



**Joint Policy Advisory Committee on Transportation  
RETREAT MINUTES**

May 22, 2009

8:00 a.m. – 2:00 p.m.

Oregon Zoo, Skyline Room

MEMBERS PRESENT

Carlotta Collette, Chair  
Sam Adams  
Rex Burkholder  
Craig Dirksen  
Fred Hansen  
Kathryn Harrington  
Donna Jordan  
Lynn Peterson  
Roy Rogers  
Ted Wheeler

AFFILIATION

Metro Council  
City of Portland  
Metro Council  
Cities of Washington County  
TriMet  
Metro Council  
City of Lake Oswego, Representing Cities of Clackamas Co.  
Clackamas County  
Washington County  
Multnomah County

MEMBERS EXCUSED

Shane Bemis  
Nina DeConcini  
Royce Pollard  
Steve Stuart  
Jason Tell  
Don Wagner  
Bill Wyatt

AFFILIATION

City of Gresham  
Department of Environmental Quality  
City of Vancouver  
Clark County  
Oregon Department of Transportation  
Washington Department of Transportation  
Port of Portland

ALTERNATES PRESENT

Jef Dalin  
Dave Fuller  
Susie Lahense  
Alice Norris  
Rian Windsheimer

AFFILIATION

Cities of Washington County  
Cities of Multnomah County  
Port of Portland  
Cities of Clackamas County  
ODOT

OTHER ELECTED OFFICIALS

Dennis Doyle  
Tim Knapp  
Rod Park  
Mark San Souchie

AFFILIATION

Mayor, City of Beaverton  
Councilor, City of Wilsonville  
Councilor, Metro Council  
Councilor, City of Beaverton

STAFF: Dick Benner, Andy Cotugno, Kim Ellis, Pat Emmerson, Matthew Hampton, Kathryn Harrington, Cliff Higgins, Michael Jordan, Tom Kloster, Stephan Lashbrook, Ted Leybold, Lake McTighe, John Mermin, Kayla Mullis, Kelsey Newell, Deena Platman, Ross Roberts, Kathryn Sofich, Randy Tucker, Karen Withrow, Ina Zucker.

## **1. WELCOME/INTRODUCTIONS**

Chair Carlotta Collette called the retreat to order at 8:06 a.m. The purpose of this retreat is to confirm the approach and timeline for the Regional Transportation Plan (RTP), explore financing tools and determine the scale of the state RTP investment strategy.

Committee members and audience members introduced themselves.

Michael Jordan, Metro Chief Operating Officer, outlined the process for the retreat. Committee members sat at one of three tables, each with a facilitator, recorder and technical staff, in order to brainstorm subjects throughout the day and report their discussion to the larger group. The two main agenda points were confirming the approach for refining project priorities in the RTP, and financing tools and investment strategies to consider for purposes of sizing “state” RTP project list.

## **2. APPROACH FOR BUILDING RTP INVESTMENT STRATEGIES**

Ms. Kim Ellis of Metro briefed the committee on the approach for building the RTP project list this summer and defining needs. This year has been primarily focused on defining regional transportation needs and understanding the local aspirations of communities in the region. In order to enable jurisdictions to effectively achieve local and regional aspirations, it is important for RTP project priorities to align with those aspirations. Using the 2007 RTP federal priorities as a starting point, local and regional staff will be asked to update their current federal RTP project list and identify additional priority projects for the “state” RTP over the summer. The local aspirations work and Regional Freight Plan, High Capacity Transit Plan, and System Management and Operations plan will identify additional priority projects that staff should consider in this effort.

Ms. Ellis discussed the following topics regarding the RTP approach:

- Investment strategy framework: two track system
- Fall 2008 Joint MPAC/JPACT meeting investment priorities
- State Policies directing the RTP
- Federal priorities
- Optimizing the system
- Managing demand
- Adequately addressing deficiencies
- Improving connectivity
- Measuring success

Ms. Ellis then discussed the following points regarding the RTP process:

- Role of local coordinating committees
- Timeline- both project lists will be brought to JPACT for review in August.

Mr. Jordan then requested committee comments and approval or disapproval of the RTP approach and process. The committee discussed equity, health, multi-modal corridors, broad thinking on corridors, measuring success and the need for performance benchmarks to ensure accountability for different aspects of implementation. For a detailed summary of this discussion please see Attachment C.

The committee agreed to support the process and direction with the discussed enhancements, modifications and additions.

### **3. TRANSPORTATION FINANCE CHALLENGES AND IMPLICATIONS FOR REFINING FINANCE ASSUMPTIONS- ROAD RELATED OPTIONS**

Mr. Andy Cotugno of Metro briefed the committee on the financing and investment aspect of the RTP. Metro would like a committee reaction on what funding level the region would like to aspire within a realistic framework.

The road-related investment and finance package brings forth questions around maintenance and capital. For maintenance and operation there is a shortfall of up 50% and growing because of a disparity between cost increases and revenue increases, largely due to the unreliability of the gas tax.

Mr. Cotugno outlined the following four road-related Operations Maintenance & Preservation (OM&P) funding scenarios:

- Existing Revenues
- 2009 State Package
- 2009 State Package + RTP Financially Constrained Revenues
- 2009 State Package + Local Street Utility Fee (SOF)
- 2009 State Package + Regional SUF

He then outlined the following five road-related capital funding scenarios:

- Existing revenues
- 2009 State Package + Colombia River Crossing
- Growth Pays (System Development Charges)
- Road User Fees at the state and regional/local level
- Tolling
- Shift local share of State Highway Trust Fund to Capital

Each table was then assigned the task of answering a set of questions concerning road-related funding options. For a complete list of questions please see Attachment A. Each table came up with a response and presented it to the larger group. For a detailed summary of the table

discussion throughout the meeting please see Attachment C. The responses were as follows:

**Table 1**

OM&P Funding:

- Region should fund a base level of OM&P on an agreed to regional system through a regional street utility fee and allow local jurisdictions to impose additional fees depending on their need
- Gas tax: Try for \$0.01 per year, but expect the historical \$0.005 cent per year.

Capital Funding:

- Metro should charge a system development charge in the amount of the difference between what a jurisdiction has set and a regionally determined base amount
- State level funding should move off the gas tax and use VMT fees at an increase of one cent per year
- State vehicle registration fees should increase at two dollars a year and regional/local should increase at one dollar per year
- Tolling should be used, although revenue amount is unknown
- A sales tax should be imposed on car sales

**Table 2**

OM&P Funding:

- Expect one cent a year through a mix of fees
- Local street utility fee should start at three dollars and increase to 20 dollars over 20 years through a combination of local, county and regional street utility fees

Capital Funding:

- \$7,000 per house system development charge but perhaps scaled to the value of the home
- Vehicle registration fee increase at \$15 every eight years at the state and regional/local levels
- Tolling for specific projects
- County street utility fee

**Table 3**

OM&P Funding:

- State gas tax should increase with inflation and eventually shift to VMT fees
- Do not support regional street utility fee
- Tolling
- Concentrate spending in major transportation corridors

Capital Funding:

- System Development Charge (SDC) base fee scaled so total revenue will equal \$1 billion
- Local base SDC required for any regional assistance

- Tolling
- Vehicle registration fee increase at \$15 every eight years at the state and regional/local levels

For the completed funding worksheet please see Attachment B.

**4. TRANSPORTATION FINANCE CHALLENGES AND IMPLICATIONS FOR REFINING FINANCE ASSUMPTIONS- TRANSIT OPTIONS**

Mr. Cotugno then briefed the committee on transit-related finance and investment options. Unlike road-related funding, the main focus for transit is operations funding. Transit revenues fluctuate along with inflation and growth. Our current aspirations are much greater than the base line funding that will be available. The payroll tax is a primary source of funding for transit operations funding and is projected to increase to 0.72% within the next 5 years. In addition a capital-funding plan is needed to expand the operations.

Each table was then assigned the task of answering a set of questions concerning transit funding options. For a complete list of questions see the attachment to the public record titled “Transportation Finance Small-Group Discussion Questions.” Each table came up with a response and presented it to the larger group. The responses are as follows:

**Table 1**

- Use payroll tax increase to fund operations *and* capital
- Focus service expansion funds on High Capacity Transit (HCT) and frequent bus with 60% for HCT and 40% for frequent bus
- Higher state and federal match for HCT

**Table 2**

- Progressive payroll tax with a total of .2% increase
- Would like to use 60% of service expansion funds for the regional system and then divide the reaming funds equally between frequent bus, streetcar and local bus.
- Would like a federal match of 75% for High Capacity Transit (HCT)

**Table 3**

- Payroll tax increase to 0.02% after discussion with business community
- Focus system expansion funds between HCT and frequent bus and give local communities opportunity to provide amenities (i.e. bus shelters and sidewalks) if they want more service
- Increase TriMet local match for capital funding

For the completed funding worksheet please see Attachment B.

**5. OVERVIEW OF TRANSIT FUNDING OPTIONS**

Mr. Cotugno summarized the responses to the funding questions from the three breakout tables.

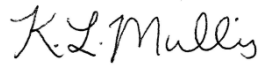
Mr. Jordan reminded the committee that none of the chosen scenarios will result in the required reduction in total greenhouse gas emissions.

**6. THANK YOU AND ADJOURN**

Chair Collette thanked the committee and reminded members that staff will now be charged with using the information from this retreat to refine the RTP into a draft package by September. JPACT will be asked to confirm today's direction at the June 11 meeting.

With no further business, Chair Collette adjourned the meeting at 1:45 p.m.

Respectfully submitted,



Kayla Mullis  
Recording Secretary

ATTACHMENTS TO THE PUBLIC RECORD FOR MAY, 22 2009

*The following have been included as part of the official public record:*

<b>ITEM</b>	<b>DOCUMENT TYPE</b>	<b>DOC DATE</b>	<b>DOCUMENT DESCRIPTION</b>	<b>DOCUME NT NO.</b>
--	Memo	5/22/09	To: JPACT and Interested Parties From: Metro Councilors Re: Welcome to the JPACT Retreat at the Oregon Zoo	052209j-01
--	Agenda	5/22/09	Revised Agenda for JPACT Retreat on May 22, 2009	052209j-02
--	Power Point	5/22/09	RTP: Recommended Approach to Refine Investment Priorities	052209j-03
--	Chart	N/A	Past RTP Funding Assumptions	052209j-04
--	Handout	5/18/09	2035 RTP: Road Related Funding Scenarios	052209j-05
--	Power Point	5/22/09	Road Related Funding Scenarios power point presentation	052209j-06
--	Power Point	5/22/09	Transit Related Funding Scenarios power point presentation	052209j-07
--	Chart	N/A	Historical LRT Funding Shares	052209j-08
--	Chart	N/A	High Capacity Transit Ranked Corridors, based on technical analysis	052209j-09
--	Table	N/A	Funding worksheet for small group work	052209j-10
--	Questionnaire	N/A	Transportation and Finance Small Group Discussion Questions	052209j-11

# Transportation Finance Small-Group Discussion Questions

The following questions are a starting point for the small-group discussions on transportation finance choices. Your table recorder will fill out the yellow funding worksheet for your table based on the group's discussion. You may also turn in this handout and funding worksheet with your individual responses.

## Road-related Operations Maintenance and Preservation (OMP)

- Q1. At what level should the region fund road-related OMP?**
- each city and county is on their own
  - keep pace with inflation
  - address the backlog and maintenance and keep pace with inflation
- Q2. From what source(s) and at what "price points" should the region fund road-related OMP?**
- state gas taxes
  - local street utility fees
  - regional street utility fees
  - what combination

## Road-Related Capital

- Q1. What aspirational road/street/highway/bike/pedestrian modernization and management funding level should the state RTP be based upon?**
- Equal to the historical record
  - 25%, 50%, 100% increase over the historical record
- Q2. What source(s) and at what "price points" should be pursued?**
- Traditional road user fees
  - Growth fees
  - Tolls
  - Shift OM&P to a regional street utility fee and divert existing highway trust fund revenues to capital investments
  - A combination

## Transit-Related Capital and OMP

- Q1. At what level should the region pursue expansion of transit operating funds?**
- Payroll tax increase of 0.1%? 0.2%?
- Q2. For what purpose should the operating funds be increased?**
- Expanded high capacity transit (HCT) service
  - Expanded streetcar service
  - Expanded frequent bus service
  - A combination
- Q3. What capital funding strategy should be pursued for HCT local match (assuming 60% FTA New Starts)?**
- TriMet
  - State
  - Regional Flex
  - Local



## Road-Related Operations, Maintenance & Preservation Funding Choices

<b>Funding Source</b>	<b>Scenario</b>	<b>TABLE 1 Price Point</b>	<b>TABLE 2 Price Point</b>	<b>TABLE 3 Price Point</b>
State gas tax	<b>Option 2:</b> \$0.01 per year	Yes at \$.005 per year	\$0.25 per year OR 1 cent every 4 years	Continue at 1 cent per year and adjust with inflation
Local street utility fee to fund the gap in OM&P	<b>Option 3:</b> Phased in from \$6 to \$20 per house per month, indexed to inflation	Yes, at local discretion	Phased in from \$3 to \$20 over 4 years	Allow local choice on meeting needs
Regional street utility fee to fully fund OM&P	<b>Option 4:</b> \$45 per house per month, indexed to inflation	Yes at \$17.50 per month	No	No

# Road-Related Capital Funding Choices

Funding Source	Scenario	<b>TABLE 1</b> Price Point	<b>TABLE 2</b> Price Point	<b>TABLE 3</b> Price Point
System development charges	<b>Option 2:</b> \$7,000 per house	\$7,000 per household indexed to inflation	\$7,000 per household	Base fee
<u>State level</u> • Gas tax • Vehicle reg. fee	<b>Option 3a:</b> (alternates with 3b) \$0.03 every 8 years; <b>OR</b> \$15 every 8 years	Yes, \$2 VRF increase each year	Yes	Yes
<u>Regional/local level</u> • Gas tax • Vehicle reg. fee	<b>Option 3b:</b> (alternates with 3a) \$0.03 every 8 years; <b>OR</b> \$15 every 8 years	YES, \$1 VRF increase each year	Yes	Yes
Tolling	<b>Option 4:</b> \$874 million	Project by project analysis	Yes	Yes
Regional street utility fee shifts gas tax to capital	<b>Option 5:</b> \$45 per house to allow \$4.5 billion to shift to capital	No	Investigate Prop Tax (like MSTIP)	No

# Transit Funding Choices

Funding Source	Scenario	TABLE 1 Price Point	TABLE 2 Price Point	TABLE 3 Price Point
<b>OMP level</b>				
Payroll tax	0.1%	Yes, 0.1%	0.2% w. progressive rate	0.1% + other sources
<b>Service expansion</b>				
	High capacity transit: 60%	60%	60%	60%
	Frequent bus: 40%	40%	13.33%	40%
	Local Bus	None	13.33%	Local Match
	Street Car	None	13.33%	None
<b>High capacity transit local match sources</b>				
FTA New Starts	60%	60%	75%	60%
State	10%	Case by Case bases w/ cost benefit analysis. Some portion of additional +.01% on payroll tax	6.25%	10%
TriMet	10%		6.25%	10%
Regional flex funds	10%		6.25%	10%
Local	10%		6.25%	10%



## Joint Policy Advisory Committee on Transportation Retreat

### Table Summaries

May 22, 2009

8 a.m. to 2 p.m.

Oregon Zoo, Skyline Room

### **Group Discussion:**

#### Approach and Timeline:

- Important for process and Timeline to include opportunities for underserved populations to participate and have needs addressed, including Equity, service to communities. Consider as part of measures of success, measurement is a start to making significant change in how we frame what the RTP is trying to accomplish. Need to broaden conservation, equity and disparate views. How we talk about these issues is important, so that underserved populations are part of screening the size of box, and the investment choices.
- We're starting to see rural roads serving different functions than they were originally intended; we need make conscious decisions on what the expected function of rural roads will be in the region. Cornelius Pass is an example.
- Account for market, the decisions within the RTP connect to economic development strategies; we have the opportunity to make more overt.
- Consider terminal points of our system – (extents of region – Sandy, Wilsonville) and what is and should be happening there.
- We need to acknowledge how we will achieve our Climate Change targets: 40% of 1990 by 2030 Green House Gas Levels (Portland)
- We need to identify performance goals of what we are trying to achieve, not just measures of success. Tie measures to desired outcomes.
- Unclear how connectivity and deficiencies in existing system are reflected as investment priorities. Both are identified needs that investments need to address. Be more explicit for durability.
- Need more specific criteria to define investment priorities.
- Establish performance goals for corridors – mobility corridors differ on performance now and need different strategies to maximize their potential.
- Connectivity – don't get focused on highways. Think of arterials. Especially on Westside and in developing areas.
- Think of the RTP as a Business plan – Goal: define desired system and a plan to get there. Define roles and responsibilities, what should be solved collectively and what should be addressed individually? Share more than values, we need to share strategy.
- Be more explicit about seeking health as a result of transportation investments – public health, active living, seniors and disabled. This is the framing of issues that will connect public outcomes to our strategies.
- Need to pursue Practical, innovative designs, that are cost effective –known as least cost planning, corridors must be multi-modal with least cost.

- Location of transit directly affects health, access to jobs/recreation, economic opportunities and health impacts must be part of prioritization of investments.
- Evaluate corridors individually, develop business plans (mobility plans), look at least cost - leads to better communication with public about intentions and benefits. Active roadway management is key.
- Desired system/roles/responsibilities have lots of overlap (i.e. sidewalks would be considered local but are critical to HCT access, health benefits, related to access to transit but land use can create/build in challenges.
- Let's Build system we can all agree to. (Dense, multi-modal, fill gaps). Decide who is accountable for which parts.
- Change of framework away from density in corridor to focusing on improved health. Look at market and who we are serving to define transportation system. i.e. start with outcomes like healthy people, neighborhoods, districts, corridors....
- Right measures/outcomes will drive a more comprehensive approach (change to framework) – don't just be more efficient but more effective, and focus on who we are serving with the transportation system. Sidewalk access to transit and transit-supportive land use is important to support transit service investments.
- Critical to look at/plan for land use/transportation together for success. Nothing wrong with efficiency but on its own it is lacking and doesn't accomplish the goals/outcomes we are trying to achieve.
- Would we invest differently if we were planning for well-being – (again changing frame).
- What is overall goal – mobility or community? Should regional emphasis be on mobility and local emphasis on community building?
- Investment priorities (slide 11) need to reflect discussion on values and priorities above.
- Protect capacity of existing investments, i.e. freight. Wholesale vs. retail (SOV).
- Plan for completeness and richness of communities (connecting people and places). Redefine centers vs. corridors. What is a transit station – stop or jobs kiosk, community center? Need to include equity. Add more depth to land use considerations.
- Let's Not say "should try" but instead Let's create an analytical framework that drives results – we need to deliver.
- Projects must deliver on performance objectives.
- Chronology to coordinate with funding. HCT = good example of incorporating timing. Maybe hard for things like sidewalks...
- Hard choices ahead. Need help to make choices, need to understand implications of tradeoffs, i.e. at-grade rail crossings vs. using rail to move other things. Be more explicit on tradeoffs.
- We have Agreement on General Approach - if performance measure outcomes come first.
- Equity may look different in different places – (Means considering how we meet the needs of various economic drivers such as apparel sector, delivering chips to market).
- Maybe there are parts of the existing system that are not a regional priority and should not be maintained.
- Self-sufficiency won't be full so mobility at some level is needed including mobility between corridors – one downtown core, one metals industry in Clackamas County.

## **Table 1**

Facilitator: Karen Withrow  
Recorder: Lake McTighe  
Technical Staff: Ted Leybold  
Lynn Peterson  
Dave Fuller  
Rex Burkholder  
Tim Knapp  
Rian Windsheimer

### **Road-Related Funding Scenarios**

#### **Operating, Maintenance, and Preservation**

- Need less reliance on the state. More local funding solutions, increase self-reliance.
- Need to keep funds local.
- Maintenance is our biggest concern and needs to be the highest priority. Focus on maintenance before growth.
- Need to determine what a standard level of maintenance should be for the whole region. Maybe there needs to be a regional level that cities and counties need to maintain. Right now each city is setting its own maintenance levels. There needs to be regional equity, so we need to clarify the standards.
- There are economic issues that are created when roads are allowed to go to gravel. The rural areas are the first to go and this has an economic impact on rural businesses and communities– milk trucks, nurseries, etc.
- Commuters should pay for the privilege commuting.
- Congestion pricing, funding should go to maintenance first and whatever is left over should go to capital.
- Tolling can be used for capital and maintenance.
- There needs to be a regional floor – say 50-60% (fair or better) that is provided through regional funding, and then if cities want 80% or higher condition they can raise those additional funds.
- A funding strategy needs to keep pace with inflation.
- Addressing backlog and maintenance could be built into a street utility fee. Local communities decide what level they want. Some might go high, others low. There needs to be a regional in-between. State provides 20-40%, local 60-80%.
- We need to be more aspirational with funding. The current level of funding is too low. A 25% increase over the historical levels may be feasible.
- A regional street utility fee is likely necessary to achieve regional equity; local capacity is not the same everywhere so need some regional solutions.
- Shifting OM&P to a regional street utility fee and diverting existing highway trust fund revenues to capital investments is not realistic.
- State gas tax should be viewed as “extra” funds, not something to be depended on. Use the state gas tax to fill in the gaps after a regional floor is met. We should only assume \$.005/year.
- Local street utility fees should be up to local jurisdictions to reach whatever % of conditions they want (maintenance or capital) after a regional floor is met.
- There are serious equity issues raised by the local street equity fee.
- A \$45/month regional street utility fee is unreasonable and gets into equity issues. But we do need a regional base (anything the state legislature gives us should be considered extra).

- A \$17.50/month regional street utility fee is doable. Metro could collect the difference and distribute to locals.
  - Local jurisdictions need flexibility to spend funds from a regional street utility fee
- We need to look at a regional user fee (congestion pricing/tolling) to pay for part of maintenance. Need to determine if this is worthwhile to think about.

### Capital

- Make growth pay. Metro could collect a regional SDC. Implementing a regional fee could make local jurisdictions raise their own fees. Metro would collect from any local jurisdiction without a SDC for transportation; return funds to locals, to make up the difference to reach a regional base.
- We need to be aware of other SDC needs.
- We need to know what the cost is to the system of new development. This helps determine the actual SDC.
- We need to move off the gas tax and move to a VMT to get equivalent of \$.01 every year in VMT.
- The technology for VMT is not yet practical and holds us back.
- Propose a \$2/year increase in state vehicle registration fee.
- We need a regional wide vehicle registration fee - \$1/year, but no gas tax.
- We need to determine at what base level we start the regional vehicle registration fee (\$15?).
- Tolling should be used.
- We need to get smarter about tolling in the RTP.
- We don't know what level of funds we could get to with tolling. We need that information to make decisions.
- Tolling should be looked at project by project. We need information on tolling the throughway system.
- Can we raise tolls in one place and spend in another? Need to get smarter.
- A regional street utility fee for O&M is already a hurdle; we can't raise more for capital.
- An excise sales tax on cars should be considered. Should be statewide and not regional (idea that needs details, not all agree).

### Transit –related Funding Scenarios

- The payroll tax for transit should be increased at least 0.1% for O&M and another 0.1% for capital.
- As areas become denser and use goes up we should see more farebox return.
- How many people use transit? Overall transit 3-4%; corridor transit 25+%; peak corridor transit 40+%. As ridership goes up you see a higher farebox return.
- Issues: Land use connection to increasing ridership/ Demographics (LIFT requires more funding). Need to discuss at MPAC.
- TriMet needs to do better on farebox recovery.
- Streetcars are productive for economic development and valuable for a certain set of situations, but not widely applicable, and are mostly local.
- Focus should be on HCT and frequent bus.
- Breakdown of HCT local matches depends on the situation. Equity is important consideration. There are many tradeoffs, more discussion is needed. Especially more discussion if HCT is in existing ROW.
- If a state facility is affected – congestion reduced due to HCT – state should pay more. But there is a tradeoff if state capacity is reduced.

## **Table 2**

Facilitator: Cliff Higgins  
Recorder: John Mermin  
Technical Staff: Andy Shaw  
Craig Dirksen  
Ted Wheeler  
Carlotta Collette  
Susie Lahsene  
Alice Norris  
Marc San Soucie  
Jef Dalin

### **Road-Related Funding Scenarios**

#### **Operating, Maintenance, and Preservation**

- General/Initial Discussion:
  - Fee only for existing roads. One for residential and one for businesses. (ranging from \$2.51 per household) up to \$6.40. Changes based on forecasts. Based on parking. More equitable than trip generation. (Tigard)
  - Res (\$4.50) - > \$11 in 5 years. Pavement management utility fee based on trips generated. Paid for by everyone. (Oregon City)
  - Gas tax and fees (Milwaukie)
  - \$2.25/month Currently spent mainly on chipseal ( Cornelius)
  - Working on street utility fee (Beaverton)
  - Regional fee could be difficult to distribute but could work at county level
  - Fee doesn't work – lots of gas stations but few residents. Gas tax works better on the local level. They support regional fee. (Multnomah County)
  - Prefers local gas tax to county gas tax (Cornelius)
  - Need regional mix – regional for regional system and local for local system. It is okay to have both. Local and county fees.
  - Problem with county bridges (Multnomah County)
  - Street fee was defeated (Clackamas County)
  - In some situations, a street fee (for maintenance) makes sense county-wide, but not at the city level. How to distribute money?
  - Regional fee might be more politically viable than a county fee. State legislation could enable this. Metro could enact, but how to collect?
- Options
  - Option 2:
    - State gas tax – Not sustainable over long-term but could be a VMT fee. Raising amount \$0.01/4 years from some state mechanism is realistic. Don't defer to state.
  - Option 3:
    - Local Fees – useful at county level. Minimum shown is too high. Start at \$3 to \$20 by 2035 at local level. Track the needs to increase it.
  - Option 4:
    - Regional – No, could be a combination.

#### **Capital**

- New Option/Option 6: Property tax measure possible, but tough politically to sell. An element of broader strategy.
- Discussion:



- Transportation Development Tax (TDT) – alternate to SDC in Washington County – only applied to roads of county significance. Locals encouraged to do the same for local streets. TDT Replaces existing TIF and doubles the money.
  - Total: County + Local = \$7,000 phased over time is palatable.
- System Development Charges (SDC) - \$7,000. Should be scaled to home value. But current law says that the amount must be based on the “transportation impact” of the home.
- Blend
- Tolling:
  - Other facilities affected (diversion/ spill over to avoid toll), thus you’d need to toll all of the bridges.
  - Highway 217 – costs to administer toll would be great than the revenue generated. Tolling is good for new capacity, new facilities.
  - \$874M is good estimate
  - Need to use toll revenue to OM&P as well as capital.
- Regional Utility Fee
  - Do it at county level. Works as part of the package.
- Tolls – Full \$874M
- Funding - Registration Fee + User fees within range + Property tax +SDC - \$7,000 = \$5.5 to \$6B.
- Option 6: State Vehicle Registration
  - Good, less opposition.
  - \$15/8 years is doable at state, but it makes doing it locally harder. Alternate state and regional level.
  - Escalation and report back. Dedicate to state facilities.

### **Transit –related Funding Scenarios**

#### **General Discussion:**

- Tipping point for ridership/ efficiency once we have certain level of coverage.
- Lack of frequent bus service on west side and Columbia Corridor on the eastside. More OM&P to achieve.
- But small businesses don’t like payroll tax.
- Bus seen as local, MAX as regional. But TriMet doesn’t route the buses this way. Need loops in residential areas. Radiate bus lines from MAX stations to provide better coverage.
- Political resistance to increasing payroll tax. Some businesses don’t see how they benefit. After we reach the tipping point of transit use that might change.
- Increase tax-rate in a progressive way (large employers see higher tax increase than small ones). An increase by \$0.2(net) can work if some businesses get higher increase; others might see no increase.
- Internal city looks from main stations – shuttles.

#### **Service Expansion:**

- HCT – 60% in short-term. Could vary within region based on needs. Needs to be complete system.
- Streetcar, Frequent bus, local bus – 40%. Include shuttles. Too challenge dependent on roads.

#### **HCT Local Match Sources:**

- More federal support is desired. Similar to past highway subsidies. 75% federal aspiration. Not just New Starts funding.

- Would state contribute 10%? It is a reasonable request.
- Local can include city, county, businesses. A new funding source – i.e. regional SDC, Washington County TDT.
- Local/Regional New Source – 6.25%. TriMet = 6.25%, State = 6.25%, and Regional Flexible Funds – 6.25%.

### **Table 3**

Facilitator: John Donovan

Recorder: Deena Platman

Technical Staff: Andy Cotugno

Donna Jordan

Kathryn Harrington

Roy Rogers

Rod Park

Denny Doyle

Fred Hansen (Olivia Clark)

Sam Adams (Paul Smith)

### **Road-Related Funding Scenarios**

#### **Operating, Maintenance, and Preservation:**

- Q: Should there be a VMT tax?
  - A: Yes, \$0.15+ Equivalent or gas tax at \$0.03 or VRF at \$15.
- Q: Should we go further?
  - A: Yes, for SUF, but difficult to increase to keep up hard on tax payers. (Lake Oswego)
- Q: Should we keep the box or expand it?
  - What is the starting size of the box – assume what we actually get?
  - State package – 50% Maintenance goal, 75% Capital goal
  - Do what to reach 100%
  - Should we increase?
    - Yes to sustain current infrastructure. (Portland)
    - Need to define system and strategy – contract systems as choice. (Washington County)
    - Local money needs to stay in Beaverton. (Beaverton)
    - Help pay for regional system – what's the system? What matters is what binds us? (Washington County)
    - Different areas' money, different levels of success. Should we have a uniform level of funding? (Metro)
    - How do you make sure there is a base level of investment uniformly? (Lake Oswego)
    - Regional tolling, move to VMT, and percentage of the SUF to OM&P. (Portland)
    - Toll OR 217, gas tax and VMT. (Beaverton)
    - Cannot do it all. Need to be selective. Not a lot of success with local measures. Mix of funding. (Metro)
    - Combination of sources. Something replaces gas tax. Education needed regarding the SUF – need to understand what they buy.
- Agreements
  - No shift gas tax to state, registration fee, option 4

- Contract system
- Keep pace inflation
- Address backlog

Capital:

- Agreements
  - Tolling with congestion pricing. SDC as “entry fee”
  - Gas tax/VRF and tolling
  - Level of growth - \$4.9B.

**Transit –related Funding Scenarios**

Q: What can we expect to achieve?

- To grow, we will need more transit – 2% (Beaverton)
- What is the palatable to businesses? (Metro)
- Look at other sources for operations –Sales tax reg. (Portland)
- Compliance auditing of employers (Washington County)
- Regional sales tax only if add local bus too. Need to educate public on what it buys. (Lake Oswego)
- Should there be a local “match” for bus service expansion, shelters and sidewalks? (Washington County)
- Running out of light rail miles in URAs – cut local cap – increase Ops match. Move to TriMet.

Agreements:

- \$0.02 but look at other funding sources.
- HCT – Spine, Frequent Bus – Base bus service, and local – least efficient/hard to serve.