

STAFF REPORT

Agenda Item No. _____

Meeting Date _____

CONSIDERATION OF RESOLUTION NO. 88-986 FOR THE
PURPOSE OF APPROVING THE TRI-MET SECTION 9
PORTION OF THE FY 1990 UNIFIED WORK PROGRAM

Date: August 31, 1988

Presented by: Andy Cotugno

PROPOSED ACTION

This resolution would: 1) approve the Unified Work Program (UWP) containing the Tri-Met Section 9 planning work program for FY 1990, and 2) authorize the submittal of grant applications to the appropriate funding agencies.

FACTUAL BACKGROUND AND ANALYSIS

In order to meet the new Urban Mass Transportation Administration (UMTA) Section 9 grant application schedule, Tri-Met must submit that portion of the FY 1990 UWP at this time. In the past, the UWP has been one document submitted every April. These timing changes will require the UWP be submitted in two sections. This submittal is the first of the two Council actions required to adopt the FY 1990 UWP.

The spring submittal will contain all other work programs and revisions to the Section 9 portion, if necessary, due to refinements in planned work programs resulting from the Tri-Met and Metro budget process.

Approval will mean that the Section 9 grant can be submitted in accordance with UMTA policies.

EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer recommends approval of Resolution No. 88-986.

KT/sm
0097D/554
09/01/88

BEFORE THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF APPROVING THE) RESOLUTION NO. 88-986
TRI-MET SECTION 9 PORTION OF THE)
FY 1990 UNIFIED WORK PROGRAM) Introduced by Richard Waker,
) Chair, Joint Policy Advisory
) Committee on Transportation

WHEREAS, The Unified Work Program describes all federally-funded transportation planning activities for the Portland/Vancouver metropolitan area; and

WHEREAS, Approval of the first portion of the FY 1990 Unified Work Program is required in order for Tri-Met to meet the Urban Mass Transportation Administration's Section 9 application requirements; and

WHEREAS, The complete Unified Work Program is submitted in the spring; now, therefore,

BE IT RESOLVED,

That the Council of the Metropolitan Service District hereby declares:

1. That the first section of the FY 1990 Unified Work Program is approved.
2. That the Transportation Improvement Program includes these funds.
3. That the FY 1990 Unified Work Program is consistent with the continuing, cooperative and comprehensive planning process and is given positive Intergovernmental Project Review action.

4. That the Metropolitan Service District Executive Officer is authorized to apply for, accept and execute grants and agreements specified in the Unified Work Program.

ADOPTED by the Council of the Metropolitan Service District
this _____ day of _____, 1988.

Mike Ragsdale, Presiding Officer

KT/sm
0097D/554
09/01/88

TRI-MET'S Draft FY'90 Unified Work Program
Summary

Financial Planning	\$ 80,000
Capital Program Planning	\$180,000
Service Planning, Analysis and Evaluation	\$562,000
Long-range Planning	\$110,000
Information Systems Planning	\$132,425
Special Area Planning	\$230,000
Metro Planning Studies	\$125,000
Program Administration	<u>\$ 15,000</u>
Total	\$1,434,425
(Federal Share)	\$1,147,540)

FINANCIAL PLANNING

Program Objectives:

1. Support policy analysis by providing management with financial projections of policy alternatives. Policy areas supported would be: budget planning, five-year financial planning, additional revenue planning, labor cost projections, fare analysis and planning, long-range financial planning support for the Regional Transportation Plan, Transportation Development Plan, analytical support for labor negotiations, and support for Westside Light Rail capital and operating financial planning.
2. Continue refinement of financial and economic forecasting models.
3. Continue financial capacity analysis.

Relation to Previous Work:

This program continues both model refinement of existing cost and forecasting models which have been developed under previous grants and on-going support of policy planning efforts.

Products:

1. Five year financial and economic forecast reports used in budget planning, new revenue planning, short range (TDP) planning.
2. Financial condition and financial capacity analysis.
3. Revenue estimates, including fare revenues and Westside funding.
4. Financial analysis of legislative issues.
5. Two economic forecasts of payroll tax revenues, CPI diesel fuel costs, self-employment and state in-lieu-of tax revenues.
6. Labor cost analysis.

Expenses:

Tri-Met \$80,000

Revenues:

FY'90 Sec. 9	\$ 64,000
Tri-Met	<u>\$ 16,000</u>
	\$ 80,000

CAPITAL PROGRAM PLANNING

Program Objectives:

Comprehensive planning for development, management and maintenance of Tri-Met's capital projects, facilities and equipment using the following emphasis areas -

A. Capital Development Program Planning -

1. Coordinate scheduling, funding, siting and conceptual design of Tri-Met's capital program with other jurisdictions and internally within the agency.
2. Prepare short and long term capital acquisition program for Tri-Met.
3. Prepare the capital components for the annual update of the TDP and the Strategic Plan.
4. Work with local jurisdictions on proposed transit centers, park-and-ride lots, transit priority measures, TSM measures, road improvements, and transportation plan revision.
5. Refine a Capital Improvement Program process for annual updating.

B. Capital Program and Facilities Management Planning -

1. Coordinate a process for review, prioritization and approval of capital projects as part of the annual capital budget development.
2. Collect and analyze data relating to facilities maintenance. Manage a system of facilities maintenance.
3. Maintain and refine a fixed assets (capital) tracking system for accounting and planning purposes.
4. Conduct on-going space use studies for Tri-Met's strategic sites to determine their best use.

Relation to Previous Work:

A. Capital Development Program Planning -

The capital program is prepared annually and revised as necessary throughout the year to meet updated requests and needs. Capital program components are also included

in the annual update of the TDP and the Strategic Planning Process.

B. Capital Program and Facilities Management Planning -

A capital improvement program process was defined in FY '89 to be refined in FY '90.

The planning for the operation of a vintage trolley and possible storage of cars at Tri-Met's strategic site adjacent to the Coliseum Transit Center along with construction of the Convention Center and the deterioration of some existing Tri-Met facilities suggests that a comprehensive plan should be developed to guide the agency's use of strategic sites.

Products:

A. Capital Development Program Planning -

1. Annual Tri-Met capital budget.
2. Input to State and Federal capital grant applications.
3. Capital component of the TDP and the Strategic Plan.
4. Site and conceptual design work with supporting documentation and local approvals for newly proposed projects.
5. Transit revisions to regional and local jurisdictional plan updates.

B. Capital Program and Facilities Management Planning -

1. Up to date long range capital improvement and management plan including goals and objectives for the management of capital facilities after their construction.
2. Detailed proposal for capital funding of the long range Capital plan.
3. Refinement of the Right of Way and Facilities components of the Maintenance Management Information System, with accurate tracking of the facilities maintenance activities and effective programming of preventative maintenance needs.

4. Maintenance of the fixed assets tracking system.
5. Space use study for strategic sites owned by Tri-Met to determine best use including preliminary design and cost estimate.
6. Plan for deploying of field-based function (road supervisors, fare inspectors, transit police, facility maintenance personnel) that optimizes their coordination and cooperation.

Expenses:

Tri-Met \$180,000

Revenues:

FY '90 Sec. 9	\$144,000
Tri-Met	<u>\$ 36,000</u>
	\$180,000

SERVICE PLANNING ANALYSIS AND EVALUATION

Program Objectives:

Identify, develop, undertake and evaluate appropriate Service Planning efforts which promote efficient, convenient, and adequate service for Tri-Met's customers and potential users in the following emphasis areas:

A. Service Development -

1. Develop a long range transit service plan for the metropolitan region.
2. Conduct and analyze results of an on-board passenger census.
3. Analyze transit/land use coordination and transit role in servicing private sector developments.
4. Develop comprehensive transit sector plans.
5. Maintain and enhance on-going service planning programs, i.e. Annual Service and Marketing plan and Quarterly service reports.

B. Transit Service Efficiency -

1. Develop new technical methods to improve scheduling processes and efficiencies.
2. Study and assess feasibility of new technologies to improving transit service efficiency, reliability and quality.
3. Evaluate the fleet assignment process, service standard, and projected service levels; update and fleet mix study.
4. Study the use of and potential for expanding the scope of contracted services in the Operations Division.
5. Analyze security related data plan for improved security and reduced vandalism for Tri-Met's vehicles and property.

C. Transit Performance Analysis -

1. Produce quarterly performance analysis reports.
2. Continue quarterly analysis on route performance and effects of service and fare changes on ridership.
3. Analyze operator productivity.

4. Continue ridership estimation including light rail model and fare payment survey and analysis.
5. Continue analysis of system wide performance.

D. Market Research, Analysis, and Evaluation -

1. Analyze market segmentation by route, time of day, day of week to reflect comprehensive market view of a route for short range decision-making.
2. Evaluate new and existing market programs for effectiveness in increasing market share and meeting objectives of the Marketing Plan.
3. Provide analysis for updating of the Marketing Plan.

E. Special Needs Transportation Planning -

On-going SNT planning efforts continue at similar level to previous years. However, Section 9 funding will not be requested for FY '90 for these activities which will be funded through other Tri-Met revenues.

Relationship to Previous Work:

A. Service Development -

The long range service plan builds upon existing studies (TDP, suburban transit, LRT study) to provide a comprehensive approach to transit service planning.

The on-board passenger census will be used in conjunction with Banfield Before and After to provide a complete picture of changes occurring since the original census in 1985.

Transit/land-use/private sector cooperation directly supports goals set by Tri-Met's board of directors.

B. Transit Service Efficiency -

Development of new technical methods and new technologies builds upon Tri-Met's previous work with the Interactive Schedule Maker, Automatic Vehicle Location Demonstration, Automated Fare Boxes and Automatic Passenger Counters in planning for effective integration of these and other micro-electronic devices.

The fleet mix study which will be completed in FY '89 provides guidance for the on-going effort to renew Tri-Met's aging bus fleet and needs to be updated yearly as the basic underlying assumptions change.

Contracting services is expected to be a major issue in upcoming labor negotiations. Tri-Met's existing service contracts will need to be reassessed in light of the new contract.

In response to increased incidences of violence and vandalism, Tri-Met will be installing new equipment and increasing personnel dedicated to security function on-board buses. An assessment of the success of these efforts as well as recommendations for improvements will be needed in FY '90.

C. Transit Performance Analysis -

Tri-Met's monthly performance reports provide data and performance measures for both the bus and light rail systems, and service on-going agency efforts to improve productivity. A more thorough analysis of Tri-Met's performance will be achieved through quarterly reporting.

D. Market Research, Analysis, and Evaluation -

Past route research and analysis has analyzed routes on a specific basis for modeling purposes and on a system wide basis for customer oriented data. This program is designed to provide market data on a detailed route level basis to help design better service, indicate which service should be adjusted and what adjustments are necessary.

Previous marketing program evaluation has focused on the evaluation of a radio campaign, and direct mail efforts. There was a minimal amount of pre-testing ideas and follow-up surveying to determine marketing effort's relationship to increased ridership.

Products:

A. Service Development -

1. Long range transit service plan for Tri-Met.
2. Completed passenger census and report.
3. Service change proposals.
4. Sector plans.
5. Annual Service and Marketing Plan.
6. Quarterly Service reports.

B. Transit Service Efficiency

1. A plan for implementing automatic vehicle location technology at Tri-Met that assesses the feasibility, estimates the cost, identifies the benefits.
2. A plan for integrating all micro-electronic devices on both revenue and non-revenue vehicles.
3. A comprehensive fleet mix study.
4. Development of a comprehensive agency security plan.
5. A procedural manual for contracting services which provides administrative guidelines and structured methodologies for conducting benefit/cost analysis.

C. Transit Performance Analysis -

1. Quarterly performance analysis reports.
2. Two to three annual reports on bus route performance.
3. Analysis of operator productivity, incentive programs and labor issues.
4. Accurate ridership estimation.
5. Ridership analysis based on fare survey.

D. Market Research, Analysis, and Evaluation -

1. Report on behavioral aspects of transit ridership.
2. Analysis of customer satisfaction with existing routes in terms of route design, frequency and hours of service, reliability, safety, seat availability, vehicle and facility appearance, and availability of information.
3. Evaluation of market potential and market awareness of transit for households along bus routes.
4. Evaluation of the effectiveness of marketing techniques, including pre-testing and incentives, used to improve market share and retain existing riders.

Expenses:

Tri-Met \$562,000

Revenues:

FY'90 Sec. 9 \$449,600
Tri-Met \$112,400
 \$562,000

LONG-RANGE PLANNING

Program Objectives:

A. Strategic Planning -

Strategic Planning was initiated by Tri-Met in 1985 to improve executive decision making. For purposes of the District, Strategic Planning is defined as the process of systematically identifying opportunities and threats that lie in the future which, in combination with other relevant internal and external data, will provide a basis for making better short-term decisions.

B. TDP Annual Update -

1. To annually revise the TDP and update all technical information and five year plans in light of Tri-Met's strategic planning process.
2. To review the TDP draft document with local jurisdictions prior to the Board's approval.
3. To analyze the impacts of the FY '89-93 TDP and make appropriate modifications.
4. To review and distribute the draft and final document to interested parties.

Relation to Previous Work:

A. Strategic Planning -

The initial steps of a strategic planning process were begun in 1985 as recommended by the Committee on Mass Transit Policy. Since then the District has completed 4 annual strategic planning cycles. Strategic planning is a critical element in the District's planning cycle. Policy direction set in the strategic plan is operationalized in the Transit Development Plan and the annual budget.

B. TDP Annual Update -

The staff will be reviewing, revising and updating the previous FY '89-93 TDP. The updated version will reflect changes in service assumptions, capital funding allocations, and operating funding allocations. As part of this analysis staff will be developing a more in-depth analysis of service deficiencies and will estimate the patronage potential of increased service levels.

Products:

A. Strategic Planning -

1. Implementation and refinement of an annual planning cycle.
2. A situational audit (annual) which includes a critical assessment of Tri-Met's strengths and weaknesses, an analysis of external trends and forces impacting the District, and a synthesis of the aforementioned factors.
3. A document analyzing public perceptions of Tri-Met, and the acceptance by the public of Tri-Met's Strategic Plan will be complete in support of situational audit.
4. A Strategic Policy Option analysis which results in the development of a strategy for Tri-Met which defines critical choices and tradeoffs.
5. A revised Five Year Strategic Plan which sets forth the District's five year vision and identifies areas for emphasis (more/the same/less).
6. Identification of annual goals and priorities which will be emphasized during the annual budget building process.

B. TDP Annual Update -

1. Updated five-year operations and capital development plans based upon an analysis of strategic alternatives and financing constraints.
2. A five-year financing plan to accommodate regional transit service and capital needs.
3. A technical report to be incorporated into the TDP, documenting service standards; methodology for identification of service standards; patronage projections and cost analysis of alternative networks.

Expenses:

Tri-Met \$110,000

Revenues:

FY'90 Sec. 9 \$88,000
Tri-Met \$22,000
 \$110,000

INFORMATION SYSTEMS PLANNING

Program Objectives:

Planning and design of a computer applications portfolio that captures information needed to manage and make decisions with emphasis on applications which support Tri-Met's strategic plan, avoid or reduce costs and contribute to more efficient operations.

Relation to Previous Work:

Previous technical studies have facilitated the planning and development of several beneficial computer applications. Two specific examples include an operations information plan and a plan for a paratransit reporting and scheduling system within three main SNT dispatch centers. These past successes, when considered in conjunction with rapidly expanding opportunities in computer technology, are driving the need to update and further refine computer planning and to continue to identify new areas of opportunity for computer applications.

Products:

1. Review and update of computer application portfolio.
2. Needs assessment, functional specifications, and programming specifications for applications selected for development to include but not be limited to:
 - a. Evaluation of ride reporting and scheduling system for Paratransit programming and Plan for upgrade of system.
 - b. Working document identifying the size and scope of the Operations Information System. Identification of the various sources of operations data, its capture and loading. Prototype reports to present information in an effective manner for decision making.
 - c. Plan for improving data collection and dissemination in the Operations Division.

Expenses:

Tri-Met \$132,425

Revenues:

FY '90 Sec. 9 \$105,940
Tri-Met \$ 26,485
 \$132,425

SPECIAL AREA PLANNING

Objectives:

A. Civil Right Planning -

1. Continue analysis of DBE participation in Tri-Met contracts.
2. Continue/refine a computerized DBE contract monitoring process.
3. Identify areas of strength and weakness in current DBE program for further efforts.
4. Refine procedures developed for establishing project-specific DBE goals.
5. Review and update, as necessary, Tri-Met's DBE policy statement.
6. Review and update submission of information relative to minorities in the urbanized area, as required by UMTA Title VI Circular 1160.1.
7. Continue development of a procedure for implementation and administration of the District's Equal Employment Opportunity (EEO) Program.
8. Develop and implement an EEO Training Program for Tri-Met's staff.

B. Privatization -

1. Analyze existing and proposed transit service to determine what could be privately provided.
2. Assess selected existing privately contracted services.
3. Evaluate quality and cost of contracted service relative to Tri-Met operated service.
4. Develop a plan for implementation of regionally adopted strategy for private and public sector contributions to transit expansion based on conclusions of the Public/Private Task Force on Transit Finance.
5. Determine optimum footprint for private development at selected transit stations for incidental surface and air rights.

C. Labor Productivity Analysis -

1. Analyze the impacts that new/revised incentive programs, family oriented programs, and worker's compensation programs have had on improving labor productivity.
2. Analyze the new labor contract. Identify major impacts of the labor contract on productivity and develop strategies for improving productivity within that framework.
3. Develop statistical cost/benefit studies which yield recommended courses of action for productivity improvements.

Relation to Previous Work:

A. Civil Rights Planning

This program continues on-going efforts in DBE/EEO policy formation which require annual updating and revision as well as meeting annual requirements for Title VI reporting.

B. Privatization -

Continuation of privatization efforts completed under OR-90-X026 with further emphasis placed on evaluation and expansion of those efforts. The Public/Private Task force on Transit Finance has recommended a broad menu of financing methods to assist with capital expansion of transit, including the creation of tax increment financing mechanisms by local jurisdictions and transit center and LRT station cost sharing by private developers. These initiatives will require a planning program to lead to eventual implementation.

C. Labor Productivity Analysis -

This program expands upon the work accomplished in this area to date and provides evaluation of productivity enhancements that work for their effectiveness.

Products:

A. Civil Right Planning -

1. Program for improving Tri-Met's overall DBE level of participation in contracted services.

2. Revised agency DBE policy statement.
3. Updated Title VI report for submittal to UMTA.
4. Refined DBE contract monitoring system for submittal to UMTA.
5. Procedure for implementation and administration of the District's EEO Program.

B. Privatization -

1. Evaluation of savings from and quality of contracted services.
2. Development plan for promising new opportunities for privatization including the utilization of bus shelter advertising dollars to fund shelter maintenance.
3. Description of private providers and services available.
4. Description of areas or routes which are candidates for contracting services.
5. A plan for implementing recommendations of the Public/Private Task Force for Transit Finance regarding creation of special assessment districts around light rail stations, sharing of LRT station costs in conjunction with real estate development, tax increment financing where LRT is an important element of an urban renewal plan, and joint development where publicly owned land is leased for private development.

C. Labor Productivity Analysis -

1. Assessment of impacts of new labor contract including cost/benefit analysis and recommended course of action for improved productivity.
2. Assessment of incentive programs including cost/benefit analysis, documentation of improvements in performance, and recommended changes to program which will maximize its effectiveness.

Expenses:

Tri-Met \$230,000

Revenues:

FY'90 Sec. 9	\$184,000
Tri-Met	<u>\$ 46,000</u>
	\$230,000

Metro Planning

Program Objectives:

1. Assist Tri-Met in surveying and evaluating changes in transit ridership, the underlying causes and assist in development of a short-range transit route patronage model. Calibrate the route model to current year conditions.
2. Conduct research on the effect of changing socio-economic characteristics (such as income, auto ownership, number of workers in household) on transit ridership changes and determine method for incorporating the effect of these changes into short and long-range transit ridership forecasts.
3. Incorporate, as appropriate, results of National Cooperative Transit Research Program (NCTRP) study on "Incremental Changes in Transit Ridership from Incremental Changes in Transit Service" into Metro and/or Tri-Met transportation programs.
4. Provide technical assistance to Tri-Met, as needed, in using Metro Data Resource Center and travel forecasts.
5. Update the transit element of the Regional Transportation Plan to year 2010 conditions reflecting up-to-date information as potential ridership and current policy intent for regional transit improvement.

Relation to Previous Work:

1. Development of the route patronage model will build upon existing EMME/2 models with refinements to improve accuracy at the route level. Refinements will be based upon the best available survey and ridership count data. This task will be initiated in FY 89 and carry over into FY 90.
2. Incorporating future changes in socio-economic characteristics is a direct result of the updated mode split model developed in 1988 which is more sensitive to these socio-economic variables. Further research is required to determine future changes in these characteristics throughout the region.
3. Metro staff is currently serving on the NCTRP advisory committee and can readily transfer the products of that effort to Portland conditions.
4. Technical assistance to Tri-Met is an ongoing task to use data maintained by Metro in Tri-Met planning activities.

5. The RTP reflects 2005 conditions and must be updated to 2010 as a result of recently updated population and employment forecasts.

Products:

1. Route patronage model calibrated to 1988 on EMME/2 accessible to Tri-Met staff via remote terminal.
2. Short and long-range forecasts of socio-economic variables by traffic zone for input to mode split model and revised short and long-term ridership forecasts.
3. Updated chapters of RTP relating to transit service design, ridership, costs and farebox revenues.

Expenses:

Model Refinement	\$ 65,000
Technical Assistance	20,000
RTP Update	<u>40,000</u>
	\$125,000

Revenues:

FY 90 Section 9	\$100,000
Tri-Met Match	14,500
Metro Match	<u>10,500</u>
	\$125,000

PROGRAM ADMINISTRATION

Program Objectives:

1. Monitor and ensure that planning project activities and expenditures conform with the UWP.
2. Ensure that appropriate grant file documentation of activities and expenditures is provided for.
3. Provide quarterly financial and progress reports for all UWP planning projects.
4. Initiate requests for any required budget revisions, and UWP amendments.

Relation to Previous Work:

During FY'89 work is continuing on refinement and improvement of the cash flow monitoring system for planning studies projects. On-going grants administration activities continue from year to year.

Products:

1. Quarterly financial and progress reports.
2. Budget revisions, UWP amendments.

Expenditures:

Tri-Met \$15,000

Revenues:

FY'90 Sec. 9 \$12,000
Tri-Met \$ 3,000
\$15,000

CAPITAL PROGRAM PLANNING

Program Objectives:

Comprehensive planning for development, management and maintenance of Tri-Met's capital projects, facilities and equipment using the following emphasis areas -

A. Capital Development Program Planning -

1. Coordinate scheduling, funding, siting and conceptual design of Tri-Met's capital program with other jurisdictions and internally within the agency.
2. Prepare short and long term capital acquisition program for Tri-Met.
3. Prepare the capital components for the annual update of the TDP and the Strategic Plan.
4. Work with local jurisdictions on proposed transit centers, park-and-ride lots, transit priority measures, TSM measures, road improvements, and transportation plan revision.
5. Refine a Capital Improvement Program process for annual updating.

B. Capital Program and Facilities Management Planning -

1. Coordinate a process for review, prioritization and approval of capital projects as part of the annual capital budget development.
2. Collect and analyze data relating to facilities maintenance. Manage a system of facilities maintenance.
3. Conduct on-going space use studies for Tri-Met's strategic sites to determine their best use.

Relation to Previous Work:

A. Capital Development Program Planning -

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in the annual update of the TDP and the Strategic Planning Process.

B. Capital Program and Facilities Management Planning -

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The planning for the operation of a vintage trolley and possible storage of cars at Tri-Met's strategic site adjacent to the Coliseum Transit Center along with construction of the Convention Center and the deterioration of some existing Tri-Met facilities suggests that a comprehensive plan should be developed to guide the agency's use of strategic sites.

Products:

A. Capital Development Program Planning -

1. Annual Tri-Met capital budget.
2. Input to State and Federal capital grant applications.
3. Capital component of the TDP and the Strategic Plan.
4. Site and conceptual design work with supporting documentation and local approvals for newly proposed projects.
5. Transit revisions to regional and local jurisdictional plan updates.

B. Capital Program and Facilities Management Planning -

1. Up to date long range capital improvement and management plan including goals and objectives for the management of capital facilities after their construction.
2. Detailed proposal for capital funding of the long range Capital plan.
3. Refinement of the Right of Way and Facilities components of the Maintenance Management Information System, with accurate tracking of the facilities maintenance activities and effective programming of preventative maintenance needs.

4. Space use study for strategic sites owned by Tri-Met to determine best use including preliminary design and cost estimate.

Expenses:

Tri-Met \$180,000

Revenues:

FY'90 Sec. 9 \$144,000
Tri-Met \$ 36,000
\$180,000



METRO

2000 S.W. First Avenue
Portland, OR 97201-5398
503/221-1646

Memorandum

Date: September 1, 1988

To: JPACT

From: *RW* Richard Waker, Chair

Regarding: Regional Transportation Funding Proposal

Enclosed for review by JPACT is the Draft Transportation Funding Proposal developed by the JPACT Finance Committee. Sections I-V of the proposal were reviewed by JPACT at the July meeting. Section VI was developed by the JPACT Finance Committee as a proposed recommendation for each of the "Outstanding Funding Issues" identified at that time. At this time, I recommend that JPACT consider two items:

- 1) The Committee should discuss the Outstanding Funding Issues to determine whether or not the recommendations should be incorporated into the body of the proposal.
- 2) The Committee should discuss the remaining process for finalizing and adopting the Funding Proposal.

I recommend the process proceed as follows:

September JPACT: Review, receive the recommendations of the JPACT Finance Committee and Public-Private Task Force, and discuss "Draft" Funding Proposal (attached).

October JPACT: Approve a "Draft" proposal to be circulated for public review; incorporate any revisions deemed appropriate by JPACT.

Late October and November: Receive input on priorities and funding from the Business Task Force; consider conclusions of updated Oregon Roads Finance Study; conduct public hearing on the RTP update; solicit comments/positions from local jurisdictions; consider results of poll.

December JPACT: Adopt RTP update; finalize and adopt Funding Proposal; adopt recommendations of Public-Private Task Force on Transit Finance.

Attachment

JPACT REGIONAL TRANSPORTATION FUNDING PROPOSAL

AREAS OF CONSENSUS

I. General Principles

- A. There is consensus on the transportation priorities and funding target for the next 10 years in the following major categories (see Attachment A):

Regional Highway Corridors
Urban Arterials
LRT Corridors
Transit Operations and Routine Capital

- B. The region should link together the planning for the funding of highway and transit improvements.

II. Regional Highway Corridors

- A. The region should seek state highway funding for the full cost of priority interstate and regional highway corridors (from IA above).
- B. Increase in state and federal funding programs will be required in order to obtain the improvements being sought (such as a continuation of the state gas tax increase of 2¢ per year).

III. Urban Arterials

- A. A vehicle registration fee is favored as the first source of funding for urban arterial preservation and improvement. There is support for imposing the fee at the regional level with a minimum allocation guaranteed to local governments and the balance allocated on the basis of regional priorities through the Joint Policy Advisory Committee on Transportation (JPACT). Once established, consideration will be given to funding transit capital from the arterial fund.
- B. The vehicle registration fee should include a truck fee to maintain cost responsibility.
- C. The Oregon Department of Transportation (ODOT) arterials have the least likelihood of being funded with state funds due to the higher state priority and very high statewide funding requests for corridors of state significance. If ODOT arterials are included in a regional arterial program, sufficient revenues should be sought to fund the extra cost.

IV. LRT

- A. The next priority for UMTA Section 3 funding is Westside LRT; thereafter, Milwaukie LRT. Up to 75 percent UMTA funding should be sought. Federal funding toward I-205 LRT should be from the Interstate buslane funds and for vehicles.
- B. Local matching funds for LRT should come from the following sources.
 - 1. A new regional transit funding source should be adopted to provide the regional share toward all three corridors.
 - 2. State matching funds should be sought for all three corridors over a 3-4 biennium period.
 - 3. Private sector funding should be committed toward construction commensurate with benefits received. A greater than typical share of private funding will be required for I-205 LRT due to the minor level of federal funding than can be obtained.
- C. LRT construction will not proceed without an increased source of operating funds.
- D. Development should be well integrated around LRT stations to maximize ridership and minimize required operating subsidy.

V. Transit Operations and Routine Capital

- A. An increased source of operating funds should be established for routine capital, LRT operations and bus service expansion. Preliminary costs (as of March 1) are as follows:

	<u>Pre-LRT</u>	<u>Post-LRT</u>
Routine Capital	\$ 8 m.	\$ 9.6 m.
Operating		
Westside LRT	--	.5
I-205 LRT	--	1.73
Milwaukie LRT	--	.54
LRT Feeders	--	2.60
Other Bus Services	1.2	3.44
Debt Payment	1.5	1.5
TOTAL	<u>\$10.7 m.</u>	<u>\$19.91 m.</u>

- B. State funding should be sought as follows:
 - 1. Continuation of funding toward routine capital at \$3.3m./year.

2. Increase cigarette tax of 1¢ toward special needs transit.
- C. After implementation of a \$10 m./year arterial fund (such as through a vehicle registration fee), \$3 million in FAU funds will be dedicated to transit capital.

VI. Outstanding Issues

- A. Should the region plan on a vote or pursue alternatives that don't require a vote?

Proposed Recommendation: The region should pursue funding alternatives that can be imposed by the Legislature or regional agencies that do not necessarily require a vote. The region should, however, be prepared to submit a funding package to the voters if it is apparent that this is necessary.

- B. Should a registration fee be imposed on the basis of value, weight or some other measure of impact?

Proposed Recommendation: Yes, in the long term, the region should have the objective of converting the statewide vehicle registration fee to a value-based mechanism to be more progressive in its burden on low-income and elderly households and to be sensitive to inflation. The proposed local option regional registration fee, however, should be imposed on the same basis as the statewide fee so as to minimize collection difficulties and administrative costs.

- at \$10/year registration fee, 62 percent of city/county arterial improvements can be funded.
 - at \$20/year, 100 percent of city/county arterial improvements and 50 percent of ODOT arterial improvements can be funded.
 - at \$25/year, 100 percent of city/county/state arterial improvements can be funded.
- C. How should ODOT arterials be funded? Via state or regional funds?
 - D. Can a case be made for state contribution for LRT local match in excess of 10 percent?

Proposed Recommendation: Yes, the state should be an equal partner with the region in financing the required LRT capital local match. The state has recognized a 10 percent contribution based upon past practices; however, the region should develop the case for a co-equal contribution based upon the highway and economic benefits that will be realized by the state.

- E. What source of new regional funds should be sought for regional LRT match, bus capital and expanded bus and LRT operations?

wage/payroll tax
payroll tax increase
income tax
property tax
payroll tax on local government

Proposed Recommendation: Consideration should be given to expanding and broadening the base for the current payroll tax to include all employers (such as local governments which are not now included) and to shift part of the employer paid tax to the employee. A rate of between .3-.4 percent would be paid by both the employee and employer. Approaching the upper level, this mechanism could be used for collection of the regional share of LRT local match, required bus capital improvements and expanded LRT and bus operations. Payroll tax on local governments should be phased in to reduce the impact on local budgets.

The alternatives of an income tax or property tax are not recommended at this time because the priority use of these sources is for education and corrections. An increase in the payroll tax is not recommended at this time because the transit tax burden on business is already disproportionately high. Future consideration should be given to using the vehicle registration fee for LRT construction if a local option regional registration fee is established and if the constitutional limitation can be lifted.

- F. Further policies on private funding toward LRT will be required.

Preliminary recommendation of the Public/Private Task Force on Transit Finance is as follows:

- To include LRT capital funding in various tax increment funding programs in place or under consideration in the Central City, along the I-205 LRT and along the Westside LRT.
- To establish a special transit assessment district around all LRT stations where transit improvement is planned to reflect the private sector benefits realized from these major transportation investments.
- To negotiate LRT station cost-sharing where the station is located with direct connection to private developments.

- Public acquisition of land around stations should be pursued to allow private development; long-term lease revenues will assist in reducing or eliminating operating costs of LRT.

Preliminary estimates are that these mechanisms would yield the following revenue amounts:

Westside LRT - \$32.2 m.	(10.7 percent of a \$300 m. project cost)
Milwaukie LRT - \$26 m. with LRT mall alignment in downtown Portland	(13.5 percent of a \$193 m. project including the Mall LRT and LRT to Milwaukie, then Clackamas Town Center)
I-205 LRT - \$16.6 m.	(18.6 percent of an \$89 m. project)

AC/jm
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8-1-88

Attachment A

JPACT Regional Transportation
10-Year Priorities

Cost vs. Revenues

I. Regional Highway Corridors	<u>Interstate</u>	<u>Other</u>
Total Cost of 10-Year Priorities (including inflation)	\$489 m.	\$439 m.
Less project funding currently committed	238	97
Less state and federal funding likely to be available	50	61
Unfunded Balance	\$201 m.	\$282 m.
	\$483 million	

II. LRT Corridors	<u>Westside</u>	<u>Milwaukie</u>	<u>I-205</u>	<u>Mall LRT</u>
Total Cost of 10-Year Priorities	\$300 m.	\$88 m.	\$89 m.	\$75 m.
Less anticipated federal funds	150-225	44-66	17-25	38-56
Unfunded Balance	\$75-150 m.	\$22-44 m.	\$64-72 m.	\$19-38 m.
	\$180-304 million			

III. Urban Arterials	<u>State</u>	<u>City/County</u>
Total Cost of 10-Year Priorities (including inflation)	\$203 m.	\$335 m.
Less project funding currently committed	77	99
Less federal, state and local funding likely to be available*	0	41
Unfunded Balance	\$126 m.	\$195 m.
	\$321 million	

*These federal highway funds could alternatively be committed to transit capital if a replacement arterial funding source is adopted.

	<u>Pre-LRT Expansion</u>	<u>Post-LRT Expansion</u>	
IV. Transit Operations and Routine Capital			
Increased Annual Funds Required			
Routine Capital	\$ 8.0 m.	\$ 9.6 m.	
Expanded LRT Operations	--	2.8	
Expanded Bus Operations	1.2	6.0	
Debt Retirement	<u>1.5</u>	<u>1.5</u>	
Unfunded Balance	\$10.7 m./yr.	\$19.9 m./yr.	
V. Road Maintenance	<u>Current</u>	<u>5-Year</u>	<u>10-Year</u>
City/County Annual Needs	\$92.6 m.	\$112.6 m.	\$137 m.
Funds Available	<u>63.6</u>	<u>79.7</u>	<u>81.8</u>
Unfunded Balance	\$29 m./yr.	\$ 33 m./yr.	\$55 m./yr.



CLACKAMAS COUNTY

Board of Commissioners

DATE: September 7, 1988

TO: JPACT

FROM: Ed Lindquist, Commissioner
Clackamas County

ED LINDQUIST
CHAIRMAN

DALE HARLAN
COMMISSIONER

DARLENE HOOLEY
COMMISSIONER

MICHAEL F. SWANSON
CHIEF EXECUTIVE OFFICER

SUBJECT: Phase I Regional LRT Transit Package - Request to Include in the Draft Regional Transportation Funding Proposal as a Way to Start P.E.

A specific Phase I Regional LRT Package needs to be defined and included in JPACT's final proposal to solidify the region's understanding of priorities and process. Currently there is much confusion on what is in a Phase I Light Rail Package. A commitment to fund all pieces of Phase I through various funding mechanisms must be included in JPACT's recommendations.

The Phase I Regional LRT Package should include the following projects:

- o Westside LRT
- o I-205 LRT concurrently with Westside LRT
- o Central City projects which have available funds - (North Mall Extension & Convention Center)

Adopting a Phase I LRT Package will have the following effects on the region which are imperative to maintain regional support for the LRT projects:

- a) There will be no doubt as to the priority of the light rail projects.
- b) Funding mechanisms can be initiated within the Phase I corridors.
- c) The Westside and I-205 LRT projects will be able to move forward concurrently.
- d) Central City can proceed with their transit/LRT priorities as funding becomes available.
- e) The P.E. process will determine the technical and financial viability of the projects, with an ultimate "build" decision based on a satisfactory resolution of technical and financial issues.

Most importantly, with adoption by JPACT of a Phase I LRT Package, each area of the region receives benefits which will maintain support for a regional funding package, otherwise it is unclear whether regional support will materialize for a funding package.

In conclusion, we request the attached Section E be added to Part IV LRT of the Draft Regional Transportation Funding Proposal.

JD

IV. LRT

- E. A Phase I Regional LRT Package must be defined and included in any recommendations from JPACT with a commitment to fund all pieces of the package through various funding mechanisms.

The Phase I Regional LRT Package includes the following projects:

- o Westside LRT
- o I-205 LRT concurrently with Westside LRT
- o Central City projects which have available funds -
(North Mall Extension and Convention Center)

COMMITTEE MEETING TITLE JPACT

DATE 9-8-88

NAME

AFFILIATION

NAME	AFFILIATION
M- Earl Blumenauer	City of Portland
M- Donna Days	Washington County
G- Donna Yvonne	Partic. Development
Andy Coleman	Metro
M- RICHARD WAKER	METRO
M- Pauline Anderson	Multnomah County
M- Jim Loewen	Tri / met
M- George Van Beuren	Metro
M- Ed Pro Degenst	Clackamas Co.
M- Jim Gardner	Metro
M- Bob Cartman	ODOT
M- Wade Byers	Cities of Clackamas County
G (M) Bill Stark	Cities of Clackamas Co. (Alt)
G- Ed Spina	ODOT
G- Joan DeCamara	Clackamas County
G- Don Malden	Reserve Center - Clack Co
G- Robert Royers	Pub. Chamber of Com.
G- Howard Harris	DER
G- Brunhilda McGilicuddy ^(alias)	IRISH-German Alliance
G- John Moore	ODOT - Transit Div
G- Josee Jahrae	Mult Co.
G- Bebe Rucker	Part of Portland
S- Karen Shackleton	Metro

COMMITTEE MEETING TITLE TPACT

DATE 9.8.88

NAME

AFFILIATION

G- Dick Steenly

Tri-County Metropolitan Transportation District

G- Cynthia Stanton

Tri-Met

G/MAT Bob Post

" "

G- Ray Polani

Citizens for Better Transit

G/MAT Rick Kuehn

ODOT