

OREGON ROADS FINANCE STUDY
UNFUNDED NEEDS ANALYSIS 1987 TO 2005

INCLUDES INFLATION
(Millions of Dollars)

<u>Revenues</u>	<u>State</u>	<u>County</u>	<u>City</u>	<u>Total</u>
Federal Trust Fund	2,537	329	136	3,002
Other Federal	-	1,500	3	1,503
State	4,283	1,242	769	6,294
County	-	759	-	759
City	-	-	1,028	1,028
Total revenues	6,820	3,830	1,936	12,586
Needs:				
Operations and maintenance	3,100	3,430	2,260	8,790
Repair and preservation	5,574	5,959	3,111	14,644
New construction and expansion	4,379	5,966	1,284	11,629
Bridges	1,357	614	91	2,062
Total needs	14,410	15,969	6,746	37,125
Estimated unfunded needed	<u>7,590</u>	<u>12,139</u>	<u>4,810</u>	<u>24,539</u>

This projection is prepared on the basis of information and assumptions set forth in the accompanying text and accompanying appendix and cannot be properly interpreted without reference to the underlying assumptions described therein. The projections are not intended to be used to solicit or obtain external financing for any roadway or bridge projects. It should be noted that the achievement of any financial projection is dependent upon the occurrence of future events which cannot be assured, as well as on the assumptions and estimation methods. Actual results, therefore, may differ from these projections, and others may arrive at conclusions different from those which are present in this report.

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Prioritization Criteria

	<u>Repair & Preservation</u>	<u>Construction</u>
Interstate	5% of backlog allowed Includes overlays	Includes all new construction
Freeways, Arterials	10% of backlog allowed Includes overlays	Includes all new construction
Collectors	20% of backlog allowed Includes overlays	Limited to pavement needing reconstruction Modernization excluded
Locals	30% of backlog allowed Includes overlays	All work excluded

Through this prioritization, six-year system requirements are reduced

	<u>From:</u> (1987-1992)	<u>To:</u>
Repair & Preservation		
Backlog	\$ 3.18 billion	\$0.88 billion
6-Year	2.46	1.16
Construction		
Backlog	4.54	1.84
6-Year	1.46	1.15
Operations & Maintenance		
6-Year	<u>1.83</u>	<u>1.83</u>
6-Year Total	\$13.47 billion	\$6.86 billion

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Revenue Proposals

- . Develop a six-year funding program for consideration by the Legislature; set the stage for funding actions at a later date to address future time periods.
- . Consider a 2¢ per year increase in gas taxes plus equivalent weight-mile taxes.
- . Consider a one-time increase in the vehicle registration fee from the current \$10.00 to \$20.00 per year.
- . Impose a title transfer fee at 2 percent of the value of the car to be paid one time when first titling the car in Oregon (new cars, used cars, transfers from out of state).

Revenues that would result are as follows:

	<u>Gas Tax/Weight-Mile</u>	<u>Veh. Registr. @ \$10.00</u>	<u>Titling Fee @ 2%</u>
FY 88	@ 2¢ = \$ 17.5 m.	\$ 10.7 m.	\$ 45.0 m.
FY 89	@ 4¢ = 62.5	22.0	97.3
FY 90	@ 6¢ = 112.3	23.0	102.0
FY 91	@ 8¢ = 161.0	23.2	104.7
FY 92	@ 10¢ = 208.5	23.4	110.2
FY 93	@ 12¢ = 257.4	23.6	114.8
	<u>\$819.2 m.</u>	<u>\$125.9 m.</u>	<u>\$574.0 m.</u>

GRAND TOTAL - 1987-1992 . . . \$1,123.5 million
1987-1993 . . . \$1,519.0 million

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Distribution Issues

	<u>State</u>	<u>Counties</u>	<u>Cities</u>
Current Revenue Base (1987-1992) including: 10¢ State Gas Tax @ 68/20/12 2¢ State Gas Tax @ 50/30/20 Federal Highway Funds Local Gas Taxes Federal Forestry Receipts Local Revenues	\$2,021 m.	\$950 m.	\$447 m.
Distribution of New Revenue Based Upon Prioritization Assuming:			
1. Backlog is cut across the board	31%	34%	35%
2. Preservation backlog is spread over 18 years; construction backlog is deferred	25%	35%	40%
3. Backlog and current period requirements are cut across the board	40%	34%	26%
4. Maintenance is fully funded and the balance is cut across the board	39%	32%	29%
ODOT Proposal on the Basis of Auto and Truck Travel Volumes	65%	--	35% --
County Proposal on the Basis of Uniformly Funding the Short-fall Excluding <u>Local Roads</u>	33%	46%	21%
City/County Bottom Line	50%	30%	20%
Consultant Direction	56%	27%	17%

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Program vs. Formula Distribution

1. In order to maintain flexibility to meet the actual priorities of the individual agencies and jurisdictions, the preference is to distribute most if not all of the funds through existing formulas once the state/county/city split is established. This would also avoid creation of new institutional layers for selecting projects to be funded.
2. The priority for use of a funding increase by ODOT would be for Modernization purposes, especially on their principal state routes. As such, it may be appropriate to establish all or part of the ODOT increase as another State Modernization Program.
3. Because of the multiplicity of state, county and city jurisdictions in the urban areas, formula allocations are not conducive to meeting Modernization needs. To ensure this priority is addressed, it may be appropriate to:
 - a) Establish an Urban Modernization Fund modeled after the FAU Program for urban areas over 5,000 population.
 - b) Increase the Small Cities' Allotment Program for urban areas under 5,000 population.

Oregon Transit Finance Study

Recommendation

1. Special Transportation Fund (STF)

Proposal: Increase the state cigarette tax from 1 cent to 2 cents providing an increase in revenues from \$2.8 million to \$5.6 million per year. As provided by the current statute, the STF would be dedicated to operating and capital costs associated with maintaining and improving transit service to the elderly and handicapped community throughout Oregon.

Issues:

- a. Distribution - Ability to respond to capital requests; need to provide a minimum allocation to smaller counties; role of Oregon Transportation Commission.
- b. Eligibility - Pay for state and local administrative costs; supplement UMTA 16(b)(2) capital program for private, nonprofit agencies.
- c. Address method to stabilize declining revenues expected from cigarette tax over them.

2. Transit Capital Assistance Fund

Proposal: Provide a \$12 million biennium appropriation to match federal capital funds for transit vehicles and facilities. Such an appropriation would be funded with \$4 million of Lottery funds for economic development-related capital improvements and \$8 million of general funds for the remainder. Specific capital programs would be selected by the Oregon Transportation Commission based upon applications from local transit districts and jurisdictions.

Issues:

- a. Procedures and criteria for consideration of applications would need to be defined.
 - b. Short-range transit service and capital programs consistent with local comprehensive plans, local and regional transportation plans and state transportation plans would need to be a prerequisite.
3. Continue state support for in-lieu-of payroll taxes and Small Cities Assistance Program.
 4. Further consider:
 - a. A joint transit/highway fund.
 - b. A dedicated state funding source for transit.

Oregon Roads Finance Study

Urban Modernization Fund

. Establish a 1¢ Urban Modernization Fund.

. Distribution (similar to FAU):

To urbanized areas over 50,000 population

To urban areas between 5,000 and 50,000 population

Use population within the Urban Growth Boundary as the basis of distribution

. Eligibility:

For capital improvements on any state, county, city arterial or collector as identified in adopted comprehensive plans within the Urban Growth Boundary.

. Project Selection:

Through existing institutional mechanisms involving the mutual agreement of affected city, county, regional and state officials.

Upon selection of a project, the state would be requested to release the agreed-upon amount of funding to the implementing jurisdiction for the purpose of implementing that project.



METRO

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

Memorandum

Date: October 2, 1986

To: JPACT

From: Andrew C. Cotugno, ^{AC}Transportation Director

Regarding: Southwest Corridor Study - Recommendations

The technical aspects of the Southwest Corridor study are nearing completion and proposed recommendations will soon be developed for adoption by the appropriate jurisdictions. These actions will include proposed amendments to the Regional Transportation Plan.

Associated with this is the attached letter from Clackamas County suggesting that the financial strategy for implementing the recommendations of the Southwest Corridor study be developed in the context of an overall regional strategy addressing required improvements in all the regional corridors. This may be an approach that JPACT wishes to pursue but, in any event, should not affect the final conclusions of the Southwest Corridor study. This study should recommend amendments to the Regional Transportation Plan and address the overall approach for implementing the recommendations. It cannot, however, make a financial commitment to any of the recommendations without taking into consideration priorities elsewhere in the region.

ACC:lmk

Attachment

CC: Southwest Corridor Policy Committee

CLACKAMAS COUNTY

Department of Transportation & Development

Formerly Department of Environmental Services

Winston Kurth
Executive Director**Ardis Stevenson**
Director
Communications & PolicyIn Memoriam - John C. McIntyre
(1935-1984)**Richard Dopp**
Director
Operations & Administration**Tom VanderZanden**
Director
Planning & Development

September 22, 1986

Andy Cotugno
Transportation Director
Metropolitan Service Dist.
2000 S.W. First Avenue
Portland, OR 97201-5398**SUBJECT: Westside Bypass Funding as Part of An
Overall Regional Corridor Highway
Improvement Strategy**

Dear Andy,

As the Westside Bypass Analysis is nearing completion it is time to consider where the potential \$200 million would come from for funding the project.

I believe MSD has done a good job with the technical analysis and it appears that major transportation investments are needed in the Southwest Corridor. It also appears that the region does not have sufficient resources to cover these investments. Thus it is critical for MSD to provide leadership in developing a financial strategy for Southwest Corridor transportation investments.

However, I am beginning to get concerned about developing a financial strategy for the Southwest Corridor outside the context of an overall regional position. As I reviewed your Draft Staging Plan I was continually struck with the words, "requires immediate commitment" in relation to State highway improvements.

Obviously, Clackamas County and its citizens and businesses are concerned about transportation investments in the Hwy. 224/212 corridor and in the I-205 Corridor. Both of those Corridors also "require immediate commitment".

Andy, I believe it is critical to develop a Regional Highway Corridor Funding Strategy. This strategy would identify critical highway improvements needed in each corridor - it would not prioritize one corridor over another because I believe that is haphazard planning. All our regional corridors are critical to the overall functioning of our regional system. All of them need phased improvements, simultaneously, over time.

Although I believe the Southwest Corridor technical analysis was a good one, I believe the next step cannot be taken independent of other regional corridor needs. Thus, I would like to recommend that a financial strategy be worked out either by TPAC/JPACT or by expanding the Southwest Corridor technical and policy committees to include other corridor and local jurisdiction representatives.

Sincerely,

Gary Spanovich

GARY SPANOVICH, Transportation & Economic Planning Administrator
Planning and Economic Development Division

cc: Tom VanderZanden
Winston Kurth
Bob Schumacher
Ed Cooley, North Clackamas Employers Assoc.
Bob Bocci, Sunnyside/205 Association
Jack Smith, North Clackamas Chamber of Commerce
Stan Nash, Lake Oswego
Kathy Lairson, West Linn

1/gs/917:elk

COMMITTEE MEETING TITLE JPACT

DATE 10-9-83

NAME

AFFILIATION

M- ~~Bob Dumas~~

CLACKAMAS CO.

M- ~~Ward White~~

City of Mult. Co

G- ~~Del Spence~~

ODOT

M- ~~George Van Buren~~

Metro Council

M- ~~Fred Miller~~

ODOT

MA- ~~Tom Blapham~~

DEQ

M- ~~LARRY COLE~~

CITIES OF WASHINGTON COUNTY

M- ~~Larry Cooper~~

Metro

M- ~~RICHARD WAKER~~

METRO

G- ~~Sally Laksen~~

Multico

G- ~~Rick Kuehn~~

ODOT

G- ~~G.I. Mallery~~

FRC - Clark Co

G- ~~Gary Sparrow~~

Clackamas County

G- ~~Wendy Moore~~

ODOT-Transit

G- ~~Bebe Rucker~~

Port

G- ~~Mary Volm~~

ODOT

G- ~~GEOFF LARKIN~~

PDOT

G- ~~Cynthia Lantz~~

City of Portland

M- ~~Margaret Strickland~~

City of Portland

G- ~~John Fry~~

CEI

M- ~~Wes Miller~~

Washington County

M- ~~Ken Thom~~

Cities in Clackamas Co.

M- ~~Pauline Anderson~~

Multnomah County

COMMITTEE MEETING TITLE JPACT

DATE 10-9-86

NAME

AFFILIATION

G- Grace Crunican

City of Portland

G- Steve Dotterer

" " "

G- Lee Humes

Tri-Met

S- Andy Cotugno

Metro

G- Geraldine Bull

DJB, Inc.