

SETTING A PROCESS TO DEFINE TRANSPORTATION
PLANNING PRIORITIES

Date: November 27, 1985

Presented by: Andrew C. Cotugno

FACTUAL BACKGROUND AND ANALYSIS

Proposed Action

This is intended to provide a status report on the process being undertaken by TPAC to recommend priorities and funding for Metro's Transportation Planning Program and indicate the issues and types of funds currently under consideration. The planning program, FY 87 budget and future funding actions that result from this process will be finalized through adoption of the FY 1987 Unified Work Program (UWP).

Background

Metro's current transportation planning program includes the following major program areas:

1. Regional Transportation Planning - to address issues and evaluate transportation improvements of regional significance for inclusion in the Regional Transportation Plan (RTP).
2. Transportation Improvement Program and Administrative Support - to provide regional coordination and direction on matters relating to state and federal transportation funds, support Metro transportation committees and ensure federal guidelines and grant requirements are met to maintain federal certification.
3. Model Refinement and Update - Maintain and improve short- and long-range regional traffic and transit ridership forecasts reflecting changes in the transportation system, adopted improvements to the system, changing development patterns and travel behavioral characteristics of the population for use in regional and local planning by Metro, Tri-Met, ODOT and the cities and counties.
4. Socio-Economic Data Base Maintenance - Maintain existing data and short- and long-range forecasts of population, housing and employment for the full region for input to travel forecasts and use by other local, regional and state planners.

5. Technical Assistance - Provide travel forecasts and socio-economic data to the city, county, ODOT and Tri-Met users to meet their planning and project development needs; staff and computer assistance is provided within an adopted Metro budget for each jurisdiction or on a contract basis.

Current funding for this planning program is available as follows:

1. Highway Planning Funds - \$225,000
2. Transit Planning Funds - \$335,000
3. Interstate Transfer Funds - \$300,000
4. Metro Dues - \$300,000
5. Misc. Contracts, Tri-Met and ODOT Match - \$175,000

The planning program was organized and funded to enable all the transportation jurisdictions in the region to address issues that affect the region as a whole, multiple jurisdictions or more than one mode of transportation in order to maintain a regional consensus on the transportation policy direction. Metro's budget is provided to ensure proper support is provided for the decision-making process.

It is clear that there are many issues facing the region that should be addressed in a regional forum; however, the pending loss of \$300,000 per year of Interstate Transfer funding threatens to undermine this apparent need. Among the issues to be addressed are:

- Changes in historical and expected growth patterns and the resultant change in travel patterns and improvement requirements.
- Changes in the expected role of transit, the impact on the need for highway improvements, and the future of LRT elsewhere in the region.
- The need to update the RTP to include highway projects needed by 2005 (coordinated with local plan updates) and address proposals for significant highway improvements in the Western Bypass Corridor and the McLoughlin/224/212 Corridor.
- The need to monitor and provide input to the Oregon Roads and Transit Finance studies and for JPACT to review financing alternatives to develop a consensus on finance recommendations for the 1987 Legislature, the 1986 Surface Transportation Act, and local and/or regional finance measures.

A more complete compilation of issues is included for reference purposes as Attachment "A."

Alternatives

Work program and budget alternatives essentially consist of cutting back selected elements of the current work program or

obtaining sufficient funds to address the issues. If the program is curtailed, several options are possible:

1. Reduce the budget for regional transportation planning and, therefore, defer or delay consideration of significant issues; not recommended due to the importance of the issues.
2. Reduce the Metro funded technical assistance budget and charge state, regional and local jurisdictions for socio-economic and travel data and forecasts; not recommended because it would lead to greater use of independent data, at greater cost and with lack of compatibility.
3. Reduce the Model Refinement/Database budget, thereby reducing the frequency and reliability of updates; not recommended because it would reduce the scope of issues that could be addressed by Metro or local staffs and increase the costs of local and state staffs to generate the needed data.
4. The option of reducing elements required by FHWA or UMTA is not considered because federal certification is required to maintain the region's eligibility to receive highway and transit construction funds.

If the program is funded, the alternative sources that could be considered include:

1. Section 9 Transit funds;
2. Interstate Transfer (Regional Reserve) funds;
3. Request an increase or reprioritizing of local dues; or
4. Request an increase of state highway funds.

Due to the diversity of issues involved dealing with state, regional and local highway and transit facilities, a mix of funding sources is most appropriate.

Status

1. TPAC has established two subcommittees to address the issues and develop recommendations for JPACT consideration as follows:
 - A. Planning Committee -- A committee of transportation planners from throughout the region has been established to:
 - (1) Review and refine the list of significant issues and provide input in preparing materials to present the issues for discussion by JPACT.
 - (2) Assist staff in developing work program recommendations to properly address the issues for discussion by JPACT.

- (3) Provide input to staff during the conduct of the RTP update (particularly related to highway and transit plan changes).
 - (4) Begin preparation of a "Draft" highway and transit plan update for input to the Oregon Roads and Transit Finance studies.
- B. Finance Committee -- A committee of transportation finance officials from throughout the region has been established to:
- (1) Monitor the progress of and provide input to the Oregon Roads and Transit Finance studies.
 - (2) Assist staff in preparing materials for JPACT discussion on policy issues related to the Oregon Roads and Transit Finance studies, and on alternative transportation funding strategies for discussion by JPACT.
 - (3) Assist JPACT in developing a consensus on finance recommendations for the 1987 Legislature, 1986 Surface Transportation Act, and local and/or regional measures.
2. TPAC (and the above subcommittees) will assist staff in setting work program priorities, define a four-year work program strategy and recommend a specific FY 87 work program. Revenue sources under consideration are as follows:
- a. A four-year commitment of Interstate Transfer funds \$100,000 per year to be funded from the Regional Reserve;
 - b. A four-year commitment of UMTA Section 9 funds \$100,000 per year;
 - c. A request for a similar funding commitment from ODOT; and
 - d. Funding for the Johnson Creek Boulevard study to be provided from the McLoughlin Corridor Reserve in accordance with the proposed McLoughlin Corridor resolution.
3. Adoption of the FY 87 work program will include a specific work program and funding recommendation for FY 87, an overall four-year work program strategy, and a four-year funding action.
4. It is recommended that JPACT schedule a work session to review the issues facing the region to determine which

issues are the priority to be addressed by the Metro planning program (particularly to set the direction for the RTP Update) and to set a JPACT agenda for consideration of regional transportation policy issues.

AC/gl
4744C/435-7
11/27/85

ATTACHMENT "A"

REGIONAL TRANSPORTATION PLANNING ISSUES

- I. Changing growth patterns require change in transportation system.
 - Change from 75 to 85
 - Expected change to 2005; change from previously anticipated 2000
 - Effect on regional travel patterns
 - Difference between 2005 forecast and comprehensive plan capacity

- II. Emerging or changing priority development areas should provide direction for transportation system.
 - Central City Plan
 - Columbia Corridor
 - Clackamas Town Center and industrial areas
 - Effects of Oregon City Bypass
 - Sunset Corridor
 - I-5 South Corridor

- III. Changes in the role of transit should be defined including effects on the highway plan.
 - Redefine the RTP transit system according to Blue Ribbon Committee recommendations -- possible change in policy emphasis
 - Define the trade-off between various transit levels and highway project requirements
 - Identify key transit ridership markets
 - Identify transit staging plan -- address the need to serve growth versus increase productivity
 - Define future of LRT
 - Evaluate effects of changes in downtown parking policy

- IV. Major highway issues need to be resolved.
 - Identify road projects required to serve 2005 forecast consistent with transit plan
 - Address impact of comprehensive plan capacity on road requirements (i.e., do we build to serve 2005 or full development of comprehensive plans?)
 - Determine the feasibility of a Western Bypass and, if so, timing and funding
 - Resolve traffic problems in the Johnson Creek corridor; in the Cornell/Barnes/Burnside corridor
 - Define the future role and required improvements for a McLoughlin Boulevard/224/212 corridor from downtown Portland to U.S. 26
 - Determine the future size, location, traffic implications and funding of a Sellwood Bridge replacement

V. Transportation Plan Updates to coordinate with:

- City of Portland
- Washington County (and cities)
- Multnomah County (and cities)
- Lake Oswego
- Clackamas County

VI. Address regional finance issues.

- Provide input to Oregon Roads and Transit Finance studies regarding transit and highway modernization needs by 2005
- Evaluate alternative transportation finance mechanisms and identify objectives for 1987 Legislature (through Oregon Roads and Transit Finance studies) and 1986 Surface Transportation Act; determine strategy for alternate local, regional or state resource to replace \$10-20 million per year of Interstate Transfer funds; define a strategy for long-term replacement of planning funds
- Define strategy for targeting limited financial resources (i.e., transit service priorities, Six-Year Program priorities, future funding allocations)

AC/gl
4734C/423-3
11/26/85

STAFF REPORT

Agenda Item No. _____

Meeting Date _____

CONSIDERATION OF RESOLUTION NO. 85-609 FOR THE
PURPOSE OF AUTHORIZING THE TRANSFER OF SECTION 3
"TRADE" FUNDS TO THE OREGON CITY TRANSIT STATION
AND AMENDING THE TRANSPORTATION IMPROVEMENT
PROGRAM ACCORDINGLY

Date: November 19, 1985

Presented by: Andrew Cotugno

FACTUAL BACKGROUND AND ANALYSIS

Proposed Action

Approve the recommendation to transfer \$303,859 from the McLoughlin Corridor Transit Improvement project to the Oregon City Transit Station:

	<u>Existing</u>	<u>Proposed</u>	<u>Change</u>
Section 3 "Trade" Funds			
McLoughlin Corridor Improvements	\$1,571,154	\$1,267,295	-\$303,859
Oregon City Transit Station	853,761	1,157,620	303,859
Net Change	<u>\$2,424,915</u>	<u>\$2,424,915</u>	<u>\$ 0</u>

This action would implement Resolution No. 84-486 wherein it was recognized that additional funds for the transit station would be needed, using as its source the McLoughlin Improvements Reserve.

TPAC has reviewed this amendment and recommends approval of Resolution No. 85-609.

Background

Tri-Met is submitting to the Urban Mass Transportation Administration (UMTA) a grant amendment request for Section 3 "Trade" funds which includes an increased amount for the Oregon City Transit Station. It was previously recognized in Resolution No. 84-486 that if increased funds would be needed to implement the transit station, they should be drawn from the McLoughlin Corridor Transit Improvements reserve. Clackamas County, acting as lead agency in overall project development of the Oregon City downtown urban renewal improvement, has approved the transfer of funds.

The proposed site of the Oregon City Transit Center includes the 11th Street right-of-way between Highway 99E and Main Street, as well as 24,000 sq. ft. of private property to the south. The entire site is 44,600 sq. ft. It will be comprised of 10 bus bays, two of

which will accommodate articulated buses, and a Kiss-and-Ride area. Central transit patron facilities, possibly in conjunction with other compatible uses (e.g., Greyhound franchise), will be examined in an existing building on the southern portion of the site. The proposed site is centrally located with respect to the City's downtown renewal district and is three blocks from the downtown's primary employment anchor, the Clackamas County Courthouse. Thus, it begins to implement the Renewal Plan, which includes heavy reliance on transit in the overall revitalization program.

EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer recommends approval of Resolution No. 85-609.

BP/gl
4731C/435-3
11/26/85

BEFORE THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF AUTHORIZING)	RESOLUTION NO. 85-609
THE TRANSFER OF SECTION 3 "TRADE")	
FUNDS TO THE OREGON CITY TRANSIT)	Introduced by the Joint
STATION AND AMENDING THE TRANS-)	Policy Advisory Committee on
PORTATION IMPROVEMENT PROGRAM)	Transportation
ACCORDINGLY)	

WHEREAS, Tri-Met is submitting to the Urban Mass Transportation Administration (UMTA) a grant amendment request for Section 3 "Trade" funds; and

WHEREAS, The amendment reflects a series of project changes which in part form a continuation of previously established projects; and

WHEREAS, A transfer of funds from the McLoughlin Corridor Improvements project to the Oregon City Transit Station as recognized in Resolution No. 84-486 is now required; and

WHEREAS, The transfer amount of \$303,859 is to supplement the purchase of right-of-way for the transit station; and

WHEREAS, Clackamas County has approved release of the noted funds; now, therefore,

BE IT RESOLVED,

1. That the Council of the Metropolitan Service District (Metro) approves the transfer of \$303,859 (Section 3 "Trade" funds) from the McLoughlin Corridor Improvements project to the Oregon City Transit Station.

2. That the TIP be amended to reflect this transfer.

3. That the Metro Council finds this action in accordance with the Regional Transportation Plan and gives affirmative Intergovernmental Project Review approval.

ADOPTED by the Council of the Metropolitan Service District
this _____ day of _____, 1985.

Ernie Bonner, Presiding Officer

EB/gl
4731C/435-2
11/26/85

CONSIDERATION OF RESOLUTION NO. 85-610 FOR THE
PURPOSE OF ENDORSING THE REVISED OZONE CONTROL
STRATEGY FOR THE PORTLAND-VANCOUVER INTERSTATE
AIR QUALITY MAINTENANCE AREA (AQMA)

Date: November 19, 1985

Presented by: Richard Brandman

FACTUAL BACKGROUND AND ANALYSIS

Proposed Action

Adopt the attached Resolution which endorses amending the Ozone State Implementation Plan (SIP), as recommended by the Department of Environmental Quality's (DEQ) Ozone Task Force. The major changes to the plan are as follows:

1. Revises the ozone growth cushion available to new or expanding industries to 1,780 kg/day. (DEQ estimates that this would be sufficient to accommodate expected development in the region during the next two years.)
2. Changes the allocation procedure of the growth cushion to allow a more even distribution to new applicants. (The proposed rule change would reduce the amount of the growth cushion available to the first and second applicants and increase the amount available to the third, fourth and subsequent applicants.)
3. Allocates the entire growth cushion to the Oregon portion of the AQMA. (Fifteen percent of present cushion is allocated to the state of Washington.)

TPAC has reviewed the revised Ozone Control Strategy for the Portland-Vancouver Interstate AQMA and recommends approval of Resolution No. 85-610.

Background

The Portland-Vancouver Interstate AQMA remains a nonattainment area for the pollutant ozone. This status requires that there be certain constraints on new industrial development in the region.

The Ozone SIP adopted by the Metro Council and the Environmental Quality Commission in 1982 established a mechanism for accommodating development known as an "ozone growth cushion." The cushion allowed for a limited amount of industrial growth in the

region without requiring new or expanding industries to purchase costly "emission offsets" from existing industries. There is currently insufficient capacity in the existing growth cushion to meet pending requests.

In response to this situation, DEQ appointed an Ozone Task Force to examine the allocation procedure for the growth cushion and to recommend whether additional ozone control measures are desired at this time to increase the size of the cushion. In addition, Metro and DEQ reestimated 1987 emission forecasts, based on new population and employment projections adopted by Metro in 1985, to determine how the impact of the recession (fewer jobs, less travel, and less industrial output) would affect air quality forecasts. These efforts have resulted in the following recommended changes to the ozone plan:

1. The size of the available growth cushion will be increased to 1,780 kg/day, based on the new emission inventory forecasts prepared by Metro and DEQ. DEQ estimates that the new cushion will be sufficient to accommodate expected industrial growth for the next two years. By 1987, DEQ projects that the region will be in attainment of the ozone standard, which will allow for a substantial increase in the growth cushion.
2. No new ozone control measures are called for at this time. The Task Force and DEQ feel that because the growth cushion will be sufficient to accommodate expected growth for the next two years, no additional control measures are desirable now.
3. The procedure for allocating the growth cushion will be revised. The current rule allows allocations to new or expanding industries on a first-come, first-served basis, with no more than 50 percent of the remaining cushion being allocated to any one applicant. This process has the potential to make the amount of the growth cushion available to any applicant 50 percent less than to the preceding applicant. The Ozone Task Force felt this was unfair and that the allocation of the cushion should be more evenly distributed. Furthermore, the Task Force also felt that all applicants should be guaranteed a minimum piece of the cushion so as to not make Oregon's growth management rules more restrictive than in other states.

The proposed revision would allocate 100 tons/year plus 25 percent of the remaining cushion to any applicant. This will make Oregon's rules for accommodating growth generally more flexible than in neighboring states and will more evenly distribute the available cushion.

4. The entire growth cushion will be allocated to the Oregon portion of the AQMA. Fifteen percent of the present growth cushion has been allocated to the Washington portion of the

AQMA, based on population distribution. (Washington chose not to use a growth cushion approach, however, and requires all new or expanding industries to purchase emission offsets.) The Task Force felt that because the entire 1,780 kg/day growth cushion is a result of the DEQ automobile inspection/maintenance program, the entire cushion should be allocated to Oregon.

The Ozone Task Force, which was composed of representatives of industry, the environmental community, and local governments (Attachment A) unanimously recommended these revisions to the Ozone SIP.

EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer recommends approval of Resolution No. 85-610.

RB/gl
4733C/435-2
11/26/85

ATTACHMENT "A"

PORTLAND OZONE TASK FORCE

Membership List

1. City of Portland
2. Multnomah County
3. Clackamas County
4. Washington County
5. Oregon Department of Transportation
6. Port of Portland
7. Western Oil and Gas Association
8. Associated Oregon Industries
9. Portland Chamber of Commerce
10. Oregon Environmental Council
11. League of Women Voters
12. Oregon Lung Association
13. Tri-Met
14. Academic Institution
15. American Electronics Association
16. Medical Community
17. Public-at-Large (City of Portland)
18. Public-at-Large (Multnomah County)
19. Public-at-Large (Clackamas County)
20. Public-at-Large (Washington County)

Non-Voting Members

1. Washington State Department of Ecology
2. Southwest Washington Air Pollution Control Authority
3. Intergovernmental Resource Center of Clark County

RB/gl
4733C/435-2
11/20/85

BEFORE THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF ENDORSING THE)	RESOLUTION NO. 85-610
REVISED OZONE CONTROL STRATEGY)	
FOR THE PORTLAND-VANCOUVER INTER-)	Introduced by the Joint
STATE AIR QUALITY MAINTENANCE)	Policy Advisory Committee
AREA (AQMA))	on Transportation

WHEREAS, The Portland-Vancouver Interstate Air Quality Maintenance Area (AQMA) is in violation of the federal ozone standard; and

WHEREAS, This status results in certain limitations on industrial development in this region; and

WHEREAS, The Metropolitan Service District (Metro) and the Oregon Department of Environmental Quality (DEQ) jointly adopted an Ozone Control Strategy in 1982 which provided for a balanced approach of controlling mobile and stationary sources to attain the federal ozone standard; and

WHEREAS, The Ozone Control Strategy established a "growth cushion" as a mechanism to accommodate industrial development in the region; and

WHEREAS, Metro and DEQ continue to cooperatively work toward attaining the federal ozone standard; and

WHEREAS, DEQ has formed an Ozone Task Force to recommend revisions to the Ozone State Implementation Plan with respect to accommodating industrial development; and

WHEREAS, DEQ has requested that Metro review the recommendations of the Ozone Task Force; now, therefore,

BE IT RESOLVED,

That the Council of the Metropolitan Service District endorses the following recommendations of the Ozone Task Force:

1. That the ozone growth cushion for accommodating industrial development be revised to 1,780 kg/day, based on new emission forecasts prepared by Metro and DEQ.

2. That the methodology for allocating the growth cushion be revised to create a more even distribution by allowing no applicant to receive more than 100 tons/year plus 25 percent of the available growth cushion.

3. That the entire growth cushion for the Portland-Vancouver AQMA be allocated to the Oregon portion because it was created by the DEQ automobile inspection/maintenance program.

4. That no additional ozone control strategies be adopted at this time, because there is projected to be sufficient room in the revised growth cushion to accommodate expected development for the next two years.

ADOPTED by the Council of the Metropolitan Service District
this _____ day of _____, 1985.

Ernie Bonner, Presiding Officer

RB/gl
4733C/435-3
11/26/85

FINAL REPORT

CITIZENS ADVISORY COMMITTEE ON MASS TRANSIT POLICY

November 1985

Prepared by:

Don Barney & Associates
Portland, Oregon

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APPENDIX B: Community Needs Assessment

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APPENDIX F: Tri-Met Fiscal Assumptions

CITIZENS ADVISORY COMMITTEE
ON
MASS TRANSIT POLICY

CHAIRMAN

Hardy Myers - METRO Councilor

MEMBERS

Linore Allison - Noise Abatement/Neighborhood Advocate (Portland)

Jane Baker - Neighborhood Advocate (East County)

Earl Blumenauer - County Commissioner (Multnomah)

Tony Bryant - Union Executive (ATU)

Don Clark - Central City Concern

Larry Cole - Mayor (Beaverton)

Carl Halvorson - Builder/Developer (Lake Oswego)

Chuck Heinrich - Utility Executive (PGE)

Dan Kinney - Business Executive (Kentrox Industries)

Wayne Kuni - Business Owner (Portland)

Jerry Mounce - Neighborhood Advocate (Portland)

Bill Naito - Business Owner (Downtown)

Judie Neilson - Conservationist

Ray Polani - Citizens for Better Transit, Chair

Bill Robertson - Business Executive (PacifiCorp)

Robert Schumacher - County Commissioner (Clackamas)

Bob Stacey - 1,000 Friends of Oregon

Margaret Strachan - City Commissioner (Portland)

Phil Thompson - Mayor's Staff (Portland)

Charlie Williamson - former METRO Councilor

Dave Yaden - Business Executive (NERCO)

SECTION I

INTRODUCTION: SETTING THE CONTEXT

I. INTRODUCTION: SETTING THE CONTEXT

A. OVERVIEW SINCE 1969

Since its inception in 1969, Tri-Met has moved through three distinct development phases. The agency's first five years were ones of organizing the transit system and resources. The second period, from 1975-79, was a time of dynamic growth, with significantly increased ridership, an improved farebox recovery ratio, and expanded revenues from Tri-Met's primary fiscal resource, the employer payroll tax.

In 1977, the Tri-Met Board of Directors adopted goals that remain the current policy direction for the agency. (See Appendix E) Tri-Met shaped those goals in a period of promise and expansion for transit, for employment in the region, and for the state's overall economy. Values were placed on transit as support for public policies governing regional growth and livability equal in importance to improving transit service and achieving financial stability.

Beginning in 1980, Tri-Met has experienced serious fiscal and operational difficulties, while constructing a major new addition to its system in the Banfield Light Rail Transit, and experimenting with service innovations such as a self-service fare system. This period has been marked by:

- lower farebox revenues
- slow rate of growth in payroll tax revenues
- decline in some measures of productivity, such as industrial leave and sick time
- annual operating deficits
- deferred replacement of vehicles
- three fare increases
- five systemwide service reductions

The ambitious regional expectations for transit depicted in the approved Regional Transportation Plan (RTP) of 1982 are not being met. The federal administration has begun a planned phaseout of federal operating assistance and state assistance for transit operations remained limited.

B. 1984-85: A TIME FOR REASSESSMENT

In 1984, the Tri-Met Board drafted a proposed new mission and goals statement. (See Appendix E) Values implied by this draft do not represent a marked shift from policy adopted in 1977. The mission and several of the goals statements continue to reflect an emphasis on mass transit as support for public policies focused on regional growth and environmental improvement.

The most apparent change in goals was the priority placed on basic service for the transit dependent, including the elderly, handicapped and other transportation disadvantaged, and riders who choose transit as their transportation alternative or rely on transit because of limited access to the auto.

Since the summer of 1984, the Tri-Met Board and its senior management staff have faced a series of decisions critical to the survival of the agency. On the operating side, Tri-Met has focused on completing construction and preparing to start eastside light rail. The recent Price Waterhouse administrative audit found that the agency's light rail effort is on-time and on-budget.

A serious labor-management dispute over terms of a new three-year contract for Tri-Met drivers and maintenance workers nearly deteriorated this summer into the region's first transit strike, which an eleventh-hour compromise averted.

Management achieved some of the flexibility and cost savings it sought in the new contract. Greater use of part-time drivers will be available, but the union gained increases in its pension program, an added cost to Tri-Met. In all, Tri-Met expects to achieve \$2.2 million in cost savings in fiscal 1986, and a total of \$5.1 million over the life of the new three-year contract.

Early in 1985, it was clear that Tri-Met faced a critical cash flow problem. The need was identified for an added \$10 million annually, beginning in July, 1985, to maintain existing levels of service. The Price Waterhouse audit corroborated the cash flow need.

Tri-Met's efforts at the 1985 State Legislature produced significant new revenue that was primarily earmarked for special programs such as transportation for the elderly and the handicapped or, in the case of state lottery funds, capital construction.

Committed to avoiding further service cuts, the Tri-Met Board began a process at mid-1985 to meet the cash flow need for the 1985-86 fiscal year. In September, the Board approved a 1% gross receipts tax, effective January 1, 1986, on petroleum products purchased within the transit district. This tax is expected to raise some \$10 million its first full year. The Board also approved increases in fares, expected to add \$1 million in annual revenue.

Tri-Met has also acted in the past year to reduce some routes or off-peak service with low productivity, to improve peak-hour and express service, and reduce administrative staff.

Meeting the daily demands of these critical fiscal and operating problems has allowed the Tri-Met Board and senior management little time to consider the agency's long-term future. A re-evaluation of Tri-Met's future service and fiscal objectives is overdue. In response to its continuing crisis, the Tri-Met Board early this year established a Citizens Advisory Committee on Mass Transit Policy to develop advice on the future role and financing of Tri-Met (See Appendix A for the Committee's Scope of Work).

Tri-Met faces the challenge in the short term of consolidating recent revenue and cost saving gains while delivering new light rail service successfully. In addition it must overcome community image problems by improving productivity and capturing cost savings.

For the long-term, Tri-Met must gain public support to achieve fiscal stability that will allow Tri-Met to maintain and even expand transit's share of regional trips, and meet other community expectations for the future.

SECTION II
KEY CONCLUSIONS

II. KEY CONCLUSIONS

- A. A healthy, effective Tri-Met operation is essential to maintaining an efficient transportation system in the Portland metropolitan region.
- B. Tri-Met serves a wide variety of needs and produces a broad range of benefits to all citizens in the region, whether or not they are transit riders.
- C. Tri-Met remains in precarious financial straits. It has inadequate fiscal resources to serve regional growth.
- D. Tri-Met must set priority goals while striving to stretch its limited resources through improved productivity and increased cost savings.
- E. In setting operating priorities, Tri-Met should determine that its most important task is to move efficiently large numbers of people at hours of high transit demand. This is the best use of public investment in transit, adding real capacity to the region's transportation system.
- F. To accomplish this task most effectively, Tri-Met must focus on customer needs, present and future, and then design the system and operate the equipment that best meets those needs.
- G. Tri-Met should introduce greater flexibility into its response to customer needs, providing alternatives to traditional bus service that can attract more riders, improve service to urban and suburban neighborhoods, and increase system efficiency.
- H. Tri-Met must continue to provide a basic level of transit service for those without alternative means of transportation, including the elderly, the handicapped, the poor and youth. However, other public agencies or private contractors should assume responsibility to share in the cost and delivery of this service.
- I. Tri-Met needs to streamline its management and operations, and be more adaptive to changing conditions in regional employment growth, federal assistance policies and international energy politics.
- J. Public policy benefits, such as enhanced land use planning neighborhood livability, improved air quality, and economic development will flow from an effectively designed and efficiently operated public transit system. Achieving these benefits, however, is not the primary mission of Tri-Met.
- K. Tri-Met's future depends on public understanding and support. The necessary financial support will flow from public understanding of the benefits of transit.

- L. Because most of the region's residents are not transit riders, Tri-Met must launch an extensive and continuous public outreach program to achieve public understanding of transit's benefits.
- M. All beneficiaries of transit should help pay for the cost of the system.
- N. Transit in this region is a cost-effective use of the available transportation dollar. Transit should be integrated with highway needs in the allocation of regional transportation resources for this region, including the federal and state highway use tax.
- O. Tri-Met should pursue operating efficiencies and cost savings, including those identified in the recent administrative audit of the agency conducted by Price Waterhouse, before seeking major new revenues from the community.
- P. Meeting all community needs for transit, and deriving all public benefits that can flow from transit, will require a renewed public-private commitment to transit. This partnership must include the State, local governments and education institutions in the region, the tri-county business community, other transportation service providers in the area, and Tri-Met.

SECTION III
RECOMMENDATIONS

III. RECOMMENDATIONS

- A. Tri Met should adopt a new mission and goals statement, as approved by this committee. (See Page 7)

Tri-Met should consider this mission and goals statement annually as the basis of the agency's budget policies, and update the statement at least every five years.

- B. Tri-Met should review and adopt the framework of a financing plan for the immediate, intermediate and long-term as approved by this committee. (See Page 8)
- C. Tri-Met should adopt this Committee's recommendations relating to consideration of the Price Waterhouse administrative audit. (See Page 11)

A. RECOMMENDED MISSION AND GOALS STATEMENT

MISSION

Tri-Met's primary mission is to facilitate rapid mass movement of large numbers of people having similar needs for transportation to destinations throughout the region.

Tri-Met should also assure transportation for citizens in the region who depend upon transit as their primary means of mobility and whose transportation needs are not met by the primary mission.

GOALS

1. Achieve public understanding and support of transit's role in the regional transportation system by:
 - a) providing service that is responsive to customer needs, acknowledges the specific transit requirements of individual ridership segments, and is courteously and attractively delivered and easy to use;
 - b) assuring that information about service is consistent, timely and easy to understand;
 - c) demonstrating transit benefits for both riders and non-riders, such as reduced traffic congestion, cost-effective alternatives to major highway construction, support for regional economic growth;
 - d) obtaining further community benefits of an effective transit system, such as saving energy, improving air quality, and enhancing neighborhood livability or land use, by carrying out effectively the primary mission of the agency.
2. Design and manage a service system which moves large numbers of people rapidly, and at a reasonable cost, offering savings in dollars and time spent on transportation.
3. To the extent that transit needs are not met by the primary mission, ensure all residents of the region have access to at least a minimum level of reliable, daily mobility. In providing such service, special attention should be given to the needs of the elderly, handicapped, poor and youth.
4. In cooperation with other service providers, develop a flexible transit service that provides for consideration of all service options and modes, employing alternatives when appropriate, including those run by other public agencies and private business.
5. Improve productivity through prudent capital investments and sound, innovative management.

Note: One member of the Committee, Ray Polani, did not approve this statement. His minority view appears in Section 4.

B. RECOMMENDED FINANCING PLAN

Est. FY 86 Net Revenues

1. Provide for an active community role in decision-making on transit service and funding, taking necessary steps to achieve public acceptability.
2. Pursue any and all worthwhile avenues for cost savings and efficiencies, and communicate these to the public before seeking new monies.
3. Fashion a more equitable financing structure for transit which ensures that all transit beneficiaries pay a share that the community believes is fair.
4. Implement the following immediate funding options to stabilize Tri-Met's fiscal condition:

\$5.0m (assumes implementation 1/1/86); \$10m gross on full-year basis

\$2.2m cost savings (\$5.1m total for three years through 1987-88)

\$1.0m (assumes implementation Sept. 1985); \$1.2m on full-year basis

- a. Gross Receipts Tax: Impose a gross receipts tax on businesses engaged in wholesale distribution of petroleum.
- b. Union Support: Gain management flexibility from the transit workers' union, through work rule changes and contract services which improve system efficiency.
- c. Fares: Expand the share of transit costs paid by riders primarily by increasing ridership, and by raising fares gradually as appropriate and necessary.
- d. Payroll Tax: Obtain any new revenues from other sources, thereby reducing the payroll tax share of transit support.

Prospective annual revenue (Tri-Met estimate)

\$300,000

\$1.5m/yr.(local gov'ts)

1.5m/yr.(schools)

.5m/yr.(non-profit)

N.A.

N.A.

\$2.0m/yr.

N.A.

N.A.

N.A.

5. Develop and pursue the following intermediate funding options:

a. Schools: Recognizing that transit serves a vital function in transporting students, seek in-kind contributions or cash support from school districts and colleges to offset some of the costs of providing this service.

b. Payroll Tax: Expand the payroll tax to all employers within Tri-Met's service area not presently covered, including local governments (cities, counties, school districts), non-profit agencies, and other exempt employers.

c. Employer Incentives: Provide incentives to employers to encourage high transit ridership among their workers.

d. Marketing: Employ innovative marketing techniques, including selectively reduced fares and other methods, to improve Tri-Met's financial condition by building ridership.

e. Parking Tax: Introduce transit funding mechanisms which provide financial incentives for riders (or disincentives for drivers), including a regionwide tax on parking spaces.

6. Prepare and implement a long-term strategy to ensure fiscal stability:

a. Integrated Funding: Within the region, integrate transit funding with street, road and highway funding, gaining greater flexibility to invest in transit wherever it offers the most cost-effective transportation option.

b. State Funding: Seek greater state participation in transit funding.

c. Special Benefits Tax: Seek authority to levy taxes on areas gaining special transit benefits in recognition that certain geographic areas derive greater benefits from transit.

- d. Fares: Increase the farebox share of transit support through increases in ridership. Continue to encourage an increase in numbers of regular transit riders by offering attractive discount on multi-ride tickets and passes.
- e. Union Support: Continue to seek increased operations flexibility from, and cooperation with, the transit workers union to improve system productivity and efficiency.
- f. Fiscal Stability: After achieving immediate and intermediate funding needs, explore options for a more traditional, broad-based revenue source to supplement or offset existing revenue sources as may be needed to assure Tri-Met's fiscal stability.

Note:

Immediate describes options which are possible for the Tri-Met Board to implement during the 1985-86 fiscal year.

Intermediate describes options possible by end of 1987 Legislature.

Long-term describes options and strategies for implementation beyond the 1987 Legislature.

C. ADMINISTRATIVE AUDIT RECOMMENDATIONS

1. General Recommendation

The administrative audit conducted by Price-Waterhouse provides Tri-Met with recommendations for improved management and administration, operating performance, cost containment, revenue development, and customer service. These recommendations present the Tri-Met Board and management with an opportunity to take steps to renew the agency's image as an efficient public institution concerned with cost effectiveness as well as service responsive to the needs of its customers.

The Committee recommends that Tri-Met consider the results of this audit carefully in an internal process that produces the Board's commitment to implement recommendations or explanation by the Board of why recommendations will not be pursued in part or whole. The Board should include the consideration of other organizational or fiscal alternatives which derive from the internal process.

In addition, the Committee acknowledges the audit's finding that "Tri-Met will be unable to generate sufficient fiscal resources to achieve present service objectives during the next five years" as shown in Exhibit 7 of the audit's executive summary. It should be noted that the cash shortfall forecast in the audit was made before the Tri-Met Board levied a gross receipts tax on petroleum products.

2. Proposed Mission Statement - Audit Recommendations

The Committee's mission statement reads as follows:

Tri-Met primary mission is to facilitate rapid mass movement of large numbers of people having similar needs for transportation to destinations throughout the region.

Tri-Met should also assure transportation for citizens in the region who depend upon transit as their primary means of mobility and whose transportation needs are not met by the primary mission.

To the extent that implementation of this mission statement involves significant redirection of service or costs, the Committee recognizes the need to introduce emphasis on the primary mission in a gradual and prudent manner.

Thus, the Committee agrees with the cautionary advice related to any change in service emphasis that appears in two sections of the Administrative Audit:

Operational flexibility -

p. IV.4: Tri-Met needs to carefully evaluate any redirection in service emphasis. This emphasis needs to give consideration to the financial impact of likely redirection. Tri-Met should not embark on any major redirection of service until light rail operations and related bus feeder services have stabilized and additional long-term funding is in place to finance service.

Customer service -

p. V-7: Any redirection by Tri-Met in its mission and objectives should be stated in the context of deviations from the Regional Plan. This is needed to provide planning continuity and for future assessment of the impact of deviation from the plan.

3. Proposed Goals - Audit Recommendations

The Committee would bring to the Board's attention those audit recommendations which reinforce the recommendations of the Committee on future goals and financing of Tri-Met, and urges that the Board give specific consideration to these proposals for change suggested by the audit. Here is an inventory of those recommendations.

- Goal 1: Achieve public understanding and support of transit's role in the regional transportation system.

Audit recommendations:

Executive Summary -

p. 7: Enhanced Board participation in policy matters is needed at this time in view of the issues facing the agency, including ongoing policy formulation and more active participation in the planning, budgeting and performance monitoring.

To be effective in policy formulation, the Board as a whole needs to gain increased familiarity with Tri-Met operations and public transportation affairs. The latter can be gained through national and regional industry meetings. A limited budget should be established for the Board so that it can gain broader exposure to the industry and improve its knowledge of public transportation.

Organization -

p. II-10: To improve agency focus on strategic planning, policy choice formulation and external affairs, Tri-Met should establish a Public Affairs staff function, reporting to the General Manager, responsible for representing Tri-Met in matters that pertain in Government and Employer Affairs.

Customer services -

- p. V-4: Tri-Met should share its reasons for not being able to accommodate specific service requests with the public so that the customer does not feel that Tri-Met is unresponsive to customer requests.
- p. V-11: Tri-Met should continue to ensure that the Customer Service Center is able to respond to all customer contacts it receives and that employees provide consistent information to the public, etc.
- p. V-16: Tri-Met should centralize customer complaint handling in Customer Services. Tri-Met should utilize the reports produced by the Automatic Call Distribution System to effectively manage the four customer contact centers.

Light rail -

- p. VI-26: Tri-Met should work closely with governmental jurisdictions served by light rail to encourage these jurisdictions to establish favorable development policies within the corridor.
- p. VI-26: Tri-Met should similarly work with local Chambers of Commerce to stress the advantage of the LRT corridor in locating or relocating business within the region.

Revenues -

- p. VII-8: Based on the outcome of the Committee's recommendations, vis-a-vis mission and service objectives, Tri-Met should develop a service and financing plan that sets forth future operations, fare policy and financing requirements. It should then gain public and political support for additional dedicated funding support.

While these recommendations can be helpful in achieving Goal 1, they fall far short in meeting the intent of the goal. Tri-Met will need to take other steps as outlined elsewhere in the Committee's final report.

- Goal 4: In cooperation with other service providers, develop a flexible transit service that provides for consideration for all service options and modes, employment alternatives when appropriate, including those run by other public agencies and private business.

Audit recommendations:

Operational flexibility -

- p. IV-7: Tri-Met should continue to attempt to gain concessions from the union for increases in part-time operators and service contracting.

- Goal 5: Improve productivity through prudent capital investments and sound and innovative management.

Audit recommendations:

Performance -

- p. I-9: Tri-Met should establish specific objectives for on-time performance and set up an ongoing, systematic program for monitoring on-time performance at the division level.
- p. I-10: Tri-Met should focus on improving the condition of its fleet in order to reduce the number of road calls required and study reasons for disablements to see if a campaign can be mounted in a particular problem area. Tri-Met should establish specific objectives for reducing industrial leave and set up a program which systematically patrols industrial leave and workers compensation claims. Tri-Met should improve operator training and retraining to reduce the accident rate.
- p. I-14: Tri-Met should continue to reduce service costs without commensurate reductions in service. Tri-Met may be able to accomplish reduced unit service costs by improving the overall organizational efficiency and by reducing operations-related costs.
- p. I-15: Tri-Met should continue its efforts to reduce unscheduled overtime, but should be careful not to accomplish reductions by increasing operator standby time. Tri-Met should improve controls over time loss to reduce the costs associated with the extraboard and unscheduled overtime as well as to reduce missed pullouts due to operator unavailability. Tri-Met should focus its efforts on reducing industrial leave.
- p. I-21: Tri-Met should improve its operator training and retraining program.

Organization -

- pp. II 7-10: Recommendations on internal reorganization for sounder management.

Management -

- pp. III-5,6: Recommendations for improved management support processes.

Light rail -

- pp. VI-4,5; VI-9-11; VI-20-22; Recommendations to ensure effective management and operations of the Banfield Light Rail transit system.

Revenues -
p. VII-19:

Tri-Met should manage within its financial means. During the last few years, budget overruns have resulted in significant levels of unfunded operating deficits. This has eroded Tri-Met's past cash reserves.

p. VII-20:

Tri-Met should undertake a thorough review of the planning and budgeting process in terms of communication of budget goals, monitoring performance and responsive, flexible budget techniques.

Costs -

p. VIII-11: Tri-Met should determine whether or not and under what conditions, it will proceed with the westside light rail project, because this will influence staff retention needs.

p. VIII-15:

Reduce both unscheduled overtime and standby time. Reduce operator time loss and, in particular, industrial leave. This may require a change in state laws concerning worker's compensation.

Monitor maintenance labor activities to ensure that the work force is utilized effectively. If service is not increased, opportunities for maintenance labor reductions should be considered.

4. Proposed Financing Plan - Audit Recommendations

- Committee Recommendation: Provide for an active community role in decisionmaking on transit service and funding, taking necessary steps to achieve public acceptability.

Audit Recommendation:

Revenues -

p. VII-8: Based on the outcome of the Committee's recommendations, vis-a-vis mission and service objectives, Tri-Met should develop a service and financing plan that sets forth future operations, fare policy and financing requirements. It should then gain public and political support for additional dedicated funding support.

- Committee Recommendation: Pursue any and all worthwhile avenues for cost savings and efficiencies, and communicate these to the public before seeking new monies.

Audit Recommendations:

Costs -

p. VIII-7:

Tri-Met should re-evaluate its extraboard size in an effort to reduce the cost of imbalances between operator demand (i.e., peak runs) and operator supply (i.e., reporting operators).

p. VIII-8:

As attrition levels and/or contractual provisions change, Tri-Met should replace full-time with part-time drivers to cover peak period trippers. Further, to the extent the labor contract permits and contracting represents a cost savings, Tri-Met should expand its maintenance service contracts.

Tri-Met should enforce materials and supplies expenditure control responsibilities on both the maintenance department and on purchasing.

p. VIII-9:

Tri-Met should proceed with its intended sale of 40 transit coaches, located at Powell, to reduce its fleet size. If service levels remain constant or fall, further fleet reductions should be considered through vehicle sales and/or retirement.

Telephone service costs, programs and plans should be reviewed from an internal audit standpoint to reduce the magnitude of expenditures in this area. Tri-Met should review vehicle washing and cleaning policies to determine the acceptable balance between vehicle appearance (cleanliness) and expenditure.

◦ Committee Recommendation: Fashion a more equitable financing structure for transit which ensures that all transit beneficiaries pay a share that the community believes is fair.

Audit Recommendation:

Revenues -

p. VII-18:

Develop funding mechanisms that balance the level of service delivered to the level of financial commitment from riders, employers, local jurisdictions, the state, and federal government.

◦ Committee Recommendation:

- (Immediate) Expand the share of transit costs paid by riders primarily by increasing ridership, and by raising fares gradually as appropriate and necessary.
- (Long-term) Increase the farebox share of transit support through increases in ridership. Continue to encourage an increase in numbers of regular transit riders by offering attractive discounts on multi-ride tickets and passes.

Audit Recommendations:

Performance -

- p. I-9: The Committee concurs with the Audit recommendation on p. I-9 which says Tri-Met can increase its farebox recovery without directly impacting transit riders by assessing the school board for student discounts.

But the Committee disagrees with the view also expressed in the recommendation that farebox recovery should be increased by moving to cash fares. It is the Committee's belief that Tri-Met should continue efforts to attract increased numbers of regular riders by offering discounts on multi-ride tickets or monthly passes.

- p. I-21: Tri-Met should analyze its fare structure and fare policies to identify opportunities for increasing revenues without reducing ridership.

- Committee Recommendations: Obtain any revenues from other sources, thereby reducing the payroll tax share of transit support.

Audit Recommendation:

Revenue -

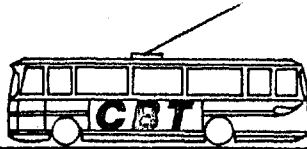
- p. VII-18:

Develop additional revenue resources that are not tied to employment to reduce the dependency on a singular economic indicator.

SECTION IV
MINORITY VIEW

VI. MINORITY VIEW

On the following pages is the minority view of Ray Polani, a member of the Advisory Committee. Polani also represents Citizens for Better Transit, a transit rider interest group. Polani presented an alternate mission statement for Committee consideration which was not adopted by the majority.



Citizens for Better Transit

2717 SW Spring Garden St

Portland, Oregon 97219

(503) 244-7797

October 24, 1985

Alternate Tri Met Mission statement to be included in the final report of the Citizens Advisory Committee on Mass Transit Policy (Blue Ribbon Committee)

"Tri Met's mission is to provide a public transportation alternative for the citizens of this region who want or need to use it; it is to be usable, affordable and competitive with the private automobile."

We offer this alternate mission statement because there is a perception that the recommended mission statement suggests a two tier transit system:

a primary tier focussing on peak hour demands along major trunk routes, because it is far more cost effective than attempting to expand the highway system and

a subordinate or secondary tier serving the citizens of the region who depend on transit as their primary means of mobility (to the extent that their needs are not met by the primary service).

If this perception is correct, we are concerned about the financial consequences of this change in service policy given the present and near-future financial situation of the agency.

The Price Waterhouse Audit report concurs in cautioning against any re-direction of service without a careful evaluation of the financial impact and recommends against major service changes until light rail operations and related bus feeder services have stabilized and additional long term funding is in place.

The Auditors are acknowledging the fact that peak hour service is premium service requiring substantial additional expense if provided through the use of additional peak hour busses in regular or express service.

People have diverse needs; diverse origins, diverse destinations and diverse times when mobility is needed or wanted.

Transit can serve these diverse needs economically; Tri Met has proven that by beginning to adapt to the Portland region the "Canadian experience", combining frequent grid and timed-transfer services as exemplified by the Toronto, Edmonton and Vancouver B,C. transit systems

The Toronto Transit Commission, which operates a system where the farebox recovery ratio is in excess of 60% of operating costs - one of the highest in North America!! - has recently stated:

" ... transit is one of the most rewarding investments an urban area can make. It is a long-term investment which benefits everyone in the community. It increases mobility. It saves energy. It channels and stimulates local development."

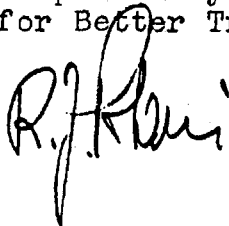
and the HOn.Arthur C.Eggleton, Mayor of the City of Toronto recently said:

" There can be no doubt that the development of the public transit system in Toronto since the inception of the Toronto Transit Commission has been a major contributor to the success that Toronto has enjoyed as one of North America's premier cities.

The development of transit has proceeded hand-in-hand with the development of the city, and has frequently played a key role in directing that development. In the coming decade, that role will be critical as we proceed to open up the City's waterfront to its people.

We are also justifiably proud of the high level of service, safety and cleanliness of the system, its variety of modes, and the opportunity it has provided for thousands of Toronto residents to have ready access to their places of work and play. "

Respectfully submitted by Ray Polani, Chairperson of Citizens for Better Transit.



Enclosure

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SATURDAY, AUGUST 3, 1985

Reaffirm Tri-Met goals

In all the furor and fuss over a fare hike and new proposals to finance public transit here, citizens must not overlook a movement to change Tri-Met's mission, the reasons why it exists.

The agency has proposed a new mission statement giving first priority to providing "basic service to transit-dependent citizens of the Portland metropolitan area." A subcommittee of the agency's Citizens Advisory Committee on Mass Transit Policy has redrafted this to give top priority to "moving large groups of people to work, school and other destinations" — in short, a peak-hour commuter service.

Both mission statements ought to be redrafted. An advocacy role for Tri-Met should be mandated — one that insists on improved service, marketing and promotion of public transit: not transit as a total substitute for auto usage or only transit for those dependent on it, but rather as an alternative for citizens of the region who want to ease traffic congestion, make more efficient use of highway construction dollars, improve air quality, conserve finite petroleum reserves, contain sprawl and allow for more valuable use of land than asphalt parking lots.

Sadly, both the citizens subcommittee and Tri-Met envision pulling away from those reasons why Tri-Met was created in the first place. That is mostly because the agency has relied primarily on a limited, unbalanced tax resource — the employee payroll tax — despite continuous urging by various citizen groups over the past decade that Tri-Met seek a broader revenue base.

Thus, it should be no surprise that

the second subcommittee of Tri-Met's advisory panel, addressing finances, is urging a broader revenue base.

A gross receipts tax on businesses engaged in wholesale distribution of petroleum is on top of the options list. This choice reflects recognition of the inequities of the employee payroll tax and that transit is a cost-effective alternative to costly highway construction.

Also not surprising is that next on the list Tri-Met is urged to gain management flexibility from the transit workers' union. Community groups long have recognized a need to change work rules and equitably restructure wages to increase productivity.

What is surprising is that both those and a number of other finance subcommittee recommendations were on the Tri-Met board agenda July 29, yet the public hearing for the Citizens Advisory Committee on Mass Transit Policy as a whole is not scheduled until Aug. 6. Additionally, while the citizens panel is talking about increasing fares 5 cents gradually, Tri-Met's board July 29 decided on a 10-cent fare hike.

Members of the transit advisory committee, and the community at large, must wonder whether the citizen-advisory exercise being performed is supposed to be substantive or somnolent.

Nevertheless, the financial stakes are so high and the transit-related benefits so obviously of value that the community ought to speak up at both the advisory committee hearing and at subsequent Tri-Met board meetings, lest myopic interests blindly bypass the well-conceived initial mission of this region's mass transit investment.

SECTION V
DISCUSSION AND POLICY CONSIDERATIONS

V. DISCUSSION AND POLICY CONSIDERATIONS

This section is intended to assist the Tri-Met Board and the public as Tri-Met develops operating policies to implement the Committee recommendations adopted by the Board.

A. MISSION STATEMENT

Proposed Statement:

Tri-Met's primary mission is to facilitate rapid mass movement of large numbers of people having similar needs for transportation to destinations throughout the region.

Tri-Met should also assure transportation for citizens in the region who depend upon transit as their primary means of mobility and whose transportation needs are not met by the primary mission.

Discussion:

The current direction set for Tri-Met in its existing goals statements (1977) and the proposed mission and goals statement drafted in 1984 is too broad and general. The statements place as much emphasis on non-transit public policy goals, e.g., regional land use planning and air quality, as they do on meeting transit service needs. The statements do not set priorities for use of the agency's limited resources or identify basic principles that should drive Tri-Met's decisionmaking process.

In its recommended mission statement, the Committee sets a priority. It says Tri-Met's main job is providing efficient transit service to large numbers of people moving within the District to and from work, school and other major activity centers.

The best use of the transportation investment dollar in this region is to employ transit to handle high demand times or destinations. Development of transit along major trunk routes to serve peak demands is far more cost-effective and represents much sounder land use policy in this region than attempting to expand the highway system to meet that need.

Tri-Met should introduce flexible approaches to serving off-peak demand, including use of equipment other than large buses.

Unlike Tri-Met's draft mission, the Committee's mission statement does not include emphasis on implementing non-transit public policies or meeting broad social service needs.

Public policy benefits, such as enhanced land use planning, neighborhood livability, air quality and economic development will flow from an effectively designed and efficiently operated public transit system.

A basic level of service should be available to all Tri-Met riders not covered by service developed to achieve the primary mission.

Tri-Met should especially continue to serve those dependent upon transit for their mobility, by assuring a safety net of transit service for the elderly, handicapped, poor and youth. However, other public agencies or private contractors should be asked to share in the cost and some of the special transportation service requirements of the transit dependent, with Tri-Met acting as coordinator of these resources in the region.

B. GOALS

Goal 1:

Achieve public understanding and support of transit's role in the regional transportation system by:

- a) providing service that is responsive to customer needs, acknowledges the specific transit requirements of individual ridership segments, and is courteously and attractively delivered and easy to use;
- b) assuring that information about service is consistent, timely and easy to understand;
- c) demonstrating transit benefits for both riders and non-riders, such as reduced traffic congestion, cost-effective alternatives to major highway construction, support for regional economic growth;
- d) obtaining further community benefits of an effective transit system, such as saving energy, improving air quality, and enhancing neighborhood livability or land use, by carrying out effectively the primary mission of the agency.

Discussion:

Public support for Tri-Met funding ultimately rests on whether Tri-Met provides what the public wants, how efficiently it does so, and whether the public feels that the benefits and costs are shared fairly. Tri-Met can foster this public support by establishing a standard practice of publishing the following documents and allowing for reaction by the public and local governments:

- a) system performance and productivity reports
- b) 5-year operations plan
- c) 5-year capital plan
- d) 5-year public outreach plan

According to surveys of taxpayers and riders, a significant percentage of those who pay for transit believe that Tri-Met could accomplish its mission more efficiently.

Tri-Met is perceived to be lacking in responsiveness and unwilling to listen. Public support for Tri-Met from its major stakeholders is either limited (riders) or lacking (business community).

In framing a public outreach effort, Tri-Met needs first to listen actively to community needs and perceptions, establishing effective two-way communications with its present and potential constituents. Expanded information and education efforts would follow, based on what has been heard.

Customer needs should be assessed without preconceived solutions in hand. Customer information should be clearly and simply presented, and easily accessible.

Tri-Met should demonstrate and aggressively communicate that an effective transit system yields direct benefits to employers, auto riders, and other governmental entities in the region, all necessary investors in making transit work. The direct environmental and land use benefits flowing from the transit system should be again demonstrated and communicated to a broad Tri-Met support group.

Again, the Committee considers it essential that Tri-Met launch a vigorous and highly visible public outreach program.

Goal 2:

Design and manage a service system which moves large numbers of people rapidly, and at a reasonable cost, offering savings in dollars and time spent on transportation.

Discussion:

Decisions on future system design and the allocation of resources should reflect consideration of the primary mission. Increased peak capacity on trunk lines, construction of additional transfer stations and park and ride facilities, and exploration of further light rail development in the region are commensurate with a long-term emphasis on the primary mission.

High demand service, especially in the future, goes beyond the needs of downtown Portland and the morning and afternoon rush hours from that area. Tri-Met should develop a system that provides efficient service to growing suburban employment centers, which are inadequately served. The future systems should also be responsive to schools or other destinations drawing large numbers of people throughout the day or on weekends.

The anticipated outcome is a gradual shift or adjustment in the system that produces increased ridership, reasonable fares and higher productivity, attained through improved service that is reasonably competitive with the automobile.

Goal 3:

To the extent that transit needs are not met by the primary mission, ensure all residents of the region have access to at least a minimum level of reliable, daily mobility. In providing such service, special attention should be given to the needs of the elderly, handicapped, poor and youth.

Discussion:

A basic level of service should be available to all Tri-Met riders not covered by service developed to achieve the primary mission. In providing this basic service, like service provided for the primary mission, Tri-Met should strive to be cost-effective. Use of transit options other than large buses should be considered and used to improve productivity.

Community residents with special transportation needs, such as the elderly, handicapped and poor, are not fully served despite Tri-Met's continued efforts to provide both mainstream and specialized equipment and operations to meet the need. Tri-Met should strive to maintain at least the current level of service it employs to meet these needs, recognizing the potential of new categorical funding for elderly and handicapped transit from the state cigarette tax.

Youth, Tri-Met's future regular riders, needs transit service throughout the weekday and on weekends. Tri-Met should encourage youth to use its services through special marketing efforts.

The needs of those dependent on transit should be further assessed and determined through market research, advisory groups and communication with the community.

Goal 4:

In cooperation with other service providers, develop a flexible transit service that provides for consideration of all service options and modes, employing alternatives when appropriate, including those run by other public agencies and private business.

Discussion:

Feeder systems into the trunk lines are necessary for the system's success. But feeder service should be cost effective in its own right, and involve alternative transit approaches, such as small buses or vans, or use of private contractors (taxis, suburban service operators, for example), to help achieve high Tri-Met productivity.

Greater flexibility in the system through use of the larger number of part-time drivers or equipment other than large buses should be introduced to meet the needs of existing and potential riders not moving to and from major regional destinations. Such flexibility can help assure good transit service to urban and suburban neighborhoods.

Goal 5:

Improve productivity through prudent capital investments and sound, innovative management.

Discussion:

The Committee expects that the future operation and management of Tri-Met will be marked by efforts to improve productivity, efficiency and flexibility in Tri-Met transit services, and by introduction of more effective management tools and approaches. Many of the recommendations of the administrative audit in its performance, organization, management and cost control sections express the kinds of improvements that can help overcome negative impressions in the community about the agency's efficiency.

The Committee finds that Tri-Met has several long-term planning needs which management should address:

- Tri-Met has no current blueprint for future operations, financing, capital development, or public outreach. Tri-Met has no specific goals for improving productivity in the next three years.
- Tri-Met does not have the necessary information to decide whether or not to proceed with electrification of urban trunklines and further light rail in the region.
- Community expectations for transit described in the Regional Transportation Plan through the year 2005 are very high, and until Tri-Met achieves fiscal stability, probably unrealistic.

The Administrative Audit found that Board of Director involvement of policy formulation is limited and also found limited familiarity with Tri-Met operations (p. 3, Executive Summary, Audit).

Recognizing that the Board is part-time and not compensated, the Committee nevertheless concurs in the need for expanded Board involvement in the agency's policy affairs, especially in the near term.

The Committee also concurs in the Audit's finding that "a strong decision-making process requires rebuilding decision support processes," and supports the recommendation of preparing and maintaining a strategy for organizing the agency's external affairs to increase public support for transit.

C. FINANCING PLAN

The Committee made these general findings in reaching its recommendations for a future financing approach:

- The three most important criteria in selecting appropriate revenues for Tri-Met are public acceptability, equity, and incentives to promote ridership. Other factors to be considered include adequacy and effect on economic growth.
- Under the present funding arrangements, some transit beneficiaries do not participate in supporting transit, while some others pay a share that may be perceived as too large or too small in proportion to the benefits they receive.
- Tri-Met is the only major transit system in the U.S. lacking a traditional broad-based tax source, such as a sales, income, or property tax. However, the committee views Tri-Met's current payroll tax as broad-based, applying directly or indirectly to many taxpayers in the District.
- There is a direct relationship between Tri-Met fares and ridership.
- A major benefit of transit is providing a cost-effective alternative to costly highway construction. However, funding mechanisms do not integrate transit and highway funding, and may thus inhibit investments in transit when it is the most cost-effective option.

The following discussion pertains to the key elements of the financing plan:

(1) Immediate funding options:

Implement the following immediate funding options to stabilize Tri-Met's fiscal condition:

- a. Gross Receipts Tax: Impose a gross receipts tax on businesses engaged in wholesale distribution of petroleum.
- b. Union Support: Gain management flexibility from the transit workers' union, through work rule changes and contract services which improve system efficiency.
- c. Fares: Expand the share of transit costs paid by riders primarily by increasing ridership, and by raising fares gradually as appropriate and necessary.
- d. Payroll Tax: Obtain any new revenues from other sources, thereby reducing the payroll tax share of transit support.

The Tri-Met Board has already addressed the proposals of the Committee for immediate opportunities to increase revenue. With all new revenues and cost savings from these actions in hand, Tri-Met would be in a position, according to Tri-Met staff projections, to proceed under existing Tri-Met goals and policies for the next five years based on the assumptions described in Appendix F.

The Committee is advising that Tri-Met live within the means now available to it (including the gross receipts tax) for the next year. While no increase in hours of service may be possible during that period, reconfiguration of service based on productivity evaluations and new mission and goals should be pursued, and an increase in ridership should be achieved.

(2) Intermediate funding options:

Develop and pursue the following intermediate funding options:

- a. Schools: Recognizing that transit serves a vital function in transporting students, seek in-kind contributions or cash support from school districts and colleges to offset some of the costs of providing this service.
- b. Payroll Tax: Expand the payroll tax to all employers within Tri-Met's service area not presently covered, including local governments (cities, counties, school districts), non-profit agencies, and other exempt employers.
- c. Employer Incentives: Provide incentives to employers to encourage high transit ridership among their workers.
- d. Marketing: Employ innovative marketing techniques, including selectively reduced fares and other methods, to improve Tri-Met's financial condition by building ridership.
- e. Parking Tax: Introduce transit funding mechanisms which provide financial incentives for riders (or disincentives for drivers), including a regionwide tax on parking spaces.

Tri-Met staff envisions an alternative scenario for the next five years, based on additional new revenue of \$4.4 million annually, a level of revenue increase in the range of the Committee's intermediate step of its recommended financing plan. Assumptions made under this scenario are also described in Appendix F.

Net cost savings identified by the administrative audit were not evaluated and included in these scenarios.

The Committee is proposing that after a period of consolidation, and after an evaluation of Tri-Met's progress, the agency seek assistance at the Legislature, with community support, for an expansion of the scope of the payroll tax as one means of supporting efficient system growth.

Education institutions benefit from transit; indeed, students represent one of Tri-Met's largest group of riders. As beneficiaries, schools should participate in the direct cost of providing transit services. Public schools in the region have access to state funding for transportation that could be made available to Tri-Met to help offset youth discount fares.

(3) Long-term funding options:

Prepare and implement a long-term strategy to ensure fiscal stability:

- a. Integrated Funding: Within the region, integrate transit funding with street, road and highway funding, gaining greater flexibility to invest in transit wherever it offers the most cost-effective transportation option.
- b. State Funding: Seek greater state participation in transit funding.
- c. Special Benefits Tax: Seek authority to levy taxes on areas gaining special transit benefits in recognition that certain geographic areas derive greater benefits from transit.
- d. Fares: Increase the farebox share of transit support through increases in ridership. Continue to encourage an increase in numbers of regular transit riders by offering attractive discount on multi-ride tickets and passes.
- e. Union Support: Continue to seek increased operations flexibility from, and cooperation with, the transit workers union to improve system productivity and efficiency.
- f. Fiscal Stability: After achieving immediate and intermediate funding needs, explore options for a more traditional, broad-based revenue source to supplement or offset existing revenue sources as may be needed to assure Tri-Met's fiscal stability.

The Committee believes it is important for transit to maintain its present regional trip share and eventually to expand it. Again, transit represents a cost-effective means of spending Oregon's transportation dollar, and transit investment in this region stretches the Oregon transportation dollar statewide for highway construction.

The Committee proposes integrating highway and transit in the allocation of transportation resources for this region, including the federal and state highway user tax. The Committee recognizes this approach may require a constitutional amendment depending on the transit-related use of the revenues.

The Committee has reservations in pointing Tri-Met toward a more traditional, broad-based revenue source such as an income, sales or property tax. Nevertheless, achieving the goals of fiscal stability and a transit system that keeps up with growth may require exploration of such a revenue source later in this decade if Tri-Met still faces money problems.

SECTION VI
ACTION AGENDA

VI. ACTION AGENDA

The following section translates the Committee's conclusions and recommendations into specific action items and a proposed timetable for carrying out recommendations adopted by the Tri-Met Board.

A. ACTION ITEMS

- (1) Tri-Met should map a course for the next five years in a new Transit Development Plan (TDP), to be completed in early 1986. The Plan should have two phases:

(a) a first-year increment which focuses the agency's energies on consolidating the gains obtained from its new labor contract and recently approved revenue increases, as well as improvements in its administration and operations to be captured from the recommendations of the administrative audit.

The first-year increment should include a set of service, fiscal and public outreach objectives for that year, by which Tri-Met's progress can and should be evaluated by the community early in 1987.

(b) a continuing plan for the remainder of the five years, contingent on the progress of the first year, that envisions:

- productivity improvements defined in terms of more riders per revenue hour and reduced system cost per originating ride;
- modest increases in revenue identified in the intermediate step of the Committee's financing plan; and
- modest increases in service levels.

The Plan should also :

- represent commitment by Board and management to a particular service plan and capital program, similar to the approach taken in the Oregon Department of Transportation's Six Year Program, based on the availability of committed resources.
- define and promote activities that begin to implement the role recommendations for greater productivity.
- define and adopt a capital improvement program using existing resources.
- include a separate section that identifies new revenue Tri-Met intends to pursue during the five-year period and describes planned use of those additional resources.

Tri-Met should provide for an active community role in the development of the TDP.

- (2) Tri-Met should acknowledge that its continued existence depends on public understanding and support. It should initiate immediately an intensive and creative public outreach program that addresses negative perceptions of the agency's performance, engenders broad public investment in transit's future and assures effective responsiveness to public needs.

The expanded outreach effort should include both public relations and marketing programs, as well as activities of the general manager's office, to open up new communications channels in the region with riders, employers, Tri-Met taxpayers, local governments, including school districts, and auto drivers.

- (3) The Tri-Met Board of Directors should expand its participation and visibility in the agency's affairs, adopting a strong advocacy posture for improved public transit in this region, increasing its involvement in the agency's planning and development process, and assuming a clear leadership role in setting policy for the agency and the region's transit system.
- (4) To improve its management of external affairs, Tri-Met should establish a strategic planning function that serves the Board and general manager, and reports directly to the general manager. The function should be appropriately linked organizationally with the agency's government relations and community (including payroll taxpayers) relations functions.
- (5) Reaching transit goals for the year 2005 contained in the Regional Transportation Plan can occur only if Tri-Met achieves fiscal stability. (See Appendix C for summary of this Plan.) Tri-Met should review these regional goals and establish priorities for meeting some of them over the next five years and placing others in a later time framework. The TDP should state those priorities and the Regional Transportation Plan should reflect them.
- (6) The mass transit service emphasis recommended in the Committee's mission statement should be introduced in the near term. These service changes are expected to come initially on a gradual and prudent basis, and to be accomplished within the scope of the financial recommendations for immediate implementation made by the Committee. Nevertheless, innovative marketing techniques and other cost-effective efforts that expand system flexibility and enhance mass transit ridership are encouraged for the short as well as the long term.
- (7) Tri-Met should strive to assure success of the Banfield light rail transit by implementing an adequate feeder network, and park and ride lots, and by having sufficient capacity to service expected demand.

- (8) The Tri-Met Board should appoint a citizen task force to assist the Board in the implementation of the recommendations of this Committee, as adopted by the Board. The task force will recommend solutions to transition issues as Tri-Met implements the recommendations and will assure community involvement and support in the development of Tri-Met operating policies arising from the recommendations.

The task force would serve for twelve months, meeting four to six times during that period to review the agency's progress and approve recommendations for the Board's consideration. The task force would consist of no more than eleven (11) members, including two representatives each from the current Tri-Met Board, this Committee, local elected officials in the region, the region's business community, and any newly appointed members of the Tri-Met Board. The task force will be provided independent support to cover its limited staffing requirements.

- (9) Upon completion of the task force work, Tri-Met should continue a broad-based citizen's advisory committee on transit policy, representing the spectrum of government, business, transit riders, including the elderly, handicapped, poor and youth, and general public interests to:

- monitor and periodically review Tri-Met's progress on behalf of the community;
- advise the Tri-Met Board on major service and funding decisions as requested by the Board;
- actively promote, as individuals and as a committee, the public's understanding and support of transit.

- (10) Preliminary planning and engineering work in the Westside Corridor is necessary to determine whether and how that major regional transportation route should be developed for the future. The community and this Committee are not adequately informed to advise if light rail or some other transportation solution is appropriate for this corridor. Tri-Met should proceed with this work in the near term so that a regional decision on this corridor can be made.

B. ACTION TIMETABLE

(1) Phase 1: 1986

- (a) Consolidate recent gains
 - Labor contract productivity options
 - Revenue increases achieved
- (b) Complete consideration of audit recommendations and begin carrying out those recommendations adopted by the Board.
- (c) Provide service levels similar to 1985 levels, but modify types of service to increase productivity and ridership and to reflect new primary mission beginnings.
- (d) Start up Banfield LRT successfully.
- (e) Begin new public outreach program, developing extensive listening opportunities.
- (f) Appoint a citizen task force for one year to assist Tri-Met Board in implementation of Committee recommendations.
- (g) Expand employer incentive programs; focus market research on major activity centers outside downtown employment.
- (h) Develop Transit Development Plan (TDP) five-year plan for operations, capital improvements, financing, and public outreach with detailed first-year objectives and information as to what will be accomplished within existing resources.
- (i) Set priorities for transit goals in the Regional Transportation Plan, limiting transit expectations for the next 3-5 years; reflect these priorities in the TDP.
- (j) Begin no new capital development facilities requiring significant Tri-Met match.
- (k) Begin minimum bus replacement or remanufacturing.
- (l) Determine need for additional light rail vehicles.
- (m) Include these considerations in the agency's planning efforts:
 - Westside corridor preliminary planning and engineering
 - Trunk line capacity, facilities planning, re-evaluation of opportunities for urban trunklines electrification
 - Alternative transportation options
- (n) Develop and implement a process for community evaluation of Tri-Met progress at end of Phase 1

(2) Phase 2: 1987-1990

- (a) Seek new revenue authority at 1987 Legislature, especially to expand scope of payroll tax.
- (b) Begin modest increase in service levels starting late 1987, with gradual expansion in emphasis on primary mission.
- (c) Introduce urban trunklines electrification, as appropriate.
- (d) Expand Banfield LRT feeder system, as appropriate.
- (e) Launch extensive public education and information programs based on results of listening program; continue two-way communications
- (f) Quicken pace of bus replacement or remanufacturing program.
- (g) Allow for purchase of any needed light rail vehicles.
- (h) Implement near-term RTP priorities.
- (i) Make Westside Corridor decision.
- (j) Institute limited fare increase around 1988.
- (k) Continue to seek further flexibility from and cooperation with transit workers union.
- (l) Revise TDP, prepare new transit plan for 1990-1995.

COMMITTEE MEETING TITLE JPACT

DATE 12-5-85

NAME

AFFILIATION

M- Jim Gardner	Metro
M- Wes Mclelland	Wash Co.
M- George Van Bergen	Metro
M- JOHN FRENING	TRI-MET
S- Rick Gustafson	Metro
M- LARRY COLE	CITIES OF WASHINGTON County
M- Dick Pokornowski	City of Vancouver
M- RICHARD WAKER	METRO
M- Fred Miller	ODOT
G- Ted Spence	ODOT
M- Fred Hansen	DEQ
M- (M) Ward Woodruff	Cities of Mult Co
M- ED FERGUSON	WSDOT
G- G. Mollery	Resource Center
G- Dixie Johnson	Mult Co.
G- Howard Harris	DEQ
G- Jon Bingham	DEQ
G- Karen Gritzka	League of Women Voters
G- Margy Hoyt	DEQ
G- STEVE DOTTERKER	PORTLAND STAFF
G- Corale Crumpton	" "
M- Comm. STRACHAN	CITY OF PORTLAND
G- Keith Ahola	WSDOT

