

Adams tackles unsexy roads tax

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Portlanders may face a tax increase to pave over what City Commissioner Sam Adams says is a yawning pothole in the city's road-repair spending.

Adams outlined a proposal Friday to raise \$263 million over 10 years for safety, bike, bridge and paving work. His ideas are preliminary, but he's exploring nine possible ways to raise the money, ranging from a local gas tax to a parking space fee to a "Hummer" tax on carbon emissions.

But first, Adams must figure out how to sell his idea to business leaders and voters who'd be stuck with the bill.

"I'll say it's politically unpopular. It's not sexy, but it's critical to the basic working of the city," said Adams, who runs the city's transportation office.

Like he did with reforms to Portland's business taxes, Adams has tried to build his case with a data-laden PowerPoint presentation. Here's the problem he wants to solve:

Roads are the city's biggest real estate asset, and they're not in great shape. Engineers estimate they've got \$422 million in overdue maintenance.

Without a fix to unstick traffic jams, congestion will hit the economy for \$844 million -- \$782 per household -- by 2025, according to a December 2005 study by a Boston economic research group.

One hundred and twenty-seven miles of major Portland streets are not paved.

Adams said he's open to any option for a funding package. But his presentation zeroes in on one scenario that would raise \$23.9 million in the first year and \$263 million over 10 years. (The city's total annual transportation spending is \$197 million.)

The next question is: How does the city raise that much money? Adams is exploring a sales tax and a bond measure paid by higher property taxes. Another idea would put a fee on parking spots in downtown garages and in front of Fred Meyer stores, among others.

The taxes Adams talks most about, though, are a gas tax and a fee charged to property owners -- residential and business -- based on the amount of traffic they're expected to

generate. Both taxes would be designed to tie Portlanders' bills to the amount of time they use the roads.

Or, Adams said, the city could use a combination of smaller tax increases.

Adams said he doesn't know whether he'll try to refer any tax increase to the ballot. (The council could pass any of the taxes without a public vote, he said.) If it does go to the ballot, voters would decide in either November or May.

Portland business leaders said Friday that the ideas were too preliminary to comment on.

Adams said his plan is modeled in part after plans in other cities that have tried to tackle rising costs and flat revenues.

Oregon's gas tax has been stuck at 24 cents since 1993. Since then, the League of Oregon Cities says an index of road construction costs rose 70 percent. In Oregon, Ashland and Corvallis tacked on property owner fees, and Eugene and Tigard have gas taxes.

In Seattle, Mayor Greg Nickels persuaded voters last fall to approve the largest property tax levy in city history for a similar transportation plan.

History, though, isn't smiling on Adams.

In 2001, former City Commissioner Charlie Hales proposed a similar but smaller fee on property owners for road fixes. After the council approved it, grocers and gas dealers led a signature drive to repeal it, and Hales rescinded it.

To avoid a repeat, Adams spent \$40,000 in city money on polls and focus groups to help him craft his proposal. About 54 percent of voters said they'd support a homeowner fee of \$3.49 per month. And 51 percent said they'd be for a gas tax of 10.3 cents a gallon.

Adams, considered a possible mayoral candidate in 2008, isn't likely to float a tax increase that flops at the polls. But he's impressed some just for tackling an unpopular topic.

"I'm pleased he's pushing it," said downtown developer John Russell, who supports higher taxes for better roads. "You don't make friends in these things. You make enemies."

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