



METRO

**DRAFT**

July 10, 1997

Mr. Henry Hewitt, Chair  
Oregon Transportation Commission  
c/o Stoel Rives Boley Jones & Grey  
900 SW Fifth Avenue  
Portland, OR 97204-1268

*Subject: Draft Tollway Administrative Rules*

Dear Henry:

The Joint Policy Advisory Committee on Transportation (JPACT) for the Portland metropolitan area has reviewed the draft Tollway Administrative Rules and provide our specific comments below. We appreciate this opportunity to comment. These rules define the arena for which private and/or user-based funding contributions can be made to critical transportation improvements within the metropolitan region. For our region, these rules provide the basis for implementing the I-5/99W Connector (Tualatin-Sherwood) and, with the passage of SB 459, a possible tollway or congestion pricing demonstration.

To the degree possible, the rules should balance private sector risk with the public interest. We support aspects of the rules that provide appropriate incentives for private participation such as low fees for project applications and review of proposals and public participation in project development costs. Since private participation through tolls is a new concept for Oregon, we also support a concept where prioritizing toll projects relative to other projects in the Transportation Improvement Program is delegated to the metropolitan areas and the corresponding ODOT region.

Our specific comments are as follows:

- Page 2, Section 030 (about the initial review process for a tollway), paragraph 2(a), change to read: "If a proposed project is already included in the STIP for development or a local transportation system improvement plan, the proposer shall submit the following information: ..."
- Page 3, paragraph 2(b) - Change to read: "If a proposed project is not already included in the STIP or any local or regional transportation system plan (TSP), the proposer shall submit the information required in Subsection (a) of this section, and shall amend their TSP to include the need, mode, function, and general corridor for the project and develop necessary findings consistent with the Transportation Planning Rule and local comprehensive plans. ~~as well as~~ Other information required by local, regional or state transportation planning agencies necessary to the STIP process shall also be submitted."

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- Page 3, paragraph 3(b)(A), change to read: "If the project is in the Development Program of the STIP, the Department shall proceed to further detailed review pursuant to section xxx-xx-050 of this rule."
- Page 6, Section 050 (Evaluation), paragraph 1, first sentence, change to read: "Projects shall be evaluated for inclusion in the Construction Program of the STIP by the Department (for statewide projects) or the appropriate MPO or other recognized regional decision-making body."
- Page 6, paragraph 2(a)(A): Be more specific about what types of economic impacts are to be considered. The concern is that the language is so vague that it could be interpreted as very all-encompassing. These types of impacts are difficult to assess. It was suggested that ODOT ask their economic consultant to propose a level of analysis that they consider to be reasonable.
- Page 7, paragraph 2(b): We were concerned that the language "Availability of toll or local revenues shall improve a project's ranking to the extent that it enhances other elements of the transportation program" is too vague. Also the "discussion" section for that paragraph (page 8) references two methods for re-ranking toll projects within the STIP. However, the description of these methods referenced is not included. After some discussion, it was clarified that this re-ranking would be done by the MPO in conjunction with ODOT. If the regional responsibility is clarified, the concern would be addressed.
- Establishing toll rates: Public and private entities may have different objectives for setting toll rates. Public agencies may wish to use tolls to manage demand on a given facility whereas the private objective is to maximize a return on investment. The rules should allow for negotiation between public and private entities (when private entities participate) to discuss possibilities to meet both objectives. At a minimum, we suggest incorporating this point in any discussion, clarification, or interpretation documents associated with this rule.

Thank you very much for the opportunity to comment on these important rules. We look forward to working with the Commission in the future on this and other toll-related finance issues.

Sincerely,

Jon Kvistad, JPACT Chair  
Metro Presiding Officer

JK:MH:lmk

## STAFF REPORT

### CONSIDERATION OF RESOLUTION NO. 97-2540 FOR THE PURPOSE OF FILLING A VACANCY ON THE TRAFFIC RELIEF OPTIONS STUDY TASK FORCE

Date: July 2, 1997

Presented by: Bridget Wieghart

#### PROPOSED ACTION

Adoption of this resolution endorses approval of a new member to fill a vacancy on the Traffic Relief Options Study Task Force. It is recommended that Mark Gorman, Commute Reduction Manager of the Intel Corporation, replace sitting member Mike Salsgiver, Government Affairs Manager of the Intel Corporation. Mr. Salsgiver has resigned his duties to the task force due to increased commitments on other projects.

#### BACKGROUND

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

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

We are recommending Mark Gorman for membership on the task force to replace the vacancy created by the resignation of Mike Salsgiver. As Commute Reduction Manager of Intel Corporation, Mr. Gorman has the experience and an in-depth understanding of transportation demand management that will be make him a valuable addition to the task force.

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF FILLING A ) RESOLUTION NO. 97-2540  
VACANCY ON THE TRAFFIC RELIEF)  
OPTIONS STUDY TASK FORCE ) Introduced by  
Presiding Officer Kvistad,  
JPACT Chair

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

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

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

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

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

WHEREAS, Due to the relative newness of the concept and the potential for significant public concern, Metro and ODOT have

agreed to establish a task force of business and community leaders to provide advice and direction on the study; and

WHEREAS, Metro Council on April 25, 1996 passed Resolution No. 96-2333 endorsing the composition and mission of the Congestion Pricing Task Force for the purpose of providing oversight and direction to the Congestion Pricing Pre-Pilot Study and making a recommendation to the Joint Policy Advisory Committee on Transportation (JPACT) and the Metro Council as to whether a demonstration project of congestion pricing should be undertaken in the Portland metropolitan area and, if so, what its parameters should be. Exhibit B includes the task force membership list; now, therefore,

BE IT RESOLVED:

That the Metro Council finds that Mark Gorman, Commute Reduction Coordinator of Intel Corporation, should fill a vacancy on the task force created by Mike Salsgiver. As a task force member, Mr. Gorman will be responsible for fulfilling the duties as described in Exhibit A.

ADOPTED by the Metro Council on this \_\_\_\_\_ day of \_\_\_\_\_, 1997.

\_\_\_\_\_  
Jon Kvistad, Presiding Officer

Approved as to Form:

\_\_\_\_\_  
Daniel B. Cooper, Legal Counsel

ML:lmk/7-2-97  
97-2540.RES

## EXHIBIT A

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

#### Role of the Task Force

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

#### Responsibilities of the Task Force

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

1. Assess the case for and against congestion pricing and its practical feasibility to reduce peak period congestion, vehicle miles traveled and motor vehicle emissions and other potential effects on the community.
2. Increase awareness and understanding of congestion pricing. Evaluate the results of the study to determine the technical feasibility and public acceptance of congestion pricing in the Portland region.
3. Develop regional consensus on whether a congestion pricing pilot demonstration project should be undertaken and, if so, what its parameters should be.
4. Provide a Task Force report to the Joint Policy Advisory Committee on Transportation (JPACT), the Metro Council and the Oregon Transportation Commission.

EXHIBIT B

TRAFFIC RELIEF OPTIONS STUDY  
TASK FORCE MEMBERS

**Members**

**Carl Hosticka, Chair;** Associate Vice President Statewide Education Services for the University of Oregon, and former State Legislator

Betty Atteberry, Director of Sunset Corridor Association

Karen Baird, Director of Products, US West

Ken Baker, Attorney and State Senator

Steve Clark, Publisher, Community Newspapers, Inc.

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

Jon Egge, President, MP Plumbing

Matt Klein, Senior Vice President, Ashforth Pacific, Inc.

Tom Mesher, President, Mesher Supply


State Representative Anitra Rasmussen

Mike Salsgiver, Government Affairs Manager, Intel

Robert Scanlan, President, Scanlan, Kemper, Bard Company

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

**METRO**

Date: July 1, 1997  
To: JPACT  
From:  Andrew C. Cotugno, Transportation Director  
Re: Traffic Relief Options Study Update

The purpose of this item is to provide this committee with an update on the status of the Traffic Relief Options (TRO) study and an opportunity to comment on the results of the first evaluation. Enclosed for your review is a summary of Working Paper No. 6.

Working Paper No. 6 served as the basis for the first evaluation and the TRO task force's preliminary selection of options for detailed study. The attached summary of the working paper reviews the evaluation criteria and measures used and includes a matrix of key findings (table 3). Based on the working paper, the task force preliminarily identified 11 options for further study out of an initial group of 40 at its May 15 meeting.

In early June, workshops were held with representatives of a broad range of interest areas to obtain feedback on the evaluation process and the 11 options. In addition, comments were obtained from the Project Management Group for the study. Based on this feedback and other outreach, the task force recommended nine options for detailed study at its June 26 meeting. The nine options still under consideration include options No. 1, 3, 6, 8, 11, 12b, 14, 17 and 20 as identified on Attachment A to this memo and described in more detail in the working paper summary.

In making its decision, the task force focused primarily on a combination of transportation performance, equity and public acceptance factors. The equity and public acceptance factors included the quality of available alternatives (including new capacity and transit) and the comprehensiveness of the type of congestion pricing (with those that offer on-the-road alternatives, such as partial facilities, being favored). In addition, the task force sought to maintain a diversity of types and locations among the options proposed for further study.

We are seeking your review and comment on the first evaluation at this time.

ACC:BW:lmk  
Attachments



## Attachment A

### Traffic Relief Options Recommended for Further Study

Road and Option Name	New Lanes <sup>1</sup>	Description
1 I-5 S Partial - Reversible Lanes* - I-405 to 99W	N	Tolls one express lane on I-5 south of I-405 (without widening) by taking a lane from the non-peak direction.
3 I-5 S Whole with part new climbing lane- Terwilliger to Wilsonville	Y	Constructs a new southbound climbing lane from I-405 to Terwilliger exit; tolls all lanes of I-5 from Terwilliger to Wilsonville.
6 I-5 N Corridor - I-405 to Delta Park	N	Tolls all lanes of I-5 from Fremont Bridge to Delta Park exit, plus spots on Portland Road, Denver, Vancouver, and Martin Luther King at the Columbia Slough.
8 I-84 Partial with improvements at I-205 - Reversible Lanes* - Grand to 207 <sup>th</sup>	Y	Tolls one express lane on I-84 from Grand to 207th by taking a lane from the non-peak direction; includes construction of a third lane around I-205 entrances.
11 US 26 (Sunset Hwy) Partial with part new lane - Tunnel to 185 <sup>th</sup>	Y	Tolls one lane on US 26 from Vista tunnel to 185th; adds new lane between Sylvan & Hwy 217, and Murray & 185th.
12b Hwy 217 Partial with new lanes - US 26 to I-5	Y	Tolls one express lane on Highway 217 from US 26 to I-5; includes construction of new lanes.
14 McLoughlin Partial with part new lane - Ross Island Bridge to Hwy 224	Y	Tolls one express lane on 99E; includes construction of a new lane from the Ross Island Bridge to Tacoma.
17 Hwy 43 Spot - north of Sellwood Bridge	N	Tolls all lanes at a single point (or points) on Highway 43 near the Sellwood Bridge
20 Beaverton Regional Center Area - Cedar Hills Blvd./Hwy 217; Center/5 <sup>th</sup>	N	Tolls roads that access or cross through the Beaverton Regional Center (west of Hwy 217, east of Cedar Hills Blvd., north of 5th, and south of Center).

Note: In addition to the above, a tenth option, a regional alternative to be defined, will be developed and studied for comparison purposes.

\* Reversible lanes = During peak, lane is taken from non-peak direction and tolled. The lane reverts to its original direction and is not tolled at other times.

June 18, 1997

**TO: Traffic Relief Options Task Force**  
**FROM: Terry Moore**  
**SUBJECT: WORKING PAPER 6: EVALUATION OF 40 PRICING OPTIONS**  
**SUMMARY**

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## **BACKGROUND**

This report is a summary of Working Paper 6, which evaluates approximately 40 different pricing options to identify the 10 options that will be the focus of a more detailed evaluation that will occur in the Summer and Fall of 1997.

The 40 original options, and the methods used to identify them, are described in Working Paper 3. The criteria to be used to evaluate the options are described in Working Paper 4. The details of the methods used to conduct the evaluation (including how the criteria in Working Paper 4 would be applied) are summarized in Working Paper 6.

This summary is organized as follows:

- *Overview of the Pricing Options and Methods.* Summarizes what the options are, and how they will be evaluated.
- *Evaluation by Criterion.* Presents, for each category and sub-category of criteria that Working Paper 6 recommends be used at this level of evaluation, (a) the likely impacts of road pricing in general, and (b) what those general impacts suggest about the relative performance of the 40 pricing options on those criteria.
- *Summary Evaluation by Pricing Option.* Consolidates the results of the previous section to show impacts by pricing option.
- *The Next Steps.* Guidelines for the Task Force for using measures to identify 10 options for detailed review. What happens over the next year as 10 options get narrowed to a preferred option for the demonstration project.

## **OVERVIEW OF THE PRICING OPTIONS AND METHODS**

Table 1 summarizes the pricing options that made it to this level of evaluation. An attached chart prepared by Metro staff describes the characteristics of the options that were selected for more detailed analysis.

Table 1: Summary of Pricing Options

Location	Spot		Partial Facility, Express Lane		Whole Facility		Corridor		Area		Subtotal Selected	TOTAL
	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes		
I-5 S			X+O2	X	○	○	○	○			5	7
I-5 DwnTwn N				X	○	○	○	X			1	3
I 205	○			X	X		X	X			1	5
I 84							○				2	3
26	○	X		○			X	X			2	5
217				X	○	X	X				1	4
Sunrise						○					1	1
HoodPky						X					0	1
McLoughlin				○	○						2	2
Sellwood	○										1	1
Hwy 43	○				X						1	2
Tual/Sherwood						X+O2					1	2
TV Hwy					○						1	1
Beaverton Sml									○		1	1
Beaverton Lrg									X		0	1
WilRvr Brdgs									X		0	1
<b>TOTAL</b>	<b>4</b>	<b>1</b>	<b>2</b>	<b>7</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>5</b>	<b>3</b>	<b>0</b>	<b>20</b>	<b>40</b>

○ = Made it through preliminary screening based on modeling

X = Eliminated based on modeling of travel performance

O2 = New variations added

As originally conceived, going from approximately 40 to approximately 10 pricing options was to be accomplished by reference to the professional literature, the results of related studies, and limited model runs on the existing model. The goal was to demonstrate the logic for eliminating options, and to support that logic by reference to accepted theory and empirical work. For travel performance, some modeling was required to be able to estimate changes in travel performance, by mode, that a pricing option would induce.

The key assumptions underlying the final evaluation methods, and the methods themselves, are:

- Among the 10 options must be a base case and a hypothetical regionwide pricing option which will be developed later in the analysis. Thus, we are really talking about picking a maximum of 8 or 9 other pricing options from the list in Table 1.
- In addition to the technical evaluation criteria, the evaluation should maintain a diversity of options (type and location) among the 10 recommended so that detailed modeling does not focus exclusively on one type or location.
- Because of the large number of pricing options (about 40) and criteria (about 25 separate sub-categories under six general headings), a score for each option on each criterion is not practical, nor is it necessary at this stage of the evaluation.
- The evaluation strategy was to first remove any pricing option whose performance on any criterion was unlikely to be acceptable in both an absolute sense and relative to other pricing options. Travel Performance was a key criterion here because of the importance of

this criterion as determined by the Task Force and the data that were available. Then, for the remaining options, their performance on all remaining criteria was estimated.

As Table 1 illustrates, several of the pricing options were eliminated prior to the evaluation presented in this working paper. Twelve were eliminated in March. In general, they were eliminated for one or more of the following reasons: (1) they are located in relatively uncongested corridors, and so likely to perform less well than other options, (2) better versions (i.e., likely better performance or lower cost) of the same type of option (e.g., without new capacity), or better versions of a similar type in the same corridor, were already being modeled, or (3) a lack of modeled diversion for a spot or partial facility on that route suggested no added benefit of analyzing a corridor option. An additional 5 were eliminated in April for similar reasons. The Willamette River bridges is a regional option. Since regional options will be developed later, it has been set aside for this evaluation. Some new variations were also added. The result is that there are 20 pricing options shown in Table 1 that are evaluated in more detail in the rest of this working paper.

### **EVALUATION BY CRITERION**

Table 2 lists the criteria this section addresses. The highlighted criteria are those used at this level of screening.<sup>1</sup> The rest of this summary focuses only on those criteria for which measurement was attempted at this level of evaluation. The reasons that other criteria were not evaluated are described in Working Paper 6.

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<sup>1</sup> The Task Force discussed and approved this subset of criteria, based on a presentation by Terry Moore of ECO, at its meeting in April.

**Table 2: Evaluation Criteria and How They Are Used at This Stage of the Evaluation**

Category	Sub-category	Likely to Affect Choices This Screening?
<b>Implementation</b>	Legality	N
	Technology	N
	Privacy	N
	Institutional Impacts	N
	<b>Finance</b>	Y
	Use of Revenues	N
	<b>Demonstration Value</b>	Y
<b>Transportation System Performance</b>	<b>Costs: Facility Capital and Operation Travel-time Savings</b>	Y
		Y
	Safety	N
<b>Equity</b>	<b>Availability of Transportation Options</b>	Y
	Impacts by Population Group	N
	Impacts by Area	N
	Fairness of Cost Assignment to Businesses and Commuters	N
<b>Conformity With Land Use And Transportation Plans And Policies</b>	Land Use	N
	Transportation	N
<b>Societal And Market Effects</b>	Air Quality	N
	Other Environmental Impacts	N
	Energy	N
	Employment and Freight	N
	<b>Community/Neighborhood Effects (Diverted Traffic)</b>	Y
<b>Public Acceptance</b>	<b>By Public, Interest Groups, Decisionmakers</b>	Y

**IMPLEMENTATION****Finance (amount of revenues from tolls)**

More important for selecting among alternative pricing options than the *use* of the revenue is the *amount* of revenue that a toll project will generate, both in absolute terms and as a percentage of project costs or benefits. Here the 40 options will differ from one another.

Working Paper 4 explained why this criterion can be tricky to evaluate, despite its apparent specificity. We are trying to evaluate the full cost of one alternative against the full cost of another. From that perspective, the revenues from pricing are not really a gain in real resources. Rather, the pricing, by causing consumers to face the full costs of their choices, has led to gains in efficiency that are captured generally by savings in travel time. However, the fact that the pricing

results in revenues may be important from a political and administrative perspective because the revenues provide cash to pay for the pricing option or other transportation projects.<sup>2</sup>

For the purposes of this evaluation, we define the criterion *Finance* to mean “For what proportion of the costs of the demonstration project can we identify funding sources at this point in time?” Then net revenue (toll revenue—amortized annual cost) shows what portion of project cost the option can finance via tolls. Table 3, at the end of this summary, reports the results for each option. Toll revenues are derived from modeling done for this level of evaluation; costs include construction, equipment (including computers and transponders, and operations and maintenance (see *Transportation Performance*, following).

### **Demonstration value**

This subcriterion becomes more important toward the end of this project: other things equal, we want to select a demonstration project that has some broader application and we will know a lot more about what those regional implications might be as the study progresses. For this level, demonstration value is defined as having a diversity of option types and locations among the final 10. That diversity is subject to a few constraints:

- The possible number of combinations of project types and locations is greater than the 10 options (actually 8 or 9, since others may include a base case and a regional pricing option) that the Task Force must select for further review.
- There is probably a tradeoff between a diversity of locations and a diversity of types.

For this level of evaluation we recommend using demonstration value as a final screening criterion that checks to see whether there is an adequate mix of pricing types and locations among the options that are rated highest on other criteria. Since it is a criterion that can only be applied once a short list of projects has been selected based on other criteria, there is no further evaluation to present at this point: the Task Force will do that analysis at its May meeting.

### **TRANSPORTATION SYSTEM PERFORMANCE**

The most quantifiable criterion is Travel Performance. Its main sub-category of benefits is travel time savings. Its main costs are the direct costs of implementing transportation improvements: new capacity and access, new technology, and new operations.

#### **Facility Costs: Construction and Operation**

To get the benefits that a pricing option provides, it must be constructed and operated. No additional literature review is needed to prove this point in theory: construction and operation are clearly costs that must be netted out from any estimate of benefits.

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<sup>2</sup> Exactly how much any individual paid toward equivalent capacity improvements would be different under the pricing and no-pricing cases, however, because there is not a match between a charge based primarily on mileage (e.g., a gasoline tax) and one based on route, time, and congestion.

Working Paper 6 and an accompanying memorandum from Kittelson and Associates provide details on how costs were estimated. In sum, it looks to other studies for specifications and estimates of the cost of installing pricing technology, and adjusts estimates provided by Metro and ODOT where capacity expansion is included as part of the option. The purpose is to get order-of-magnitude estimates that allow comparisons across options to get a *rough* idea of costs.

Capital costs include civil work, toll collection facility construction and equipment, communication plant, and a central computer system and software development. Toll equipment costs include automatic vehicle identification (AVI), electronic toll collection (ETC) antennas and roadside readers, and enforcement equipment. We estimated total cost for transponders based on existing travel on the different corridors where the options are located, adjusting average daily traffic to get an estimate of peak period users. The analysis estimated low, medium, and high cost ranges. Capital costs used in this analysis were the low ones, whereas the O&M costs were high. The O&M costs are being revised and new tables will be presented at the meeting. That is not likely to change the rank order of the options on cost, but could change a few rankings on performance (e.g., net revenues and preliminary net benefits).

O&M costs should be correlated to use of facilities, which should be correlated to number of transponders. Methods used for estimating O&M costs make the estimates more likely to be high than low.

The cost estimates shown in Table 3 are order-of-magnitude planning estimates. As such, they are internally consistent and useful for the relative comparisons across options being done in this analysis, but should not be interpreted as firm estimates of project costs.

### **Travel Time, Vehicle Operating Cost Savings, and Net Benefits**

The primary motivation for congestion pricing is to reduce the inefficiencies in roadway use that result from the absence of proper pricing of the roadway. By responding to prices that are usually too low in peak periods on metropolitan arterials, drivers choose to drive more than they would otherwise. The result is inefficient levels of roadway congestion (and delay), and secondarily, distortions in mode choice (toward driving in SOV). Hence, the primary benefit of congestion pricing is in the *reduction of delay* (i.e., travel time savings to auto and transit users) it induces through changes in the performance of the roadway. These factors, in turn, affect a variety of other aspects of transportation system cost elements, such as noise and air pollutant emissions, accident costs, and vehicle operating costs. Ideally, assessment of transportation system performance accommodates all of these factors, so that all costs and benefits associated with the system effects of congestion pricing can be accounted for.

For the purpose of the rough screening of a large number of alternatives, however, it is neither possible nor necessary to analyze all of these effects in detail. It is not possible because the currently available models do not accommodate congestion pricing and mode choice modeling in a conceptually acceptable way. In any case, such detailed modeling would have been prohibitively costly to apply to the large number of alternatives that needed to be screened. Fortunately, for reasons described in Working Paper 6, detailed modeling is not necessary to appraise the likely, relative attractiveness of congestion pricing options.

The modeling process used for this level of evaluation produces the information necessary to estimate the benefits from route diversion directly (i.e., it measures the reduction in delay), and also provides information on the level of congestion pricing as well as the revenue potential of that price. The level of congestion pricing, along with qualitative information on the transit-susceptibility of the affected corridor, can then be used to qualitatively assess the extent to which additional benefits from diversion to transit are likely, in addition to the route diversion benefits (we make some estimates in the next section). Although this approach is rough (because of the lack of formal trip generation, trip distribution, and mode split analysis), it permits a relatively good differentiation of project alternatives.

Working Paper 6 describes several measures of travel performance that the modeling generated. In this summary we report only two. *Revenue* is the annual revenue from tolls, calculated by converting the optimal toll back to the price/VMT and multiplying by the estimated VMT. *Time(Delay) Savings* are estimated time savings multiplied by an average value of time. The estimates from the model are increased by different factors depending on judgments about the quality of transit service and feasibility of carpooling in the area affected by the option. When we annualize these measures and subtract from them the annualized cost (above), we get the performance measures reported below in Table 3.

## EQUITY

Any change in the pricing of highway services will have a mixture of good and bad impacts on certain types of travelers, and on businesses and residents in subareas of the region. Congestion pricing may provide net benefits for the region as a whole, while, at the same time, leaving some groups worse off. Sub-categories of interest typically include auto tripmakers compared to other tripmakers by other modes (particularly transit and trucking); low-income households; central cities compared to suburban areas; and impacts in general on businesses.

Working Paper 6 describes the literature as it relates to these issues.<sup>3</sup> Most of it can only be addressed at a more detailed level of analysis, not appropriate for this phase of the evaluation. It is clear that equity impacts are complex and cannot be dealt with very well with general statements like "congestion pricing hurts low-income households" or "congestion pricing helps business."

To analyze specific equity impacts, a detailed description of travel patterns (origin, destination, mode, route, and time of day) by income and household type is needed. The model refinements occurring now will attempt to forecast these characteristics.

For this level of evaluation, therefore, we limit equity to simple proxy measure: to what extent do people have other transportation options that they could shift to in response to congestion prices? The Technical Advisory Committee (TAC) members looked at several measures of existing and planned transit service and travel characteristics to make a qualitative judgment about the ability of transit and car pooling to serve the different corridors in which pricing options are being considered. Table 3 shows that assessment.

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<sup>3</sup> Including, as the Task Force requested, an evaluation of the impacts of pricing on trucking.



## Community and Neighborhood Effects

For this evaluation we define this criterion as the negative impacts of spillover traffic into neighborhoods. Theory predicts some spillover; intuitively it seems likely to occur; and the modeling that we are doing at this round of evaluation forecasts that it will occur. Thus, we are relatively confident in saying that spillover traffic will occur, to varying degrees by option.

How that spillover will affect neighborhoods, however, is more difficult to predict. Spillover could be cut-through traffic on residential collectors, or it could be on to existing arterials. In the latter case, the impacts on the neighborhood character and cohesion could be relatively small.

We found no empirical work in the professional literature that attempted to evaluate the impacts of spillover traffic on neighborhoods. We can, however, predict what it would say: (1) the impacts of some traffic increases are positive to the extent that they are simply correlates of improved access; (2) the impacts of too much traffic in residential neighborhoods increase are negative; and (3) the impacts are difficult to quantify. The best estimates will come from studies that try to estimate the capitalized affects on land values, but those who take a sociological perspective on the value of neighborhood will find the economic analyses inadequate.

The TAC members considered several measures of traffic diversion through existing neighborhoods, some of which were generated by the modeling done for the evaluation: the change in congested lane miles, the amount of VMT diverted off of the priced facility during peak hours, the relative amount of time savings that occurs off the priced facility, traffic volume changes on all network streets, and Volume-to-Capacity ratios. They combined these measures with their own knowledge about local traffic patterns to make the qualitative estimate of the relative impacts of diversion in the different options, which are reported in Table 3. The focus was on identifying traffic impacts on collector and local streets not intended to carry large volumes, on increasing congestion on both collectors and arterials, and on increasing congestion at freeway ramps. Smaller diversions or diversions to major arterials without major increases in congestion were considered acceptable at this level.

## PUBLIC ACCEPTANCE AND POLITICAL FEASIBILITY

### Overview of the issue and evidence

Public Acceptance and political feasibility is always a qualitative assessment. There is little we can add from a technical perspective that has not already been said under other criteria. The consultant's principal task, as technical analysts, is to describe the impacts of the pricing options in terms of performance, secondary effects, and equity. The policymakers (primarily the Task Force) and their advisors (TAC, the Project Management Group, and Metro staff) have more ability than we to interpret how the performance on those variables and others is likely to influence public acceptance.

Table 3 shows a preliminary assessment of public acceptance made by the study team based on public involvement work to date (focus groups, stakeholder interviews and targeted workshops). Research to date has indicated that public acceptance is likely to vary by pricing type and the quality of alternatives available. Generally public acceptance is likely to be higher with the less

comprehensive types of pricing (partial facility and some spots) where drivers have an on the road choice and lower as the alternative becomes more comprehensive (the least acceptable being the corridor and area). The quality of alternatives being provided will also influence public acceptance: new, more, and better alternatives, both for auto and transit travel, can increase public acceptance.<sup>4</sup> As we noted in the sections on Technology and Privacy, it is possible that area licensing implementations might be more acceptable to some people than AVI technology.

## SUMMARY EVALUATION BY PRICING OPTION

### RELATIVE PERFORMANCE

Table 3 summarizes the results of the above analysis. It shows the subset of options that made it through the initial screening (the row headings in the left column); the subset of criteria that are germane to that choice (the column headings in the top row); and a summary of the performance of each option on each criterion (the remaining cells in the matrix).

The left part of each cell of Table 3 summarizes the *relative impacts* of each option on each criterion. For criteria that can be quantified with interval or ordinal data, the impacts can be shown by simple arithmetic; for nominal data, they are based on judgments about better or worse.

The shading at the right of each estimate of impact indicates the relative performance of each option on each criterion. We use three colors of shading. The three colors divide the options roughly into thirds on each criterion: the top third (those with the highest relative advantages on that criterion) in dark gray, the middle third in light gray, and the lower third left white. Though the colors allow a quick visual inspection of performance, note that it in many cases top performers may be numerically only slightly different than inferior ones. Thus, one must always consider the magnitude of the estimated relative advantages.

Table 3 shows *relative performance* only. It does not make a decision about the importance of the differences in performance either within or across criteria. Whether formally (through weights and scores) or informally (through discussion and consensus) the importance of the differences must be addressed. *Comparisons among options can be made only within a given criterion (i.e., within a column) because the different units of measurement for each criterion do not allow comparisons across criteria without some additional assumptions.*

### GUIDELINES FOR TASK FORCE DELIBERATION AND DECISIONS

The Task Force discussed the pros and cons of having the consultant prepare illustrative scores based on the assumptions listed above, and concluded that this working paper should go no farther than summarizing relative performance as we have in Table 3. The chief reasons were (1) a feeling that the weighting was ultimately a policy judgment that they should make, not the consultant; and (2) concerns about whether any set of scores could ultimately be agreed upon. It

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<sup>4</sup> Note that this definition of the criterion probably conflicts with the travel performance criterion: supplying new capacity will decrease the effectiveness of the tolling. Here, as elsewhere, the Task Force will have to decide how to balance competing objectives.

decided that the results reported in Table 3 would inform its discussion in May at which point it would select the 10 alternatives by consensus and voting, without formal scoring.

Without weighting and scoring, there are many ways Table 3 could be interpreted. Here are some guidelines that the Task Force should consider in its deliberation.

- *Focus on Travel Performance first.* It is the relative performance that provides an estimate of whether a pricing option does the main thing it is supposed to do: improve transportation performance in a particular area. In previous discussion and exercises, the Task Force has consistently ranked this criterion at the top (along with Public Acceptance), as have other projects like this one with which we are familiar. The measurement in Table 3 is a subset, but an important one, of benefits and costs. It includes an estimate of the main benefits (time savings) and the main costs (construction and operation of the pricing option). In the opinion of the consultants, there would have to be political or methodological reasons (or doubts about the validity of the time savings or cost estimates) to carry forward options in the bottom third or eliminate options in the top third. Such reasons may exist: our guidance is simply that the Task Force should be explicit about those reasons.
- *Look for fatal flaws second.* The Task Force also rated *Public Acceptance* as a top criterion. We interpret this to mean, no matter how good its travel performance, an option may not survive if it has other characteristics that make it unacceptable to the public and their representatives. In that sense, all the other criteria in Table 3 address this question. An ability to self-finance (with toll revenue), more transit options, and less diversion of traffic into neighborhoods all should increase public acceptance. Public acceptance is also measured separately in the final column. It is these criteria that give information to allow the Task Force to make a judgment about whether there are sufficiently strong reasons to choose options other than those that appear likely to have the best impacts on travel performance.
- *Remember that there are overlaps among criteria.* For example, traffic diversion, evaluated as a neighborhood effect under the heading of *Societal and Market Effects*. From a travel performance perspective, diversion can be desirable if people move off the congested facility on to only slightly less desirable parallel routes with excess capacity. From a neighborhood perspective (or the perspective of a traveler who already uses the parallel routes as a primary route), diversion is clearly negative.
- *Make sure your ratings are internally consistent.* Meeting this guideline can be tricky without scoring, since it requires trying to balance by eye the relative advantages in Table 10. At the extremes the decisions are not difficult. An option that performs in the upper third on all criteria should probably be selected; one that performs in the lower third on all criteria probably should not. The problem is that no options are that clear cut. In the absence of weighting and scoring, the best guidance we can give about this problem is to make sure that if two options perform roughly the same on three or even two of the top criteria, that they are both chosen unless their differences are significant (a value judgment) on less important criteria.
- *Do not add up the right hand column of each criterion to get a score for each option.* Such addition is tempting but wrong. First, the numbers 1, 2, and 3 are only there to

divide the options into three categories on each criterion. In the jargon of policy evaluation and statistics, they are *ordinal* numbers and should probably not be added. More importantly, the only way that they might legitimately be added would be if all the criteria were of equal weight. Then one could add the rankings across criteria, divide by the number of criteria, and have an interpretable and defensible "average ranking" for each option. But by all accounts (other studies, our professional opinion, and previous discussion by the Task Force) *the criteria do not have equal weights* so such averaging is inappropriate.

- *Use Demonstration Value (i.e., a diversity of types and locations) as a final screen only after you have more or less rank-ordered the options based on the preceding criteria.*
- *Remember that the estimates in Table 3 are just that: estimates.* Working Paper 6 describes in detail the methods, assumptions, data, and limitations of the analysis. It describes why several measures are uncertain, and could change. The fact that Table 3 shows negative revenues or travel performance is not too important at this point. What is important is to pick the projects that have the best chances of showing positive values for those measures when more detailed analysis is completed (subject to constraints imposed by other criteria of concern).
- *The Sunrise Corridor has not been modeled.* The modeling done for this evaluation by Metro staff and consultants was extensive and complicated. It had the types of problems one would expect in an undertaking of this size, but ultimately all but one of the options were modeled, and the models provided intuitively plausible results. For the Sunrise Corridor, however, despite numerous attempts to find the errors that were keeping the model from processing correctly, we could not get a solid analysis before the deadline for this Working Paper. Moreover, given the level of checking we have already put into the model, it is not likely that a model for this corridor will run correctly if we decide to try again.

With that in mind, the Task Force should consider whether it has enough information to make a decision about whether to eliminate or include Sunrise. The arguments to eliminate it are that it is one of the most expensive options, is more at the urban fringe (with less congestion and less consistency with 2040 planning), and was rated low on transit alternatives. In fact, it shares most of these characteristics with the Tualatin-Sherwood option, so one might expect travel performance to be similar (which for Tualatin-Sherwood was always in the bottom third of the alternatives). Everything seems to argue for eliminating it.

## THE NEXT STEPS

A draft of this working paper was reviewed by the Task Force at its meeting on 15 May, 1997. The Task Force discussed the working paper, focusing on the summary matrix contained in Table 3, and preliminarily identified 11 options for consideration. Eight of the options were selected more definitively and these are option #: 1, 3, 6, 8, 10, 11, 14, and 20. Three others, options 12b, 16 and 17 were still under discussion.

At the meeting the Task Force requested that we consider altering options 1 and 12. As a result of the Task Force discussion, option #1 was shortened to terminate at 99W rather than continuing

to Wilsonville in order to mitigate serious diversion issues on the southern end. In the process of analyzing the modified alternative, an error in the original model was corrected and this resulted in a lower ranking on the transportation performance criteria. In addition, also at the Task Force's request, option 12 became 12a and a new option, 12b, was created which includes added capacity on 217. 12b ranked higher than anticipated on transportation performance due to the low cost of the tolling equipment for partial facilities, the time delay savings benefits of the new capacity and the fact that the construction costs at this point (for comparison purposes) are based on typical per lane mile numbers and are low. The toll price continues to be below the minimum standard of 3 cents per mile.

Other changes to Table 3 based on further analysis since the May 15 meeting include slight worsening of the diversion rankings for options #8 and #10 and a slight improvement in option #20 on the same criterion. Finally, the model results for #18 were obtained and the option performed as anticipated. Combining the pricing of 99W with the Tualatin Sherwood Connector improved the toll levels but it does not appear to justify the high cost of the proposed new four lane roadway.

The options the Task Force identified in May were carried forward to targeted workshops in June. At its June 26 meeting, the Task Force will review the results of those workshops and make a final decision on 9 options which, along with a regional options to be developed later, will be carried forward for detailed evaluation.

That evaluation will commence in the Summer of 1997. Results will be reviewed by the Task Force and the public in the Fall of 1997.

**Table 3: Summary of Performance**

Pricing Options	Criterion	Type of facility		IMPLEMENTATION		TRAVEL PERFORMANCE		EQUITY		NEIGHBORHOOD EFFECTS		PUBLIC ACCEPTANCE	
		New Capacity?		Relative Finance		Relative Performance		Travel Alternatives		Diverted Traffic			
				Toll Rev - Cost/yr (\$million) (1)		Time Savings - Cost/yr (\$million)		Based on multiple measures of transit avail (2)		Based on multiple measures of diversion (3)		Based on multiple measures (4)	
1	I-5 S: I-405 to 99W	P	N	.19 - 1.73 = -1.54	2	-.29 - 1.73 = -2.02	2	Good	1	Moderate	2		1
2	I-5 S: Tigard to Wilsonville	W	N	3.92 - 4.90 = -.98	2	1.65 - 4.90 = -3.25	2	Good	1	Limited	1		2
3	I-5 S: Terwilliger to Wilsonville	W	Y	4.87 - 5.31 = -.44	1	2.61 - 5.31 = -2.70	2	Good	1	Limited	1		1
4	I-5 S: I-405 to Wilsonville	C	N	11.71 - 10.47 = 1.24	1	4.69 - 10.47 = -5.78	3	Good	1	Signfcnt	3		3
5	I-5 S: I-405 to Wilsonville	C	Y	11.48 - 10.75 = .73	1	5.11 - 10.75 = -5.64	3	Good	1	Signfcnt	3		2
6	I-5 N: I-405 to Delta Park	C	N	1.60 - 6.07 = -4.47	3	-.10 - 6.07 = -6.17	3	Good	1	Moderate	2		3
7	I-205 S: Willamette Bridge	S	N	.31 - 1.20 = -.90	2	.11 - 1.20 = -1.09	2	Limited	3	Signfcnt	3		3
8	I-84: Grand to 207th	P	Y	.66 - 1.41 = -.75	2	3.05 - 1.41 = 1.64	1	Good	1	Moderate	2		1
9	I-84: NE Grand to NE 207th	C	N	3.71 - 6.10 = -2.39	3	-.29 - 6.10 = -6.39	3	Good	1	Moderate	2		3
10	Hwy 26: Tunnel	S	N	1.96 -.73 = 1.23	1	.61 -.73 = -0.12	1	Good	1	Moderate	2		2
11	Hwy 26: Tunnel to 185th	P	Y	.68 - 1.09 = -.40	1	3.65 - 1.09 = 2.57	1	Good	1	Limited	1		1
12a	Hwy 217: Hwy 26 to I-5	W	N	2.55 - 4.86 = -2.32	3	1.32 - 4.86 = -3.54	3	Limited	3	Limited	1		3
12b	Hwy 217: US 26 to I-5	P	Y	.22 - 3.15 = -2.93	3	2.80 - 3.15 = -.35	1	Limited	3	Limited	1		1
13	Sunrise Corridor	W	Y	MNR	MNR	MNR	MNR	Limited	3	Moderate	2		1
14	McLoughlin: Rs Is. Br.-Hwy 224	P	Y	.23 - 1.06 = -.83	2	.61 - 1.06 = -.44	1	Good	1	Limited	1		1
15	McLoughlin: Ross Is. Br to I-205	W	N	2.18 - 1.24 = .94	1	.85 - 1.24 = -.40	1	Good	1	Limited	1		2
16	Sellwood bridge	S	N	1.15 - 4.28 = -3.13	3	-.26 - 4.28 = -4.54	3	Limited	3	Moderate	2		2
17	Hwy 43: north of Sellwood bridge	S	N	.76 -.68 = .08	1	-.17 -.68 = -.85	1	Moderate	2	Signfcnt	3		2
18	Tualatin-Sherwood Connector	W	Y	0.87 - 12.28 = -11.41	3	1.26 - 12.28 = -11.02	3	Limited	3	Limited	1		1
19	TV Highway: Bvrton to Hillsboro	W	N	1.87 - 2.57 = -.70	2	.32 - 2.57 = -2.25	2	Moderate	2	Signfcnt	3		3
20	Bvrton: CedrHills/217; Cntr/5th	A	N	.77 - 2.62 = -1.84	3	.35 - 2.62 = -2.27	2	Moderate	2	Limited	1		3

Type: S = Spot, P = Partial Facility, W = Whole Facility, C = Corridor, A = Area

1,2,3 divide the pricing options in roughly thirds based on performance for each criteria.

MNR = Model Not Run

(1) Toll Rev based on tolls during four peak hours/day; 250 days/yr

(2) Including current and planned transit service and ability to serve

(3) Including congested lane miles, VMT diverted, value of time savings off priced link, measures of congestion

(4) Including quality of available alternatives (especially new capacity) and comprehensiveness of type

## Traffic Relief Options

	Road and Option Name	New Lanes	Description
1	I-5 S Partial - Reversible Lanes* - I-405 to 99W	N	Tolls one express lane on I-5 south of I-405 (without widening) by taking a lane from the non-peak direction.
2	I-5 S Whole - Tigard to Wilsonville	N	Tolls the whole facility of I-5 from Highway 217 to Wilsonville.
3	I-5 S Whole with part new climbing lane- Terwilliger to Wilsonville	Y	Constructs a new southbound climbing lane from I-405 to Terwilliger exit; tolls all lanes of I-5 from Terwilliger to Wilsonville.
4	I-5 S Corridor - I-405 to Wilsonville	N	Tolls all lanes of I-5 from Highway 217 to Wilsonville and parallel facilities of 99W, Highway 43, Corbett, Terwilliger, 65th, 72nd, Carmen, Stafford, and Boones Ferry.
5	I-5 S Corridor with part new lane - I-405 to Wilsonville	Y	Same as #4 with the construction of an added southbound climbing lane from I-405 to Terwilliger exit.
6	I-5 N Corridor - I-405 to Delta Park	N	Tolls all lanes of I-5 from Fremont Bridge to Delta Park exit, plus spots on Portland Road, Denver, Vancouver, and Martin Luther King at the Columbia Slough.
7	I-205 S Spot - Willamette Bridge	N	Tolls the I-205 Bridge at the Willamette River.
8	I-84 Partial with improvements at I-205 - Reversible Lanes* - Grand to 207th	Y	Tolls one express lane on I-84 from Grand to 207th by taking a lane from the non-peak direction; includes construction of a third lane around I-205 entrances.
9	I-84 Corridor - NE Grand to NE 207th	N	Tolls I-84 from Grand to 207th, plus spots on Sandy, Glisan, Halsey, Burnside, and Stark where they cross I-205.
10	US 26 (Sunset Hwy) Spot - West of Tunnel	N	Tolls all lanes at a single point on the Sunset Highway west of the Vista tunnel.
11	US 26 (Sunset Hwy) Partial with part new lane - Tunnel to 185th	Y	Tolls one lane on US 26 from Vista tunnel to 185th; adds new lane between Sylvan & Hwy 217, and Murray & 185th.
12a	Hwy 217 Whole - US 26 to I-5	N	Tolls all lanes of Highway 217 from US 26 to I-5.
12b	Hwy 217 Partial with new lanes - US 26 to I-5	Y	Tolls one express lane on Highway 217 from US 26 to I-5; includes construction of new lanes.
13	Sunrise Highway Whole	Y	Builds and tolls a new facility from I-205 to US 26.
14	McLoughlin Partial with part new lane - Ross Island Bridge to Hwy 224	Y	Tolls one express lane on 99E; includes construction of a new lane from the Ross Island Bridge to Tacoma.
15	McLoughlin Whole - Ross Island Bridge to I-205	N	Tolls all lanes of Hwy 99E from Ross Island Bridge to I-205.
16	Sellwood Bridge Spot (with reconstruction)	N	Tolls a reconstructed Sellwood Bridge.
17	Hwy 43 Spot - north of Sellwood Bridge	N	Tolls all lanes at a single point on Highway 43 just north of the Sellwood Bridge
18	Tualatin-Sherwood Connector Whole with 99W Pricing	Y	Builds and tolls a new highway from Highway 99W to I-5 and prices trips on 99W from 217 to Tualatin-Sherwood.
19	TV Highway Whole - Beaverton to Hillsboro	N	Tolls all lanes of Tualatin Valley Highway from Highway 217 to 10th in Hillsboro.
20	Beaverton Regional Center Area - Cedar Hills Blvd./Hwy 217; Center/5th	N	Tolls roads that access or cross through the Beaverton Regional Center (west of Hwy 217, east of Cedar Hills Blvd., north of 5th, and south of Center).

\* Reversible lanes = During peak, lane is taken from non-peak direction and tolled. The lane reverts to its original direction and is not tolled at other times.

600 NORTHEAST GRAND AVENUE  
TEL 503 797 1700PORTLAND, OREGON 97232 2736  
FAX 503 797 1794

METRO

Date: July 9, 1997  
To: JPACT  
From: Mike Burton, Executive Officer  
Re: Regional Transportation Funding

*W. Burton*

The Legislature has adjourned without addressing the problem of an inadequate transportation system. This occurred despite the extensive effort through Governor Kitzhaber's Oregon Transportation Initiative and the clear leadership of Representatives Brian and Montgomery and Senator Baker. This makes the third successive failure of the Oregon Legislature to address this critical need. As a result, roads and bridges continue to crumble, growth is threatening to overrun us and long-promised improvements will again be delayed.

Prior to the '97 Legislative Session, the Portland region was contemplating a regional funding measure. This was tabled in order to put priority attention on the state solution. It is time to return to the question of whether to refer a funding package to regional voters. The needs are not new, and now is the time to take action.

The need for transportation funding is apparent

The Portland region has been growing faster than most metropolitan areas in the country, placing greater demands on an antiquated system at a time of declining revenues. Due to shortfalls, the local governments are deferring maintenance, raising the costs in the future and needed capital improvements which have been delayed for years. In order to meet the needs of this region and preserve its economic vitality and livability, the following concerns must be addressed:

Road Operations & Maintenance - All cities and counties in the region need operations and maintenance funding in order to reverse the present problem of deferred maintenance. As recommended by the Portland Regional Advisory Committee convened through the Governor's Oregon Transportation Initiative, this should be the region's first priority. In Washington and Clackamas Counties, roadway maintenance program needs exceed resources by over 20 percent.



In Portland, the street pavement backlog has grown over 20 percent in the last three years and 37 percent of the City's bridges are in poor or very poor condition.

Moving freight - The Portland region's economy was built on its competitive international transportation linkages. As a result, over 25 percent of our economy is a result of the trade industry.

We have the second largest grain port in the world, the best intercontinental rail service on the West Coast and a booming air freight industry. This competitive advantage, however, is threatened unless we improve access to these terminal facilities. Such projects as access to Rivergate, access to the air freight terminals (via Columbia Boulevard @ 92nd) and access to the UP/SP rail yards (via the Albina RR Overcrossing) should be considered. Truck traffic on the roads is growing faster than automobile traffic.

Dealing with freeway congestion - Critically needed freeway projects have been delayed and deferred due to lack of funding. This is producing unnecessary congestion and accident problems, leading to driver frustration and impacts on our economy. According to a ranking of freeway congestion for large urban areas, the Portland region moved from 18th place in 1990 to 11th place in 1995. Such projects as completing the Sunset Highway project, building the needed improvement to I-5 @ Highway 217/Kruse Way rather than the currently funded stop-gap project and building the full needed project at I-205 and Sunnyside/Sunnybrook should be considered.

Implementing the 2040 Growth Concept - In order to maintain a compact region with 75 more people a day coming to this region and to protect farm and forest lands outside Metro's Urban Growth Boundary, it is essential that we invest in transportation improvements designed to create quality, compact, mixed-use centers. Many streets in the 2040 centers and main streets will need to be improved to provide wide sidewalks, lighting and other pedestrian features. Such projects as improved circulation in downtown Beaverton, creating a Main street for Cornelius, developing effective local circulation systems around Light Rail stations and returning Martin Luther King Boulevard to the surrounding neighborhood are essential to advancing the 2040 vision.

Regional Arterials - Major arterials throughout the region are in need of widening as they attempt to serve a growing traffic demand. In addition, these are also important transit routes that need to provide transit riders with reasonable facilities. Whether it's Sunnyside Road, Farmington Road, Highway 99W through Tigard or 242nd Avenue in Gresham, these arterials must be

addressed. Fast-growing Washington County, for example, has less than one-third of the resources it needs for planned capital improvements between now and 2005.

Willamette River bridges - Our historic bridges across the Willamette River are in need of rehabilitation so that they can serve the region for the next 40-90 years like they have for the past 40-90 years. At the rate of one rehabilitation project every 10 years like we are doing this year with the Hawthorne Bridge, we stand to lose this vital transportation linkage. Forty-seven separate projects are needed to ensure that the County can provide for safe and reliable use of the bridges. Addressing this problem is a critical priority.

Transit Choices for Livability - Transit services must be expanded to provide viable alternatives for the public and support our investment in major centers. Transit ridership in our region has been growing at a faster rate than population for the last 10 years. The Regional Centers of Beaverton, Hillsboro, Oregon City and Gresham have identified needed service improvements. In addition, the region's backbone of the transit system, light rail, must be completed. South/North is seeking federal funding for a shortened project due to the lack of state funding support. Commuter rail is under study to connect Wilsonville, Tualatin, Tigard and Beaverton and from Vancouver to Portland. Light rail to the Portland International Airport is under consideration. Fastlinks could enhance service on the major trunk routes like Barbur Boulevard.

Special Needs Transit Service - Transit service to the elderly and disabled community should be expanded in order to provide more and better service to this community. Tri-Met's LIFT Program ridership has increased 35 percent in the past four years.

In order to address these needs, JPACT and the Metro Council should immediately begin crafting one or more measures to refer to the voters. I recommend that staff from these various jurisdictions be charged with developing an initial proposal for the JPACT Finance Committee to consider within the next two weeks. It is essential that action be taken immediately in order to allow consideration in August of a ballot measure referral to the voters in November 1997.

MB:lmk

Attachments  
CC: Metro Council




**METRO**

**July 9, 1997**

**TO:** Ed Washington, Chair, Transportation Committee  
Jon Kvistad, Chair, JPACT

**FROM:** Mike Burton, Executive Officer

**RE:** Transportation Funding



---

Thank you for your memo clarifying that neither you nor the Council has adopted any policy position regarding transportation funding. Because the Council endorsed the Oregon Transportation Initiative and, at the request of the Governor, agreed to hold off on a regional transportation funding initiative that was being considered until after the legislature acted, I assumed that the Metro Council's position on transportation was fairly clear policy. When asked by the media about possible regional strategies that might be pursued in response to the legislature's failure to act, I responded with information from the region's previously discussed proposal. That information is attached.

Like you, I have received numerous calls from local jurisdictions asking that transportation funding be discussed as soon as possible. I agree that the time to act is now and that the next meeting of JPACT is not too soon. I hope that it can be included on the JPACT agenda tomorrow. Obviously, no decisions can be made at that time, but discussion will allow local representatives to explore regional strategies with their own governments.

Previous discussions about a regional transportation funding initiative never reached the point of a specific rate of tax or fee increases, although estimates of what varying proposals would generate in revenues and analysis of long and short term needs are available. Contrary to what may have been reported, I am not committed to any specific solution or proposal and I am open to exploring any ideas about how to best address this issue. I do believe that a local gas tax should "track" with any adoption of a state tax that might

July 9, 1997  
Page 2  
Washington/Kvistad

be adopted at a later date. That is, any regional tax should be dropped if the state adopts an equal or higher tax rate. Additionally, one press report raised the question of a diesel tax and incorrectly reported my position regarding such a tax, which I do not support. Throughout the legislative session, diesel taxes vs. the weight-mile tax was hotly debated. With national deregulation of the trucking industry, Oregon's weight-mile tax is an anomaly however, it is a state-wide issue that cannot be resolved at the regional level.

Finally, from my own perspective, it is my opinion that the region should act now and not wait for the 1999 Legislature. It is apparent that, for now, the state has left the issue of transportation financing to local governments. There is no time for delay. I believe it is in the best interest of the region that local and regional governments move forward together to find a solution.

I have attached a more detailed memo outlining issues that JPACT and the Council may wish to consider as the region again begins exploring ways to address the pressing transportation needs of this region. I welcome your leadership in moving the region's transportation agenda forward to resolution.

cc: Metro Council  
JPACT members

BEFORE THE METRO COUNCIL

*[Handwritten Signature]*  
Chair of the Metro Council

FOR THE PURPOSE OF ENDORSING THE)	RESOLUTION NO. 96-2436A
STATEWIDE ADVISORY COMMITTEE )	
RECOMMENDATIONS ON THE OREGON )	Introduced by
TRANSPORTATION INITIATIVE )	Transportation Planning
	Committee

WHEREAS, Governor John Kitzhaber launched his Oregon Transportation Initiative (OTI) in January 1996 to assess the transportation needs of the State of Oregon and to provide for the involvement of communities across Oregon in this effort; and

WHEREAS, The recommendations of the five regional citizen advisory committees (RAC) and the statewide citizen advisory committee (SAC) of the OTI were integrated by the SAC into a report on its recommendations to Governor Kitzhaber; and

WHEREAS, Metro is responsible for preparing and adopting the Regional Transportation Plan, the long-range transportation plan for the Portland metropolitan area; and

WHEREAS, The Regional Transportation Plan (RTP) identifies a 20-year shortfall in funding for identified transportation improvements; and

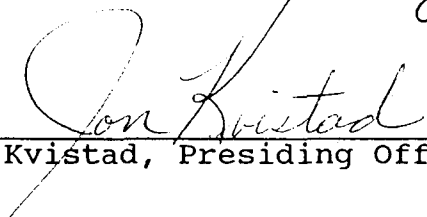
WHEREAS, The SAC recommendations on the Oregon Transportation Initiative recognize the funding shortfall identified in the RTP and provides a funding package that begins to address this shortfall consisting of both state and regional/local efforts; now, therefore,

BE IT RESOLVED,

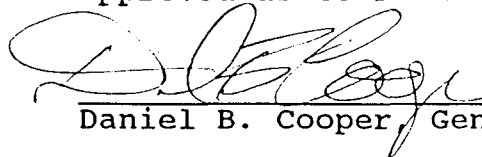
That the Metro Council hereby endorses the general principles of the Statewide Advisory Committee Recommendations on the

Oregon Transportation Initiative (as described in Exhibit A) as an initial statewide step toward addressing the shortfall in funding the region's long-range transportation needs.

ADOPTED by the Metro Council this 23<sup>rd</sup> day of January, 1997.

  
Jon Kvistad, Presiding Officer

Approved as to Form:

  
Daniel B. Cooper, General Counsel

**SUMMARY OF SAC RECOMMENDATIONS  
TO GOVERNOR KITZHABER  
11/20/96**

Following is a summary of key elements of the Statewide Advisory Committee's November 18 report and recommendations to the Governor.

- 1. Preservation of a "Base System"**
  - Make OM&P on "base system" facilities and services top priority.
  - Focus first on roads (42,000+ miles) and special needs transit.
- 2. Improve Efficiency**
  - Reduce costs per unit OM&P output by 1 percent per year compounded.
  - Link allocation of "modernization" money to hitting this target.
  - Further reduce "needs" by 10 percent (adjust standards, etc.).
- 3. Decentralize Decision-Making**
  - Establish regional bodies to review use of existing resources and assets, and guide spending on system modernization and expansion.
  - Link new investment to livability, economic opportunity and efficiency.
- 4. Separate Funding for Preservation and Modernization**
  - Halt deterioration in existing road and bridge infrastructure.
  - Create a slowly growing stream of revenue for OM&P.
  - Make spending on modernization more flexible and efficient; link to community and region plans.
- 5. Funding for OM&P**
  - Rely on user and "damage" fees.
  - Index the OM&P revenue base.
  - Maintain effort at the local level.
- 6. Funding for Modernization ("LEO Fund")**
  - Shift emphasis to "drivers of demand".
  - Add flexibility in use of new vehicle registration fees.
  - Encourage local/regional "effort".
- 7. Change Long-Term Funding Approach**
  - Reduce reliance on current user fees.
  - Focus on funding mechanisms that provide incentives change behavior.

## STAFF REPORT

### CONSIDERATION OF RESOLUTION NO. 96-2436A FOR THE PURPOSE OF ENDORING THE STATEWIDE ADVISORY COMMITTEE RECOMMENDATIONS ON THE OREGON TRANSPORTATION INITIATIVE

Date: December 10, 1996

Presented by: Andrew Cotugno

#### PROPOSED ACTION

This action recognizes Metro area support of the Statewide Advisory Committee (SAC) recommendations on the Oregon Transportation Initiative (OTI) as they are forwarded to Governor Kitzhaber. The SAC recommendations are consistent with policies adopted by the Metro Council as part of Metro's regional transportation and growth management planning.

#### FACTUAL BACKGROUND AND ANALYSIS

##### The Oregon Transportation Initiative

Governor John Kitzhaber launched the Oregon Transportation Initiative (previously the Governor's Transportation Initiative) in January 1996 to assess the transportation-related needs of communities throughout Oregon, identify those most crucial to livability and economic vitality, and develop ways to meet priority needs as economically as possible. The Governor said that the OTI would build on the Oregon Transportation Plan, which provides a broad policy framework for addressing needs and improving transportation system efficiency through better coordination of land use, economic and transportation decisions.

Business and community leaders across Oregon participated in five regional citizen advisory committees (RAC), including one in the Portland metropolitan area and in a statewide advisory committee (SAC) chaired by former Governor Neil Goldschmidt. The SAC integrated the findings of the state and regional committees and forwarded its recommendations to Governor Kitzhaber for his consideration.

##### Relationship of the OTI to Metro's Regional Transportation Plan

Metro's Regional Transportation Plan (RTP) is a multi-modal transportation planning document which provides a 20-year blue print for transportation decision-making, while working toward implementation of the region's 2040 Growth Concept. This plan identifies a set of improvements to the regional transportation system, including operations, maintenance, preservation and capital expansion, that best meet the region's needs over the 20-year period. The RTP identifies a \$4 billion shortfall in funding this set of improvements.



The OTI provides a comprehensive funding package that begins to address this shortfall. The OTI recognizes the importance of adequately funding maintenance and preservations needs in addition to expansion of the transportation system to accommodate growth. The OTI also recognizes that both state and local efforts will be needed to fully address these needs.



# OREGON TRANSPORTATION INITIATIVE

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## STATEWIDE ADVISORY COMMITTEE RECOMMENDATIONS ON OREGON TRANSPORTATION POLICY

November 18, 1996

## I. EXECUTIVE SUMMARY

The Statewide Advisory Committee (SAC) of the Oregon Transportation Initiative has received and reviewed reports and recommendations from four working groups established in August by Governor John Kitzhaber to provide advice on issues critical to the evolution of Oregon's transportation system.

Taken together, the recommendations of these groups would produce dramatic and fundamental changes in the way transportation facilities and services throughout Oregon are developed, managed and financed.

- They would build on past successes to improve efficiency and lower the long-term cost transportation for Oregonians.
- They would reorganize our system of transportation funding by:
  - a. making operation, maintenance and preservation of existing transportation assets the top priority for use of transportation funds collected statewide;
  - b. linking new public investment in transportation system expansion to the ability of projects to contribute to livability and economic opportunity objectives at the community level, and
  - c. separating resources into at least two funds -- one of which would be flexible enough to fund the most beneficial projects, regardless of mode.
- They would shift more responsibility for decision-making on projects of local and regional significance to citizens in affected areas.

The SAC believes such change is necessary, and concurs with most of the recommendations of the working groups. Our major policy-related recommendations to the Governor follow.

### 1. Improving Efficiency

- We recommend implementation of a system that will ensure base transportation system operations, maintenance and preservation efficiency improves by at least 1 percent per year, compounded for the foreseeable future. We believe efficiency will be encouraged by allowing areas that achieve exceptional results to retain a share of the savings for transportation purposes.
- We recommend the OTC link allocation of state resources for transportation system modernization and expansion to successful achievement of efficiency improvement objectives and biennial productivity plans.
- Long-term, we believe we must find a way to measure the effectiveness of the transportation system as whole. Developing a system to track the average total (public and private) cost of moving people and goods in the state is a good first step.

### 2. Establishing a "Base System"

- We recommend focusing operation, maintenance and preservation resources on a "base system" of roads that includes about half the total roads in the state -- specifically, those which are most used to move people and freight throughout the state on a daily basis.
- We recommend the OTC, in cooperation with AOC and LOC, develop and implement systems to ensure that revenue collected at the state level for operations, maintenance and

preservation (OM&P) is used principally for that purpose, and to measure the condition of roads as a way of verifying our commitment to base system OM&P.

- We recommend, for the time being, that public transportation for the elderly and disabled be considered part of the "base system" for which the state takes primary funding responsibility. Additional work is needed to define a base system that considers the balance of the transit system, along with other modes.

### 3. Reorganizing Decision-Making

- We need transportation priorities that are consistent with community and region plans to improve livability and enhance economic opportunity. We believe regional bodies, comprised of public and private sector leaders, can help bridge the gap that often exists between state, regional and local concerns. We recommend creation of such bodies.
- We believe these groups should set criteria to guide regional transportation investment, and should be empowered to review proposed changes to the "base system" in their areas, assess the progress agencies are making toward achievement of efficiency objectives, facilitate multi-agency efforts to improve efficiency, and assess and make recommendations on inter-regional transportation needs.
- We recommend the regional bodies review access management plans for the major highways and roads in this area, to help ensure those facilities serve their intended purposes. Priority should be given to through movement in rural areas. Through movement should be balanced with access functions in community centers.

### 4. Linking Investment to Core Values

- We believe the state, cities, counties and regional bodies should have a clear idea of how spending on modernization and expansion of transportation systems and services will support community and regional livability and economic opportunity before committing resources to specific projects.
- We recommend regional bodies be given responsibility to establish livability and economic opportunity criteria for their areas, consistent with broad, statewide guidelines, and that the OTC ensure state spending on transportation system modernization focuses on projects that are most consistent with these guidelines and criteria.

### 5. Creating Separate Funds for Preservation and Expansion

- We recommend creating two funds at the state level for transportation purposes: one dedicated to operation, maintenance and preservation of "base system" facilities and services; a second for modernization and expansion of facilities and services -- particularly those that improve livability and enhance economic opportunity.
- We recommend raising sufficient revenue to meet the limited, OM&P needs described in the following section, to provide funding for elderly and disabled transit service statewide, and to allow for a limited modernization and expansion of transportation facilities and services. In total, the increase proposed is equivalent to a five cent increase in gas taxes and comparable truck taxes in each of the next two years, plus an increase of at least \$20 per year (\$40 per biennium) in vehicle registration fees.
- We do not recommend exclusive reliance on these sources. In fact, we believe we should plan to begin reducing our reliance on these sources over time (see section 8).

## 6. Funding Operations, Maintenance and Preservation (OM&P)

- We recommend funding for base system OM&P be predicated on the assumption that efficiency initiatives are implemented successfully, and that 90 percent of the cost of operating, maintaining and preserving existing road surface conditions is the "need" that must be met. Improving existing surface conditions would require additional resources.
- We recommend funding for OM&P of base system roads and bridges continue to be drawn primarily from user fees -- supplemented at the local level by timber receipts and a variety of other resources.
- We believe user fees (gas taxes and weight-mile charges) should continue as the principal sources of funding for OM&P. We recommend they be indexed to ensure that funding is sufficient to help offset the effects of inflation, improved fuel efficiency, and system growth. We believe additional alternatives, such as congestion pricing, should be considered as more information becomes available.
- We note studded tires and utility cuts cause extraordinary damage to pavement. We recommend the costs of this damage be recovered from those who cause it, and that revenue resulting from such collections be used to offset a part of the need for increases in other user fees.

## 7. Funding to Support Livability and Economic Opportunity

- We recommend creating a second fund at the state level for transportation system modernization and expansion.
- We recommend some new funding for transportation system modernization and expansion be "flexible" – that is, available for use on projects, facilities and services that will contribute the most to community and region livability and economic opportunity at the lowest cost, regardless of mode. We propose a change in the Oregon Constitution to allow revenue from any increase in vehicle registration fees to be used flexibly. We believe road user fees (gas taxes and weight-mile charges) should remain committed to roads and bridges.
- We recommend use of vehicle registration fees, transportation utility (or system access) fees and other resources to help raise money for needed modernization, expansion and transit, and to help offset a portion of the need for increased gas and weight-mile taxes.
- We recommend establishing a utility franchise or public right-of-way use fee for use by ODOT and counties to help fund needed modernization and expansion.
- We believe a transportation utility fee would be an appropriate source of funding for elderly and disabled transit, since it is a "general" revenue source.

## 8. Changing our Approach to Transportation Finance

- We recommend the state and its local government partners begin moving now to further reduce their reliance on gas taxes and truck weight-mile fees – particularly as sources of funding for system modernization and expansion. Adoption of a mileage-based vehicle registration fee would be an important step in this direction. Other mechanisms that merit immediate attention include congestion pricing and tax credits that reward behavior which makes use of existing assets more efficient (e.g., payroll tax credits to fund transit alternatives).

## II. EFFICIENCY RECOMMENDATIONS

### Working Group Report Summary

The Efficiency Working Group report addresses transportation efficiency improvement from two perspectives. First, it focuses on reducing the cost of operating, maintaining and preserving of Oregon's roads and bridges; second, on tracking the cost of moving people and goods as a way of measuring long-term transportation system performance.

The Group recommends three measures to track performance on operation, maintenance and preservation efficiency:

- total operations and maintenance (O&M) cost per lane mile;
- miles of roads and bridges with deferred preservation or reconstruction needs;
- total O&M cost per daily vehicle mile of travel (with truck travel equated to an equivalent amount of auto travel).

To ensure both a focus on efficiency improvement, and a sharing of good ideas and information among jurisdictions and regions, the Group recommends (1) an annual report on efficiency improvements made across the state and in each region; (2) a biennial productivity project plan developed by ODOT, counties and cities in each region; and (3) a summary report on previous efficiency improvements that are as yet little publicized.

The Group also recommends regular tracking and reporting on the average total (public and private) cost of transporting people and goods in Oregon as a way of monitoring the effectiveness of Oregon's transportation system, and decisions affecting its upkeep and development.

The Group's report also contains recommendations on recognizing and rewarding superior performance, measuring progress toward goals, and implementing recommendations.

### SAC Recommendations

The SAC believes the recommendations of the Efficiency Working Group should be implemented as quickly as possible. It supports the working group's suggestion that a partial or preliminary report on trends in agency O&M expenditures and trends in pavement and bridge condition be prepared for use in the 1997 legislative session (even though data will be incomplete), and that the first complete Annual Productivity Report be submitted by July 1998.

The SAC recommends adoption of two policies that will encourage transportation providers to pursue efficiencies aggressively.

- (1) Like the working group, we recommend the Oregon Transportation Commission (OTC) and ODOT establish a "savings retention policy" that allows ODOT districts or regions to keep and reprogram a portion of any savings they achieve beyond the 1 percent per year improvement targeted for all jurisdictions as part of this process.
- (2) We also recommend the OTC link allocation of state resources for transportation system modernization and expansion to successful achievement of efficiency improvement objectives and the biennial productivity plan.

The SAC recognizes there is uncertainty about whether the measures of efficiency identified by the Working Group are the best available. Like the Working Group, the SAC recommends periodic review of measures and modification if superior alternatives emerge.

### III. BASE SYSTEM RECOMMENDATIONS

#### Working Group Report Summary

The Base System Working Group report defines a "base system" of roads, bridges and -- on a preliminary basis -- public transit services for Oregon that includes most facilities state, regional and local transportation agencies are investing in today.

The base system of roads defined by the group includes 42,113 miles of freeways, arterials, collectors and local roads -- including approximately 12,000 miles of unpaved roads, and approximately 16,000 miles of roads that serve residential properties. The base system excludes more than 43,000 miles of forest, government agency, tribal, private and local roads that are not maintained, for the most part, by ODOT, city and county agencies.

The Working Group notes statewide interest in different parts of this base system varies. Ninety-five percent of vehicle miles traveled in the state occur on freeways, arterials and collectors -- roads that make up 53 percent of the lane miles included in the base. Five percent of travel occurs on the remaining 47 percent of lane miles. The Group's report indicates public investment in road types differs dramatically, and should continue to differ.

The base system of public transit services is defined to include the entire existing "public transportation" (transit) system, since effective transit service is essential to meeting state and local goals related to livability, growth management, and transportation system efficiency improvement. State and local estimates of long-term road needs and costs assume transit will be able to accommodate a growing share of trips, thereby lowering road needs.

The Group notes there is statewide interest and investment already in public transportation for the elderly, disabled and, to some extent, the transit dependent. There is also a statewide interest in basic, intercity public transportation. The report says additional work must be done to better define the state's interest in other public transit services.

The report proposes some criteria for use in deciding on additions to the base system of roads.

#### SAC Recommendations

The SAC continues to believe Oregon's top transportation priority should be the maintenance, preservation and operation of a "base system" of transportation facilities and services that ensures every Oregonian a basic level of mobility within and between communities. It continues to believe funding for maintenance, preservation and operation of this system should be a state responsibility -- a shared commitment of Oregonians to one another.

We recommend responsibility for funding OM&P on local roads continue to be shared between state and local governments -- at least in the short term -- with the state providing a safety net that ensures minimal funding for OM&P to local agencies faced with extraordinary declines in receipts.

We recommend the OTC, in conjunction with the Association of Counties (AOC) and League of Cities (LOC) develop and implement systems to ensure that revenue collected at the state level for OM&P is used principally for that purpose, and to measure the condition of roads as a way of ensuring our commitment to base system OM&P is being met.

We recommend ODOT, AOC, LOC and other affected agencies (e.g., transit providers, ports) set mutually acceptable criteria to guide the process of adding facilities and services to Oregon's base system of transportation facilities and services.

We concur with the Working Group's recommendation on transit. For the time being, the state should focus on services for the elderly and disabled which is important to communities throughout the state.

#### IV. RECOMMENDATIONS RELATED TO LIVABILITY, ECONOMIC OPPORTUNITY AND REGIONALIZATION

##### Working Group Report Summary

The Working Group on Livability, Economic Opportunity and Regionalization recommends two major changes in transportation decision-making.

First, it proposes a tight link between transportation decisions and investments, and local land use plans, regional economic strategies and statewide plans and goals related to livability and economic opportunity.

Second, it recommends creating regional bodies and processes to set regional transportation priorities consistent with criteria related to community livability and economic opportunity, to advise the Oregon Transportation Commission on regional transportation investments, to facilitate coordination among transportation providers, and, in so doing, help improve transportation system efficiency.

The Working Group proposes broad objectives and guidelines to guide all phases of transportation planning and decision-making including: (1) plan development, (2) solution development, (3) project selection and (4) project development and construction.

These objectives and guidelines would be used by transportation providers and newly-created regional bodies in evaluating potential solutions to transportation problems and proposing project priorities. Transportation investments would be guided by the results of this process.

The Working Group recommends regional bodies be encouraged to form on the basis of shared interests, rather than predetermined regional boundaries. It recommends the bodies have members from the public and private sectors within the region. ODOT would be a voting member of each body. Representatives of other state agencies would participate as well.

The duties of the regional bodies would include assessing and making recommendations on inter-regional transportation needs and reviewing facilities and services proposed for addition to the region's "base system."

##### SAC Recommendations

The SAC generally supports the Working Group recommendations.

We believe state, city, county and regional bodies should have a clear idea of how its spending on modernization and expansion of transportation systems and services will support community and regional livability and economic opportunity before it commits resources to specific projects.

We believe it is important to involve business and private sector leaders in the bodies proposed by the Working Group. The primary value of the process is the broader perspective it brings to transportation decision-making.

We recommend regional bodies be given a role in reviewing plans for efficiency improvement in operation, maintenance and preservation of base system roads and bridges, and in assessing progress toward plans. If regional efficiency initiatives produce savings above targeted levels, the regional bodies should work with ODOT to decide how best to use any "shared savings" retained by ODOT district or region.

We concur in the Working Group's recommendation that the regional bodies should be responsible for reviewing proposed additions to the base system, and assessing and making recommendations on inter-regional transportation needs.



## V. FUNDING RECOMMENDATIONS

### Working Group Report Summary

The Finance Working Group recommends creation of two transportation funds at the state government level.

- One would pay for OM&P of "base system" roads and bridges, and would be funded primarily by user fees collected at the federal and state levels of government -- with supplemental funding, in some cases, from local government.
- A second fund would help pay for modernization and expansion of the transportation system consistent with state and local plans for improving community livability and economic opportunity (LEO) regardless of mode. Resources for the LEO fund would come from a variety of sources. Most should be linked to a "driver of demand" for new capacity on the transportation system.

OM&P of "base system" public transit (services for the elderly and disabled) would be funded with resources from either the LEO fund or a separate, specially dedicated fund.

The Working Group proposes an increase in fuel taxes and truck weight-mile fees, and "indexing" a portion of both those sources to fund OM&P work on roads and bridges in the next several years. The group indicates a five cent increase in the gas tax in each of the next two years, combined with equivalent increases in truck weight mile taxes and a \$20 per year (\$40 per biennium) increase in the vehicle registration fee would produce enough revenue to (a) meet 90 percent of base system OM&P needs assuming efficiency initiatives are successfully implemented (see item 6, page 3), (b) close the funding gap for elderly and disabled transit services, and (c) provide some additional resources for modernization and expansion of transportation infrastructure.

The group notes that use of other resources could lower the need for increases in gas taxes and a truck weight-mile fees. Alternatives discussed by the group include: studded tire fees, utility pavement "cut" fees, utility right-of-way use fees (in areas where they are not already in place), transportation system access (or transportation "utility") fees, mileage-based vehicle registration fees, special titling fees for vehicles that add to the total number in the state, tolling and such things as additional cigarette taxes to help fund public transit.

The group recommends amending the Oregon Constitution to allow a flexible use of revenue raised from any increase in the vehicle registration fee. It does not recommend changing constitutional limitations on use of revenue from gas taxes and truck weight-mile charges.

The Working Group noted some recommendations may have to be phased in over several biennia.

### SAC Recommendations

The SAC believes the two-fund concept is a good one. It serves several important purposes.

- First, it helps ensure that preservation of existing public assets is a top priority and that those assets are maintained in a way that lowers long-term costs.
- Second, it helps ensure new resources are spent in ways that improve community livability and economic opportunity.
- Third, it provides increased flexibility in use of funds -- a change that enables communities and transportation agencies to invest in ways that lower long-term costs of providing transportation services.

The SAC recommends funding for base system OM&P be predicated on the assumption that efficiency initiatives are implemented successfully, and that 90 percent of the cost of operating, maintaining and preserving existing road surface conditions is the "need" that must be met. Improving existing surface conditions would require additional resources. This will require some redefinition of road standards by affected agencies and encourage additional, extraordinary efforts to improve performance and lower costs.

It agrees with the Working Group's assessment of need and recommends seeking the equivalent of a five cent increase in the gas tax in each of the next two years, combined with equivalent truck tax increases and a \$20 per year increase in the vehicle registration fee in each of the two years.

The SAC believes user fees (gas taxes and weight-mile charges) should continue as the principal source of funding for OM&P. It recommends they be indexed to ensure that funding is sufficient to help offset for inflation, improved fuel efficiency, and system growth. The SAC notes studded tires and utility cuts cause extraordinary damage to pavement. It recommends the costs of this damage be recovered from those who cause it, and that revenue resulting from such collections be used to offset a part of the need for increases in other user fees.

The SAC notes locally-provided resources make an important contribution to OM&P on base system roads and bridges. It assumes that contributions will continue for the foreseeable future.

The SAC recommends some new funding for transportation system modernization and expansion be "flexible" – that is, available for use on projects, facilities and services that will contribute the most to community and region livability and economic opportunity at the lowest cost, regardless of mode. It believes road user fees (gas taxes and weight-mile charges) should remain committed to roads and bridges.

The SAC endorses the Working Group's proposal that "drivers of demand" for new transportation system capacity – including such things as numbers of vehicles on the road, the amount they are driven and numbers of people using the system – should be the principal sources of funding for modernization and expansion of system capacity.

It recommends use of vehicle registration fees and transportation utility (or system access) fees to help raise money for needed modernization and expansion, and offset a portion of the need for increased gas and weight-mile taxes. Transportation utility fee revenue would be an appropriate source of funding for elderly and disabled transit, since it is a "general" revenue source.

The SAC recommends the state and its local government partners begin moving now to further reduce their reliance on gas taxes and truck weight-mile fees – particularly as sources of funding for system modernization and expansion. It believes new funding sources should do a better job of encouraging change in the way the transportation system is developed and used so that long term needs and costs are reduced. Adoption of a mileage-based vehicle registration fee would be an important step in this direction. Other mechanisms that merit immediate attention include tolling, congestion pricing and tax credit mechanisms that reward behavior that makes use of existing assets more efficiently.

The SAC notes the state and local and regional governments are partners in accommodating and managing growth. Local and regional governments need additional funding tools to hold up their end of this partnership. The SAC recommends extending authority to impose utility right-of-way fees to county governments, and allowing more flexibility in local imposition and use of vehicle registration fees as ways to assist local agencies meet growing obligations.

Finally, the SAC notes there are important local government concerns about revenue allocation, declining local receipts and the need for a "safety net", rapid growth in unincorporated areas, and the need for some flexibility in use of OM&P revenue on safety projects and small, short-term capital improvements that will produce longer-term OM&P savings. The SAC recommends ODOT be directed to work with its local government partners to devise solutions to these problems that are acceptable to all parties prior to submitting proposals relevant to these issues to the Legislature.

**Oregon Transportation Initiative  
Statewide Advisory Committee Report**

**Summary of Funding Recommendations:  
Average Annual Needs and Revenues  
1998-2001**

	Operations, Maintenance & Preservation (OM&P)	Economic and Community Opportunity (LEO Fund)	Special Need Transit (SNT)
	(Millions)		
The Need <sup>2</sup>	\$ 905-	\$ 556	\$ 53
Existing Resources	652	199 <sup>a</sup>	18
The Gap	253	357	35
Shifts, Adjustments and Efficiency <sup>3</sup>	118	68	1
Reduced Gap	135	289	34
<b>Revenue Measures</b>			
(For alternatives see next table)			
Indexing <sup>4</sup>	57		
5+5-Cent <sup>5</sup>	78	114	
\$20 Annual VRF <sup>6</sup>		24	34
Remaining Gap	0	151	0

<sup>1</sup> Includes City, County and State base system roads and bridges

<sup>2</sup> From "Steady State" scenario that preserves existing conditions but makes no net improvement in road conditions or level of transit service.

<sup>a</sup> Funding available for capacity expansion, but not available for OM&P by statute or policy.

<sup>3</sup> A 1% per year cumulative efficiency gain in all areas and a 10% reduction in OM&P and road capacity expansion needs.

<sup>4</sup> Adjusts motor fuel and weight-distance taxes going to OM&P by rate of inflation plus adjustment for improved fuel efficiency.

<sup>5</sup> Including equivalent weight-distance.

<sup>6</sup> Assumes accompanying constitutional amendment to permit use for transit. First priority for use would be SNT with additional funding going to LEO for roads, transit or other transportation uses.

Alternative Revenue Sources		
Source	Basis of Calculation	Average Annual 1998 - 2001 <sup>7</sup> (millions)
1-cent fuel	Implemented January 1998	\$ 14.3
1-cent equivalent weight-mile	Assumes 38.7% truck responsibility	8.0
Studded Tire	\$8.50 per tire sold	8.1
Transportation Utility Fee	\$1.00 per month per resident and per employee	50.1
Cigarette Tax (for Special Transportation)	2-cents per pack	9.4
Mileage-based registration fees (1/2-cent per mile)	Light vehicles only at 29 billion miles per year	145.0
System Access Fee (first time title charge)	\$200 per vehicle, first time registered in Oregon	78.0
Utility Pavement Cut Fees	Would be implemented primarily by local governments for cost recovery.	n/a
Utility right-of-way	Fees for use of rights of way would probably be negotiated.	n/a
Tolling	A \$1.00 fee, one direction on the I- 5 and I-205 Interstate Bridges	43.0
Congestion Pricing	A congestion fee netting \$1.00 per vehicle using the Vista Ridge Tunnels in Portland during weekdays.	30.0

<sup>7</sup> Exact estimates depend on details of timing, collection cost and level of application, whether state or local. These figures are intended to provide a general estimate of trade-offs with revenue sources shown in the previous table.

BEFORE THE METRO COUNCIL

I HEREBY CERTIFY THAT THE FOREGOING IS A COMPLETE AND EXACT COPY OF THE ORIGINAL THEREOF.

*Pauline Allen*  
Clerk of the Metro Council

FOR THE PURPOSE OF ESTABLISHING	)	RESOLUTION NO. 94-2009
A FIVE AND TEN-YEAR TRANSPORTATION	)	
FINANCE STRATEGY	)	Introduced by
	)	Councilor Rod Monroe

WHEREAS, Metro adopted the Regional Transportation Plan (RTP) by Ordinance No. 92-433 identifying a comprehensive system of transportation improvements; and

WHEREAS, An update to this Plan is under development in conjunction with the Region 2040 Project to meet the Metro Charter requirements for the transportation element of the Regional Framework Plan and to be responsive to requirements established by the Intermodal Surface Transportation Efficiency Act (ISTEA), the Clean Air Act (CAA) and the LCDC Transportation Rule; and

WHEREAS, Transportation is consistently cited as a critical concern in the public outreach efforts of Region 2040; and

WHEREAS, Metro last endorsed a comprehensive regional financing strategy by Resolution No. 89-1035; and

WHEREAS, Metro endorsed a comprehensive statewide financing strategy by Resolution No. 92-1719A; and

WHEREAS, Transportation finance remains a critical unmet need; now therefore,

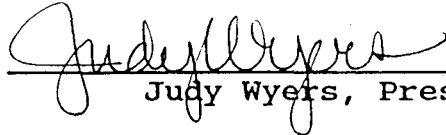
BE IT RESOLVED,

That the Council of Metro:

1. Endorses Exhibits "A" and "B" as the framework for a comprehensive five-year transportation funding strategy and basis for developing a 10-year strategy; and

2. Intends to cooperate with the Oregon Transportation Finance Coalition on transportation finance proposals of statewide interest.

ADOPTED by the Metro Council this 28th day of  
July, 1994.



Judy Wyers, Presiding Officer

JPACT Recommendation  
ACC/bc  
94-2009.RES  
07/14/94

**JPACT 10-Year Transportation Finance Strategy**

1. Prepare and adopt a 10-year funding strategy to adequately address regional needs for all modes.
2. Tri-Met refers a \$475 million bond measure to the voters in November 1994 for the regional share of South/North LRT. The scope of the South/North LRT Project will be recommended by the South/North Steering Group. Implementation of this project with this source is subject to implementation of the other South/North funding measures recommended in this resolution.
3. Seek South/North LRT funding shares from Clark County and the Washington State Legislature.
4. Metro commits to refer a transportation-related user fee to voters in November 1995 for a comprehensive regional road, bridge, freight access, bike, pedestrian program that addresses the needs established in the Oregon Roads Finance Study, the Multnomah County Bridge Capital Plan and the updated RTP based on the results of Region 2040.
5. Pursue a legislative program in 1995 through the Oregon Transportation Finance Coalition to include:
  - . Funding for ODOT highway maintenance, preservation and capital improvements;
  - . Funding for local road maintenance;
  - . Funding for a state and local bridge and/or arterial program; and, potentially
  - . State funding commitment for South/North LRT.
6. Funding for construction of the next LRT corridor after South/North will not be pursued until a funding program has been implemented for the regional arterials/bridge/freight access/bike/pedestrian program and transit operations expansion.

FIVE-YEAR FUNDING PROGRAM

	1994	1995	1996	1997	1998
Roads Bridges Bike/Ped. Program		State Gas Tax funded Arterial and Bridge Program Metro vote referral of Arterial/Bridge Program Wash. Co. MSTIP		Increase in state Arterial and Bridge Program	
South/North Capital & Next LRT Start-Up	Tri-Met G.O. Bond Measure: - S/N: \$475M	Oregon State Commitment of S/N Matching Funds (lottery, STP and/or NHS) Washington State commitment of S/N Matching Funds	Initiate request for ISTEA funds	Finalize ISTEA funding commitment	
Transit Operations		Legislative referral of Const. Amendment for use of vehicle fees  State \$20 VRF imposed effec. 1-97	Statewide Const. Amendment		Possible Regional VRF for Operations
Major State Highways		Impose 2¢ x 2 year gas tax for roads effec. 1-96		Impose 2¢ x 2 years gas tax for roads	
Local Maintenance		Impose 2¢ x 2 years gas tax for roads effec. 1-96	Clackamas Co. Gas Tax	Impose 2¢ x 2 years gas tax for roads	

5YRFUND.CH1\bc  
July 1, 1994



## STAFF REPORT

### CONSIDERATION OF RESOLUTION NO. 94-2009 FOR THE PURPOSE OF ESTABLISHING A FIVE AND TEN-YEAR TRANSPORTATION FINANCE STRATEGY

Date: July 5, 1994

Presented by: Andrew C. Cotugno

#### PROPOSED ACTION

Endorsement of a five-year transportation finance strategy and an intent to develop a comprehensive 10-year strategy to include:

1. Pursuit of local matching funds for South/North LRT, including:
  - a. a Tri-Met referred \$475 million General Obligation (G.O.) Bond Measure to be voted on in November, 1994;
  - b. a C-TRAN referred funding measure to be voted on in 1995;
  - c. an Oregon legislative funding contribution; and
  - d. a Washington legislative funding contribution.
2. Pursuit of a Metro referred funding measure to be voted on in November, 1995, for an arterial/bridge/freight access/bike/pedestrian improvement program.
3. Pursuit of state funding for ODOT maintenance, preservation and improvements, and for local maintenance and preservation and for a possible bridge and/or arterial program.
4. Acknowledgement that construction funding for the next LRT corridor after South/North will not be sought until funding is implemented toward meeting the arterial/bridge/freight access/bike/pedestrian needs and transit operations.

JPACT unanimously endorsed this resolution at its July 14, 1994 meeting, expressing strong commitment to pursue the 1995 roads, bridge, bike/pedestrian program as a follow-on to the 1994 LRT vote.

#### BACKGROUND

Transportation finance has been a top priority of Metro for a number of years and will continue to be under the direction being set by this resolution. Resolution No. 89-1035 focused on funding for the Westside LRT, state legislative proposals for roads and transit and an intent to pursue a local-option vehicle registration fee for arterials. In 1992, the Metro arterial fund was deferred in favor of participating with ODOT in the development of the Oregon Transportation Plan (OTP) and comprehensive

statewide funding initiative. This effort ultimately failed in the 1993

Oregon Legislature. Later in 1993, Metro resumed efforts to establish an arterial fund and the Oregon Transportation Finance Coalition was formed to determine appropriate funding measures to be considered by the 1995 Oregon Legislature. In addition, the Westside Corridor Project has transitioned into major construction activities as most of its funding commitments are in place. As such, the region has focused significant funding attention on the South/North LRT Project.

This resolution addresses these significant unmet funding concerns.

#### SOUTH/NORTH FUNDING

This resolution would launch the region's efforts to secure funding for the South/North LRT Project. Studies are well underway to establish alignment and termini for a project from Clackamas County through Milwaukie, downtown Portland and Vancouver into Clark County, Washington. These studies and the process to secure federal funding are driven by federal requirements and schedule. The studies are being conducted to meet all federal environmental impact requirements and result in a final selection of the Locally Preferred Alternative (LPO) in 1996. This is scheduled to enable Congress to make a funding commitment when the next Intermodal Surface Transportation Efficiency Act (ISTEA) is adopted in 1996. In addition, the stage will be set in 1995 when Congress must adopt the National Highway System. By that time, it is critical to have local funding commitments in place and a local decision on the project definition. An Interstate Compact will also be needed from Congress and the two Legislatures.

The alternative to proceeding with funding efforts in 1994 would be to consider a vote referral at a later date and approach the Oregon Legislature in the 1997 session for their match commitment. This approach, however, would result in missing the Congressional funding window leading to a delay of at least six years before the next Congressional authorization is scheduled. A delay of this sort would be a severe setback, straining the region's ability to keep a Clackamas County project linked up with a Clark County project. In addition, it would bring into question the three-year period of validity of an Environmental Impact Statement (EIS).

#### ARTERIAL FUNDING

This resolution would reconfirm past statements of importance for a regional funding measure for arterials. In addition, it would broaden the intent to pursue such a funding measure to include rehabilitation and seismic retrofit of the Willamette River

bridges, improvements to meet bike and pedestrian needs, road-related improvements to improve transit service, and increased recognition of roadway improvements for freight access.

A funding measure is not recommended for referral to the voters in 1994 because of the conflict with action by the Oregon Legislature in 1995. With the failure of the 1993 transportation funding package, the State has been forced to cut over \$400 million in projects from its Transportation Improvement Program (TIP) and local governments have been forced to cut their local maintenance and preservation programs. If the region were to pursue a gas tax in 1994 for one type of project -- capital improvements to arterials -- it would be at the expense of another type of project -- ODOT highway projects and local maintenance. Therefore, it is recommended that the region defer such an action until November, 1995.

The resolution also acknowledges that the region will not pursue funding for the next LRT corridor after South/North LRT until funding for arterials/bridges/freight access/bike/pedestrian and transit operations is implemented. This is intended to reinforce the importance of addressing these issues without further deferral.

#### 1995 LEGISLATURE PROGRAM

Metro and the Portland region are participating in the Oregon Transportation Finance Coalition to define a 1995 legislative agenda for transportation finance. This agenda and set of priorities is still under development. A further action by Metro will be needed to consider that proposal, but this resolution identifies the key areas of interest for the Portland region, including:

- funding for ODOT highway maintenance, preservation and capital improvements;
- funding for local road maintenance;
- funding for a state and local bridge and/or arterial program;
- possible consideration of a constitutional amendment to allow a local-option vehicle registration fee to be used for transit operations; and potentially
- a state funding commitment for South/North LRT.

#### 10-YEAR STRATEGY

This resolution would initiate development of a comprehensive 10-year financing strategy. This would be aimed at building on the definition of needs provided by the Oregon Roads Needs Study, the

Multnomah County Bridge Capital Plan and the updated Regional Transportation Plan (RTP) based upon the results of Region 2040. This effort should clearly define those needs that are critical to address within the next 10 years and establish a strategy to pursue each element over the 10-year period. At the core of this will be the specific elements established by this resolution for a regional arterial fund and South/North LRT funding. However, it will go farther in terms of fully defining the needs, the extent of federal, state, regional and local responsibility for meeting these needs, and the intended regional strategy for its component. It should also consider such factors as the role of congestion pricing, fees on growth, public-private partnerships and the use of debt instruments.

EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer recommends approval of Resolution No. 94-2009.

## PLANNING COMMITTEE REPORT

### **CONSIDERATION OF RESOLUTION NO. 94-2009 FOR THE PURPOSE OF ESTABLISHING A FIVE AND TEN-YEAR TRANSPORTATION FINANCE STRATEGY**

Date: July 25, 1994

Presented By: Councilor Gardner

**Committee Recommendation:** At the July 21, 1994 meeting, the Planning Committee voted unanimously to recommend Council adoption of Resolution No. 94-2009. Voting in favor: Councilors Kvistad, Gardner, Devlin, Gates, McLain, Monroe, Moore, and Washington.

**Committee Issues/Discussion:** Richard Brandman, Assistant Planning Director, presented the staff report. He explained that the committee has had several briefings on this item over the past few months. This resolution has a four tier approach that collectively makes up a five and a ten year transportation finance strategy.

The first strategy, referral of a \$475 million General Obligation bond, will involve approval by both the Council and the Tri-Met board. This is just one piece of an overall finance strategy which will need to be followed by 1) a similar vote, probably in spring of 1995, by Clark County voters; 2) allocation of like amounts from the Washington and Oregon legislatures in 1995; and 3) federal legislation reauthorizing ISTEA to capture federal Section 3 monies.

The second strategy is referral by Metro of a transportation related user fee to voters in November 1995 for a comprehensive arterial/bridge/freight access/bike/pedestrian improvement program. This will address the need established in those areas by the Oregon Roads Finance Study, the Multnomah County Bridge Capital Plan, and the updated Regional Transportation Plan, that is based in the results of the Region 2040 process.

The third piece is pursuit of a legislative program in 1995 through the Oregon Transportation Finance Coalition which would include ODOT funding for highway maintenance, preservation improvements, for local maintenance and preservation, and for a possible state and local bridge and/or arterial program.

The final point is that there is acknowledgement that construction funding for the next light rail line after the South/North will not be sought until funding is implemented toward meeting the arterial/bridge/freight access/bike/pedestrian needs and transit operations.

Councilor Moore asked for clarification about funding amounts for each jurisdictional level. Mr. Brandman explained that one-third was from the Tri-Met bond, one-third from the Oregon legislature, and one-sixth each from the C-TRAN referred funding measure and the Washington legislative funding contribution. The federal government share now anticipated would be \$1.4 billion.

Councilor Moore asked about the amount of funding that is anticipated from the State of Washington. She expressed concern that the level of funding is becoming overly associated with the decision of how far the line extends into the State of Washington. She felt that the economy of Washington gains regardless of how far the line goes and that the amount should stay one-third. Mr. Brandman explained that for the portion of line from Portland to Vancouver, the State of Washington is paying two-thirds of the costs.

Councilor Washington commented that our relationship with the State of Washington is symbiotic; "we need them as much as they need us". The Washington congressional delegation has the potential of being a great help to the Portland region.

Councilor Monroe elaborated that this will be the only bi-state coordinated effort of its size in existence. He added that the contribution of the State of Washington on a per capita basis is significantly higher than ours.

Councilor Devlin questioned whether the constitutional amendment for vehicle registration fees would be different from past proposed amendments. Would it be worded to be used for capital rather than operations? Mr. Brandman reviewed the former measure that proposed vehicle registration fees for capital for the Westside Light Rail. That measure failed narrowly. This measure would be for operational expenditures rather than capital.

Councilor Devlin then asked about the local maintenance two-cent amount. Mr. Brandman said that what is now being discussed by the "coalition" is two-cents for major state highways, two-cents for local maintenance, and an addition one-cent. Councilor Devlin expressed doubt that the legislature will be able to approve a five-cent per year amount. He believes it will be difficult to get two-cents per year for the next two years. Mr. Brandman said that with the tremendous back-log of need resulting from the legislature's failure to fund transportation last session, there will be a strenuous push during the next session.

Councilor Moore offered a correction to the Council staff analysis. Washington County has now deferred their MSTIP road measure. She then asked whether Wilsonville participates with a Tri-Met referred measure. The answer was no because the Tri-Met boundaries would be used.

Councilor Gardner commented on the Council staff analysis saying that it summarized and drew attention to the some of the significant compromises that had to occur before this regional consensus could be agreed upon. This resolution shows that the region will pursue a balanced funding approach for our transportation needs, but the timing of each element is very critical. In response to Councilor Devlin's comment about the five-cent increase, he commented that there will be a growing awareness that our gas tax is too small to pay for the need and to act as an incentive for conservation of petroleum resources. The third world nations are now using increased amounts of petroleum and our own need continue to grow. He is hopeful for a gas tax increase in 1995 or 1997.

Councilor Devlin reiterated with a comparison of Oregon's means of funding transportation needs and methods used by other states. Oregon inordinately uses the gas tax and a small amount of vehicle registration fees. Our gas tax level is high compared to other states and should not be completely depended upon in the future.



**METRO**

**To:** Planning Committee CORRECTED  
Interested Parties

**From:** Gail Ryder, Senior Council Analyst

**Date:** July 25, 1994

**Re:** Resolution 94-2009 - Five / Ten Year Transportation Finance Strategies

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**BACKGROUND:** In 1989 the Metro Council approved Resolution 89-1035 funding the Westside Light Rail Transit and endorsing state legislative proposals for roads and transit. The resolution also clarified the intent of the Council and the Joint Policy Advisory Committee on Transportation (JPACT) to pursue a local-option vehicle registration fee for urban arterials. In 1992 the arterial fund was deferred in order to support the Oregon Transportation Plan and a comprehensive statewide funding initiative. The 1993 Legislature, however, failed to approve the package. This resulted in a reduction of over \$136 million in State Transportation Improvement Program funds to the region.

Since that time, efforts resumed within the region to establish an urban arterial fund. The JPACT Finance Subcommittee has met regularly for the past two months. The Oregon Transportation Finance Coalition was formed and has begun discussion on a legislative package for 1995. And with funding for most of the Westside Corridor Project complete, there has been increased focus on the South/North Corridor Project.

**PROPOSED ACTION:** This resolution represents six months of discussion and compromise by regional leaders resulting in endorsement of a transportation finance five year strategy and an intent to develop a comprehensive ten-year strategy. That strategy includes:

1. Pursuit of local matching funds for South/North LRT that includes: a) a Tri-Met referred \$475 million General Obligation (G.O.) Bond Measure voted on in November, 1994; b) a C-TRAN referred funding measure to be voted on in 1995; c) an Oregon legislative funding contribution; and d) a Washington



legislative funding contribution.

2. Pursuit of a Metro referred funding measure to be voted on in November 1995 to include funding for: a) urban arterials; b) bridge construction and seismic retrofitting; c) freight access; and d) a bicycle/pedestrian improvement program.
3. Pursuit of state funding for ODOT maintenance, preservation and improvements, and for local maintenance and preservation and for a possible bridge and/or arterial program.
4. Acknowledgement that construction funding for the next LRT corridor after South/North will not be sought until funding is implemented toward meeting the arterial/bridge/freight access/bike/pedestrian needs and transit operations.

**ADVISORY GROUP ACTION:** This resolution has received the unanimous support of the Joint Policy Advisory Committee on Transportation (JPACT), the Transportation Policy Alternatives Committee (TPAC), and the JPACT Finance Subcommittee. While the vote was unanimous at JPACT, significant reluctance was expressed by many of the participants and interest group representatives.

The primary purpose for bringing the JPACT Finance Subcommittee together several months ago was to set a strategy for funding urban arterials and collector streets. Advice was sought from polling consultants (Davis & Hibbits and Market Decisions Corporation) to determine the favorability for such a measure by the voters. The pollsters advised the committee to keep the message clean and concise. But they not only advised against a ballot measure with a single request for arterials funding, they also against packaging the issue with a more popular or visible issue, like light rail or Greenspaces. Additional polling was completed regarding voter attitudes and potential G.O. bond amounts. Finally the Subcommittee invited the public to comment in a series of four meetings in late June.

**STAFF REVIEW:** This delicately forged compromise resolution raised many significant issues of which I think the committee should be aware. I raise these issues to balance the department's staff report which largely reports the positive reasons for the resolution without relaying participants concerns. They are also raised to help the committee more easily understand the extreme complexity of issues that led JPACT to start with a roads measure and end with one for light rail.

**Urban Arterials Funding:** The Oregon Trucking Association voiced concern about "misplaced priorities" of the region. They referred to the earlier commitment by the region to shift its focus from light rail to local arterial and bridge repair programs

once the Westside LRT was fully funded. The Port of Portland joined them in a concern about improved freight access. Washington County echoed the concerns referencing their own plans for a roads ballot measure that could be jeopardized by this funding measure.

South/North Corridor: There was significant concern that decisions regarding the South/North Corridor were premature. This was with the understanding that the earliest start on obtaining funding for the next LRT corridor places the region in the best position to receive the next round of federal funding. However, no alignment for the corridor has been selected. It is also not yet finalized that the two projects (South and North) will continue as a single corridor. Without this information it is extremely difficult to determine the total cost of the final project. Discussion did indicate, though, that by the time the measure would be on the ballot, many more critical Tier I decisions will have been made, thereby providing more current information for the voters before the election.

Keeping the two projects together as a single line was determined to be important for several reasons. It maintains the commitment made to the State of Washington for their assistance in completion of the Westside line. It also recognizes the considerable political clout of the Washington Congressional delegation that will be needed to ultimately complete at least the north part of the South/North line. The other primary regional commitment, though, is that the next light rail line must go to Clackamas County, even if the Vancouver part of the line must later be delayed.

Of equal concern was the sheer size of the ballot measure; nearly three times that of any previous measure. Also of concern was the question of how to obtain an equal matching share from the states of Oregon and Washington.

Finally, there was considerable concern about the cost of transit operations once built. This proposal postpones finding a solution to the question until 1995 when it will have to be considered along with arterials, bridges, freight access, and bike and pedestrian needs. It will be difficult to bring the operations question to the top of the list again at that time because supporters seeking funding for these other unmet needs will have waited yet another two years.

Non-Property Tax Related Solutions: There was considerable early discussion regarding attempting a regional gas tax proposal or a vehicle registration fee. This was discarded because it created a "lose/lose" situation for the next legislative package. If such a measure succeeded in this region, the legislature could say it was now not needed for the state in general. If the measure failed, it could be determined to be the will of the voters, thereby negating any attempt to try for a statewide vote.



**M E T R O**

**To:** Planning Committee  
Interested Parties

**From:** Gail Ryder, Senior Council Analyst

**Date:** July 14, 1994

**Re:** Resolution 94-2009 - Five / Ten Year Transportation Finance Strategies

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By the same token, if the legislature approves a statewide gas tax increase or vehicle registration fee in 1995, it may be difficult for the voters of this region to approve a second albeit smaller proposal later. Finally, following the failure to get the 1993 legislature to agree to a gas tax increase, if the 1995 legislature agreed to a gas tax increase and/or vehicle registration fee, it will likely be very difficult to get them to add matching funds for light rail.

Bridges and Alternative Modes: Multnomah County, in the JPACT Finance meetings, expressed concern about how to fund construction and seismic retrofitting of area bridges in a more timely manner. This concern seemed mollified by the commitment in this resolution to deal with the question in 1995. Oregon Transit Riders Association questioned the mode restrictions in Exhibit B. They felt that the lack of legislative support in 1993 was partially because there wasn't enough in the package for alternative modes. They did, of course, support the November bond measure.

Political Climate: Passage of any funding measure at this time is a risky endeavor with the present voter unrest for new taxes and fees and their increasing vocalization of distrust of government in general. Extensive discussions with polling experts, though, indicated that politically this situation is more likely to get worse than better in the near future - "now or never."

Several participants felt placing a light rail funding measure on the ballot that has no specificity regarding termini also required a "leap of faith" by the voters. Finally, this measure will have to compete for voter attention with several other ballot measures of importance to the other local jurisdictions (i.e., Portland parks and Washington County roads ballot measures), plus a Governor's race and numerous voter initiated measures. There was no projection from pollsters regarding the positive or negative impact of high voter turnout.