STAFF REPORT

CONSIDERATION OF RESOLUTION NO. 97-2455 FOR THE PURPOSE OF FILLING A VACANCY ON THE TRAFFIC RELIEF OPTIONS STUDY TASK FORCE

Date: January 23, 1997 Presented by: Bridget Wieghart

PROPOSED ACTION

The adoption of this resolution endorses approval of a new member to fill a vacancy on the Traffic Relief Options Study Task Force. It is recommended that Betty Atteberry, Executive Director for the Sunset Corridor Association, replace sitting member Delna Jones, Executive Director of the Capital Center. Ms. Jones has resigned her duties to the Task Force due to increased commitments on other projects.

TPAC recommends approval of Resolution No. 97-2455 in support of filling the Task Force vacancy with Betty Atteberry.

BACKGROUND

On June 6, 1996, Metro passed Resolution No. 96-2333 for the purpose of endorsing the Congestion Pricing Task Force, a study advisory Task Force of business and community leaders to oversee the two-year study on Congestion Pricing being undertaken jointly by Metro and ODOT. The Task Force will be responsible for making a recommendation to JPACT, the Metro Council and the Oregon Transportation Commission as to whether congestion pricing is a traffic management tool that should be pursued within this region, and, if so, the parameters of a demonstration pilot to further test the concept.

The Task Force provides a broad-based, long-range perspective into the issues associated with a possible congestion pricing project in this region. The Task Force oversees the technical work and public outreach efforts associated with the study to ensure that the topic is comprehensively addressed. Task Force members also serve as spokespersons for the study. Further details on the duties and responsibilities of the Task Force are contained in Exhibit A of this resolution. Exhibit B of this resolution includes a current list of the Task Force.

We are recommending Betty Atteberry for membership on the Task Force to replace the vacancy created by the resignation of Delna Jones. As Executive Director of the Sunset Corridor Association since 1985, Ms. Atteberry has been instrumental in enhancing the environment for economic development in and around Washington County. The Sunset Corridor Association is a collective group of private sector businesses.

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF FILLING A VACANCY ON THE TRAFFIC RELIEF OPTIONS STUDY TASK FORCE)	RESOLUTION NO. 97-2455 Introduced by Councilor Kvistad, Chair JPACT

WHEREAS, Section 1012(b) of the Intermodal Surface Transportation Efficiency Act (ISTEA) of 1991 authorized the Secretary of Transportation to create a Congestion Pricing Pilot Program to fund a series of demonstration projects and related studies to promote the implementation of congestion pricing; and

WHEREAS, Metro and the Oregon Department of Transportation (ODOT) submitted a joint application to undertake a study to assess public attitudes to the concept, develop and evaluate a number of congestion pricing alternatives, and make a recommendation as to whether an appropriate demonstration project can be established in the Portland metropolitan area; and

WHEREAS, Resolution No. 93-1743A endorsed the region's application for a congestion pricing pilot project and directed Metro and ODOT staff to pursue ISTEA funds for this purpose; and

WHEREAS, Metro and ODOT have received approval and $1.2 million in funding to undertake a Congestion Pricing Pre-Project Study (the study); and

WHEREAS, Ordinance No. 96-628 amended the FY 1995-96 budget and appropriations schedule for the purpose of conducting the study; and

WHEREAS, Due to the relative newness of the concept and the potential for significant public concern, Metro and ODOT have agreed to establish a Task Force of business and community leaders to provide advice and direction on the study; and

WHEREAS, Metro Council on June 6, 1996 passed Resolution No. 96-2333 endorsing the composition and mission of the Congestion Pricing Task Force for the purpose of providing oversight and direction to the Congestion Pricing Pre-Pilot Study and making a recommendation to the Joint Policy Advisory Committee on Transportation (JPACT) and the Metro Council as to whether a demonstration project of congestion pricing should be undertaken in the Portland metropolitan area and, if so, what its parameters should be. Exhibit B includes the Task Force membership list; now, therefore,

BE IT RESOLVED:

That the Metro Council finds that Betty Atteberry, Executive Director of the Sunset Corridor Association, should fill a vacancy on the Task Force created by Delna Jones. As a Task Force member, Ms. Atteberry will be responsible for fulfilling the duties as described in Exhibit A.

ADOPTED by the Metro Council this _____ day of ___________, 1997.

____
Jon Kvistad, Presiding Officer

Approved as to Form:

____
Daniel B. Cooper, General Counsel

ACC:MS:lmk
97-2455.RES/2-3-97

EXHIBIT A

Role and Responsibilities of the Traffic Relief Options Task Force (the Task Force)

Role of the Task Force

The Task Force will provide a broad-based, long-range perspective into the issues associated with a possible congestion pricing project in this region. The Task Force will provide oversight to the technical work and public outreach efforts associated with the study and will ensure that the topic is comprehensively addressed. Task Force members will also serve as spokespersons within their various fields and communities.

Responsibilities of the Task Force

It is anticipated that the Task Force will meet approximately once every month throughout the two-year study and will be charged with the following responsibilities:

1. Assess the case for and against congestion pricing and its practical feasibility to reduce peak period congestion, vehicle miles traveled and motor vehicle emissions and other potential effects on the community.

2. Increase awareness and understanding of congestion pricing.

3. Evaluate the results of the study to determine the technical feasibility and public acceptance of congestion pricing in the Portland region.

4. Develop regional consensus on whether a congestion pricing pilot demonstration project should be undertaken and, if so, what its parameters should be.

5. Provide a Task Force report to the Joint Policy Advisory Committee on Transportation (JPACT), the Metro Council and the Oregon Transportation Commission.

EXHIBIT B

TRAFFIC RELIEF OPTIONS STUDY
TASK FORCE MEMBERS

Members

Carl Hosticka, Chair; associate vice president Statewide Education Services for the University of Oregon, and former state legislator

Karen Baird, director of Products, US West

Ken Baker, attorney and state senator

Steve Clark, publisher, Community Newspapers, Inc.

Lawrence Dark, president/CEO, The Urban League of Portland

Jon Egge, president, MP Plumbing

Delna Jones, project director, The Capital Center

Matt Klein, senior vice president, Ashforth Pacific, Inc.

Tom Mesher, president, Mesher Supply

State Representative Anitra Rasmussen

Mike Salsgiver, government affairs manager, Intel

Robert Scanlan, president, Scanlan, Kemper, Bard Company

Ethan Seltzer, director, PSU Institute of Metropolitan Studies, School of Urban Affairs

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ESTABLISHING PRINCIPLES REGARDING IMPLEMENTATION OF LRT TO PORTLAND INTERNATIONAL AIRPORT	)	RESOLUTION NO. 97-2458 Introduced by

WHEREAS, It is in the interest of the region to implement a regionwide comprehensive transportation system, including a light rail transit system, highways, roads, bridges, freight, bikes and pedestrians; and

WHEREAS, The East, West, South and North segments of this LRT system are advancing toward implementation; and

WHEREAS, An extension of the LRT system to Portland International Airport is called for in the Regional Transportation Plan in the long term; and

WHEREAS, Air passenger traffic at Portland International Airport is growing faster than previously forecasted; and

WHEREAS, Development of the Portland International Center should be tied into light rail; now, therefore

BE IT RESOLVED:

That the Metro Council:

1. Reconfirms its interest in development of a regional LRT system.

2. Reconfirms that South/North LRT is the next regional priority (after the Westside) for implementation of the Regional LRT system.

3. Supports pursuing an extension of the Regional LRT System to the Portland International Airport as long as it doesn't interfere with the South/North LRT project.

4. Supports creating a non-federal funding plan for the Airport light rail which includes private, Airport-related and other local or regional sources. This funding plan will not include federal transit funds or any state or local funds which would otherwise be needed for the South/North light rail or for a possible Community Bridge and Road Program.

5. Supports acknowledgement of the locally funded Airport light rail project in ISTEA if it can help secure ISTEA funding for South/North LRT.

6. Acknowledges that funding for roads and bridges remains critical and that pursuit of the Airport LRT project should not detract from the region's implementation of a Community Bridge and Road Program.

ADOPTED by the Metro Council this _____ day of __________, 1997.

____
Jon Kvistad, Presiding Officer

Approved as to Form:

____
Daniel B. Cooper, General Counsel

ACC:lmk
97-2458.RES
2-5-97

Staff Report
drafted
following 2-13-97
JPACT meeting

STAFF REPORT

CONSIDERATION OF RESOLUTION NO. 97-2458 FOR THE PURPOSE OF ESTABLISHING PRINCIPLES REGARDING IMPLEMENTATION OF LRT TO THE PORTLAND INTERNATIONAL AIRPORT

Date: March 6, 1997 Presented by: Andrew Cotugno

PROPOSED ACTION

This resolution would establish the following several principles regarding the establishment of light rail to the Portland International Airport which would acknowledge that the Metro Council: 1) Reconfirms its interest in development of a regional LRT system; 2) Reconfirms that South/North LRT is the next regional priority (after the Westside) for implementation of the Regional LRT system; 3) Supports pursuing an extension of the Regional LRT System to the Portland International Airport as long as it does not interfere with the South/North LRT project; 4) Supports creating a non-federal funding plan for the Airport light rail which includes private, Airport-related and other local or regional sources—this funding plan will not include federal transit funds or any state or local funds which would otherwise be needed for the South/North light rail or for a possible Community Bridge and Road Program; 5) Supports acknowledgment of the locally funded Airport light rail project in ISTEA if it can help secure ISTEA funding for South/North LRT; and 6) Acknowledges that funding for roads and bridges remains critical and that pursuit of the Airport LRT project should not detract from the region's implementation of a Community Bridge and Road Program.

FACTUAL BACKGROUND AND ANALYSIS

Regional Transportation Plan

Metro's *Regional Transportation Plan* (RTP) is based upon a multimodal approach to addressing the transportation problems and opportunities throughout the region. As such, it includes elements of a comprehensive transportation system, including a light rail transit system, highways, roads, bridges and facilities for freight, bicycle users and pedestrians.

The RTP's light rail element calls for four primary LRT lines: East, West, South and North with a variety of possible extensions once the primary light rail system is in place. One of the light rail extensions called for in the RTP is a line connecting the existing eastside MAX line at the Gateway Transit Center with the Portland International Airport.

Airport Terminal Expansion and Light Rail Connection

Previous plans for a light rail extension to the Airport have been linked to both terminal facility expansion plans and projected Airport passenger use. The terminal expansion currently under construction provides for integration of a light rail station within the terminal. The Airport light rail extension was also intended to serve employment trips to and from the Airport and an adjacent multi-use development park located between the Airport terminal and I-205.

Based upon earlier forecasts of air passenger use of the terminal, planning for light rail extension was scheduled to begin following completion of planning activities for the South/North Light Rail Project. Over the past several years, however, the Portland Airport has experienced a significant increase in air traffic and air passenger travel. The Port of Portland has responded to this situation by accelerating terminal facility development plans and by expressing an interest in advancing planning and design efforts for a light rail extension to the terminal.

Preliminary discussions aimed at exploring the opportunity to accelerate the implementation of an Airport light rail extension were held between the Port of Portland, private development interests, Tri-Met, Metro and the City of Portland. A joint public/private funding opportunity was identified, with an approximate cost of $150 million.

South/North Light Rail Project Finance Plan

In February 1997, the region adopted the *South/North Light Rail Project Finance Plan* based upon preliminary cost-cutting measures (Metro Resolution No. 97-2460). The *Finance Plan* will be used by the region to develop a funding request to the Federal Government to be included within the current reauthorization of ISTEA. Through the process and discussions leading to the adoption of the *South/North Finance Plan*, the JPACT Finance Committee and the South/North Steering Committee evaluated the relationship of the South/North Light Rail Project to the proposed extension of light rail to the Portland International Airport.

The adopted *South/North Finance Plan* states that:

> The region is considering pursuing an "undertaking" consisting of the Phase I South/North Light Rail Project and the Airport Light Rail Project, if such an undertaking helps to secure congressional approval of the Section 3 request for the South/North Light Rail Project. The Airport Light Rail Project would be fully funded with non-federal funds and would be pursued in a manner that does not compete for funding with the South/North Light Rail Project. The resulting federal share for the South/North Light Rail-Airport Light Rail "undertaking" would be 52 percent. If referencing the Airport Light Rail Project in the ISTEA language is ill-advised, the proposed ISTEA language would focus solely on the South/North Light Rail Project.

As the JPACT Finance Committee and the South/North Steering Committee endorsed the inclusion of the Airport Light Rail Extension element within the *South/North Finance Plan*, the committees also called for a resolution to establish regional principles for the planning, development, funding and implementation of an Airport light rail extension and to state regional priorities for an Airport extension in relationship to South/North Light Rail and other regional transportation projects, specifically the Community Bridge and Road Program. This proposed resolution would establish those principles.

97-2458.RES
LS:JF:lmk
3-6-97

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ESTABLISHING PRINCIPLES REGARDING IMPLEMENTATION OF LRT TO PORTLAND INTERNATIONAL AIRPORT)	RESOLUTION NO. 97-2458 Introduced by Jon Kvistad, JPACT Chair

WHEREAS, It is in the interest of the region to implement a regionwide comprehensive transportation system, including a light rail transit system, highways, roads, bridges, freight, bikes and pedestrians; and

WHEREAS, The East, West, South and North segments of this LRT system are advancing toward implementation; and

WHEREAS, An extension of the LRT system to Portland International Airport is called for in the Regional Transportation Plan in the long term; and

WHEREAS, Air passenger traffic at Portland International Airport is growing faster than previously forecasted; and

WHEREAS, Development of the Portland International Center should be tied into light rail; now, therefore

BE IT RESOLVED:

That the Metro Council:

1. Reconfirms its interest in development of a regional LRT system.

2. Reconfirms that South/North LRT is the next regional priority (after the Westside) for implementation of the Regional LRT system.

3. Supports pursuing an extension of the Regional LRT System to the Portland International Airport as long as it doesn't interfere with the South/North LRT project.

4. Supports creating a non-federal funding plan for the Airport light rail which includes private, Airport-related and other local or regional sources. This funding plan will not include federal transit funds or any state or local funds which would otherwise be needed for the South/North light rail or for a possible Community Bridge and Road Program.

5. Supports acknowledgement of the locally funded Airport light rail project in ISTEA if it can help secure ISTEA funding for South/North LRT.

6. Acknowledges that funding for roads and bridges remains critical and that pursuit of the Airport LRT project should not detract from the region's implementation of a Community Bridge and Road Program.

ADOPTED by the Metro Council this _____ day of __________, 1997.

____
Jon Kvistad, Presiding Officer

Approved as to Form:

____
Daniel B. Cooper, General Counsel

ACC:lmk
97-2458.RES
2-5-97

STAFF REPORT

CONSIDERATION OF RESOLUTION NO. 97-2460 FOR THE PURPOSE OF ENDORSING THE SOUTH/NORTH LIGHT RAIL PROJECT FINANCE PLAN

Date: February 11, 1997 Presented by: Andrew Cotugno

PROPOSED ACTION

This resolution endorses the South/North Light Rail Project Financial Plan as adopted by the South/North Steering Committee on February 4, 1997. The resolution also excludes State Transportation Improvement Plan funding from Fiscal Year 1998-2001 from the South/North Finance Plan. Finally, the resolution requests that the South/North Steering Committee develop and adopt revisions to the South/North Light Rail Project Financial Plan as required in order to respond to the federal reauthorization process and/or to the adoption of the "locally preferred strategy" at the end of the Draft Environmental Impact Statement process (DEIS).

FACTUAL BACKGROUND AND ANALYSIS

Background

The South/North Finance Plan was adopted by the South/North Steering Committee on February 4, 1997 in response to Resolution No. 96-2442 (for the purpose of endorsing a regional position on reauthorization of the Intermodal Surface Transportation Efficiency Act (ISTEA)) approved by Metro Council on January 23, 1997. Specifically, Exhibit A of Resolution No. 96-2442 calls for the adoption of a detailed financial plan that would propose local and federal funding shares for a South/North Phase One project to form the basis of the Region's request for federal Section 3 "New Starts" funds to be included within the reauthorization of ISTEA.

On January 28, 1997, a joint work session of the South/North Steering Committee and the South/North Citizens Advisory Committee was held. At the work session, members of the committees discussed various conceptual cost-cutting measures being developed by project staff. Those cost-cutting measures, while conceptual and preliminary, could provide the opportunity to reduce project costs by approximately one-third. The committees discussed several project segments and their preliminary costs and ridership estimates as a result of those measures.

Specifically, a potential Phase I project from the Clackamas Regional Center to the vicinity of Lombard Street in North Portland was discussed as having the highest ridership potential with the lowest cost per mile if a funding plan for approximately $1.3 billion could be developed. It was explained that the Phase I project would need to be divided into two construction segments. The first construction segment (or Interim Operable Segment (IOS)) would be funded under the pending ISTEA reauthorization. The second construction segment would be funded under the subsequent ISTEA reauthorization.

Summary of the Finance Plan

Subsequent to the work session, a draft finance plan for the South/North Project was discussed at the January 30, 1997 meeting of the Finance Committee of the Joint Policy Committee on Transportation (JPACT). The JPACT Finance Committee recommended the adoption of the draft finance plan to the South/North Steering Committee reflecting further consideration by JPACT of a resolution concerning a potential light rail extension to the Portland International Airport.

The South/North Finance Plan includes the following key elements:

- The Phase I South/North Light Rail Project would run between the Clackamas Regional Center and Lombard Street in North Portland. The Phase II South/North Project would complete the Downtown Portland North Mall light rail extension between Pioneer Square and the Steel Bridge and extend the project to Clark County and Oregon City.

- The Phase I South/North Project would be constructed in segments (see Figure 1). The first "interim operable segment" (IOS-1) would run between the Clackamas Regional Center and the Rose Quarter. The second segment (IOS-2) would extend the line from the Rose Quarter to Lombard Street.

- The funding request for the upcoming reauthorization of ISTEA is for the construction of IOS-1 and final design for IOS-2.

- The region has committed $540 million for the Phase I project from voter approved general obligation bonds and other locally controlled funds. In order to keep the Section 3 request as low as possible, locally controlled funds would be advanced into IOS-1.

- The Section 3 request for the upcoming reauthorization bill is $487.1 million. The federal share would be 49 percent for the initial IOS-1 request and 58 percent for the overall Phase I South/North Project.

- Federal funding for IOS-2 would be requested in a subsequent federal authorization bill. The local overmatch in IOS-1 (plus the non-federal funds used to construct the Airport Light Rail, if appropriate) would be used to match the federal share for IOS-2.

The finance plan is based upon the assumption that approximately $500 million in cost reductions (approximately one-third) would be made (compared to the November 1996 Clackamas Regional Center to Rose Quarter representative alignment). However, the finance plan does not stipulate which cost-cutting measures should be adopted to reach that target.

Finally, the finance plan and resolution note that the plan may be amended to respond to the results of the federal reauthorization process and/or to the adoption of the "locally preferred strategy" at the end of the DEIS process.

Related Activities

The process to amend the range of alternatives to be studied further in the DEIS will be initiated in March 1997. The purpose of the amendments will be to address possible cost-cutting options within the DEIS, in order to provide comparative information on costs, benefits and travel demand. Following publication of the DEIS, the region will adopt the locally preferred strategy (LPS). The LPS will adopt the length and alignment for the preferred Phase I project, the first construction segment and the specific cost-cutting measures to incorporate into the design of the project.

Extensive public involvement activities have and will continue to be incorporated into the South/North Light Rail Project. Following the November 1996 election, project staff and Steering Committee members met with various citizen and business groups and with the South/North Citizens Advisory Committee (CAC) as the project worked to determine which next steps the project should take. The CAC also discussed and unanimously recommended the adoption of the ISTEA position paper. In addition, participating jurisdiction staff, CAC members and elected officials have been participating in presentations and discussions with established community groups throughout the region. The next steps in the public involvement process will be to tally the results of a mailer/questionnaire (over 100,000 have been distributed to date). In March 1997, the project will implement a public involvement program supporting the process to amend the DEIS alternatives. And finally, an extensive public process will be incorporated into the adoption of the LPS report, including a 45-day public comment period immediately following publication of the DEIS.

The South/North Steering Committee forwarded the adopted finance plan to members of the Oregon congressional delegation. In addition, the project will be submitting responses to several questions asked by the House Committee on Transportation and Infrastructure, Subcommittee on Surface Transportation. The subcommittee, which is considering elements of the ISTEA reauthorization bill, requested that all members of Congress seeking funding through the bill respond to fourteen specific questions by February 25, 1997. The project's response to those questions will be based on the adopted finance plan and on-going environmental and travel demand forecasting analysis.

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ENDORSING THE SOUTH/NORTH LIGHT RAIL PROJECT FINANCE PLAN	) RESOLUTION NO. 97-2460) Introduced by) Mike Burton,) Executive Officer

WHEREAS, The Intermodal Surface Transportation Efficiency Act (ISTEA) was adopted by Congress in 1991; and

WHEREAS, ISTEA is scheduled to expire at the end of federal Fiscal Year 1997 (September 30, 1997); and

WHEREAS, Congress will be considering reauthorization of ISTEA beginning in March 1997 and has asked for requests for federal funding to be submitted by February 25, 1997; and

WHEREAS, The South/North Light Rail Project requires federal funds in order to be constructed; and

WHEREAS, It is through ISTEA that a federal "New Rail Starts" funding commitment would be made; and

WHEREAS, Metro Council adopted Resolution No. 96-2442 in January 1997, which endorsed a Regional Position on reauthorization of ISTEA; and

WHEREAS, Resolution No. 96-2442 calls for the development of a detailed financial plan for the South/North Light Rail Project; and

WHEREAS, The South/North Steering Committee adopted a detailed financial plan for the South/North Light Rail Project on February 4, 1997; now, therefore,

BE IT RESOLVED,

That the Metro Council:

1. Endorses the South/North Light Rail Project Financial Plan as adopted by the South/North Steering Committee on February 4, 1997 and included herein as Exhibit A.

2. Excludes State Transportation Improvement Plan funding from Fiscal Year 1998-2001 from the South/North Finance Plan.

3. Requests that the South/North Steering Committee develop and adopt revisions to the South/North Light Rail Project Financial Plan as required in order to respond to the federal

reauthorization process and/or to the adoption of the "locally preferred strategy" at the end of the Draft Environmental Impact Statement process.

ADOPTED by the Metro Council this _____ day of _______________, 1997

____

Jon Kvistad, Presiding Officer

Approved as to Form:

____

Daniel B. Cooper, General Counsel

February 12, 1997

I:\CLERICAL\JAN\DOCS\FIN2460.RES

600 NORTHEAST GRAND AVENUE | PORTLAND, OREGON 97232 2736
TEL 503 797 1700 | FAX 503 797 1797

EXHIBIT A

METRO

February 4, 1997

The Honorable Ron Wyden
259 Russell Senate Office Building
Washington, D.C. 20510

Dear Senator Wyden:

On February 4, 1997, the South/North Steering Committee adopted the attached funding plan for the South/North Light Rail Project. The funding plan was recommended to the Steering Committee by the Joint Policy Advisory Committee on Transportation (JPACT) Finance Committee. Based on this plan, we request $487.1 million in federal funds in the upcoming Intermodal Surface Transportation Efficiency Act (ISTEA) reauthorization bill for the initial segment of the South/North Light Rail Project. The plan may be amended to respond to the results of the federal reauthorization process and to the adoption of the "locally preferred strategy" at the end of the Draft Environmental Impact Statement (DEIS) process.

FUNDING PLAN

Following are the major elements of the adopted finance plan:

- The Phase I South/North Light Rail Project would run between the Clackamas Regional Center and Lombard Street in North Portland. The Phase II South/North Project would complete the Downtown Portland North Mall light rail extension between Pioneer Square and the Steel Bridge and extend the project to Clark County and Oregon City.

- The Phase I South/North Project would be constructed in segments (see Figure 1). The first "interim operable segment" (IOS-1) would run between the Clackamas Regional Center and the Rose Quarter. The second segment (IOS-2) would extend the line from the Rose Quarter to Lombard Street.

- The funding request for the upcoming reauthorization of ISTEA is for the construction of IOS-1 and final design for IOS-2.

- The Region has committed $540 million for the Phase I project from voter approved general obligation bonds and other locally controlled funds. In order to keep the Section 3 request as low as possible, locally controlled funds would be advanced into IOS-1.

- The Section 3 request for the upcoming reauthorization bill is $487.1 million. The federal share would be 49 percent for the initial IOS-1 request and 58 percent for the overall Phase I South/North Project.

- Federal funding for IOS-2 would be requested in a subsequent federal authorization bill. The local overmatch in IOS-1 (plus the non-federal funds used to construct the Airport Light Rail, if appropriate) would be used to match the federal share for IOS-2.

AIRPORT LIGHT RAIL EXTENSION

The region is considering pursuing an "undertaking" consisting of the Phase I South/North Light Rail Project and the Airport Light Rail Project, if such an undertaking helps to secure congressional approval of the Section 3 request for the South/North Light Rail Project. The Airport Light Rail Project would be fully funded with non-federal funds and would be pursued in a manner that does not compete for funding with the South/North Light Rail Project. The resulting federal share for the South/North Light Rail-Airport Light Rail "undertaking" would be 52 percent. If referencing the Airport Light Rail Project in the ISTEA language is ill-advised, the proposed ISTEA language would focus solely on the South/North Light Rail Project.

ASSUMPTIONS

Following are key assumptions of the adopted finance plan:

- Approximately $500 million in cost reductions, compared with the November 1996 Clackamas Regional Center to Rose Quarter representative alignment, will be adopted through the DEIS process and "locally preferred strategy" decision.

- The Full Funding Grant Agreement or a Letter of No Prejudice will be executed in mid-1999.

- Construction will be expedited within a five-year schedule by using local funds for advanced design prior to the execution of the Full Funding Grant Agreement or Letter of No Prejudice.

- Appropriations will run about $100 million per year and more than $120 million of interim borrowing capacity will be available. Lower levels of annual appropriations will necessitate higher levels of interim borrowing.

Attachment: Funding Plan, Tables One and Two.

Ed Washington
Councilor Ed Washington
Metro
Chair, South/North Steering Committee

Commissioner Ed Lindquist
Clackamas County

Charlie Hales
Commissioner Charlie Hales
City of Portland

Dan Fowler
Mayor Dan Fowler
Oregon City

Craig Lomnicki
Mayor Craig Lomnicki
City of Milwaukie

Donald S. McClave
Donald S. McClave
Tri-Met Board of Directors

Don Wagner
Don Wagner, ODOT
Region 1 Administrator

Gary Hansen
Commissioner Gary Hansen
Multnomah County

South North Light Rail
Finance Plan
February 4, 1997

I. South/North Project Description

This finance plan is based upon a Phase I South/North Light Rail Project which would run between the Clackamas Regional Center and Lombard Street in north Portland. This plan, which was recommended by the Joint Policy Advisory Committee on Transportation (JPACT), was adopted unanimously by the South/North Steering Committee on February 4, 1997.

II. Segmentation

Under the finance plan, the Phase I Project would be built in two construction segments called Interim Operable Segments (IOS)–see Figure 1. The first construction segment (IOS-1) would be built between Clackamas Regional Center and the Rose Quarter. IOS-1 includes funding for the final design of IOS-2. The construction of the Rose Quarter to Lombard Street segment (IOS-2) would immediately follow IOS-1. From an outside perspective, the project would appear seamless, although the initial Full Funding Grant Agreement (FFGA) would only fund IOS-1 and the final design of IOS-2. The FFGA would have to be amended to incorporate the construction of IOS-2 when federal funds are authorized for this segment during ISTEA-3. The initial FFGA would state an intent to construct the full-length project.

III. ISTEA-2 Authorization Needs

The Section 3 authorization needed in ISTEA-2 is derived from the funding plan for IOS-1 shown in Table 2 (again, this plan includes funding for the final design of IOS-2). The funding plan includes a five-year construction schedule beginning on the FFGA execution date. This would require that advanced design for IOS-1 be prepared concurrently with Preliminary Engineering/Final Environmental Impact Statement activities which could be funded with $15 million of local funds from the 1990 General Obligation Bond (G.O. Bond). Since this effort occurs prior to the construction schedule shown in Table 1, these activities are not included in Table 1.

As shown in Table 1, the Section 3 authorization request for the upcoming reauthorization of the Intermodal Surface Transportation Efficiency Act (ISTEA-2) is proposed to be $487.1 million. The Section 3 match ratio for IOS-1 would be 48.6%. This results from advancing all available G.O. Bond funds toward the construction of IOS-1. However, no FY 2005 (or later) Surface Transportation Program (STP) funds would be advanced into IOS-1–these would be used for IOS-2.

It should be noted that, given the appropriation level assumptions (e.g., Section 3 funds would be appropriated at 50% of project needs up to $100 million), $118.6 million of (end-of-year) interim borrowing would be needed for IOS-1 (see footnotes on Table 1 and Table 2). It is assumed that these funds would be repaid as soon as and to the extent that subsequent Section 3 appropriation levels exceed annual project funding requirements.

IV. Total Project Match Ratio

Table 1 shows the total project finance plan (IOS-1 and IOS-2 together). The total estimated cost of the project is $1.3 billion in year-of-expenditures dollars (based upon the expenditure flow within this plan). The total Section 3 authorization requirement, which would be requested over two authorization cycles, would be $760 million–$487.1 million in ISTEA-2 and $272.9 million in ISTEA-3.

Viewed on a percentage basis, 58% of the total (IOS-1 and IOS-2) project would be funded by Section 3 funds, 4% by STP funds, 1% by development-related sources (tax increment) and 37% by the G.O. Bonds.

V. Assumptions

The plan is based upon a FFGA execution date in mid-1999 and on a schedule that would use the $15 million of 1990 G.O. Bonds for "advanced design" activities during the PE/FEIS stage. Both of these elements of the funding plan schedule are needed to achieve the aggressive construction schedule used herein.

This finance plan is also based on capital cost estimates that would incorporate about $500 million in cost savings to be derived from decisions to accept cost reduction actions. This plan does not stipulate which of those reductions is taken.

It is important to note that there is no slack in the finance plan–a $487.1 million authorization is needed in ISTEA-2 to execute an FFGA which covers a CRC to Rose Quarter IOS-1 and final design for the Rose Quarter to Lombard Street segment. Additional funding would be needed if a more expensive alignment option–for example, Caruthers Bridge, Interstate Avenue, etc.–was selected than assumed in this base finance plan. Also, note that annual appropriation levels may be less than those assumed in the plan (even if the authorization request is approved). Lower than anticipated annual appropriations would have a major impact on the amount of interim borrowing that would be needed.

If the Section 3 authorization is roughly $30 million less than requested, then the CRC to Rose Quarter segment can be built, but the final design for IOS-2 would not be included in IOS-1 (and, as a result, the cost of IOS-2 would increase). An authorization below $457 million implies that additional local funding and/or cost reductions would have to be found to construct the CRC to Rose Quarter segment. Even with additional local funds and cost savings, Congress may authorize Section 3 funding below what is needed for IOS-1. In that case, the scope of IOS-1 would have to be changed from CRC to Rose Quarter to a shorter segment, such as Milwaukie to Rose Quarter. A revised financing plan would be produced if this situation arises.

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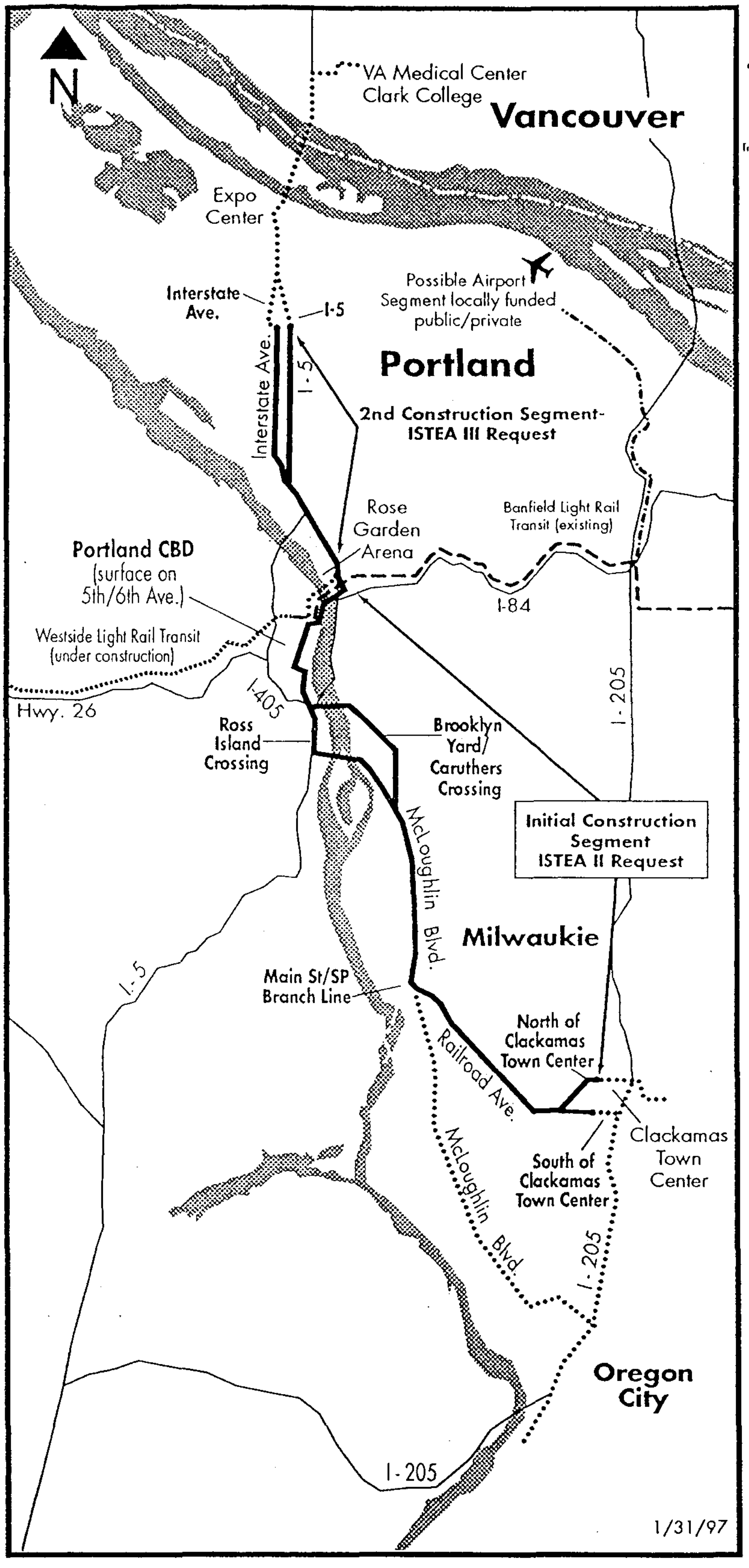

South/North LRT

Phase One Project

Phase Two Extension

East/West MAX

Banfield LRT

Possible Airport Extension

Westside LRT

Figure 1

South/North Transit Corridor Study "Snapshot"

Need

- It is estimated that approximately 700,000 more people will live in the Portland Metro area by the year 2015.
- Congestion will increase and air quality will deteriorate.

The Project

- A Full-Length Bi-State Project connecting Clackamas, Multnomah and Clark Counties.
- A 15 Mile Phase One Project starting in Clackamas Town Center in the south and ending near Lombard Street in North Portland. Phase Two extensions to Clark County and Oregon City.

Benefits

- By the year 2015, 40,000 rides per weekday would be taken on Phase One South/North Light Rail. The Full-Length Bi-State project would carry over 68,000 rides.
- Travel by light rail during rush hour between major points like Clackamas Town Center and the downtowns of Portland, Milwaukie and Vancouver would be faster than by car or bus.
- South/North LRT will add the equivalent long-term capacity of a six-lane freeway from Clackamas Town Center through downtown Portland at approximately one-third the cost.
- Approximately 29,000 full-time family-wage jobs would be created by the project during the construction period.
- In the year 2015, The Phase One South/North Project would reduce total air pollution by approximately 400 tons per year.

ISTEA II Request

- $487.1 million in Section 3 Funds for the Initial Construction Segment.

Table 1
South/North Funding Plan

Federal Fiscal Year:	FY00	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	Total
Requirements										
IOS-1 Construction Costs	$ 30.2	$103.4	$282.2	$299.4	$247.3					**$962.4**
Finance Costs	$3.5		$6.0		$2.3					**$11.8**
IOS-1 Total Obligations	$33.7	$103.4	$288.2	$299.4	$249.6					**$974.3**
IOS-2 Construction Costs					$27.9	$106.5	$112.0	$63.4		**$313.8**
Finance Costs						$4.7	$4.8	$4.4	$2.0	**$11.9**
IOS-2 Total Obligations					$27.9	$111.2	$116.8	$67.8	$2.0	**$325.7**
Total Obligations	**$33.7**	**$103.4**	**$288.2**	**$299.4**	**$277.5**	**$111.2**	**$116.8**	**$67.8**	**$2.0**	**$1,300.0**
Revenues										
Section 3 Funds Approp.[1]	$16.9	$51.7	$100.0	$100.0	$100.0	$100.0	$100.0	$100.0	$91.4[3]	**$760.0**
STP Funds	$6.0	$6.0	$6.0	$6.0	$6.0	$5.0	$10.0	$10.0		**$55.0**
Tax Increment Funds		$10.0								**$10.00**
G.O. Bond	$10.8	$35.7	$182.2	$193.4	$52.9					**$475.0**
Interim Borrowing[2]					$118.6	$6.2	$6.8	[$42.2]	[$89.4]	**$0.0**
Total Revenues	**$33.7**	**$103.4**	**$288.2**	**$299.4**	**$277.5**	**$111.2**	**$116.8**	**$67.8**	**$2.0**	**$1,300.0**

1 This financing plan assumes that no more than $100 million of Section 3 funds would be appropriated to the project in any one fiscal year.
2 Interim borrowing is used to bridge revenue needs caused by the assumed $100 million limit on federal appropriations.
3 These funds are used to repay the outstanding interim borrowing costs.

Note: All dollar amounts shown in millions. Totals may differ from FY detail due to rounding.

Table 2
South/North Funding Plan: IOS-1

Federal Fiscal Year:	FY00	FY01	FY02	FY03	FY04	FY05	FY06	FY07	Total
Requirements									
IOS-1 Construction Costs	$ 30.2	$103.4	$282.2	$299.4	$247.3				**$962.4**
Finance Costs	$3.5		$6.0		$2.3				**$11.8**
IOS-1 Total Obligations	$33.7	$103.4	$288.2	$299.4	$249.6				**$974.3**
IOS-2 Construction Costs					$27.9				**$27.9**
Finance Costs					$0.0				**$0.0**
IOS-2 Total Obligations					$27.9				**$27.9**
Total Obligations	**$33.7**	**$103.4**	**$288.2**	**$299.4**	**$277.5**				**$1,002.1**
Revenues									
Section 3 Funds Approp.	$16.9	$51.7	$100.0	$100.0	$100.0	$118.6[1]			**$487.1**[1]
STP Funds	$6.0	$6.0	$6.0	$6.0	$6.0				**$30.0**
Tax Increment Funds		$10.0							**$10.00**
G.O. Bond	$10.8	$35.7	$182.2	$193.4	$52.9				**$475.0**
Interim Borrowing					$118.6	[$118.6][1]			**$0.0**
Total Revenues	**$33.7**	**$103.4**	**$288.2**	**$299.4**	**$277.5**	**$0.0**			**$1,002.1**

[1] The $487.1 million total Section 3 requirement is an "authorization" number. Assuming the project proceeds with IOS-2, the $118.6 million interim borrowing repayment shown in FY 2005 in this table would not actually occur until the end of IOS-2 in FY 2007 and 2008. Instead, the federal Section 3 appropriation in FY 2005 would be used for IOS-2 and the interim borrowing for IOS-1 would be carried forward. If IOS-2 did not proceed, then these funds would be used to repay the interim borrowing.

Note: All dollar amounts shown in millions. Totals may differ from FY detail due to rounding.

600 NORTHEAST GRAND AVENUE | PORTLAND, OREGON 97232 2736
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METRO

February 4, 1997

The Honorable Ron Wyden
259 Russell Senate Office Building
Washington, D.C. 20510

Dear Senator Wyden:

On February 4, 1997, the South/North Steering Committee adopted the attached funding plan for the South/North Light Rail Project. The funding plan was recommended to the Steering Committee by the Joint Policy Advisory Committee on Transportation (JPACT) Finance Committee. Based on this plan, we request $487.1 million in federal funds in the upcoming Intermodal Surface Transportation Efficiency Act (ISTEA) reauthorization bill for the initial segment of the South/North Light Rail Project. The plan may be amended to respond to the results of the federal reauthorization process and to the adoption of the "locally preferred strategy" at the end of the Draft Environmental Impact Statement (DEIS) process.

FUNDING PLAN

Following are the major elements of the adopted finance plan:

- The Phase I South/North Light Rail Project would run between the Clackamas Regional Center and Lombard Street in North Portland. The Phase II South/North Project would complete the Downtown Portland North Mall light rail extension between Pioneer Square and the Steel Bridge and extend the project to Clark County and Oregon City.

- The Phase I South/North Project would be constructed in segments (see Figure 1). The first "interim operable segment" (IOS-1) would run between the Clackamas Regional Center and the Rose Quarter. The second segment (IOS-2) would extend the line from the Rose Quarter to Lombard Street.

- The funding request for the upcoming reauthorization of ISTEA is for the construction of IOS-1 and final design for IOS-2.

- The Region has committed $540 million for the Phase I project from voter approved general obligation bonds and other locally controlled funds. In order to keep the Section 3 request as low as possible, locally controlled funds would be advanced into IOS-1.

- The Section 3 request for the upcoming reauthorization bill is $487.1 million. The federal share would be 49 percent for the initial IOS-1 request and 58 percent for the overall Phase I South/North Project.

- Federal funding for IOS-2 would be requested in a subsequent federal authorization bill. The local overmatch in IOS-1 (plus the non-federal funds used to construct the Airport Light Rail, if appropriate) would be used to match the federal share for IOS-2.

AIRPORT LIGHT RAIL EXTENSION

The region is considering pursuing an "undertaking" consisting of the Phase I South/North Light Rail Project and the Airport Light Rail Project, if such an undertaking helps to secure congressional approval of the Section 3 request for the South/North Light Rail Project. The Airport Light Rail Project would be fully funded with non-federal funds and would be pursued in a manner that does not compete for funding with the South/North Light Rail Project. The resulting federal share for the South/North Light Rail-Airport Light Rail "undertaking" would be 52 percent. If referencing the Airport Light Rail Project in the ISTEA language is ill-advised, the proposed ISTEA language would focus solely on the South/North Light Rail Project.

ASSUMPTIONS

Following are key assumptions of the adopted finance plan:

- Approximately $500 million in cost reductions, compared with the November 1996 Clackamas Regional Center to Rose Quarter representative alignment, will be adopted through the DEIS process and "locally preferred strategy" decision.
- The Full Funding Grant Agreement or a Letter of No Prejudice will be executed in mid-1999.
- Construction will be expedited within a five-year schedule by using local funds for advanced design prior to the execution of the Full Funding Grant Agreement or Letter of No Prejudice.
- Appropriations will run about $100 million per year and more than $120 million of interim borrowing capacity will be available. Lower levels of annual appropriations will necessitate higher levels of interim borrowing.

Attachment: Funding Plan, Tables One and Two.

Ed. Washington
Councilor Ed Washington
Metro
Chair, South/North Steering Committee

Commissioner Ed Lindquist
Clackamas County

Commissioner Charlie Hales
City of Portland

Dan Fowler
Mayor Dan Fowler
Oregon City

Craig J. Lomnicki
Mayor Craig Lomnicki
City of Milwaukie

Donald S. McClave
Tri-Met Board of Directors

Don Wagner
Don Wagner, ODOT
Region 1 Administrator

Commissioner Gary Hansen
Multnomah County

South North Light Rail
Finance Plan
February 4, 1997

I. South/North Project Description

This finance plan is based upon a Phase I South/North Light Rail Project which would run between the Clackamas Regional Center and Lombard Street in north Portland. This plan, which was recommended by the Joint Policy Advisory Committee on Transportation (JPACT), was adopted unanimously by the South/North Steering Committee on February 4, 1997.

II. Segmentation

Under the finance plan, the Phase I Project would be built in two construction segments called Interim Operable Segments (IOS)–see Figure 1. The first construction segment (IOS-1) would be built between Clackamas Regional Center and the Rose Quarter. IOS-1 includes funding for the final design of IOS-2. The construction of the Rose Quarter to Lombard Street segment (IOS-2) would immediately follow IOS-1. From an outside perspective, the project would appear seamless, although the initial Full Funding Grant Agreement (FFGA) would only fund IOS-1 and the final design of IOS-2. The FFGA would have to be amended to incorporate the construction of IOS-2 when federal funds are authorized for this segment during ISTEA-3. The initial FFGA would state an intent to construct the full-length project.

III. ISTEA-2 Authorization Needs

The Section 3 authorization needed in ISTEA-2 is derived from the funding plan for IOS-1 shown in Table 2 (again, this plan includes funding for the final design of IOS-2). The funding plan includes a five-year construction schedule beginning on the FFGA execution date. This would require that advanced design for IOS-1 be prepared concurrently with Preliminary Engineering/Final Environmental Impact Statement activities which could be funded with $15 million of local funds from the 1990 General Obligation Bond (G.O. Bond). Since this effort occurs prior to the construction schedule shown in Table 1, these activities are not included in Table 1.

As shown in Table 1, the Section 3 authorization request for the upcoming reauthorization of the Intermodal Surface Transportation Efficiency Act (ISTEA-2) is proposed to be $487.1 million. The Section 3 match ratio for IOS-1 would be 48.6%. This results from advancing all available G.O. Bond funds toward the construction of IOS-1. However, no FY 2005 (or later) Surface Transportation Program (STP) funds would be advanced into IOS-1–these would be used for IOS-2.

It should be noted that, given the appropriation level assumptions (e.g., Section 3 funds would be appropriated at 50% of project needs up to $100 million), $118.6 million of (end-of-year) interim borrowing would be needed for IOS-1 (see footnotes on Table 1 and Table 2). It is assumed that these funds would be repaid as soon as and to the extent that subsequent Section 3 appropriation levels exceed annual project funding requirements.

IV. Total Project Match Ratio

Table 1 shows the total project finance plan (IOS-1 and IOS-2 together). The total estimated cost of the project is $1.3 billion in year-of-expenditures dollars (based upon the expenditure flow within this plan). The total Section 3 authorization requirement, which would be requested over two authorization cycles, would be $760 million–$487.1 million in ISTEA-2 and $272.9 million in ISTEA-3.

Viewed on a percentage basis, 58% of the total (IOS-1 and IOS-2) project would be funded by Section 3 funds, 4% by STP funds, 1% by development-related sources (tax increment) and 37% by the G.O. Bonds.

V. Assumptions

- The plan is based upon a FFGA execution date in mid-1999 and on a schedule that would use the $15 million of 1990 G.O. Bonds for "advanced design" activities during the PE/FEIS stage. Both of these elements of the funding plan schedule are needed to achieve the aggressive construction schedule used herein.

This finance plan is also based on capital cost estimates that would incorporate about $500 million in cost savings to be derived from decisions to accept cost reduction actions. This plan does not stipulate which of those reductions is taken.

It is important to note that there is no slack in the finance plan–a $487.1 million authorization is needed in ISTEA-2 to execute an FFGA which covers a CRC to Rose Quarter IOS-1 and final design for the Rose Quarter to Lombard Street segment. Additional funding would be needed if a more expensive alignment option–for example, Caruthers Bridge, Interstate Avenue, etc.–was selected than assumed in this base finance plan. Also, note that annual appropriation levels may be less than those assumed in the plan (even if the authorization request is approved). Lower than anticipated annual appropriations would have a major impact on the amount of interim borrowing that would be needed.

If the Section 3 authorization is roughly $30 million less than requested, then the CRC to Rose Quarter segment can be built, but the final design for IOS-2 would not be included in IOS-1 (and, as a result, the cost of IOS-2 would increase). An authorization below $457 million implies that additional local funding and/or cost reductions would have to be found to construct the CRC to Rose Quarter segment. Even with additional local funds and cost savings, Congress may authorize Section 3 funding below what is needed for IOS-1. In that case, the scope of IOS-1 would have to be changed from CRC to Rose Quarter to a shorter segment, such as Milwaukie to Rose Quarter. A revised financing plan would be produced if this situation arises.

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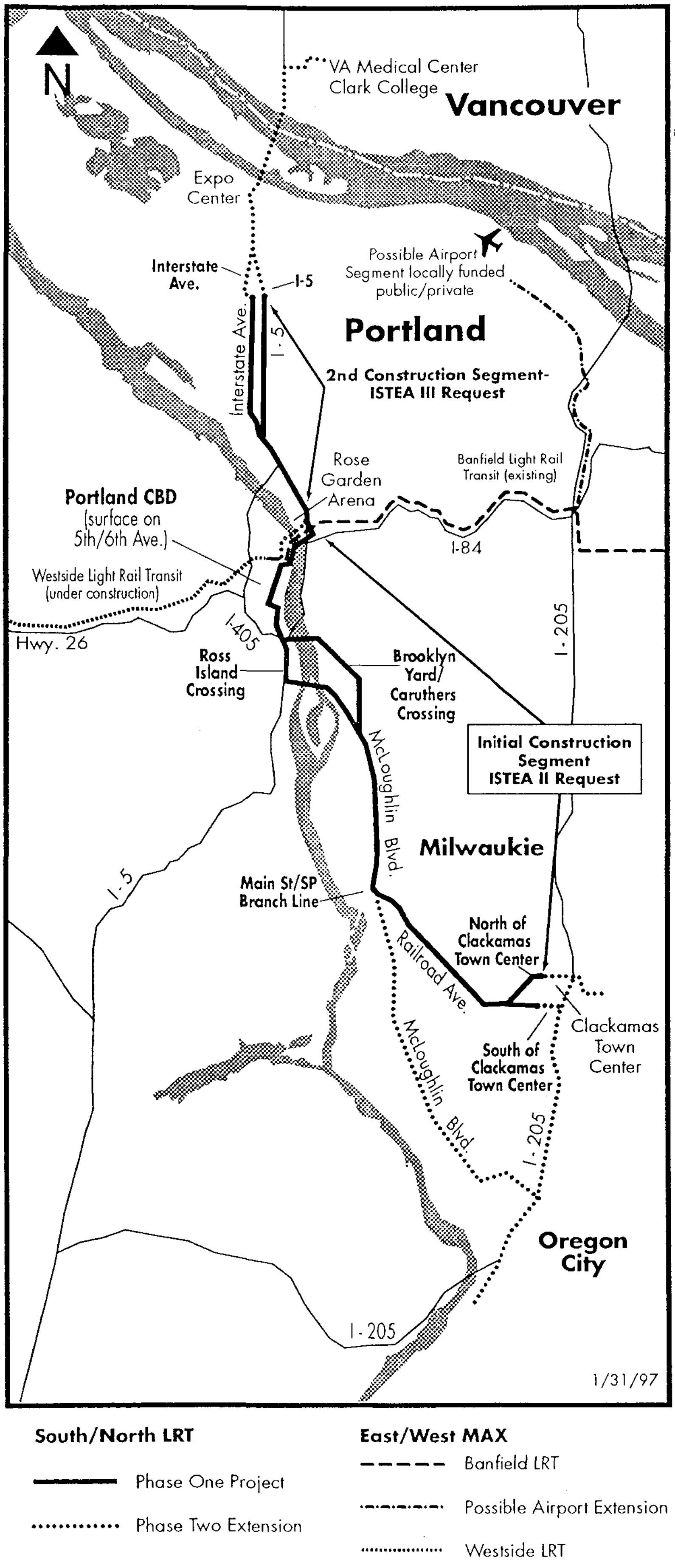

Figure 1

South North Transit Corridor Study

South/North Transit Corridor Study "Snapshot"

Need

- It is estimated that approximately 700,000 more people will live in the Portland Metro area by the year 2015.
- Congestion will increase and air quality will deteriorate.

The Project

- A Full-Length Bi-State Project connecting Clackamas, Multnomah and Clark Counties.
- A 15 Mile Phase One Project starting in Clackamas Town Center in the south and ending near Lombard Street in North Portland. Phase Two extensions to Clark County and Oregon City.

Benefits

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ISTEA II Request

- *$487.1 million in Section 3 Funds for* the Initial Construction Segment.

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IOS-1 Total Obligations	$33.7	$103.4	$288.2	$299.4	$249.6					**$974.3**
IOS-2 Construction Costs					$27.9	$106.5	$112.0	$63.4		**$313.8**
Finance Costs						$4.7	$4.8	$4.4	$2.0	**$11.9**
IOS-2 Total Obligations					$27.9	$111.2	$116.8	$67.8	$2.0	**$325.7**
Total Obligations	**$33.7**	**$103.4**	**$288.2**	**$299.4**	**$277.5**	**$111.2**	**$116.8**	**$67.8**	**$2.0**	**$1,300.0**
Revenues										
Section 3 Funds Approp.[1]	$16.9	$51.7	$100.0	$100.0	$100.0	$100.0	$100.0	$100.0	$91.4[3]	**$760.0**
STP Funds	$6.0	$6.0	$6.0	$6.0	$6.0	$5.0	$10.0	$10.0		**$55.0**
Tax Increment Funds		$10.0								**$10.00**
G.O. Bond	$10.8	$35.7	$182.2	$193.4	$52.9					**$475.0**
Interim Borrowing[2]					$118.6	$6.2	$6.8	[$42.2]	[$89.4]	**$0.0**
Total Revenues	**$33.7**	**$103.4**	**$288.2**	**$299.4**	**$277.5**	**$111.2**	**$116.8**	**$67.8**	**$2.0**	**$1,300.0**

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Table 2
South/North Funding Plan: IOS-1

Federal Fiscal Year:	FY00	FY01	FY02	FY03	FY04	FY05	FY06	FY07	Total
Requirements									
IOS-1 Construction Costs	$ 30.2	$103.4	$282.2	$299.4	$247.3				**$962.4**
Finance Costs	$3.5		$6.0		$2.3				**$11.8**
IOS-1 Total Obligations	$33.7	$103.4	$288.2	$299.4	$249.6				**$974.3**
IOS-2 Construction Costs					$27.9				**$27.9**
Finance Costs					$0.0				**$0.0**
IOS-2 Total Obligations					$27.9				**$27.9**
Total Obligations	**$33.7**	**$103.4**	**$288.2**	**$299.4**	**$277.5**				**$1,002.1**
Revenues									
Section 3 Funds Approp.	$16.9	$51.7	$100.0	$100.0	$100.0	$118.6[1]			**$487.1**[1]
STP Funds	$6.0	$6.0	$6.0	$6.0	$6.0				**$30.0**
Tax Increment Funds		$10.0							**$10.00**
G.O. Bond	$10.8	$35.7	$182.2	$193.4	$52.9				**$475.0**
Interim Borrowing					$118.6	[$118.6][1]			**$0.0**
Total Revenues	**$33.7**	**$103.4**	**$288.2**	**$299.4**	**$277.5**	**$0.0**			**$1,002.1**

[1] The $487.1 million total Section 3 requirement is an "authorization" number. Assuming the project proceeds with IOS-2, the $118.6 million interim borrowing repayment shown in FY 2005 in this table would not actually occur until the end of IOS-2 in FY 2007 and 2008. Instead, the federal Section 3 appropriation in FY 2005 would be used for IOS-2 and the interim borrowing for IOS-1 would be carried forward. If IOS-2 did not proceed, then these funds would be used to repay the interim borrowing.

Note: All dollar amounts shown in millions. Totals may differ from FY detail due to rounding.

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METRO

February 13, 1997

The Honorable Ron Wyden
United States Senate
259 Russell Senate Office Building
Washington, D.C. 20510

Dear Senator Wyden:

On behalf of the Portland region, we are pleased to provide you with recommendations on reauthorization of the Intermodal Surface Transportation Efficiency Act (ISTEA). Financing and implementation of a multi-modal transportation system in the Portland region is critically important to maintaining the livability and economic viability of the region and reaching our growth management aspirations defined in the 2040 Growth Concept.

Attached is a Position Paper developed cooperatively through Metro's Joint Policy Advisory Committee on Transportation (JPACT) by the governments and transportation agencies serving the Portland region. It addresses both policy issues likely to be debated as part of the reauthorization process as well as projects for which earmarked funding should be considered. Also enclosed is more detailed information for projects reflected in this Position Paper prepared in response to the House Committee on Transportation and Infrastructure for potential inclusion in ISTEA.

Thank you for your continued support in assisting the Portland region in meeting these priorities.

Sincerely,

Mike Burton, Executive Officer
Metro

Presiding Officer Jon Kvistad
Metro Council, JPACT Chair

Councilor Ed Washington
Metro Council, JPACT Member

Councilor Susan McLain
Metro Council, JPACT Member

Commissioner Tanya Collier
Multnomah County

Commissioner Roy Rogers
Washington County

Commissioner Charlie Hales
City of Portland

Commissioner Ed Lindquist
Clackamas County

Mayor Rob Drake
Cities of Washington County

Mayor Craig Lomnicki
Cities of Clackamas County

Grace Crunican, Director
ODOT

Mike Thorne, Executive Director
Port of Portland

Councilor Jim Kight
Cities of Multnomah County

Langdon Marsh, Director
DEQ

Tom Walsh, General Manager
Tri-Met

Portland Regional ISTEA Position Paper

Highlights

ISTEA Policy Direction

In general, we support the policy direction set by ISTEA when it was adopted in 1991 and urge that you support retaining it largely intact with a few refinements. In particular, we support the multi-modal emphasis of ISTEA, the funding flexibility to allocate ISTEA funds to the most appropriate transportation solution and the decision-making process involving a partnership between local, regional and state governments and transportation agencies. Potential areas of refinement include aspects dealing with innovative finance methods, re-establishment of a Congestion Pricing Pilot Program, revision of archaic distribution formulas resulting in Oregon being a "donor" state and funding for intercity rail and bus passenger services. In addition, we support return of 4.3 cents of gas tax now dedicated to deficit reduction to intercity passenger services and the Highway and Transit Trust Funds.

Westside and South/North LRT

A very important element of ISTEA is authorization of light rail projects through the federal "New Rail Starts" program. Completion of the Westside LRT project and initiation of the South/North LRT project are the top project priorities for the region. The Westside LRT project is nearing completion but requires converting a "Contingent Commitment" of $74 million to a full ISTEA commitment. We look forward to inaugurating this service in September 1998. The South/North LRT project is on track to initiating construction in the year 2000 and we need an initial commitment of $487 million in ISTEA recognizing that funding for completion will be in the next ISTEA.

Columbia River Channel Deepening

Although not directly reflected in ISTEA, an important regional priority is deepening of the Columbia River ship channel. To accomplish this, the ongoing feasibility and environmental impact studies require further appropriation in federal fiscal years 1998 and 1999 and project authorization in the

Water Resources Act. Deepening of the channel is essential to serve larger ocean-going vessels and interface with landside improvements for freight access funded through ISTEA.

Highway Demo Projects

We have also included a number of projects that could be included in ISTEA. The following are included as possible "Demo" projects for your consideration:

- *I-5/Highway 217/Kruse Way Interchange*
- *Sunset Highway - Phase III*
- *I-205/Sunnybrook Interchange*
- *Lovejoy Ramp Removal and Reconstruction*
- *South Rivergate Railroad Overcrossing*

Other Project Possibilities

In addition, we have included the following if the opportunity presents itself to fund special projects within certain ISTEA funding categories:

- *Rehabilitation of the Broadway Bridge from discretionary Bridge Replacement funds in conjunction with the Lovejoy Ramp replacement and River District development*
- *Federal Transit Funds for a Transit-Oriented Development Implementation Program*
- *Demonstration funds for "Intelligent Transportation System" implementation in the Portland region*
- *Funding for High-Speed Rail improvements in the Cascadia Corridor from Eugene, Oregon to Vancouver B.C.*
- *Improvements to 185th @ Baseline to provide access to station area development along the Westside light rail project*
- *Capitalization of the Oregon "State Infrastructure Bank"*

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METRO

February 13, 1997

The Honorable Ken Baker
District 14, Oregon Senate
10121 SE Sunnyside Road, Suite 120
Clackamas, OR 97015

The Honorable Tom Brian
State Representative, District 9
7630 SW Fir
Tigard, OR 97223

Dear Senator Baker and Representative Brian:

As you know, Metro's Joint Policy Advisory Committee on Transportation has worked diligently to plan, fund and implement improvements to the region's transportation system. Clearly, the adequacy of the region's transportation system directly affects the region's economy and quality of life. This is an increasingly difficult task in the face of rapid growth and declining resources.

We were encouraged a year ago when Governor Kitzhaber undertook his Transportation Initiative. We participated actively and endorsed the conclusions of the Portland Regional Advisory Committee and subsequently the Statewide Advisory Committee (see Resolution No. 96-2436A attached). It is now essential that the Oregon Legislature consider the conclusions of the Oregon Transportation Initiative and adequately address transportation finance. In particular, we are encouraged by and support a number of the key recommendations introduced by the Governor:

1. Adequate funding with indexing should be provided for a base road system to adequately address operations, maintenance and preservation.

2. A fund should be created to adequately address the need to improve the transportation system in response to growth in order to maintain livability and economic opportunity.

3. Creation of a dedicated source of funds to adequately meet special transit needs for the elderly and disabled community.

4. Provision for adequate local and regional funding options to allow this region to meet its share of the transportation needs which will not be adequately addressed by the state.

5. Coordination of local and regional decision-making in partnership with the state.

The Legislature is now considering the proposal from Governor Kitzhaber for a vehicle-miles-traveled fee and an access fee. As the Legislature moves forward and considers those recommendations, we encourage you to implement a real solution, not a stop-gap measure.

The Governor's proposal is a comprehensive solution, designed to:

- Establish a good policy framework for funding and implementing transportation improvements;

- Address current shortcomings of the gas tax as a declining revenue source due to improved fuel efficiency and inflation;

- Address the equity of raising funds from trucks for maintenance versus expansion improvements;

- Implement a broader base of funding sources more closely tied to those that benefit from the transportation system; and

- Adequately meet the needs of the elderly and disabled community in the face of constitutional limitations on highway-related sources of revenue.

If the Legislature chooses to implement an alternate approach to funding transportation, we urge you to adopt funding mechanisms that are adequate to meet the needs and establish a policy framework such as that outlined above.

We are willing and interested in working with you and the Governor as this proceeds through the 1997 legislative session.

Sincerely,

Mike Burton Metro Executive Officer	Councilor Jon Kvistad, Chair JPACT

Commissioner Tanya Collier Multnomah County	Commissioner Charlie Hales City of Portland
Councilor Jim Kight Cities in Multnomah County	Grace Crunican, Director ODOT
Commissioner Roy Rogers Washington County	Councilor Susan McLain Metro Council, JPACT Member
Mayor Rob Drake Cities in Washington County	Councilor Ed Washington Metro Council, JPACT Member
Commissioner Ed Lindquist Clackamas County	Tom Walsh, General Manager Tri-Met
Mayor Craig Lomnicki Cities in Clackamas County	Langdon Marsh, Director DEQ
Mike Thorne, Executive Director Port of Portland	

CC: Portland Metro Area Legislative Delegation
Governor Kitzhaber

January 17, 1997

TO: Cities, Counties, Regional Governments, and Special Districts

FROM: Alan J. Fox, Coordinator

SUBJECT: Request for Pre-applications, 1997-1999 Grants

Oregon

TRANSPORTATION & GROWTH MANAGEMENT PROGRAM

A Joint Program of the Department of Transportation and the Department of Land Conservation and Development

The Transportation and Growth Management (TGM) program is getting an early start on its grant program for the 1997-99 biennium. If the Legislature approves the program's budget proposal, local governments and metropolitan planning organizations will be eligible to receive $6.7 million in grants.

The TGM grant program is a key component of the Governor's efforts to promote quality community development throughout Oregon. Consistent with that agenda, the TGM program will award grants to: upgrade transportation plans, integrate transportation and land use planning, and improve local governments' ability to manage urban growth.

If you want to apply for a FY 1997-99 TGM grant, please submit a pre-application by March 3, 1997, using the attached form. Pre-applications help us gauge need by use and geographic region. Up to two points will be awarded to grant applications when a timely and complete pre-application has been submitted. **We will send a grant application package to all who submit completed pre-application forms.**

In addition to a pre-application form, this mailing contains the goals and objectives of the TGM program, a grant program summary that lists eligible uses and recipients, tentative key dates, and draft application scoring criteria. Though this information is subject to revision, based on previous experience, this version is a reliable basis for pre-application preparation.

If you have specific questions or comments please contact the appropriate grant manager for your area (see following page). Call me at 503/986-4126 with general questions or comments regarding the TGM grant program.

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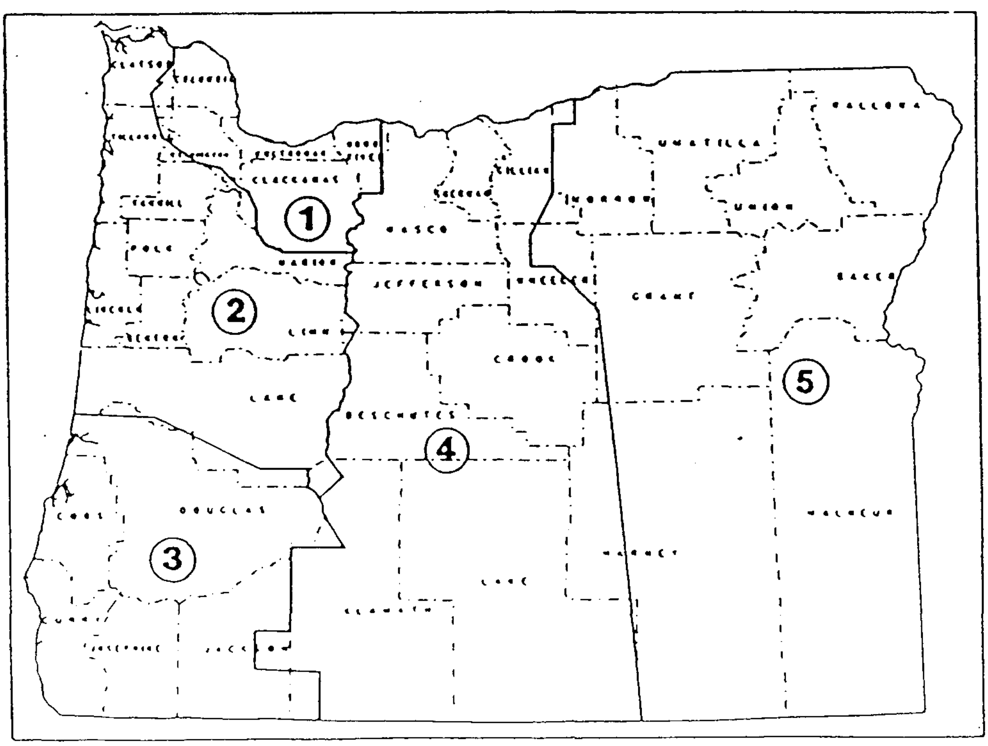
Enclosures

1175 Court Street NE
Salem, OR 97310-0590
(503) 373-0066
FAX (503) 378-2687

January 17, 1997

TGM CONTACTS

ODOT Region	Categories 1 (TPR) and 2 (Land Use Alternatives)	Category 3 (Urban Growth Management)
1	Lidwien Rahman, ODOT (503) 731-8229	Bill Adams, DLCD (503)373-0087
2	Peter Idema, ODOT (541) 757-4211	Sue Geniesse, DLCD (503) 373-0097
3	Mark Ashby, ODOT (541) 664-6674	Jerry Weitz, DLCD (503) 378-4805
4	Jim Bryant, ODOT (541) 388-6437	Bill Adams, DLCD (503) 373-0087
5	Cheryl Jarvis-Smith, ODOT (541) 963-3177	Sue Geniesse, DLCD (503) 373-0097



TRANSPORTATION AND GROWTH MANAGEMENT PROGRAM

Oregon Department of Transportation
Department of Land Conservation and Development

MISSION

To enhance Oregon's livability, foster integrated land use and transportation planning and development that results in compact, pedestrian-, bicycle-, and transit-friendly communities.

OBJECTIVES

1. Help local governments comply with the Transportation Planning Rule (TPR) and meet challenges posed by urban growth.

2. Integrate transportation and land use planning.

3. Encourage land development patterns which support modal choice and high transportation facility performance.

4. Strengthen growth management capability -- the capability to effectuate land use plans -- to enable achieving land development patterns which support modal choice and high transportation facility performance.

5. Preserve and enhance urban livability.

ELEMENTS

- Grants to local governments.
- Technical assistance to local governments.
- Coordinated ODOT/DLCD review of TPR plan and ordinance amendments.
- Development of transportation planning and growth management tools and measures.
- Educational and outreach programs.
- Assistance to local governments to reduce regulatory obstacles to compact, pedestrian-friendly development.

KEY DATES FOR THE TGM GRANT AWARD PROCESS*

3/3/97	Pre-applications due.
4/7/97	Distribute request for grant applications.
5/26/97	Grant applications due.
7/21/97	Announce grant awards.

* Pending approval of funding for the Transportation and Growth Management Program by the 1997 Legislature.

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SUMM' Y

TRANSPORTATION AND GROWTH M AGEMENT GRANTS, 1997-99

Grant Category	Purpose	Eligible Uses	Eligible Recipients/Past Grant Amounts
Category 1 Transportation Planning Rule Implementation Grants	Help local governments implement the Transportation Planning Rule	Transportation System Plan (TSP) preparation or update to comply with provisions of the TPR covering one or more of the following activities: - Local system planning (i.e., local street plans and parallel routes to local highways) - Planning for alternative transportation modes - Revision of local plans to be consistent with state and regional TSPs - Revision of local ordinances to implement state, regional and local TSPs - Preliminary design in association with a TGM project For examples, see next page.	- Cities - Counties for urban areas, rural communities, or rural lands along state highway corridors - COGs on behalf of a city or county - Transportation districts - MPOs $4,250 to $180,000
Category 2 Land Use Alternative/ Transportation Grants*	Help local governments plan for compact, pedestrian-, bicycle-, and transit-friendly communities.	Inside urban growth boundaries, rural communities, and urban reserve areas, consideration of land use and transportation plan and ordinance amendments that alter land use patterns, densities, and designs to: - promote compact, mixed use, pedestrian-friendly development; - reduce reliance on the automobile, by increasing opportunities for transit, bicycles, and walking - reduce reliance on the state highway for local travel needs; - increase efficiency of land use inside urban growth boundaries and urban reserve areas Methods may include (but are not limited to): - mixing uses and increasing densities along transit lines and near major activity centers; - providing neighborhood shopping centers near residential areas - balancing jobs and housing in subareas - increasing density of commercial developments - land use/transportation alternatives - plans for transit supportive uses and densities along transit routes Products may include (but are not limited to): - concept plans resulting from a broad public process - transportation-efficient land use plans/ordinances/designs/strategies - specific development plans, including refinement plans under ORS 197.200 Projects may be conducted for a region, community, or areas within a community.	- Cities - Counties (for rural or urban unincorporated communities) - COGs on behalf of a city or county - MPOs $11,000 to $264,200
Category 3 Urban Growth Management Grants*	Help local governments project, analyze, plan for, and accommodate compact urban growth.	Inside urban growth boundaries: 1. Urban growth management agreements 2. Special district cooperative agreements 3. Urban service agreements 4. Annexation plans 5. Infill and redevelopment strategies 8. Minimum density requirements 9. Interim development standards 10. Capital improvement plans 11. Buildable lands inventories, including estimates of the capacity for infill and redevelopment 12. Needed housing, commercial, industrial lands determinations 13. Other tools and analyses that help local governments manage and accommodate growth inside their UGBs	Cities, counties (for rural communities and unincorporated urban areas), Metro, and COGs for all eligible uses; special districts for cooperative and urban service agreements $12,120 to $125,000

* Category 2 and 3 projects fund projects that help communities comply with ORS 197.296.

Examples of Eligible Uses for Category 1 Grants
TRANSPORTATION PLANNING RULE IMPLEMENTATION

Examples of eligible activities for Category 1 grants include:

1. Bike or pedestrian plans
2. Bike-pedestrian friendly development ordinance
*3. Planning for local streets including local street network plans
4. Public transportation plans
5. Access and location studies for activity centers such as schools and shopping centers
6. Street design standards
7. Demand management plans (MPOs & urban areas of 25,000+)
8. Parking plans (MPOs only)
9. Arterial access management plans and access control measures
10. Ordinances to preserve transportation corridors and to protect transportation facilities for their planned use
11. TSP implementing ordinances to allow planned facilities and provide coordinated review of major improvements
12. Plans and ordinances for special transportation areas designated in corridor plans
13. Transportation and land use management plans for urban interchanges
14. Commercial strip redevelopment plans
15. Plans and programs for improving interconnection of transportation services
16. Analysis of compatibility of proposed land uses with the function, capacity, and level of service with proposed transportation facilities (per 660-12-060).
17. In the Portland Metro area, projects which implement the Region 2040 plan
18. Planning activities and projects which implement or follow-up on previous TGM projects.

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* LCDC has amended the TPR to require local governments to do additional planning for extension and connections of existing streets.

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January 15, 1997

Tentative

TGM GRANT APPLICATION SCORING CRITERIA

PLEASE NOTE: **Applicants must provide evidence of support from governing bodies involved in the project. All proposed projects must be for eligible activities.**

A. The application advances quality community development objectives: (maximum of 20 points)

For **Category 1** grants:

1. The project involves planning which will effectively address or resolve a transportation problem, opportunity, need or issue of community, regional or statewide importance. The problem and solutions considered by the proposed project must relate to implementing specific requirements in the Transportation Planning Rule (0-10 points).

2. The project clearly contributes to a transportation system or development patterns that enhance opportunities for use of bicycles, walking, and transit (0-10 points).

For **Category 2** grants:

1. The project involves planning which will effectively address or resolve a transportation problem, opportunity, need or issue of community, regional or statewide importance.

2. The project clearly contributes to a transportation system or development patterns that enhance opportunities for use of bicycles, walking, and transit.

3. The project involves consideration of changes to land use/transportation plans and implementing ordinances that:

- provide alternatives to, or delay the need for, major transportation improvements;
- avoid expansion of an urban growth boundary consistent with ORS 197.296 Buildable Lands for Needed Housing (HB 2709, adopted by the 1995 Oregon Legislature) and Goal 14; or
- comply with ORS 195.036, Coordination of Population Projections and 197.296, Buildable Lands for Needed Housing.

(0-20 points)

For **Category 3 grants**, the project helps local governments:

- avoid expansion of an urban growth boundary consistent with ORS 197.296, (HB 2709, adopted by the 1995 Oregon Legislature) and Goal 14, Urbanization;
- increase efficiency of land use inside an urban growth boundaries;

- comply with ORS 195.020(3), Special District Cooperative Agreements, and 195.060 through 195.085, Urban Services Agreements (SB 122, adopted by the 1993 Oregon Legislature);
- comply with ORS 195.025, Urban Growth Management Agreements; or
- comply with ORS 197.296, Buildable Lands for Needed Housing

(0-20 points)

B. **Work Products:** (maximum of 20 points)

1. Specific Products (0-10 points): The grant award would result in a specific product(s); the product would be in a format ready for adoption as an amendment to the comprehensive plan, a new ordinance, an ordinance amendment, implementation strategies, or plans with detailed lists of projects.

2. Likelihood of Adoption/Implementation (0-10 points): The work program includes the preparation of an adoptable product(s) and work required for the adoption process by the governing body(ies); the product is likely to be considered and implemented during or shortly after completion of the project time schedule.

C. **Special Merit** (1-10 points): The application demonstrates special merit e.g.:

- specific emphasis on a collaborative process with another entity resulting in an efficiency
- application of an innovative approach
- complementary use of multiple tools
- product or process is likely to serve as a model for other jurisdictions; i.e., the project is likely to provide important lessons applicable to similar communities.

D. **Community Support/Coordination:** (maximum of 15 points)

1. Support from Elected Officials and Other Entities (0-6 points): Evidence of support from elected officials, responsible agencies (metropolitan planning organization, planning commission, redevelopment agency, etc.), affected entities (special district, other non-participating local government(s), etc.) and interested parties (neighborhood association, community advocacy group, etc), as applicable, is provided.

2. Public Participation/Collaboration (0-4 points): *To the extent appropriate to the nature of the project,* the work program specifically provides for active public participation and/or a collaborative process.

3. Collaboration/Coordination (0-5 points): *To the extent appropriate to nature of the project,* the project will be conducted as a collaborative endeavor among appropriate entities. The project is coordinated and/or consistent with the local government's comprehensive plan, periodic review work program, regional planning, ODOT-sponsored

corridor planning, and other activities related to the project (e.g., TGM grant projects in neighboring communities). The project does not duplicate other efforts.

E. **Quality of Application:** (maximum of 25 points)

1. Objectives (0-8 points): The application includes clearly stated objective(s) for the project.

2. Work Program and Schedule (0-10 points):

   a. The work program is well thought-out:
      - it clearly describes the project's background;
      - for each task, it includes what will be done under the task, how it will be done, and resulting products; and what the project's products are.

   b. The schedule is realistic considering the tasks involved.

   c. The work program and schedule will require little or no amendment or elaboration to be adapted as part of a grant intergovernmental agreement.

3. Budget (0-5 points): The budget indicates the estimated hours per task. The resources budgeted, including staff and consultant time, are adequate but not excessive.

4. Pre-application (0-2 points): A timely and complete pre-application has been submitted.

F. **Applicant Qualifications:** (maximum of 10 points)

1. Demonstration of Success in Prior TGM/UGM Grant Projects (0-5 points) (if applicable): The project was completed on time and within budget; the previous grant is likely to result in an adopted plan/ordinance amendment; the previous grant resulted in a product that was adopted by the governing body; adopted material is likely to be effective at achieving the grant project objectives. (note: applicants without a prior grant award will receive 5 points).

2. Project Manager/Personnel Qualifications and Abilities (0-5 points): The proposed project manager and other local personnel have the demonstrated qualifications, expertise, and time to administer and conduct the project.

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PRE-APPLICATION NOTICE

(Please mail this form to the TGM office postmarked no later than March 3, 1997)

TO: Cindy Lesmeister, Program Assistant
Transportation and Growth Management Program
1175 Court Street NE. Salem, OR 97310
Fax 378-2687

FROM: ______________________________(Project Contact)

______________________________(Jurisdiction)

______________________________ (Street Address)

______________________________(City/Zip/Phone)

The jurisdiction listed above intends to submit an application for TGM grant funding as described below.

Project Title: ______________________________

Amount to be Requested: $______________

Do you anticipate hiring a consultant for this project? ____Yes ____ No ____ Not Sure

Project Description: ______________________________

____

____

____

Proposed Product(s): ______________________________

____

____

Grant Category: _____Category 1: Transportation Rule Implementation
_____Category 2: Land Use Alternative
_____Category 3: Urban Growth Management Tools

Joint Applications: List other participating local governments/districts: ___________

____

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COMMUNITY SOLUTIONS TEAM
QUALITY DEVELOPMENT OBJECTIVES

The "*Quality Development Objectives*" describe the state's growth management objectives when working with a community. The state objectives should be used in combination with state and local partnership principles and local development objectives to help build healthy and diverse communities and regions throughout Oregon.

WORK WITH COMMUNITIES TO REMOVE BARRIERS TO GOOD DEVELOPMENT PRACTICES AND TO STIMULATE THE DEVELOPMENT OF QUALITY COMMUNITIES

1. Promote compact development within urban growth boundaries to minimize the costs of providing public services and infrastructure and to protect resource land outside urban-growth boundaries.

2. Give priority to a quality mix of development which addresses the economic and social goals of a community and region.

3. Encourage mixed use, energy efficient development designed to encourage walking, biking and transit use (where transit is available).

4. Support development that is compatible with a community's ability to provide adequate public facilities and services.

5. Facilitate development that is compatible with community and regional environmental concerns and available natural resources (e.g., available water, air quality, etc.).

6. Support development that provides for a balance of jobs and housing within a community to reduce the need to commute long distances between home and work; thereby minimizing personal commuting costs and the costs to society of expanding the transportation infrastructure.

Transportation Funding Proposal

Transportation Access Fee
Those who benefit contribute

- Flexible revenue source
  - Any transportation mode
  - Services for seniors and disabled
  - State Police activities
- Householder, businesses, government agencies pay:
  - $2.00 per household per month
  - $1.65 per employee per month
- Effective: January 1, 1999
- Revenue estimate:

1997-1999	1999-2001
$31.2 million	$128.4 million

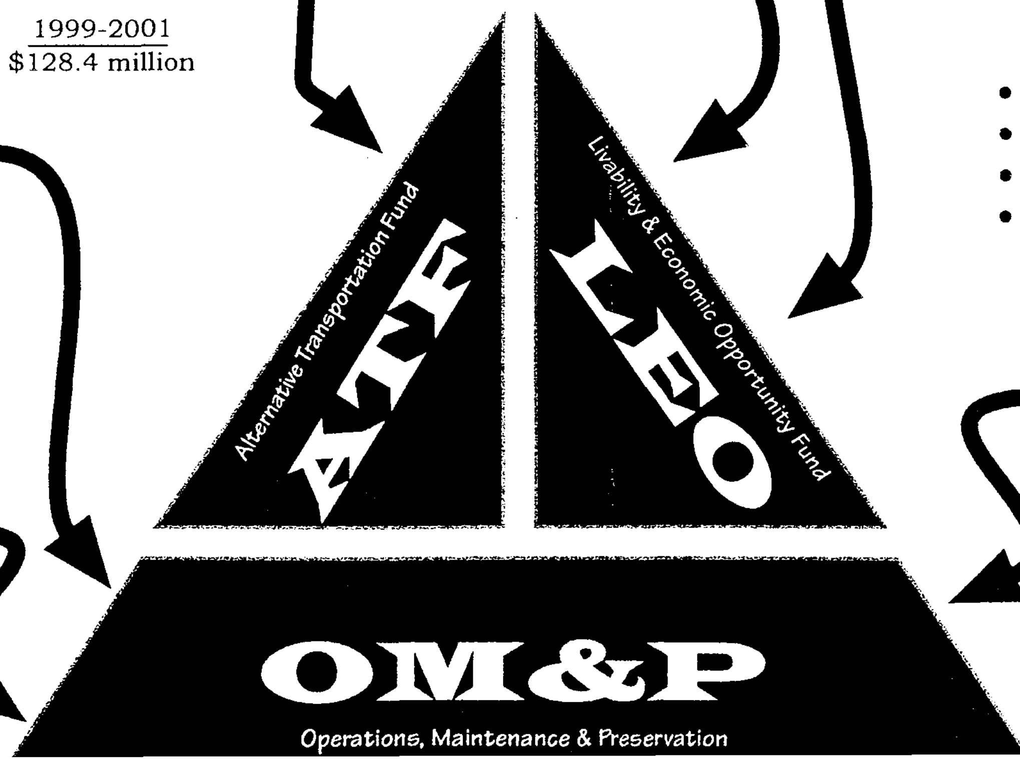
Indexing
Compensates for inflation and fuel economy

- Adjust gas tax for inflation and fuel economy
- Effective: January 1, 1998
- Revenue estimate:

1997-1999	1999-2001
$73.6 million	$165.9 million

Pavement Damage Fee
Local governments recoup maintenance costs

- Collected from contractors who disturb county roads or city street right of way during utility installation
- Revenue paid directly to individual road jurisdiction



Vehicle Miles Traveled Fee
Fair pay based on use

- Dedicated to adding capacity
- All registered vehicle owners pay
  - Passenger & small vehicles pay 1.4¢ per mile
  - Commercial & large vehicles pay sliding scale
  - Tax-free annual allowance for basic travel:
    - ✓ Portland-metro: 4,100 miles
    - ✓ Northwest Oregon: 4,700 miles
    - ✓ Southwest Oregon: 5,700 miles
    - ✓ Central Oregon: 7,200 miles
    - ✓ Eastern Oregon: 8,200 miles
- Collected with biennial vehicle registration fee
- Local option available
- Effective: March 1, 1999
- Revenue estimate:

1997-1999	1999-2001
$91.7 million	$550.1 million

Studded Tire Fee
Helps offset studded tire damage to roads

- 540,000 cars use studded tires
- Collect one-time $10-per-tire fee at retail store
- Effective: May 1, 1998
- Revenue estimate:

1997-1999	1999-2001
$3.5 million	$7.1 million

reader feedback: *'Best in the West?' (editorial, Jan. 4): 'National recognition of growth management efforts is great, but now we must lie in the bed'*

L.A. isn't that bad compared to Portland

By PETER GORDON
and HARRY W. RICHARDSON

Carping at Los Angeles has long been a national pastime. In his recent two-part series, "Becoming Los Angeles" (The New York Times, Dec. 29-30) cited in The Oregonian, Timothy Egan combines this with praise for Portland.

His case for interventionist urban planning to slow down urban growth and change the prevalent patterns of urban settlement is built on several misconceptions.

- He forgets that the virtue of markets is that they give people what they want. No developer gets rich by building housing and projects that people dislike. No city strengthens its tax base by promoting developments (e.g. most downtown projects) that are unpopular, unprofitable and badly located.
- Los Angeles is not the sprawl capital of the world. On the contrary, its urbanized area has the highest population density in the United States (according to the U.S. Census) — higher than New York, Chicago and San Francisco, and double that of Phoenix. The reasons include small lot sizes, a sizable stock of apartments and high dwelling densities among the immigrant population.

> *"Los Angeles is not the sprawl capital of the world. On the contrary, its urbanized area has the highest population density in the United States."*

- Most people throughout the country are choosing to live away from commercial areas, enjoying the private spaces afforded by single-family homes set back from streets and the mobility and accessibility offered by the private automobile.

This lifestyle is not imposed by malignant U.S. policies, for suburbanization trends are global: in Canada, without mortgage interest tax deductions; in Europe, with high gasoline taxes; in Seoul, with plentiful public transit; and in Mexico City, with its huge subway subsidies.

- Compact development is not a cure for traffic congestion. In the absence of a major shift to transit, higher densities mean more congestion, not less. Los Angeles' commuting speeds compare favorably with Portland's (31.7 mph vs. 26.7 mph in the central city, and 33.6 mph vs. 35.0 mph in the suburbs).

Commuting everywhere is increasingly suburb-to-suburb. This means a relatively speedy trip for most commuters; only 10 percent travel more than 44 minutes one way.

- U.S. rail transit investments have been costly failures that have paradoxically resulted in less transit use as bus funds were cannibalized for rail. Los Angeles, as a typical example, has lost more than a fifth of its transit riders since it started spending billions of dollars on rail.

As for the much-touted Portland light rail, every Portland freeway carries four to five times more riders per day; only 0.8 percent of the regional jobs created between 1990 and 1994 were downtown (and MAX is a downtown-oriented system); the cost per one-way trip (including capital costs) is about $20; and transit ridership has not increased because of the substitution of federally subsidized rail for bus routes.

In the new Mecca of urban planning, transit accounts for only 2.8 percent of trips, with a mere 0.3 percent using MAX, and only about 1 percent of the Tri-Met's service area population is within walking distance of MAX stations.

Anticipating all of this, one of us forecast MAX 1990 ridership (19,700 boardings per day) quite accurately back in 1983. That forecast actually predicted 19,730 MAX boardings per day; Metro's estimate was for 42,500 boardings per day.

- Improving air quality has been a major rationale for growth management and other anti-sprawl measures, often by citing Los Angeles. But air quality in Los Angeles has been improving dramatically year by year, even during its rapid growth phase of the 1980s. There were only seven smog alerts in 1996 compared with 121 in 1977.

Furthermore, more compact development has a minimal impact on air quality because it is likely to result in more frequent but shorter automobile trips (almost two-thirds of automobile pollution is associated with starting and stopping).

- Markets continue to do a good job of allocating resources, including farmland. U.S. cropland use peaked in 1930. We continue to feed millions more on less land because of improved farming methods. The demand for agricultural land would fall even further if the 105th Congress continues the good work begun in the 104th in cutting farm subsidies.
- The telecommunications revolution is allowing jobs to move to where people want to live, unlike in the past when people followed the jobs.

An increasing proportion of mobile households choose to live in high amenity-low density settings. Most job growth is now in rural areas. There is little evidence that people prefer to live in more compact environments, such as downtowns, the communities of the new urbanism or within fixed urban growth boundaries (where prices are higher).

Growth gets a bad rap, both when it happens and when it stops. In either case, intelligent discussions must take place if sound policy choices are to be made. Getting the facts right is a good beginning.

Peter Gordon and Harry W. Richardson are with the USC School of Urban Planning and Development in Los Angeles.

OREGONIAN 2/4/97

600 NORTHEAST GRAND AVENUE | PORTLAND, OREGON 97232 2736
TEL 503 797 1700 | FAX 503 797 1797

METRO

February 7, 1997

The Oregonian
1320 S.W. Broadway Street
Portland, OR 97201

To The Editor:

In making the case for Los Angeles sprawl, University of Southern California professors Peter Gordon and Harry Richardson ended their editorial (February 4, 1997, Reader Feedback) with an admonition to "get the facts straight." We wish they had taken their own advice. Their statements about the lack of value in preserving farmland is so far from the beliefs of the vast majority of Oregonians, we will not address that here. The bulk of their other arguments seem to say that Los Angeles isn't so bad after all. For example, they hold up as an example the fact that their average speed is five miles per hour faster than Portland. However they don't mention that they also have to travel farther, and on average, spend 20 percent more time in their cars to get there. Neither is Portland housing more expensive than other rapidly growing areas in the West, being the second cheapest metropolitan housing market on the west coast, and exactly the same average prices as Salt Lake City, which has no urban growth boundary and rampant sprawl.

There are several other statements that are just plain wrong when applied to the Portland region. One assertion is that people prefer a large lot away from commercial areas or city cores. This may be true in Los Angeles, but in the Portland the trend has been to smaller lots and close in locations. The average lot size in the Metro area has decreased from 13,000 square feet in the mid 1970's to just 6,700 square feet last year. This increasing efficiency has saved thousands of acres of farmland from development and was driven by consumer choice. Most people place home size and location ahead of lot size. In the 1996 housing market in the Metro area, there is little difference in home price based on lot size. On average, doubling the lot size results in a price increase of only 10 percent.

The world is a different place today than during the heyday of the single family neighborhood, and many of today's home buyers are looking for more than lot size – they want good neighborhoods and convenient locations. We have found that the mixed-use, close in neighborhoods have among the highest prices and the greatest appreciation

COMMITTEE MEETING TITLE JPACT

DATE 2-13-97

NAME	AFFILIATION
Roy Rogers	Washington County
Susan McLain	Metro
Charlie Hales	City of Portland
Ed Lindquist	Clackamas Co.
David Yaden	Tri-Met
Andy Cotugno	Metro
Jon	Metro
Mike B	Metro
Jim Knight	4 - E. C. cities
Craig J Lomnicki	Cities of Clackamas Co.
Grace Crunican	ODOT
David Lohman	Port of Portland
TANYA COLLIER	MULTNOMAH COUNTY
Dean Lookingbill	RTC
Lisa Naito	Metro
Mary Legry	WSDOT
MEL GORDON	CLARK COUNTY
ED WASHINGTON	METRO
ROB DRAKE	CITIES OF WASH. CO.
DAWN PHILLIPS	KXL RADIO
Mickey Blizzard	Congressman Blumenauer
ROD SANDOZ	CLACKAMAS COUNTY
Marc Zolton	City of Portland
Gordon Oliver	Oregonian
LEON SKILES	METRO
Gerald Fox	Tri-met
JOHN G. MAGNANO	ODOT/WSDOT Rail Passenger Program

COMMITTEE MEETING TITLE JPACT

DATE 2-13-97

NAME	AFFILIATION
Ben Schonberger	N.G.I.
GB Arrington	TRI-MET
Bob Post	BRW, Inc
Jennifer Nielsen	Parametrix
Susan Lee	Multnomah County
John Charles	Cascade Policy Institute
JIM HOWELL	AORTA
Bernie Bottomly	Tri-met
Ron Bergman	Clark County
Susie Lahsene	Port
Scott L Rice	City of Cornelius
Rich Brickman	Self-employed
Bruce Solberg	DJC
ART LEWELLAN	L.O.T.I.
GARY OBERY	PARAMETRIX
John Rist	Clackamas County
JOHN ROSENBERGER	WASHINGTON CO.
Gary Katsion	Kittelson & Associates, Inc.
Gina Whitehill-Baziuk	Metro
LEN BERGSTEIN	NORTHWEST STRATEGIES
RICH LEDBETTER	METRO
DAVE WILLIAMS	ODOT
STEVE DOTTERRER	CITY OF PORTLAND STAFF
Richard Brandman	Metro