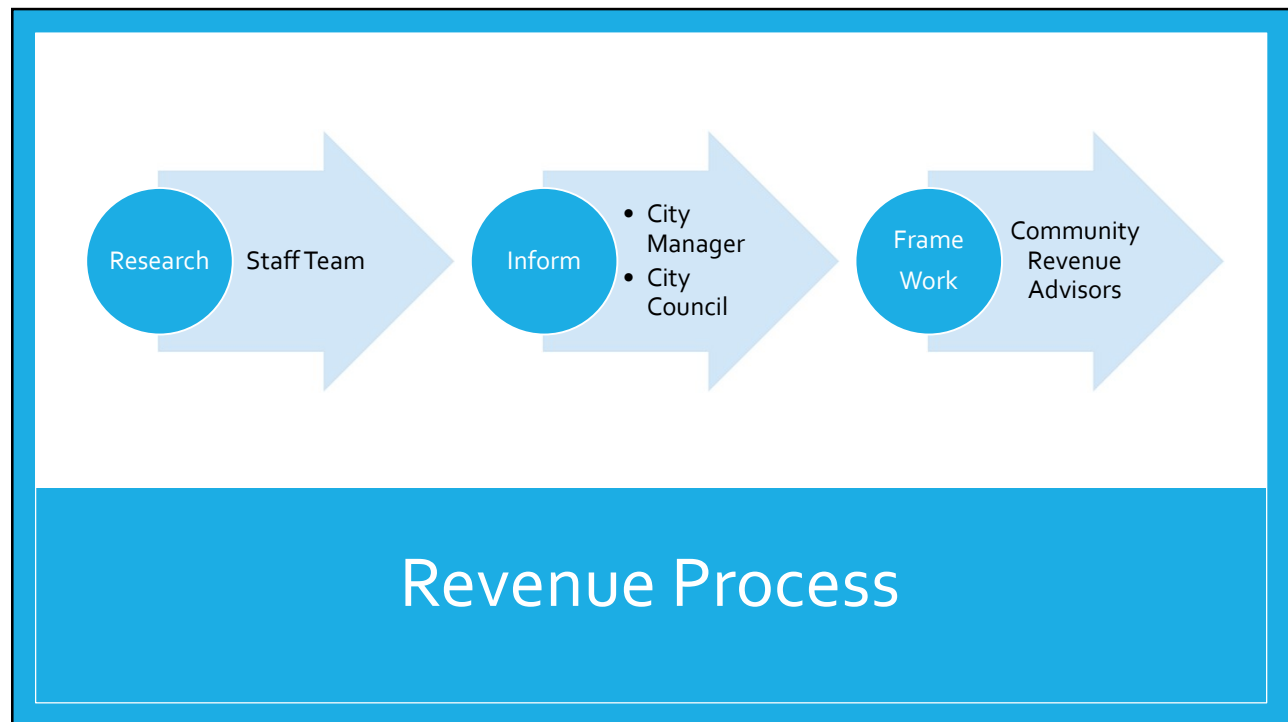
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4



5

Staff Revenue Team

Charge

To conduct Preliminary research on the potential viability of revenue options to address the following funding issues, with a focus on the biennial gap:

- On-going Services
- Capital Acquisition & Replacement
- Climate/Sustainability
- Homeless Services
- Affordable Housing
- City Hall Loan Repayment
- City Contribution to Community Partnerships

6

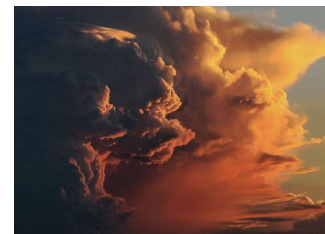
Evaluation Criteria

Revenue Option	Ongoing Service Costs	Capital Acquisition & Replacement	Climate/ Sustainability Services	Homeless Services	Affordable Housing	City Hall Loan Repayment	City Contributions to Community Partnerships
Potential Need	\$0 to 100 million	millions	depends on service level	depends on service level	depends on service level	\$4 million	\$5 million (only 1 budget)
Ongoing or One-Time	Ongoing	One-Time	Both	Both	Both	One-time	One-time
City Service Fees	☐	☐	☐	☐	☐	☐	☐
Debt: General Obligation Bonds	☒	☐	☐	☒	☒	☒	☐
Restaurant Tax	☐	☐	☐	☐	☐	☐	☐
Admission/Entertainment Tax	☐	☐	☐	☐	☐	☐	☐
Business License Fee	☐	☐	☐	☐	☐	☐	☐
Carbon Tax	☐	☐	☐	☒	☒	☐	☐
Construction Excise Tax (CET) Increase	☐	☐	☐	☐	☐	☐	☐
SWEB Wholesale CIL Increase	☐	☐	☐	☐	☐	☐	☐
First Responder Fee Increase	☐	☐	☐	☐	☐	☐	☐
Franchise Fees	☐	☐	☐	☐	☐	☐	☐
Local Option Property Tax	☐	☐	☐	☐	☐	☐	☐
Payment in Lieu of Taxes	☐	☐	☐	☐	☐	☐	☐
Rental Housing Fee	☐	☐	☐	☐	☐	☐	☐
Sale of Surplus Property	☐	☐	☐	☐	☐	☐	☐
SDC Financing for Contributions to City Partnerships (Repaid by Property Taxes)	☐	☐	☐	☐	☐	☐	☐
Special District	☐	☐	☐	☐	☐	☐	☐
Transient Lodging Tax	☐	☐	☐	☐	☐	☐	☐
Urban Renewal District Rate Frozen Base	☐	☐	☐	☐	☐	☐	☐

- Potential Yield
- Revenue Stability
- Legal authority
- Precedence
- Administrative Effort
- Implementation Timeline
- Impact on City Council Goals
- Fairness/Indirect Implications
- Business community Impact
- Sustainability Impact
- Social Equity Considerations
- Overall Viability

7

Funding Needs



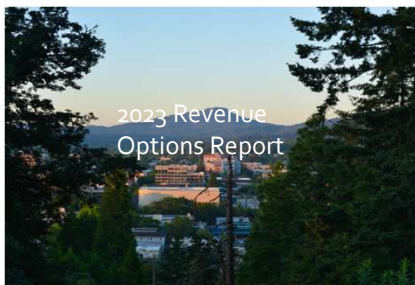
8

Precedence

Jurisdiction	City Service Fee	Restaurant Tax
Corvallis	Multiple Service Fees	
Gresham	Police, Fire Parks	
Hillsboro	Transportation Utility	
Medford	Police/Fire	
Oregon City	Pavement Maintenance	
Salem	City Operations	
Tigard	Park & Recreation	
Tualatin	Park Maintenance	
Ashland		5% on prepared foods
Cannon Beach		5% on prepared foods
Yachats		5% on prepared foods

9

On-going Service Costs



Worth Considering

- Admissions Tax
- Business License Fee
- EWEB Wholesale CILT
- First Responder Fee
- Franchise Fees
- Local Option Property Tax
- Payments in Lieu of Taxes
- Special Districts
- Urban Renewal – Frozen Base
- Utility Consumption Tax

10

Capital Acquisition & Replacement



Worth Considering

- First Responder Fee
- Local Option Property Tax
- Payments in Lieu of Taxes
- Urban Renewal – Riverfront Plan Amendment

11

Climate/Sustainability Services



Worth Considering

- Carbon Tax
- EWEB Wholesale CILT
- Franchise Fees
- Local Option Property Tax
- Utility Consumption Tax

12

Homeless Services

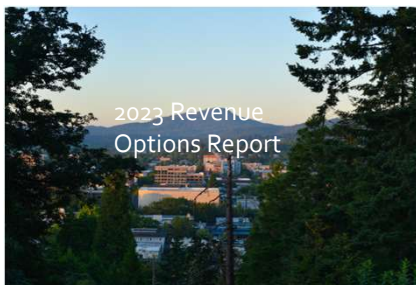


Worth Considering

- Construction Excise Tax
- First Responder Fee
- Local Option Property Tax
- Payments in Lieu of Taxes
- Rental Housing Fees

13

Affordable Housing



Worth Considering

- Construction Excise Tax
- Local Option Property Tax
- Payments in Lieu of Taxes
- Utility Consumption Tax

14

City Hall Loan Repayment

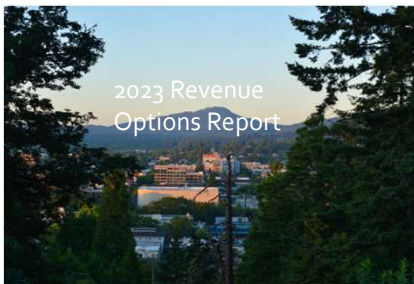


Worth Considering

- Sale of Surplus Property
- Urban Renewal District – Riverfront Plan Amendment

15

City Contribution to Community Partnerships



Worth Considering

- Admissions Tax
- Sale of Surplus Property
- SDC Financing
- Transient Lodging Tax Increase



16

\$15.0 Million General Obligation Bond Estimates

Term	Average Tax Rate (1st 5 yrs)	Average Annual Cost to Taxpayers	Assumed Interest Rate	Annual Principal Payment	Average Annual Amount Levied
5 Year	18.0%	\$48	5.0%	3,100,000	3,800,000
10 Year	11.0%	\$30	5.5%	1,500,000	2,400,000
15 Year	9.0%	\$25	6.0%	1,000,000	1,950,000
20 Year	8.0%	\$23	6.5%	800,000	1,750,000

*All Averages are based on the first five years of the life of the bond

17

Community Revenue Advisors

Provide feedback on revenue options to the City Manager



Membership

- 2 City Councilors
- Budget Committee
- Business Community
- Advisory Committee/Foundation
- At large community leaders

18

