

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ENDORSING) RESOLUTION NO. 07-3764
REGIONAL PRIORITIES FOR STATE)
TRANSPORTATION FUNDING) Introduced by Councilor Rex Burkholder
LEGISLATION)

WHEREAS, an efficient and adequately funded transportation system is critical to ensuring a healthy economy and livable communities throughout the state of Oregon; and

WHEREAS, the Governor and the Oregon Legislature have taken action to address critical transportation needs with the passage of the Oregon Transportation Investment Acts in 2001, 2002, and 2003 and the Connect Oregon multi-modal package in 2005; and

WHEREAS, the investments that have been made possible by Oregon Transportation Investment Act (OTIA) I, II, and III and Connect Oregon will help Oregon respond to both population growth and important economic opportunities; and

WHEREAS, these acts have provided new transportation investment dollars for the Portland metropolitan region, both for new projects and for maintenance of the existing system; and

WHEREAS, these investments will have a positive impact on the regional economy; and

WHEREAS, even with these important actions, the Portland region remains several billion dollars short of what is needed to adequately address its critical transportation needs over the next 20 years; and

WHEREAS, the 2005 report entitled “The Cost of Congestion to the Economy of the Portland Metropolitan Region” demonstrated how several factors make the Portland region more highly dependent than most metropolitan areas on an efficient transportation system; and

WHEREAS, that report demonstrated how connecting Oregon’s people and businesses with local, domestic and international markets is critical for a healthy economy; and

WHEREAS, that report found that without additional investment in the region’s transportation infrastructure, increasing congestion will undermine the economic competitiveness of the region and the state and cost the region’s businesses and motorists an estimated \$844 million annually by the year 2025; and

WHEREAS, Oregon’s population growth continues to outpace the nation’s, and the Portland region expects to be home to one million more people by 2030; and

WHEREAS, freight volumes in Oregon are expected to increase by 80% and freight volumes in the Portland metropolitan area are expected to double in the next twenty-five years; and

WHEREAS, in 2006 the trade and transportation sector accounted for nearly 200,000 jobs in the Portland-Beaverton-Vancouver MSA, representing slightly more than 20% of the region’s total employment; and

WHEREAS, funding for non-highway transportation projects is an appropriate and wise use of state funds; and

WHEREAS, the region has identified multiple project and funding needs for all modes of transportation through its Regional Transportation Plan, which has been adopted by Ordinance No. 00-869A (For the Purpose of Adopting the 2000 Regional Transportation Plan); amending Ordinance No. 96-647C (For the Purpose of Adopting a Functional Plan For Early Implementation of the 2040 Growth Concept); Ordinance No. 97-715B (For the Purpose of Adopting the Regional Framework Plan); Resolution No. 00-2969B (For the Purpose of Adopting the 2000 Regional Transportation Plan as the Federal Metropolitan Transportation Plan); Resolution No. 03-3380A (For the Purpose of Adopting the 2004 Regional Transportation Plan as the Federal Metropolitan Transportation Plan to Meet Federal Planning Requirements); and Ordinance No. 04-1045A (For the Purpose of Amending the 2000 Regional Transportation Plan (“RTP”) For Consistency With the 2004 Interim Federal RTP and Statewide Planning Goals); Ordinance 03-1007A (For the Purpose of Amending the Regional Transportation Plan to Include the Two Phases of the South Corridor Study Consisting of the I-205 Light Rail Transit ("LRT") Project From Gateway to Clackamas Regional Center With Portland Transit Mall, LRT Expansion of LRT From Downtown Portland to Milwaukie and Deletion of Plans to Extend LRT From Milwaukie to Clackamas Regional Center); and

WHEREAS, the Regional Transportation Plan documents a need for \$10.4 billion in multi-modal transportation improvements to ensure a vibrant economy and the efficient movement of freight, automobiles and transit; and

WHEREAS, there is a need to build major new facilities to serve high growth areas in the Portland Metro region and throughout the state; and

WHEREAS, Oregon's highway funding per mile continues to be among the lowest, if not actually the lowest, of all western states; and

WHEREAS, Oregon’s gas tax has not increased since 1993 and has lost nearly one-third of its value to inflation since then, even as gasoline prices have risen by nearly two-thirds (adjusted for inflation); and

WHEREAS, fuel taxes are expected to lose an additional 40% of their purchasing power by 2030; and

WHEREAS, approximately 60% of the needed transportation improvements called for in the Regional Transportation Plan remain unfunded; and

WHEREAS, there is also a funding shortfall to maintain, operate and improve the existing city, county and state transportation system; and


WHEREAS, additional funding to meet these transportation needs will create or sustain thousands of jobs and help stimulate the economy of the region and the state; and

WHEREAS, it is in the interest of local governments inside Metro to jointly seek additional transportation funding from the 2007 Oregon Legislature; now, therefore

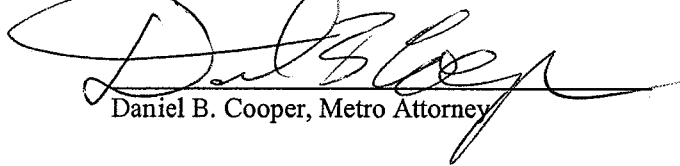
BE IT RESOLVED that the Metro Council and the Joint Policy Advisory Committee on Transportation (JPACT) endorse a state legislative funding proposal for a multi-faceted transportation program as described in Exhibit “A,” including:

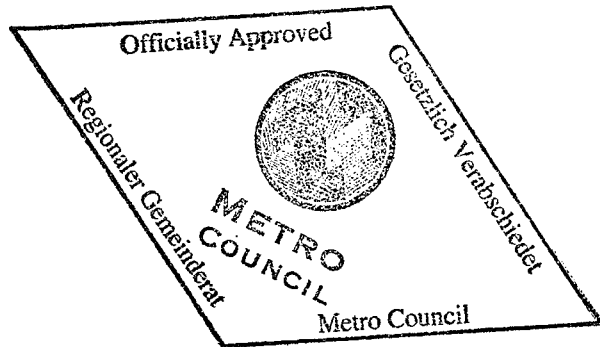
1. New revenues to support road and bridge operations, maintenance and modernization.
2. Lottery bonds to support the construction of the next leg of the region's high-capacity transit system (currently defined as the Portland to Milwaukie Light Rail Project).
3. Lottery bonds to support transit, freight and passenger rail, marine and aviation projects statewide ("Connect Oregon II").

ADOPTED by the Metro Council this 1st day of February, 2007.


David Bragdon, Council President

Approved as to Form:


Daniel B. Cooper, Metro Attorney



Local government officials in the Portland region are virtually unanimous in their belief that current transportation funding from all sources is inadequate to support a strong economy and maintain the region's quality of life. Numerous discussions over the interim have highlighted the need for additional funding for a range of purposes. JPACT and the Metro Council support a three-part legislative agenda on transportation funding that consists of the following elements:

- **New revenues for roads and bridges:** After increasing virtually every year from 1981 until 1993, Oregon's gas tax has remained flat since 1993. In that time, the gas tax has lost about one-third of its purchasing power to inflation, even as gas prices, adjusted for inflation, have increased by two-thirds. It is expected that fuel taxes will lose another 40% of their purchasing power by 2030. The 2007 Legislature should:
 - o Increase the gas tax and/or another funding source (e.g., registration fee or title fee);
 - o Index the gas tax to keep pace with inflation;
 - o Continue the 50%-30%-20% apportionment to the state, counties, and cities for any new revenues generated.
- **Transit funding:** Since the construction of the Westside light rail line, which was partially funded with \$120 million in lottery bonds, the region has built or begun three new light rail lines (Airport, Interstate, I-205/Mall) without any lottery dollars. The Westside bonds will be paid off in 2010. The region supports efforts to secure a new round of lottery funding to build the next leg of the regional high-capacity transit system (currently defined as the Portland to Milwaukie Light Rail Project)
- **Connect Oregon II:** On the heels of the passage of the "Connect Oregon" multimodal transportation package in 2005, the Governor has submitted a bill for another round of funding. The Governor's initial proposal is identical to the bill that passed in 2005, which authorized the allocation of \$100 million in lottery dollars to air, rail, marine, and public transit projects. 15% of the \$100 million was allocated to each of five regions roughly corresponding to the ODOT regions, leaving 25% of the total for statewide allocation. The region supports Connect Oregon II, with the following assumptions:
 - It continues to include public transit as an eligible category of expenditure;
 - The portion of overall funding allocated by region is reduced or linked more closely to statewide economic benefits; and
 - There is also a road funding package to provide a more comprehensive solution to the state's transportation challenges (see first bullet).

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 07-3764, FOR THE PURPOSE OF ENDORING REGIONAL PRIORITIES FOR STATE TRANSPORTATION FUNDING LEGISLATION

Date: January 10, 2007

Prepared by: Richard Brandman

BACKGROUND

The Metro Council approved the Regional Transportation Plan in 2000 and a Plan update in 2004. Currently, the Plan calls for \$10.4 billion in multi-modal transportation improvements within the region to meet transportation needs, provide efficient movement of people, goods, autos, trucks, and transit, and ensure a healthy economy and livable region. However, about 60 percent of these improvements have no identified funding source. This shortfall includes funding to maintain, operate and improve the existing city, county and state road system. The three-part agenda described in Resolution 07-3764 and Exhibit A has received the support of TPAC, the JPACT Finance Committee, and (as part of a broader regional legislative agenda) MPAC.

ANALYSIS/INFORMATION

1. **Known Opposition** There is widespread local government support for the Legislature to provide increased transportation funding. It is unknown what the Legislature's response will be since the recommendations include an increase in taxes or fees and use of lottery proceeds.
2. **Legal Antecedents**

Ordinance No. 00-869A For the Purpose of Adopting the 2000 Regional Transportation Plan; amending Ordinance No. 96-647C For the Purpose of Adopting a Functional Plan For Early Implementation of the 2040 Growth Concept; Ordinance No. 97-715B For the Purpose of Adopting the Regional Framework Plan; Resolution No. 00-2969B For the Purpose of Adopting the 2000 Regional Transportation Plan as the Federal Metropolitan Transportation Plan; Resolution No. 03-3380A For the Purpose of Adopting the 2004 Regional Transportation Plan as the Federal Metropolitan Transportation Plan to Meet Federal Planning Requirements; and Ordinance No. 04-1045A For the Purpose of Amending the 2000 Regional Transportation Plan ("RTP") For Consistency With the 2004 Interim Federal RTP and Statewide Planning Goals; and
2. **Anticipated Effects** Needed multi-modal projects would be built, the next leg of the region's high-capacity transit system would be constructed, and many miles of roads would be maintained or expanded. This activity would also mean thousands of jobs created and economic benefits distributed throughout the State and region.
3. **Budget Impacts** There is no direct impact to the Metro budget.

RECOMMENDED ACTION

Approval of Resolution No. 07-3764, For the Purpose of Endorsing Regional Priorities for State Transportation Funding Legislation.