

CONSIDERATION OF RESOLUTION NO. 87-808 FOR THE
PURPOSE OF AMENDING THE FY 1988 UNIFIED WORK
PROGRAM TO INCLUDE IMPLEMENTATION OF A PUBLIC/
PRIVATE TASK FORCE ON THE FUTURE OF TRANSIT
FINANCE IN THE PORTLAND REGION

Date: September 14, 1987

Presented by: Andrew Cotugno

PROPOSED ACTION

To amend the FY 88 Unified Work Program to allow Metro to apply for a \$300,000 Discretionary UMTA Section 8 planning grant (\$240,000 federal share) to establish a public/private task force on the future of transit finance in the Portland region.

FACTUAL BACKGROUND AND ANALYSIS

The City of Portland developed a proposed effort to build upon regional transit plans and priorities developed through JPACT. The effort is intended to broaden the business sector's understanding of regional transit needs in order to develop recommendations on public and private finance mechanisms. The effort was designed to be undertaken as a cooperative regional process involving elected officials and business representatives from throughout the region. The study also includes consultant assistance to provide research on alternative service delivery and finance mechanisms.

At the recommendation of TPAC and JPACT, the proposal was revised as follows:

1. Metro would be the grant applicant with pass-through funding to Portland as lead agency.
2. The overall study would be regionally staffed with participation by various agencies, including Metro, the City of Portland, Tri-Met and ODOT.
3. The public/private task force would be established as a JPACT task force to make recommendations on transit finance. Portland will convene the task force and will appoint committee members in consultation with County Commissioners, Metro, Port of Portland, ODOT and Tri-Met. The committee will select the chair.
4. Coordination with local governments would be provided for.

5. Private composition of the task force could be expanded to include employers, not just the development community.

TPAC and JPACT recommended adoption of the resolution with the above amendment. The proposal as defined in the attached resolution includes the above changes.

EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer recommends adoption of Resolution No. 87-808 as amended.

AC/sm
8097C/513
09/14/87

BEFORE THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF AMENDING THE)	RESOLUTION NO. 87-808
FY 1988 UNIFIED WORK PROGRAM TO)	
INCLUDE IMPLEMENTATION OF A)	Introduced by the Joint
PUBLIC/PRIVATE TASK FORCE ON THE)	Policy Advisory Committee
FUTURE OF TRANSIT FINANCE IN THE)	on Transportation
PORTLAND REGION)	

WHEREAS, The FY 1988 Unified Work Program was adopted by Resolution No. 87-754; and

WHEREAS, The Metropolitan Service District is seeking Section 8 Discretionary planning funds from the Urban Mass Transportation Administration for the purpose of initiating a cooperative public/private regional effort to develop transit finance recommendations for the region; and

WHEREAS, This proposal must be reflected in the region's FY 1988 Unified Work Program; now, therefore,

BE IT RESOLVED,

1. That the FY 1988 Unified Work Program is hereby amended to include the proposed program described in Attachment A.
2. That the grant applicant will be Metro with pass-through funding to Portland as the lead agency. Portland will convene the task force and will appoint committee members in consultation with County Commissioners, Metro, Port of Portland, ODOT and Tri-Met. The committee will select the chair.
3. That the proposal is not intended to compete with Tri-Met's grant for the financial analysis related to Sunset Light Rail Transit Preliminary Engineering.

4. That the proposed program is consistent with the continuing, cooperative and comprehensive planning process and is given affirmative Intergovernmental Project Review action.

5. That the Executive Officer is authorized to apply for, accept and execute grants required for this work program.

ADOPTED by the Council of the Metropolitan Service District
this _____ day of _____, 1987.

Richard Waker, Presiding Officer

AC/sm
8079C/513
09/14/87

ATTACHMENT A

SUMMARY

PUBLIC-PRIVATE TASK FORCE ON FUTURE TRANSPORTATION FINANCE IN THE PORTLAND REGION

PROPOSED UMTA GRANT TO INVOLVE THE PRIVATE SECTOR IN TRANSIT DEVELOPMENT

I. INTRODUCTION

The inauguration of light rail transit services in Portland in September, 1986 represented a major accomplishment for this region. The completion of the Banfield LRT Project and the tremendous public enthusiasm are products of a successful transportation planning effort which began during the early 1970's. However, with the near completion of the Interstate Transfer Program to fund transportation projects in the Metro region, this area must face a new challenge for the 1990's - to identify innovative financial strategies to fund transportation projects. Additional transportation improvements, particularly transit, are needed to accommodate the increasing travel demands generated by the population and employment growth in the Portland Metropolitan area.

Also, this region, like the rest of the country, has experienced tremendous intra-suburban travel growth. Current transit strategies have not been able to keep up with this changing travel pattern. Innovative transit strategies are needed to address the transit needs in low density suburban areas. Suburban transit service will also be needed to feed future LRT lines.

The following is a grant proposal for a "Public-Private Task Force on Future Transportation Finance in the Portland Region." The task force would be composed of business community members and public officials representing the state and local jurisdictions in the Portland region. The task force will review and evaluate future implementation of transportation plans and projects and develop public/private financing options for them.

II. PROBLEM

While several projects enjoy strong support, neither Metro, the City of Portland, Tri-Met nor any other governmental body has been able to piece together an implementation strategy which examines the alternatives for financing, scheduling various phases of the projects, or linking development and highway activity. Developing these strategies is essential to future transportation development in the Portland region.

In 1984, UMTA established its fixed-guideway funding policy which would rate transitway projects according to the percentage of federal funds they require as well as their overall cost effectiveness. As a result, the Portland region must develop innovative financing solutions to assure private sector involvement in this region's strategy to finance transit projects.

Public and private funds must be clearly identified and committed for immediate preliminary engineering needs and for future construction efforts. Gaps between known resources and actual needs must be addressed to determine the feasibility of moving forward on projects. Revenue sources must be evaluated for stability and likelihood of implementation.

Interest and enthusiasm for addressing future transportation needs exist in the Portland community, particularly within the central business community. Private sector leaders are beginning to understand the need to be involved in transportation project development and cost sharing in the years ahead.

The opportunity now exists to examine this region's transit needs and develop solutions through a joint public-private sector partnership. The proposed task force will provide a cohesive framework to guide the future growth with transit investments.

III. TASK FORCE GOAL AND OBJECTIVES

A. Overall Goal Statement

The Task Force's principal mission is to develop a comprehensive program to coordinate transit projects with broader community needs. This will include integrating potential private sector contributions with governmental sources to maximize transit project's impacts on economic development opportunities. The net effect will be to leverage private sector interest in and financial support for transit planning and transit projects.

B. Transportation Planning Objectives

1. Establish a public-private framework or model which can be used to develop financial backing for regional transitway projects. This will be used as a framework to identify local government and private sector financial commitments to demonstrate a stable and dependable source to construct, maintain, and operate the system. The goal will be to identify funding sources which will contribute to a higher percentage of the capital costs. Detail work on each corridor will not be the focus. Instead, it will establish the model and outline, the characteristic and potential for each corridor.
2. Establish a framework to address suburban transit needs. Examine alternative concepts with private sector participation in the delivery of transit service, including being the provider of transit service in suburban areas.

3. Establish a public-private framework to fund incremental transit improvements. This will be used as a framework to identify and construct incremental transit improvements in the region, which are operationally feasible.
4. Establish a framework to improve Tri-Met's operating financial needs. Identify the relationship between Tri-Met's financial condition, the population growth and economic development dependencies in transit in the region's economic and transportation plans. Tri-Met must improve its ability to fund its operating costs in order to expand service to meet the future demands assumed by the region.

IV. MEMBERSHIP

- A. The task force will be convened by Portland as a JPACT Task Force. Portland will appoint the membership in consultation with County Commissioners, Metro, the Port of Portland, ODOT and Tri-Met. The committees will select the chair.
- B. Private sector membership will be drawn from the development community, utilities, financial institutions, employers and others who will be interested in future transportation projects. The Port of Portland, Oregon Transportation Commission, Metro, Tri-Met and C-Tran will each be represented by a board member who also is a member of the business community.
- C. Elected officials on the Task Force will include Counties of Washington, Clackamas, Multnomah, and the City of Portland.

V. TIMING, COST AND AGENCY RESPONSIBILITIES

The Task Force work would be completed in six months. The proposed budget is \$300,000 (\$240,000 federal share), principally for acquiring the professional expertise necessary to assist the decision-making process and conduct the special studies and analyses necessary to address the appropriate issues. Follow-up implementation strategies will require an additional six months.

The grant applicant is Metro with pass-through funding to Portland as the lead agency. The overall study will be regionally staffed with participation by various agencies, including the City of Portland, Metro, Tri-Met and ODOT.

DISTRIBUTION
OF
HB 2112
REVENUES

DECISIONS

- USE OF 2112 REVENUE
- TARGETING OF
MODERNIZATION PORTION

HB 2112

• 1988 1989 1990
 2 + 2 + 2

• WEIGHT/MILE INCREASE (16.67%) IN 1990

	STATE	CO.	CITY
• FIRST 4¢	50%	30%	20%
• LAST 2¢ + WT/MILE	68%	20%	12%

• PERFORMANCE AUDIT OF HIGHWAY DIVISION

• 1/3 REVENUE DIRECTED TO STATE
MODERNIZATION STARTING 1990

• STATE CONTRIBUTION TO SPECIAL CITY
ALLOTMENT PROGRAM OF \$500,000
ANNUALLY

• ESTABLISHES ODOT TASK FORCE
ON MOTOR CARRIER TAXATION

SIX YEAR PROGRAM

- STARTED IN 1975
- A PUBLIC FORUM FOR DECISION MAKING
- 18 PUBLIC MEETINGS, 1,500 PEOPLE ATTENDING, 500 ITEMS OF TESTIMONY
- PROCESS HAS INTEGRITY, STABILITY
- PROVIDES FEEDBACK ON HOW WE'RE DOING (REPORT CARD)
- LOCAL GOVERNMENTS, USERS, CITIZENS AND LEGISLATORS SUPPORT PROCESS
- COORDINATES LOCAL AND STATE PRIORITIES

SCHEDULE FOR 1989-94 UPDATE

JAN-APRIL 1987

- MEET WITH LOCAL GOVERNMENTS
- UPDATE EXISTING PROJECTS & SCHEDULES
- UPDATE CRITERIA FOR PRIORITIZING NEW MODERNIZATION, BRIDGE REPLACEMENT, OVERLAY AND SAFETY PROJECTS

MAY-JUNE

- REGION SUBMIT PROJECT REQUESTS

JULY-SEPT.

- CATEGORIZE & TECHNICALLY RANK PROJECTS

AUGUST

- WORKSHOP WITH COMMISSION

OCT. - NOV.

- DEVELOP DRAFT PRELIMINARY PROGRAM

NOV.

- WORKSHOP WITH COMMISSION

DEC. - JAN.

- COMMISSION APPROVAL OF PRELIMINARY PROGRAM

FEB. - MAR.

- BRIEFINGS AND PUBLIC MEETINGS

APRIL

- WORKSHOP WITH COMMISSION

APRIL - JUNE

- FINALIZE PROGRAM

MAY

- DISTRIBUTE PROPOSED PROGRAM

JUNE

- TRANSPORTATION COMMISSION MEETING

JULY 1988

- COMMISSION APPROVAL OF FINAL PROGRAM

1989-94 SIX-YEAR PROGRAM ESTIMATED FUNDS

FEDERAL PROGRAMS MILLIONS OF DOLLARS

<u>CATEGORY</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>
INTERSTATE CONSTRUCTION	16	16	16	16	*	
INTERSTATE REHABILITATION	38	38	38	38	38	38
STATE PRIMARY HIGHWAYS	29	29	29	29	29	29
STATE SECONDARY HIGHWAYS	5	5	5	5	5	5
SAFETY IMPROVEMENTS	4	4	4	4	4	4
BRIDGE IMPROVEMENTS	11	11	11	11	11	11
STATE MATCH	13	13	13	13	12	12
TOTALS	<u>116</u>	<u>116</u>	<u>116</u>	<u>116</u>	<u>99</u>	<u>99</u>

STATE PROGRAMS

MODERNIZATION	30	14				
HB 2112						
MODERNIZATION			—	—	—	—
PRESERVATION & OPERATIONS			—	—	—	—

REVENUE FROM 2112 88-97 \$450M

COMPETING DEMANDS

*current = \$106m/year
not include
at Regis. Law
Aug - 89*

CONTINUE CURRENT LEVEL
MAINTENANCE EFFORT
@ 4% INFLATION RATE \$180M

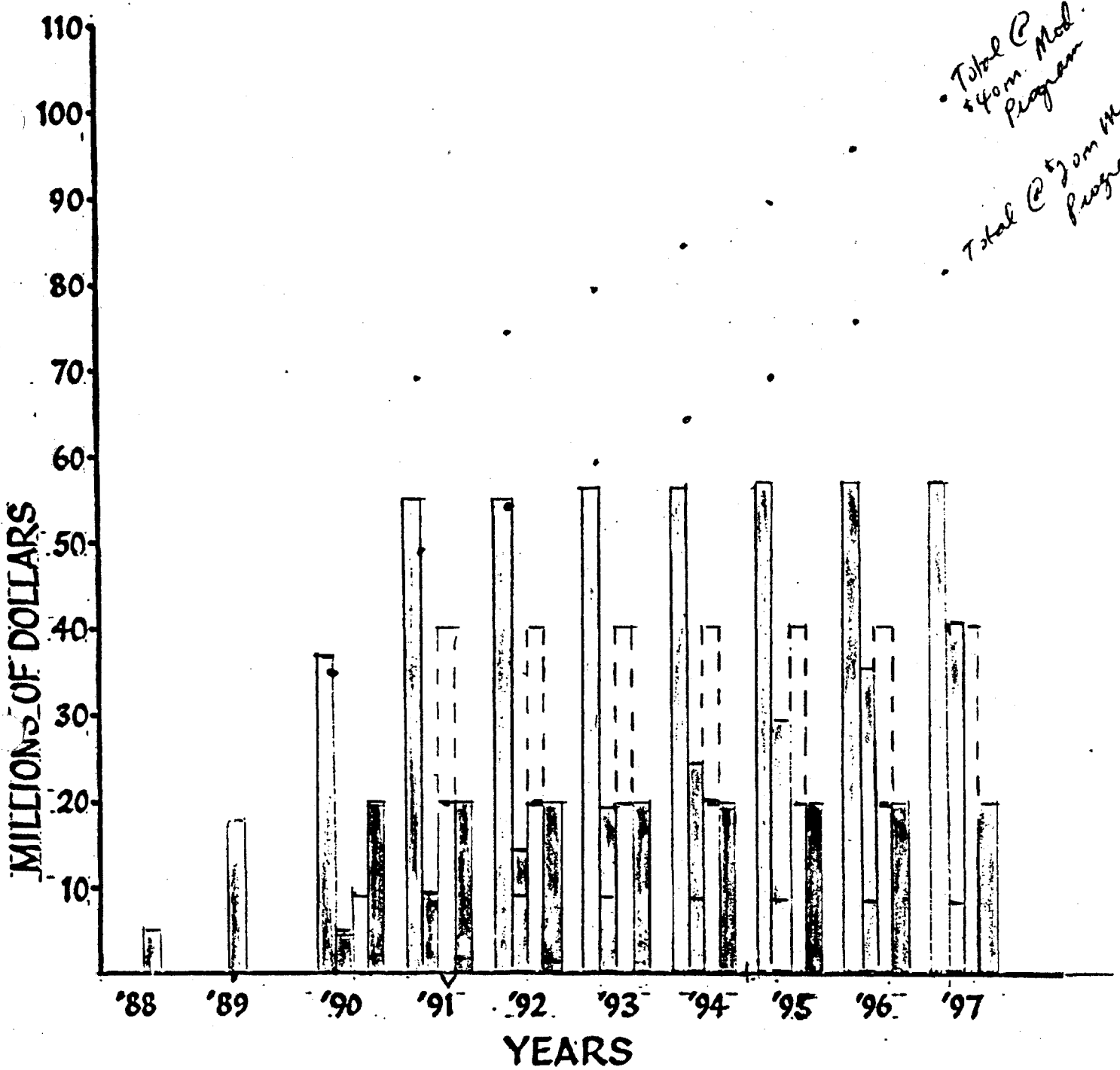
CONTINUE PRESERVATION/OPER
PROGRAM TO MINIMIZE MAINT
COSTS & VEHICLE OPER COSTS
@ \$20 M/YR. \$160M

IMPLEMENT THE CONTINUING
MODERNIZATION EFFORT @ 1/3
PER BILL REQUIREMENT WHICH
IS ABOUT \$20 M/YR. \$150M

OR OR

@ ABOUT CURRENT LEVEL OF \$40M/YR \$300M

\$490M OR
\$640M



- [Hatched Box] NEW REVENUE
- [Dotted Box] REQUIRED TO HOLD LEVEL '89 MAINTENANCE PROGRAM @ 4% INFLATION
- [White Box] \$20M/YR "MOD" [Dashed Box] \$40M/year
- [Dark Hatched Box] PRESERVATION & OPERATIONS PROGRAM @ \$20M/YR

DISTRIBUTION OF HB 2112 REVENUES

Full

RECOMMENDED
STAFF COMMISSION
WORKSHOP

• FOR MAINTENANCE ^{+180m} \$ 80 MILLION _____
increase @ 4% to \$10m then cap

• FOR PRESERVATION/
OPERATIONS ^{+160m} \$ 160 MILLION _____

• FOR MODERNIZATION ¹⁵⁰ ↓ ^{+300m} \$ 210 MILLION _____

\$ 450 MILLION

300 ← \$5m for special projects/contingencies w/considerate off-peak.

STATE MODERNIZATION CRITERIA

- PROJECTS BE OF SIGNIFICANCE TO THE STATE HIGHWAY SYSTEM.
- PRIORITY BE GIVEN WHERE THERE IS STRONG LOCAL SUPPORT.
- PRIORITY BE GIVEN WHERE THERE IS LOCAL GOVERNMENT OR PRIVATE SECTOR FINANCIAL PARTICIPATION, OR BOTH, IN THE IMPROVEMENT IN ADDITION TO IMPROVEMENTS ADJACENT TO THE PROJECT.
- PRIORITY BE GIVEN TO PROJECTS WHICH ENCOURAGE ECONOMIC DEVELOPMENT WHERE :
 - A) THERE IS COMMITMENT BY PRIVATE INDUSTRY TO CONSTRUCT A FACILITY.
 - 1) JOBS ARE ASSURED THROUGH NEW OR EXPANDED FACILITIES.
 - 2) INVESTMENTS HAVE BEEN MADE FOR LOCAL SERVICES.
 - 3) NEW DEVELOPMENT IS CONSISTENT WITH LOCAL PLANS.
 - B) THE ECONOMIC INTEGRITY OF THE REGION IS PRESERVED BY RETAINING EXISTING JOBS.
 - C) THERE IS SUPPORT FROM OTHER STATE AGENCIES.
- PROJECTS NOT BE SELECTED ON THE INTERSTATE HIGHWAY SYSTEM.
- PROJECTS BE EQUITABLY DISTRIBUTED THROUGHOUT OREGON.
- PROJECTS MAY BE ON COUNTY OR CITY ARTERIAL ROADS CONNECTING TO OR SUPPORTING A STATE HIGHWAY.

MODERNIZATION PROGRAM ISSUES

- ON OR OFF SYSTEM

- Not likely
but allow for off system
on a case-by-case
basis.

- TARGET

[hold \$m/year off projects
for priority projects along the way.

- EQUITABLE DISTRIBUTION

Spread out vs. focus on corridors

Next session:

Combine State Mod + Fed. \$
to both focus corridors &
spread the wealth.

COMMITTEE MEETING TITLE OPACT

DATE 9-10-87

	NAME	AFFILIATION
	^S Earl Blumenauer	Portland
⁴⁰	Sam Coope	Metro
	LEON ANDERSON	Port of Portland
	Pauline Pederson	Mult. Co.
	Loren Wyss	TriMet
	ED FERGUSON	WSDOT
	Bob Bothman	ODOT
	ROY ROGERS	WASH. County
	Marjorie M. Schunk	Cities of Mult. County
	George Vann Bergen	Metro
<input checked="" type="checkbox"/>	Ron Thom	Cities of Clack. County
	Neva Aron	Metro
	RICHARD WAKER	METRO
	Vern Veysay	Clack Co. Wn.
	Tom Chapman	DEQ
	Tom Brian	Tegard (Cities of Wash. Co)
<input checked="" type="checkbox"/>	Gary Spanish	Clackamas County
<input checked="" type="checkbox"/>	RICHARD ROSS	CITIES OF MULT. COUNTY
<input checked="" type="checkbox"/>	Pete Fing	CEIC
<input checked="" type="checkbox"/>	Steve Dofferrer	Portland
<input checked="" type="checkbox"/>	GRACE CRUM CAN	Pdx
<input checked="" type="checkbox"/>	FELICIA TRADER	PORTLAND
<input checked="" type="checkbox"/>	Howard Harris	DEQ

