Metro | *Agenda*

Meeting:	Metro Council Work Session
Date:	Tuesday, Feb. 5, 2013
Time:	1 p.m.
Place:	Council Chamber

CALL TO ORDER AND ROLL CALL

1 PM **1.** **ADMINISTRATIVE/ CHIEF OPERATING OFFICER COMMUNICATION**

1:15 PM **2.** **OREGON ROAD USER FEE TASK FORCE: CHARGING BY DISTANCE TRAVELED – INFORMATION / DISCUSSION** **Andy Cotugno, Metro**
Jim Whitty, ODOT
Angus Duncan, CII Leadership Council

2:05 PM **3.** **BREAK**

2:10 PM **4.** **FISCAL YEAR 2012-13 SECOND QUARTER MANAGEMENT REPORT – INFORMATION / DISCUSSION** **Scott Robinson, Metro**
Cary Stacey, Metro

2:25 PM **5.** **COUNCIL BRIEFINGS/COMMUNICATION**

ADJOURN

Agenda Item No. 2.0

OREGON ROAD USER FEE TASK FORCE:
CHARGING BY DISTANCE TRAVELED

Metro Council Work Session
Tuesday, Feb. 5, 2013
Metro, Council Chamber

Presentation Date: __Feb. 5, 2013__ Time: __1:15pm__ Length: __50 minutes__

Presentation Title: <u>OREGON ROAD USER FEE TASK FORCE: CHARGING BY DISTANCE TRAVELED</u>

Service, Office, or Center:
<u>Office of the COO</u>

Presenters (include phone number/extension and alternative contact information):
<u>Andy Cotugno, Metro; Jim Whitty, ODOT; Angus Duncan; CII Leadership Council</u>

ISSUE & BACKGROUND

In July, 2012 the Community Investment Initiative Leadership Council released its work program which is now being implemented. One element was a recommendation from the Transportation Finance Committee to support implementation of a Vehicle Miles Travelled (VMT) Fee in lieu of the gas tax. Before considering how to proceed, the Metro Council requested further background on the overall notion of a VMT Fee, including reasons for the proposal, history of its development, options for implementation and further details of the CII Leadership Council proposal. This worksession is intended to respond to that request.

A significant portion of Metro's mission is linked to successfully implementing the Regional Transportation Plan and its relationship to the region's land use vision. Central to financing the RTP is the adequacy of the gas tax at both the federal and state levels to fund both the planning activities of Metro itself and the transportation infrastructure investments of the region. Since the gas tax in a fixed rate in cents per gallon (now at 30-cents in Oregon and 18.4-cents at the federal level), it has been consistently losing purchasing power to both construction inflation and fuel efficiency. With fuel economy standards mandated to improve to 54.5 mpg by 2025 and the prospect of significant increases in the electric vehicle fleet, the threat to the federal and state highway trust funds are significant. In fact, last year when Congress adopted the transportation authorization bill, MAP-21, they considered reducing the overall size of the federal program by 30% to reflect the reduced collections in the Trust Fund. This trend is forecasted to accelerate.

Jim Whitty, ODOT

Mr. Whitty will provide background information on the recognition of the declining capacity of the gas tax and the creation of the Road User Fee Task Force (RUFTF) to test and develop alternative approaches to replace the gas tax. He will share information on the successful pilot project carried out in 2006-7, the pilot now underway and proposed legislation to impose a VMT fee on all vehicles achieving a fuel efficiency of 55mpg or better. See attached powerpoint.

Angus Duncan, CII Leadership Council

Included in the CII Leadership Council's Strategic Plan is a proposal to support legislative or administrative authorization for ODOT to implement a much larger pilot project to test a variety of VMT approaches. See the attached excerpt from the CII Strategic Plan and a more detailed work scope discussed by the CII Transportation Finance Subcommittee. Mr. Duncan will share information on the intent of the proposal and the relationship to other state plans and policies.

Also attached is a synopsis of VMT Fee Pilot Projects tested throughout the US.

OPTIONS AVAILABLE

After consideration of background information, seek direction from the Metro Council on if, when and how to proceed.

IMPLICATIONS AND SUGGESTIONS

Under state law, the responsibility for testing and developing a possible road user fee rests with ODOT and the Road User Fee Task Force. Any efforts of the Metro Council or CII Leadership Council will need to be focused through that group. However, because the region's vision and plans are so dependent on transportation revenues and because depending upon how a VMT fee might be implemented, it could include a demand management feature (varying the fee by geography and/or time of day), there is a significant interest in what is carried out by ODOT and RUFTF.

There is a similar effort underway at the federal level through a bill introduced by Congressman Blumenauer directing the Department of the Treasury to develop a VMT fee collection mechanism.

QUESTION(S) PRESENTED FOR CONSIDERATION

Options for Metro Council consideration:

1. Does the Metro Council support the development of a replacement for the gas tax? Does the Metro Council support testing various approaches to levy a VMT fee?
2. Does the Metro Council support proposed legislation to levy a VMT fee on vehicles achieving a fuel efficiency of 55 mpg or greater?
3. Is there interest on the Metro Council in testing a demand management feature in a VMT fee pilot project?

LEGISLATION WOULD BE REQUIRED FOR COUNCIL ACTION __Yes _X_No
DRAFT IS ATTACHED ___Yes _X__No

Oregon's Road User Fee Task Force: Charging by Distance Traveled

Metro Council

February 5, 2013

Road User Fee Task Force

71st OREGON LEGISLATIVE ASSEMBLY--2001 Regular Session

Enrolled
House Bill 3946

Sponsored by Representatives KRUMMEL, STARR, Senator GEORGE; Representatives DEVLIN, MORRISETTE, NELSON, ROSENBAUM, VERGER

"To develop a design for revenue collection for Oregon's roads and highways that will replace the current system for revenue collection."

Fuel Tax Revenues and Lost Revenues
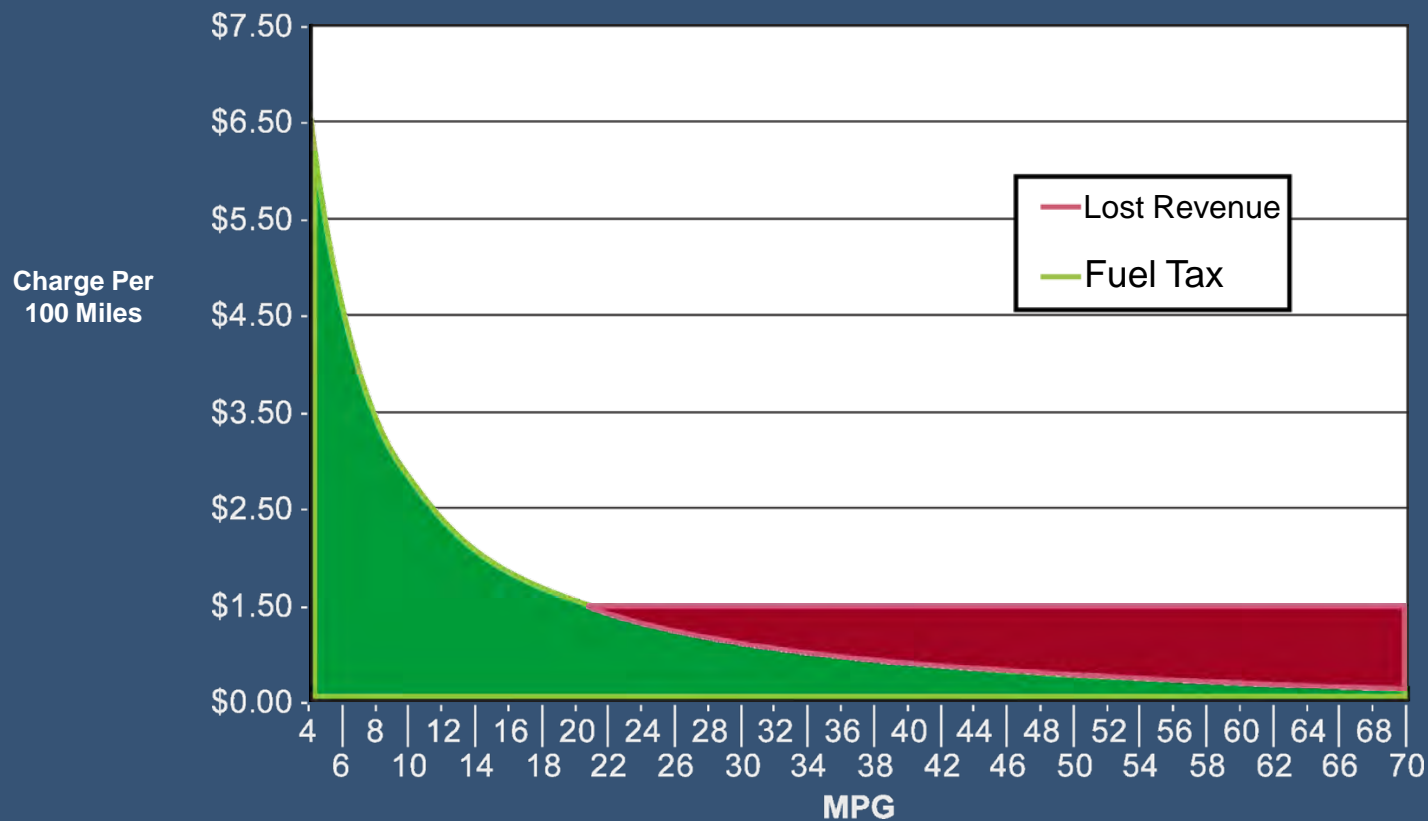
Task Force Selection

A Vehicle Miles Traveled Fee
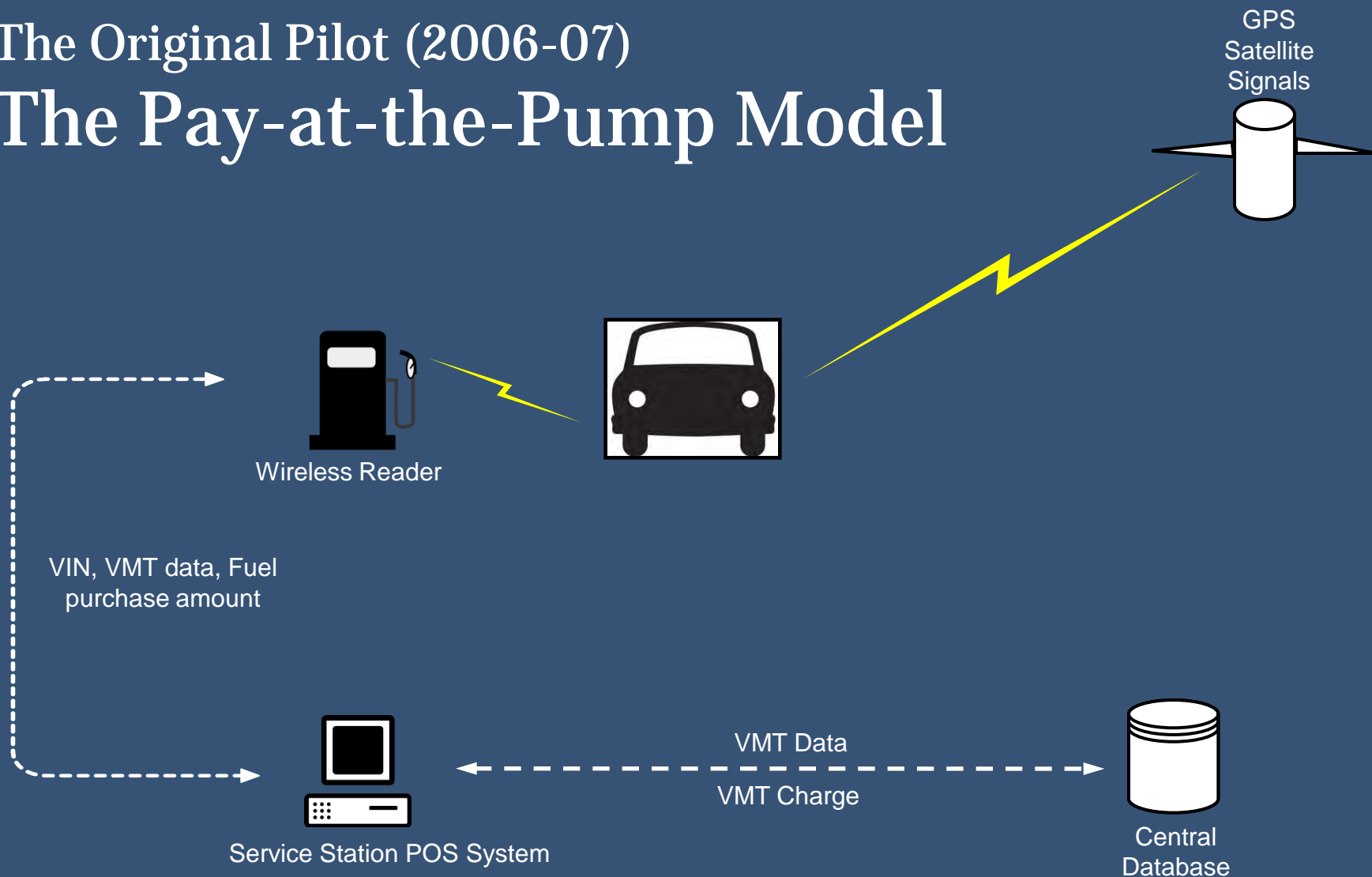
The Original Pilot
Congestion Pricing Field Test

Area Pricing

- Temporal *rush hour* zone

  - 7 to 9 am
  - 4 to 6 pm
  - Work days

- Higher rates during peak

  -10 cents per mile for peak
  -1.2 cents per mile regular

National Review & Support
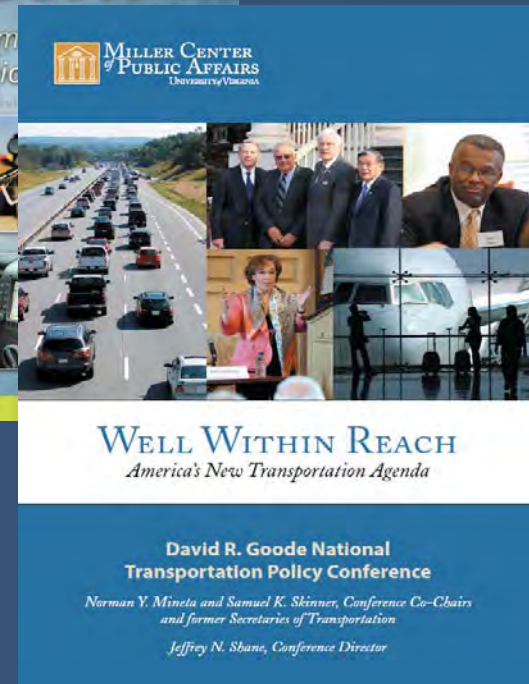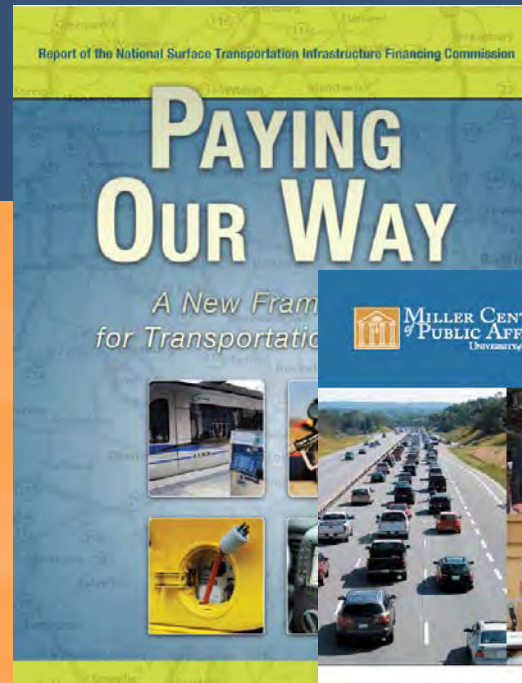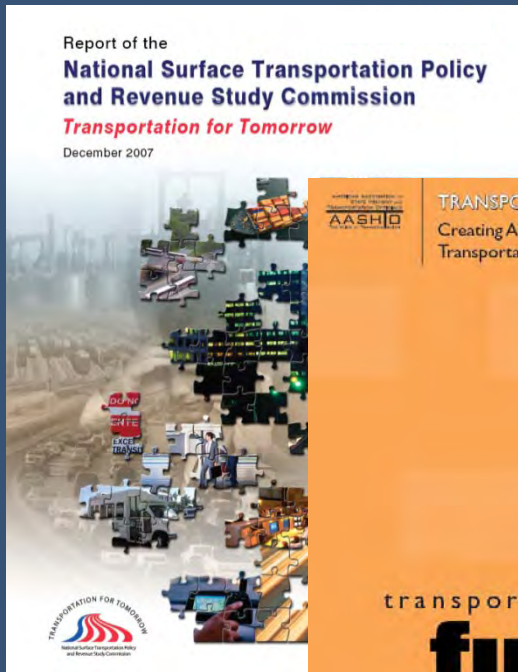
Road Usage Charge Legislation (HB 2453)

- For vehicles 55+ MPGe (others pay gas tax)

- Road usage charge of x cents per mile

- Rebate fuel tax paid

- ODOT develops ways to report miles

- Motorists shall have choices

- Private sector administration option

- Protects personally identifiable information

- 50/30/20 Revenue Allocation

Tenets for Future Road Usage Charge System

A. No technology mandate

B. Open system to integrate with existing technology market

C. Provide choices for motorists

D. Private sector administration option

Options for Reporting Mileage

1. Activate a metering device in vehicle

2. Install a metering device in vehicle

3. Pay a high flat rate for unlimited driving
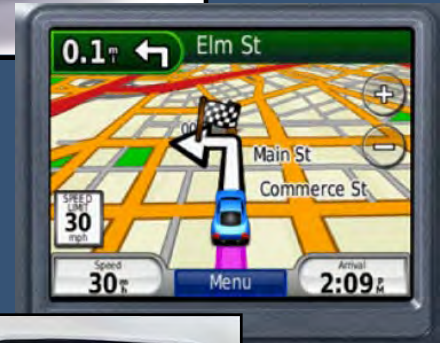
Payment of Road Usage Charge

Invoice

- Receive by mail or email

Options for payment

- Cash
- Check
- Credit
- Debit
- Electronic Funds Transfer

Oregon's New Pilot
Road Usage Charge Pilot Program

Began November 1, 2012
- 1st phase ended January 31, 2013
- 2nd phase ends February 28, 2013

50 volunteer participants from Oregon
- Pay 1.56 cents per mile
- Get fuel tax rebate

Private sector firms provide
- On board mileage reporting technologies
- Tax processing and account management option

Multi-state: Washington and Nevada managed own set of participants

Option 1: The Basic Plan
(without GPS)

sanef

On Line Payment
Credit Card Payments
Debit Card Payments

Option 2: The Smart Phone Plan

Option 3: The Advanced Plan
(with GPS)

Option 4: The Basic Plan (without GPS)

Mail
Pay by Check

Option 5: Flat Rate Plan

Choosing your plan

To activate your account, you must choose a charging plan. Your charging plan will include a road usage charge service provider – either ODOT or a private provider, Sanef – and a method to report the miles you drive (click on the plan title in the table below).

Need help? Call toll-free 855-797-1265 or RUCPP@odot.state.or.us

Plan Options

	Miles Reported	Invoice	Payment	Online account management	Uses GPS?
ODOT Basic Plan	All	Mailed Monthly	Check	No	No, does not report where miles are driven
ODOT Flat Rate Plan	N/A	Once, at start	Check	No	No device
Sanef Basic Plan	All	Emailed Monthly	credit/debit card	Yes	No, does not report where miles are driven
Sanef Advanced Plan	Public roads in Oregon only	Emailed Monthly	Credit/debit card	Yes	Yes
Sanef Smartphone Plan	With application running, only roads in Oregon; without application running, all roads	Emailed Monthly	Credit/debit card	Yes	Yes, when the application is running

Which plan is for me?

You have the opportunity to choose a plan you prefer. Both basic plans charge you for all miles driven. The advanced plan only charges you for the miles you drive on public roads in Oregon, which – if you drive on out-of-state or private roads – means you save money. The smartphone plan allows you can use your Android smartphone to avoid charges for miles driven out of Oregon. The advanced and smartphone plans are only available through Sanef, the private company ODOT certified for pilot operations.

Any device you use will only transmit the number of miles driven, an estimate of fuel used (for calculating the fuel tax credit), and your vehicle identification number. The devices used in the pilot – basic, advanced or smartphone – will not transmit location data or specific routes to ODOT.

Learn more about the pilot program **and** each plan's details.

Need help? Call toll-free 855-797-1265 or RUCPP@odot.state.or.us

Installation of an On Board Unit

The Future of Mileage Reporting

Telematics

Oregon Department of Transportation

USA Mileage Charge Pilots & Study

2006-07 & 2012-13

2011-12

Billings, MT

Boise, ID

Portland, ME

Chicago, IL

I-95 Corridor Coalition

NYC

Eastern IA

Baltimore, MD

Wichita, KS

Research Triangle, NC

San Diego, CA

Albuquerque, NM

Austin, TX

Miami, FL
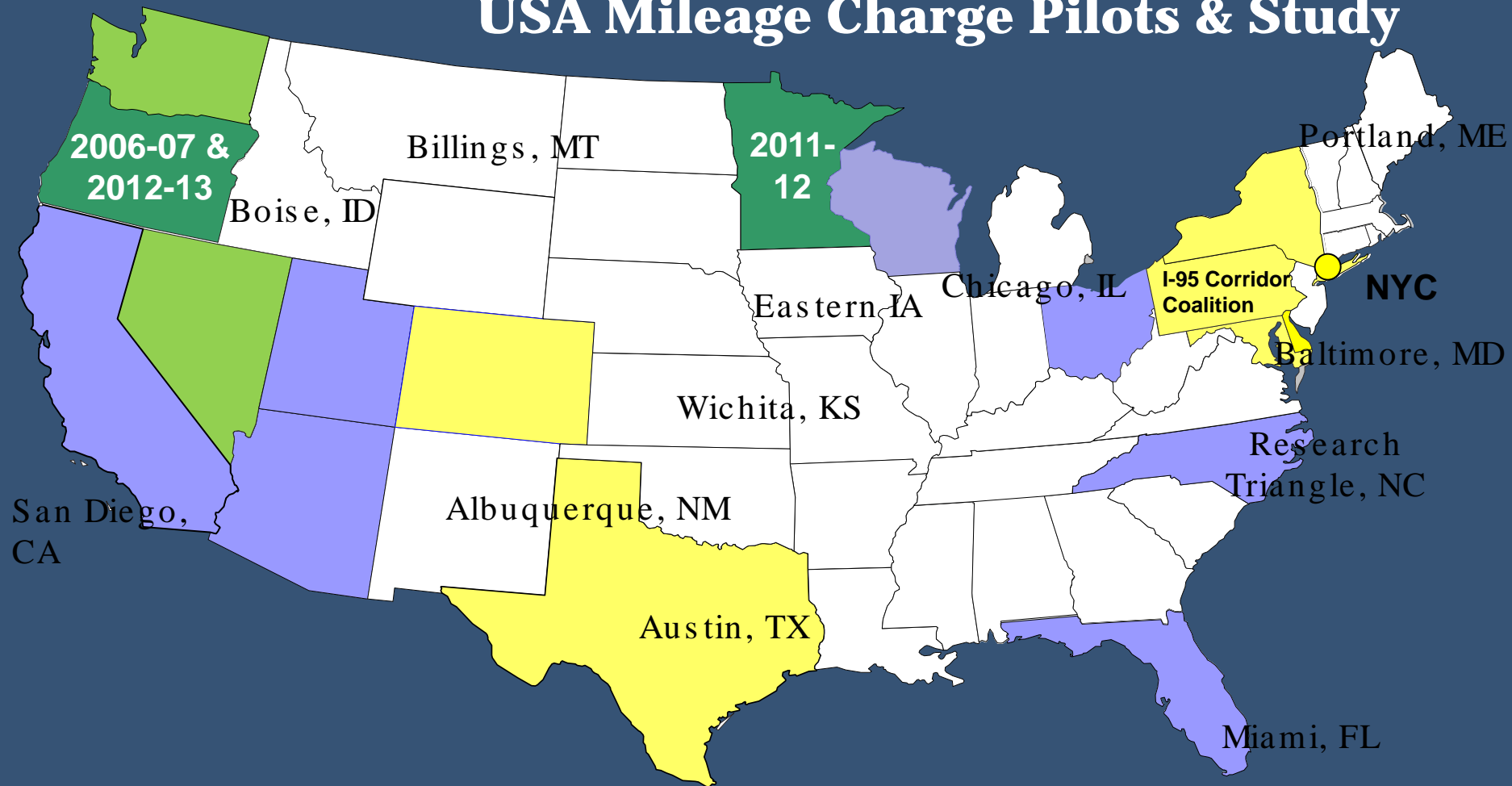
Pilot Program Completed or Underway

University of Iowa Field Tests

Participating in multi-state pilot

Formal study underway

Beginning Inquiry

18

The Following Slides are reserved for Q&A

Start of the Road Usage Charge
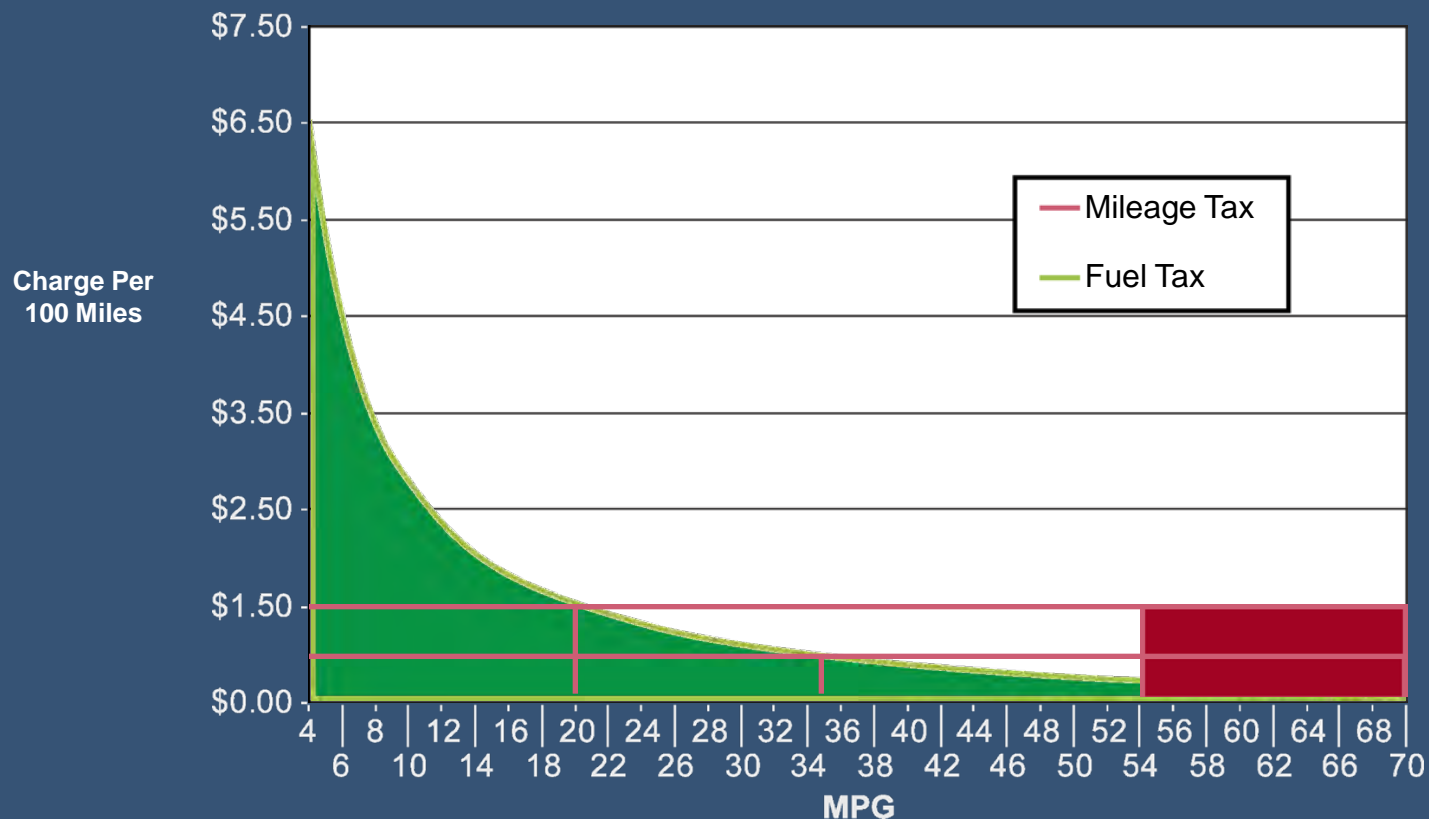
Alternative Funding Options

- Raise fuel tax
- Tax vehicle electricity use
- Tax tires
- Tax batteries
- Toll interstate highways
- Flat fee to replace use taxes
- Sales tax
- General fund
- Do nothing

ACTION
Partner with state and regional stakeholders to explore additional revenue for transportation infrastructure, and advocate for a series of strategic investments that meet the economic needs of the Portland metropolitan region.

OBJECTIVES
- By June 2013, partner with stakeholders to support the successful passage of a state transportation package that leverages existing revenue sources to improve freight mobility, increase safety, support access to jobs, and reduce congestion and greenhouse gas emissions.

- By June 2013, explore with regional partners potential avenues for improved funding for local and regional connectivity, maintenance and other system needs.

- Continually and publicly support TriMet's efforts to gain control of its long-term finances to restore and expand transit service.

LEADERSHIP COUNCIL ROLE
The Leadership Council will explore the potential for a strategic investment fund by engaging stakeholders to assess interest and political will. We will convene key partners and technical experts to develop policy, potentially participating in the drafting of legislation or ballot measures. Additionally, we will advocate for the transportation investment fund by partnering with stakeholders for program passage and engaging news media through op-eds and editorial boards to garner public support for the measures.

ACTION
Support the state in designing and implementing a regional voluntary Vehicle Miles Traveled pilot program.

OBJECTIVES
- By September 2012, participate in the design of a VMT pilot program for the Portland metropolitan region.

- By May 2013, support Oregon Department of Transportation and other partners in securing authorization and money for the program through legislative and/or administrative means.

- By January 2015, work with partners to evaluate the success of the VMT pilot program and the feasibility of broader use.

LEADERSHIP COUNCIL ROLE
The Leadership Council will partner with the state to explore the feasibility of a VMT pilot program by engaging with stakeholders and convening technical experts to assess interest and political will. We will advocate for the program by partnering with stakeholders to push for pilot implementation, and educate the public through op-eds and other media outlets.

KEY PARTNERS
- Governor's office and state agencies
- Joint Policy Advisory Committee on Transportation
- Local communities
- Metro Council
- Nonprofit advocacy groups
- Port of Portland
- Transportation researchers
- Transportation user groups
- TriMet

CII Transportation Finance Work Group
VMT Fee Pilot Project

The Community Investment Initiative Transportation Subcommittee has concluded that there is a need for strategic investments in the transportation system to promote economic prosperity, efficiently move freight, improve business access to the regional labor market and workers access to jobs, provide better access to industrial lands and increase safety. In the short-term, there is the conclusion that we will need to rely on traditional transportation funding sources like the gas tax, vehicle registration fees and truck fees. However, in the long-term, it is recognized that the gas tax is broken and we should be taking steps to transition to a VMT fee. This proposal is to implement a VMT Pilot to facilitate the transition from the gas tax while progressing toward goals of energy efficiency, reduced congestion and lower greenhouse gases (GHG's).

Problem Statement
The current financing method for transportation is heavily based upon a gasoline tax collected at the federal, state and sometimes local level. It has been a very good financing mechanism for many years because it is easy and low cost to collect, makes a strong user-pays connection, ties tax bite to travel efficiency, but is not transparent to the consumer.

However, the gas tax is broken and getting more broken. Since it is levied as a fixed cost per gallon of gasoline (18.3-cents at the federal level, 30-cents at the state level and 1-3 cents at the local level), it loses purchasing power to inflation and improving fuel efficiency. As a result, gas tax increases are needed on a regular basis to catch up with inflation and the changing fleet mix. Since gas tax increases are politically difficult, the impact is a revenue base that does not keep pace with the needs resulting in deteriorating conditions. Any replacement revenue tool needs to preserve, and if possible amplify, the travel efficiency signal to travelers.

Proposed Solution
With rapidly improving technology, many believe the best replacement for the gas tax would be a VMT fee, or a fee collected for each mile of driving (much like a water bill is for each gallon of water consumed or a telephone bill for each minute of use). Technology advances are improving our ability to set the fee per mile to more closely reflect the cost responsibility the motorist is imposing on the system (costs that include roadway use and contributions to congestion, air pollution and GHG emissions). Through the use of GPS, Smart Phone, wireless communications, it is feasible to set fees unique to different circumstances with a highly efficient cost of collection, and to communicate these to drivers in a timely way that enables better informed driver choices.

Examples:
- The simplest approach would be to set a flat rate and collect the same amount of all vehicles and all miles on all parts of the road system regardless of the time of day or night. This presumes every motorist has the same cost responsibility per mile regardless of whether they are driving during congested or uncongested times or locations; or traveling in an efficient or

inefficient vehicle; or, using a facility that is very costly to build (like a major freeway and bridge expansion) or very inexpensive to build (like a gravel road).

- A second approach would be to set rates per mile that are higher cost in certain locations and times and correspondingly lower cost at other times and locations.
- A third approach (not exclusive of the second) would be to set rates that reflect the externalities of driving; that is, they can take into account the level of pollution and greenhouse gases being emitted and charge a higher rate for those vehicle types that are the biggest emitters.

ODOT Pilot #1

In 2007, ODOT carried out a pilot that tested certain of these characteristics and proved the approach is feasible at reasonable collection costs and without undesired intrusion into personal privacy.

Key features of that pilot were as follows:

- A 300 sample test group was established for the year long test period.
- The full test group operated for 6 months without paying the VMT to establish a baseline.
- For the second 6 months one half of the group paid a flat rate of 1.2-cents per mile, regardless of time, location or vehicle type (Note: this fee was based upon charging a VMT fee equivalent to the state gas tax at that time, 24-cents per gallon for the average car in the fleet getting 20 mpg – 24-centsper gallon divided by 20 mpg = 1.2-cents per mile). The other half shifted to a split rate of 10-cents per mile within the metro region and during the morning and evening peak hours and .4-cents per mile outside the metro region or not in the peak hours.
- To provide the user with a financial incentive and to track the impact on their travel behavior, each participant had an account set up and the VMT fee was deducted from that account with the participant able to keep the unused balance at the end of the test period.
- To monitor and levy the fee, each car was set up with a GPS unit and two gas stations were set up with the wireless communications equipment to handle the transaction. In summary, the GPS unit in the car calculated the mileage and a back office computer calculated the VMT fee based upon the rates noted above. The gasoline receipts reflected the cost of the gas purchase, a subtraction of the 24-cents per gallon gas tax and its replacement with the VMT fee for the miles covered by that fill-up.

Proposed Pilot #2

The initial pilot demonstrated that the basic concept is technically feasible, administratively cost-efficient and that the motorist change in travel behavior in response to the peak/off-peak price signals would produce a shift in a portion of driving out of the most congested time period and location, providing operational benefit to the system as a whole and all of the other users. Pilot # 2 is intended to expand upon the applications that might be employed and test more real operating conditions.

Key features of pilot #2 are proposed as follows:

- Expand the test population by 10-fold to a test sample of up to 3000. This would permit inclusion of a wider variety of users with more variety of demographics, locations throughout the region and vehicle types. It would also require more specially equipped gas stations throughout the region (or a test design that did not require retrofitting gas stations). Participants would be recruited on a volunteer basis with the expectation they could manage their driving behavior to produce a lower cost.
- Apply the fee on a real basis rather than using the unused account approach (that is, the VMT Fee incurred by the user would be paid in lieu of the gas tax).
- Test multiple driver communications, data and revenue collection methods, including use of factory installed GPS and navigation units, Smart Phones, real time rebates, monthly rebates, and others.
- Test different approaches to providing traveler "consumer" information in advance and in real time (e.g., at point of choosing a travel option)
- Test at least four rate variations: (1) a fixed flat fee for all vehicles, times and places, (2) a variable fee for the most congested times and places, (3) a variable fee for a portion of the VMT fee for the most fuel efficient vehicles and, (4) a fee that combines the congested times and places with the fuel efficiency factor. Through these variations, it will be possible to evaluate the degree to which the financial incentive impacts better driving behavior and allow the governments to evaluate the benefit of reduced traffic vs. the impact of reduced revenues.

To develop these rate structures, it will be important to establish the economic basis for varying the rate in a manner that can be communicated to the consumer in a manner that is both timely and easily accessible, and so allows meaningful traveler choice of routes/modes/etc. (i.e. how much higher is the peak rate and how does that relate to the value of time savings due to congestion relief, or how much more expensive is the facility due to the need to provide extra lanes for the peak demand).

Cost
There will be costs involving technology acquisition and retrofit, to participants' vehicles and perhaps to information systems and gas stations. Moreover, if the demonstration is to involve real traveler choices and consequences, participants will need to see rebates or surcharges following from those choices. The government(s) involved should be prepared to allocate funding to cover expected costs. The demonstration needs to be designed to limit the cost exposure, either by capping the maximum available rebate or limiting participant numbers, or both. These design and budgeting questions will need to iterate with the demonstration design.

With the results of this test, it will be more feasible to establish an incremental phase in approach.

Addendum: State of Oregon Policy recognition of VMT-based revenue tool

Governor's Transportation Vision Committee: 2008-09

The development of a parallel or alternative transportation funding mechanism based on Vehicle Miles Traveled (VMT) weighted by vehicle fuel and emissions efficiency was raised in the Transportation Vision Committee Report to Governor Kulongoski in November, 2008.

Expand user per mile fee concept. While congestion grows throughout the state and the nation, fuel tax revenues have flattened — and will soon enter into permanent decline. Policymakers are searching for new approaches to fund and manage the nation's road system. Oregon has led the way with its Road User Fee Task Force, created in 2001 to examine potential alternatives to the gas tax for raising revenue. Distance-based or "per mile" road user fees have emerged as worthy of serious consideration. (p 2)

Create a Transportation Utility Commission. . .

In its first biennium, the Commission would have five major responsibilities to establish . . . 3. A conceptual framework for a rate design. This framework would show how to pay for transportation services in the future. This rate design would broadly address two questions: 1) What should be the weighting of responsibility for raising funds between local and state jurisdictions? 2) How should revenue be collected, looking at a combination of fixed and variable charges, as well as peak and offpeak pricing? (p 5)

Implement variable first time title fees. (p 9)

Implement a congestion-pricing pilot. (p 9)

Oregon Global Warming Commission – Roadmap to 2020: Transportation and Land Use (Adopted October, 2010; p 9-10)

1. Change the Way We Fund Transportation (TLU-1)

Develop and deploy a "utility" funding model for State and local transportation infrastructure, transit fleets and operations, and other transportation costs. Such a model should include:

- A base ("capacity") "access" based charge to all who use any part of the system, whether driving, biking, busing, or using goods and services delivered from the system;

- An ("energy") "usage" based charge (i.e. VMT charge) to reflect the amount one uses the system, that includes both the cost of infrastructure and externalities (e.g., airshed pollutant contribution; carbon emissions);

- A ("peak") "congestion" based charge to reflect peak period use of the system.

Oregon has relied for decades on a gas tax applied to light-duty vehicles to fund the State's portion of transportation capital and operating costs (heavy duty freight vehicles pay a weight-mile tax rather than a fuel tax) as directed by the State Constitution. This reliance on the gas tax should come to an end for three reasons. First, the amount of the gas tax is fixed and has declined in purchasing power due to the combined influence of inflation, dramatic increases in transportation infrastructure costs, and the effect of more efficient vehicles. Second, proceeds from the tax are directed constitutionally solely to expensive highway-related costs, leaving other least-cost mobility and accessibility solutions unfunded. Third, transportation charges should be levied commensurate with use of the system (as highway freight charges now are) rather than more narrowly on the amount of fuel used. *A change in Oregon's Constitution will be required to transition to a 'utility' funding model.*

"Utility" rate design evolved from electric and gas utilities as a way to allocate costs fairly and according to use of the system. In the case of transportation, a "utility" design would charge all parties a base or "access" rate because all parties benefit from the system, either by using the highways, buses and trains directly, or relying on them to bring them goods and services.

A "usage" charge would reflect miles traveled in the system and how efficiently those miles are traveled. The usage charge would reflect miles traveled by different modes (e.g., auto, bus, train, bicycle) and the efficiency of the mode (e.g., an average emissions per VMT/passenger for a bus rider; an efficiency rating that might be captured instead as a graduated registration fee within the "access" charge).

A "peak" or "congestion" charge would be triggered when vehicles create congestion, and would reward those who use available real-time traffic information to avoid congested sections of the system at times of congestion (thus avoiding the need to incur additional capital costs of new facilities to accommodate the increased congestion).

This strategy for pricing publicly-supplied transportation services (roads, buses, trains) should: (a) more fairly allocate all costs to users (including land consumption, air pollution and climate impact costs); (b) provide price signals which create incentives for the public to use existing infrastructure more efficiently in meeting their transportation needs; and, (c) lower pollution and emissions per person-mile traveled because of gains in efficiency.

**ODOT State Transportation Greenhouse Gas Reduction Strategy
(Draft May, 2012)**

Recommendation G7 – Funding Sources and Pricing

Each of the following elements will require further analysis of costs, benefits, and other impacts

associated with the element's ability to achieve the recommendation.

Element G7.1: Move from a gas tax to a user fee (a blended vehicle miles traveled [VMT]

and emissions fee) that charges users for the full cost of travel.

Element G7.2: Structure user fees to be economically efficient by addressing the full cost of travel, including estimated pollution costs. Correct pricing will provide a market-based mechanism for encouraging more efficient decisions such as the fuel efficiency of vehicles purchased, the modes of travel used for various trips, and how vehicles are driven. Factors that should be considered in users paying for the full cost of travel include:

- Transportation system costs: costs associated with constructing, maintaining, and operating the state roadway system (including freeways and arterials, but not local streets).
- Social costs: costs to society that are not already paid by motor vehicle drivers (including costs of air pollution, greenhouse gas emissions, and delay due to congestion).

Element G7.5: Consider moving to a "utility" funding approach where charges are levied to (1)

access to transportation infrastructure (2) roadway usage, and airshed and GHG emissions shares; and (3) are varied for peak period use or in congested corridors/areas.

Element G7.6: Consider using congestion fees to better balance travel demand and road capacity.

Element G7.7: Inform the public about the benefits and trade-offs of transportation choices

and funding mechanisms.

Governor's 10-Year Energy Action Plan (Draft June 5, 2012)

Financing the Transition to a Cleaner Transportation System (p 33-34)

. . . as federal fuel efficiency standards increase, low- and zero-emission vehicles hit the road
and fuel use decreases. This trend challenges a transportation system funded by gas taxes that are restricted to road and automobile-based investments. To address this revenue challenge, the state will develop alternative transportation funding strategies that will provide stable and flexible funding to help the state achieve our energy and emissions-reductions goals.

In the near-term, a Metro-area demonstration of an alternative revenue model based on vehicle miles traveled weighted by efficiency should be undertaken for cars and light-duty trucks, to run in parallel with the existing gas tax.

Action Item*: ODOT will work with stakeholders to conduct a demonstration of an alternative revenue model based on vehicle miles travelled ("VMT") in an area of Oregon. The VMT must include a vehicle impact fee based on vehicle class, including weight and emissions. The Oregon Transportation Commission ("OTC") and DLCD staff will work with local communities to assess whether the TSP Guidelines allow for multi-modal projects or inter- and intra-connectivity of modes and make changes accordingly. The state will convene a task force to develop a plan for an alternative funding structure to support a transportation infrastructure that will allow the state to meet its greenhouse gas reduction goals for the transportation sector.*

Oregon's Mileage Fee Concept and Road User Fee Pilot Program
Final Report (November, 2007)

The (2001) Oregon Legislature drafted and passed a bill creating the Road User Fee Task Force, signed into law by Governor John Kitzhaber. The new law charged the task force with developing a new road revenue system alternative to the gas tax. *The same legislation directed the Oregon Department of Transportation (ODOT) to administer the task force and run one or more pilot projects (italics added).*

The mere name of the Road User Fee Task Force gives a clue as to the eventual outcome of its investigations into 28 different potential revenue sources. The central feature of the new system would be based on road use. While many tax and fee systems are built on a subsidy basis, meaning one set of fee or tax payers pay more so that another set of payers can pay less, the new system would directly connect to the burden each particular user places on the road system. Therefore, the amount paid would be a "fee for service" rather than a general tax unrelated to use.

While principally designed to replace the gas tax over time, the Oregon Mileage Fee Concept also provides an electronic platform for creative applications of congestion pricing to manage levels of traffic during peak periods of driving. In other words, the concept accommodates creation of multiple "zones" that allow not only local option but also various pricing methodologies. The pilot program successfully tested "area pricing" but this conceptual system could expand to allow a virtually unlimited number of congestion pricing applications, not only area pricing but also cordon pricing, distance or point tolling of individual facilities and time-of-day pricing of onramps to limited access highways, or combinations—most without roadside infrastructure. Indeed, congestion pricing strategies could be tailored in ways that fit the individual natures of urban communities. These strategies could be phased in over time as congestion management needs surface. (p v)

US VMT Pilot Projects
Evan Landman

Vehicle Miles Traveled (VMT) fees are a proposed transportation funding mechanism often presented as an alternative to the existing fuel tax. Instead of the traditional per gallon tax on fuel, VMT fees are calculated based on the distance and route choices of automobile travel. Fuel taxes have long been a major source of funds for transportation budgets, but have increasingly fallen short as construction costs have increased and more drivers have chosen hybrid and fuel-efficient vehicles.. VMT allows the cost of automobile transportation to better reflect drivers' use of roads, and to respond to the supply of and demand for roads. Variable or congestion pricing can also take into account factors such as vehicle type and time of travel to better match the costs created by use of those facilities.

There have been many studies evaluating the suitability of VMT fees as a funding source to replace the gas tax, but as of 2012 only a small number of actual pilot projects have been completed. VMT pilot projects have investigated monitoring, billing and privacy technology, driver behavioral changes, congestion pricing, rate-setting, and other aspects of transportation associated with a mileage-pricing system. The Congressional Budget Office (CBO), in a report on the feasibility of VMT pricing as a future highway funding mechanism, makes this point about the difficulties of implementing such a system:

> *In implementing VMT taxes, policymakers would confront interrelated questions about the goals of the system, which vehicles and roads to include, and what methods and technology would be used to administer the system, as well as questions about how the system should be introduced.*

These case studies illustrate a variety of VMT pricing schemes that have been tested as pilot or demonstration projects in the US.

Puget Sound Regional Council (PSRC) Traffic Choices Study

The Puget Sound Regional Council (PSRC) pilot was funded by a Federal Highway Administration (FHA) grant. The study was designed to collect data about the behavioral implications of variable pricing on road demand in the Puget Sound Region, i.e. how travelers respond to variable price signals. In general, variable pricing seeks to link the cost of road use to impact on the facility used and on congestion.

GPS toll meters were installed in 275 households' vehicles. These meters monitored participants' driving patterns and deducted tolls from a travel budget account provided by PSRC. In this study, tolls were based on time of day (peak/off-peak), day of week (weekday/weekend), and road type (freeway/non-freeway). Participants were provided with the information necessary to make economic decisions about their commuting patterns as part of their travel budget. Travelers were able to respond in a number of ways identified in the report: (1) travel by alternative paths, (2) change the number of times that the affected trips occur, (3) select another mode of travel, or (4) travel at a different time.

Across all weekly trips, researchers observed a 7% reduction in trips, a 12 % reduction in total VMT and an 8% reduction in drive time. They also noted a 6% reduction in trip segments and a 13%

reduction in miles driven on tolled roads. The report concludes that "households and motorists faced with variable tolls do make the small adjustments in their travel that will translate into large-scale reductions in roadway congestion".

This study also asked participants to comment on privacy issues inherent in the implementation of a public sector managed GPS-based VMT system. While prior to taking part, the largest portion of respondents were ambivalent. However, after the study, the number who were not very concerned and the number who were very concerned both increased.

In the Media

The Traffic Choices study received some coverage in local media. While the trial was ongoing, *The Seattle Times* explained the study concept and interviewed two participants: one who had made major changes to his commute during the study, the other minimal. This article notes privacy as a major concern and writes: "No one's talking about imposing a scheme like this for real here anytime soon. Politically, it's a non-starter, policy-makers agree" (Pryne, 2005).

Following the release of the study report, *The Seattle Times* published another article explaining congestion pricing, but this time quoting a former state representative and tolling skeptic: "What you're saying here is, 'I want you to stay home.' Or, 'I want you to live in cages, stacked on top of one another. I want you to live where you work, like in a company town'" (Pryne, 2008).

ODOT Road User Fee Pilot Program

The Oregon demonstration project was conducted over 12 months beginning in 2006 in the Portland region. ODOT installed GPS monitoring devices on 285 participants' vehicles which recorded miles traveled in different jurisdictional zones during the study period. Participants paid mileage tolls in lieu of the normal gas tax at participating Leathers Fuels service stations. ODOT calls this system Vehicle Miles Traveled Collected at Retail, or VMTCAR. This is an alternative to centralized collection where mileage data is stored at a central location and drivers are billed are regular intervals.

Because of the limited scope and duration of this project, monitoring and tolling was done using existing GPS and point-of-sale technology. In the first half of the pilot, participants' mileage was recorded but they continued to pay the regular gas tax. In the second half, 10% of participants continued with the control, while the rest were divided between VMT and variable congestion pricing groups. The VMT group paid a flat fee of 1.2 cents/mile while thehe congestion pricing group paid .43 cents/mile and an additional 10 cents/mile during weekday commuting periods. Fees were taken from a budget developed based on the drivers' mileage recorded in the control phase.

ODOT's final report found that VMT was a viable alternative to the gas tax funding structure, both financially and operationally. The Oregon study demonstrated that paying at the pump worked and that integration with current gas tax collection infrastructure (POS system) is possible. They also concluded that a VMT system could be implemented over a short period of time, 3-5 years, with the backing of USDOT.

In the Media

The ODOT study didn't warrant much coverage at the time, but since the publication of the report it has been frequently referred to in articles on VMT fees in and outside of Oregon. ODOT is soon to conduct another VMT trial and current coverage recalls the previous pilot: "Last time ODOT

conducted a similar pilot program it didn't sit well with the public… People were concerned that the government would be spying on them" (Barron-Lopez, 2012).

The *Willamette Week* also ran a story based on interviews with study participants: "Two of the three participants contacted by *WW* concluded they'd prefer the status quo" (Waldroupe, 2007). This story also cites privacy concerns and environmental questions about whether the driver of a Prius would be charged the same as the driver of a Hummer. This was essentially a retread of a previous piece covering the same ground prior to the pilot project (Hunt, 2005).

Minnesota DOT Mileage-Based User Fee Demonstration Project

Minnesota conducted a demonstration project in mileage pricing in 2006. It should be noted that this study was not set up as an investigation into a gas tax alternative. The main objectives were to simulate the replacement of vehicle fixed costs with variable costs that give drivers explicit price signals about travel decisions and alternatives and to develop an understanding of how drivers respond to these price signals.

Mileage was recorded with a CarChip, a device that recorded both distance (from the vehicle's odometer) and time of travel. Researchers asked participants to swap CarChips occasionally so that they could retrieve data. Unlike in the Oregon study, this was not an effort to test potential tolling technology.

In the first control stage, participants' mileage was recorded without pricing for 3 months. For the next three month period, half of the group was given a mileage budget equal to the number of miles driven during the control period. In this second phase, any miles driven would be charged a certain rate per mile. This study also tested numerous pricing schemes. There were 11 pricing levels, ranging from a flat fee of $0.05/mile to a variable rate of $0.25/mile at peak times and $0.10/mile off-peak. Each household participating in the study was randomly assigned one of the 11 levels for their priced period.

Overall, the daily mileage of priced vehicles declined 4.4% from the unpriced control period. Weekday daily miles, weekday peak miles, weekday off-peak miles and weekend daily miles all declined when priced. However, despite this observed decline in mileage, a majority of participants surveyed reported that they found it difficult to reduce the amount of miles they drove (57%), and that the price per mile made virtually no difference in their driving patters (69%).

In addition, no clear link between the price levels and miles driven was shown. For example, the highest price class ($0.25/mile) in flat pricing was matched to an increase in miles driven. The report describes this as a "random" distribution and attributes this outcome to the small sample sizes in each category.

Minnesota DOT Mileage-Based User Fee (2012)

MnDOT is currently operating a mileage pricing pilot. Unlike the 2006 project, this one is focused on mileage pricing as a gas tax alternative. No reports have been released on the pilot project yet, but the specifics of the technology used are known. Participants in Hennepin and Wright Counties near Minneapolis are testing a smartphone GPS application that tracks trip data.

Interestingly, the Minneapolis Star Tribune's most extensive story on this pilot delved into the financial outlook for VMT. The author interviewed a public policy professor at the University of Minnesota who argued that "it costs about 5 cents to collect every $1 of gas taxes, but can cost 20 cents or more to collect $1 in miles taxes. He said there is hope that with better technology it can quickly fall to 15 cents" (Doyle, 2011).

University of Iowa Public Policy Center Nationwide Study

The University of Iowa conducted a multistate study from 1999 to 2011 in partnership with state transportation departments, the Federal Highway Administration and USDOT. The first part of this study tested practices for the implementation of a VMT pricing pilot. The second part, field-testing the concepts developed in part one, concluded in 2010.This study focused on how a VMT pricing system might be implemented at a broad scale.

Approximately 2650 volunteers in 12 different areas had a GPS receiver installed in their vehicle, which monitored their driving for a 2-year period. The GPS was used to determine which jurisdictions participants traveled within, but did not store or transmit specific trip information to ensure privacy. This onboard unit also converted mileage into VMT fees owed. Periodically, the GPS unit transmitted dollar fee totals for different jurisdictions to the billing center, which then distributed bills to users and revenue to jurisdictions.

This fee structure in this study was set up to achieve revenue parity with the current gas tax. Researchers classed participant vehicles into different fee groups based on fuel efficiency in an attempt to match the VMT fee to the distance driven during the control period.
A major part of this study was designed to test user responses to different levels of monitoring, given the public's privacy and data security concerns in implementing a VMT pricing system. Researchers wanted to find out how users responded to different configurations of monitoring devices set up for maximum privacy or auditability. With the former, only fee data was transmitted to the billing center and the user's bill was limited in detail. Using the maximum auditability configuration, the billing statement included a breakdown of distances driven each day in each jurisdiction. During the second year, a third level of privacy was added, which provided a less detailed monthly summary with the billing statement.

Throughout the project, participants were asked a number of survey questions to gauge their feelings about replacing the gas tax with a VMT tax as they gained experience with the system. There was an increase from 41% reporting favorable attitudes prior to the study to 70% favorable after the study concluded.

Nevada DOT Vehicle Miles Traveled Fee Study (ongoing)

Nevada is currently midway through a VMT fee study. According to NDOT's published timeline, background work was completed in 2010, with a field test scheduled for 2010-2011. No data or reports from the field test have been released to date. The background report addresses the same problems with the current funding mechanism, that gas taxes are not indexed for inflation, are low compared to other countries, diminish as more fuel-efficient vehicles are on the roads, and that there is a growing gap between gas tax revenues and the funding needs of transportation projects.

According to NDOT's materials, the technology used in the field test is due to be expanded to a study group of 1500 drivers this year. This study will focus on how to implement a VMT pricing system. They are testing a system based solely on odometer readings and are evaluating both at-the-pump and periodic billing.

NDOT's materials for this study emphasize that it is not considering any of the following: variable pricing based on vehicle characteristics, jurisdiction, congestion or travel time; GPS or location-tracking technology; any technology that tracks vehicle information beyond miles traveled; rates; potential for additional revenue through a VMT system.

In the Media

Nevada media began to cover this study during the preliminary stages. *The Las Vegas Review-Journal* led with the invasion of privacy angle, quoting someone from the ACLU: "In some of the proposals, the government would know where you were driving 24 hours a day" (Vogel 2010). *The Las Vegas Sun* newspaper notes the privacy concerns, but also addresses the transportation funding issues that have led to the VMT study.

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Agenda Item No. 4.0

**FISCAL YEAR 2012-13 SECOND
QUARTER MANAGEMENT REPORT**

Metro Council Work Session
Tuesday, Feb. 5, 2013
Metro, Council Chamber

METRO COUNCIL

Work Session Worksheet

Presentation Date Feb. 5, 2013   Time: 2:10 p.m.   Length: 15 min.

Presentation Title: Fiscal year 2012-13 second quarter management report

Service, Office, or Center:
              Office of the COO

Presenters (include phone number/extension and alternative contact information):
___ Deputy Chief Operating Officer Scott Robinson, x1605, Employee Communications Manager Cary Stacey, x1619__

ISSUE & BACKGROUND

The quarterly management report gives summarized and detailed information about how Metro met its mission and goals through our public-facing programs from October 2012 through January 2013.

This item is informational; no action is needed.

OPTIONS AVAILABLE

N/A

IMPLICATIONS AND SUGGESTIONS

N/A

QUESTION(S) PRESENTED FOR CONSIDERATION

N/A

LEGISLATION WOULD BE REQUIRED FOR COUNCIL ACTION __Yes X_No
DRAFT IS ATTACHED ___Yes _X_No

Materials following this page were distributed at the meeting.

2012-13

SECOND QUARTER MANAGEMENT REPORT
October through December

Metro | *Making a great place*

FY 2012-13 Second quarter management report
Table of contents

Metro Management Report At-a-Glance
2nd Quarter FY 2012-13

Metro completed many on-the-ground projects at Metro facilities and in the community. Financial constraints continue to threaten long-term planning efforts and some projects.

Southwest Corridor and Powell/Division Corridor projects made progress with partners; the East Metro Connection Plan will receive a national grant for two key projects. Staff is readying for Community Planning and Development grant proposals; stakeholder work on industrial site readiness continued. A fourth transit-oriented development project was completed this fiscal year with five more projects underway; the Get Street Smart series concluded. Funding challenges may limit transportation system planning projects, including the Regional Safety Program and Regional Transportation Plan.

Council issued non-system licenses to deliver solid waste to the Covanta waste-to-energy facility in Marion County; to deliver waste to the Riverbend Landfill; and to deliver waste to various disposal sites not owned by Waste Management, Metro's contract disposal operator.

The acquisition of 107 acres of natural areas brought total bond property purchases to 4,376 acres; restoration and maintenance occurred on approximately 1,000 acres. Local share and grant-supported community projects were completed throughout the region. The finalized Tonquin Trail plan went to the Metro Council and local jurisdictions for adoption; the Blue Lake Trail project is behind schedule and in need of additional local match funds.

Blue Lake Park's new Disc Golf Course will host its first tournament in March. Oxbow Park received a state of Oregon grant to replace amenities lost from winter erosion damage; online camping reservations went live. CourseCo assumed operations at Glendoveer Golf Course in January and Metro continues work on improvements at the facility. Construction began on Gleason Boat Ramp improvements. The Cemetery Advisory committee began reviewing program plans and the Lone Fir Cemetery Foundation raised $10,000 at its kickoff event.

A project to increase floor space at Metro Central transfer station to ease pressure from processing organics was completed. Recology's continuing problems processing organics may result in limited capacity at its North Plains facility. MetroPaint sales exceed those from the same period last year.

The 2012 Sustainability report for Metro facilities and operations was delivered to the Metro Council. Oregon Consensus assessed affected stakeholders' potential to collaboratively address composting standards; Metro will convene stakeholders in February to work towards a solution. The Recycling Information Center answered 16,119 calls and the Find-A-Recycler web site had 18,231 visits.

Zoo staff will move forward with property purchase option for a Remote Elephant Center; Metro Council allocated additional funds for the Elephant Lands project. The new Condor Habitat project remains on schedule and budget. The Washington Park parking management agreement was approved by all parties.

Despite crowds visiting new baby elephant Lily and record-breaking attendance in December, Oregon Zoo revenues are below budget. Both the Oregon Convention Center and Expo Center had strong events; the Expo's West Delta Bar and Grill saw significant revenue increases. The OCC continued negotiations on a hotel and received an economic impact report. The Expo Center convened its first advisory committee meeting and unveiled new tower signage. The Portland Center for the Performing Arts' branding effort resulted in a new name; funding challenges still threaten PCPA's ability to support resident companies.

The following report lists Metro project and program highlights for the second quarter of this fiscal year.

Metro management report for 2nd quarter, FY 2012-13

Metro Management Report At-a-Glance
2nd Quarter FY 2012-13

Finance and Regulatory Services
Solid waste compliance and cleanup highlights
- Program is on track with facility inspections, enforcement actions, regulatory authorizations and private facilities complying with Enhanced Dry Waste Recovery Program (EDWRP).
- Staff confirmed with Carlton city officials Metro's role regarding waste transportation to Riverbend Landfill; Metro will continue to inspect trucks at the Forest Grove Transfer Station for leaks and other problems.
- Council issued non-system licenses, to deliver solid waste to the Covanta waste-to-energy facility in Marion County; to deliver waste to the Riverbend Landfill; and to deliver waste to various disposal sites not owned by Waste Management, Metro's contract disposal operator.
- Amended the Columbia Biogas franchise to provide an extension until July 1, 2013 to begin construction of the anaerobic digestion facility.
- Allied Waste requested designated facility status for its Pacific Region Compost operation in Benton County; Council will have opportunity to consider whether to list the facility in the Metro Code once a draft agreement is ready to move forward.
- Metro Council considered the future of community enhancement fees at solid waste facilities; staff is developing a Code proposal for further Council consideration.
- After proper posting and notice, Metro cleaned up illegal camp sites in the Newell Creek area in accordance with Metro's new cleanup policy.
- Solid waste cleanup program staff will host a January training for Metro property managers on how to manage sites where illegal camping and dumping take place.
- Staff is developing a detailed application process for transfer station franchise requests to alter tonnage caps.

Parks and Environmental Services
Parks and natural areas management highlights
- Low cemetery program revenues in FY 2012-13 has been attributed to the closure of three Metro cemeteries along with a national trend showing a significant decrease in full body burial; staff held a discount sale from mid-December through Jan. 31, 2013, promoting the sale through advertising and outreach.
- Cemetery staff has proposed a reduction in the midlevel tier of its rate structure; the rate reduction proposal is awaiting COO approval.
- After a request for bid for a cremation garden at Lone Fir Pioneer Cemetery yielded two bids significantly over budget for the project, staff will reissue the RFB to the general public; the garden is slated to be open for sales in May 2013.
- A contract award for Interment Services, which includes grave opening and closing, soil management, and providing service amenities for Metro's customers, is slated to be complete by Jan. 31, 2013.
- Cemetery Advisory Committee held its first formal meeting in December, reviewing roles and responsibilities and a plan to clean up gravesites and grounds; the first cleanup project will begin Feb. 9, 2013.
- A marketing plan for the cemetery program will be presented to the Cemetery Advisory Committee on Feb. 28, 2013.

- A draft plan Inadvertent Discovery Plan for the Cultural Heritage Garden and Memorial at Lone Fir is currently under review; the draft plan will be presented to the State Historic Preservation Office (SHPO) by March 2013.
- The Lone Fir Cemetery Foundation launched on Oct. 17, 2012 with approximately 75 attendees; the event raised nearly $10,000 for the foundation.
- Staff procured cemetery-specific records software for more efficient and secure management of interment records; installation is slated for the 3rd Quarter.
- Blue Lake Park saw an increase in visitors during the second quarter compared the same period last year, but the Chinook Boat Ramp and Oxbow Park had a slight downturn in visitors; for the calendar year, all three facilities have seen increases in visitors.
- A State Parks Department grant of $75,000 was awarded to replace lost amenities at Oxbow Park; the project is expected to start work this spring and extend into the summer, building a new campground road and providing access to 15 new campsites and six RV pull-through sites.
- Construction began on the $1.3M Gleason Boat Ramp Phase 4 construction project; the State Marine Board has approved additional funding for the project and completion should occur by Summer 2013.
- Oxbow Park camping reservations are now available online; the service is being provided through a cooperative agreement with the State of Oregon Parks and Recreation Department.
- Blue Lake's Disc Golf Course was selected to host the Stumptown Slosh Disc Golf Tournament on March 9 and 10, 2013; the course's first official tournament.
- CourseCo, the new operator for Glendoveer, began operations on Jan. 1, 2013; a number of reinvestment projects to improve the facility were completed with more scheduled for spring; staff successfully executed a new lease with the Ringside Restaurant.

Solid waste operations highlights
- Completed the Metro Central Organic Transfer Improvements project in early October; the project was completed on schedule and on budget, increasing space to handle organics by 3,000 square feet.
- Entered into a contract with major national engineering firm HDR to study how to best provide transfer services in the area served by the Metro South Station; the study is part of the Solid Waste Roadmap and will take a year or so to complete.
- Metro's contractor, Recology, continues to encounter problems with odors at Nature's Needs, where it processes organics containing food wastes from Metro Central; a Washington County decision on whether to curtail or eliminate acceptance of food waste at the facility is expected on Jan. 22.
- The MetroPaint facility has sold more than 100,000 gallons this fiscal year with sales revenue running 15 percent ahead of this time last year.
- A draft Feasibility Study for the St. Johns Remedial Investigation/ Feasibility Study is underway; the final study will serve as the basis for a DEQ decision on environmental remediation that may be required at the landfill.

Planning and Development
Land use planning highlights
- Staff solicited direction from a broad stakeholder group on Community Planning and Development Grant evaluation criteria related to awards in new urban areas and urban reserves; along with a revised application handbook, staff is ready to request grant proposals in the next quarter.
- Presented final city and county population and employment forecast distribution in the region to Metro Council for action.

- Began implementing recommendations from Phase II of the collaborative effort with the Port, Business Oregon and others to assess barriers to development of large industrial sites.
- Released reports for regional brownfields scoping and parcelization assessments projects to promote site development readiness; presented the results to Metro Council, MTAC, MPAC and other stakeholders to reach agreement on next steps.
- Supported Council growth management decision and state review of the 2011 decision and the 2010 urban and rural reserves decision; initiated process to prepare for the next urban growth report and growth management decision.

Project development highlights
- Southwest Corridor team worked with project partners to narrow a large inventory of potential projects to be incorporated into five potential investment strategies for the corridor; the team convened a workshop of public participants and Steering Committee members to prepare for big decisions ahead; land use work will identify priority areas for transit service and other community investments.
- Continued development on next project for Powell/Division Corridor; results of Federal Transit Administration Alternatives Analysis grant application are still pending and the team is considering local and regional funding options if the grant isn't awarded; project partners met to financially commit to the project.
- Received verbal confirmation that the Transportation Research Board grant to help implement two key East Metro Connection Plan projects - widening the 238th/242nd connection to I-84, and safety improvements in the Powell, Hogan/Burnside southern gateway area - will be awarded; staff is awaiting a hard copy of the award letter before making an official announcement and commencing work, likely in late January.
- The Development Center completed the Get Street Smart workshop series in Hillsboro, Gresham, Lake Oswego and Oregon City with enthusiastic reviews from participants.
- Construction was completed on the Milano, a six-story urban style building near the Rose Quarter transit center; it is the fourth Transit-oriented Development project completed in FY 2012-13.
- Construction progresses on three TOD projects: 4th Main, a mixed use workforce apartment and retail development located in downtown Hillsboro; the Hollywood Apartments, a mixed-use workforce housing development near the Hollywood MAX station; and the Prescott, a mixed-use workforce housing development located adjacent to the Prescott MAX station.
- The TOD Steering Committee and Metro Council authorized funding for two projects: The Rose, two four-story buildings with affordable apartments and a publicly accessible plaza located near both the Gateway and 102nd MAX stations, and Moreland Station, a four-story apartment building to the west of the future Tacoma station.

Transportation system planning highlights
- Conducted the U.S. Department of Transportation quadrennial federal certification review.
- Continued negotiations with ODOT and the Oregon MPOs on allocation of federal planning funds to Oregon's MPOs, based on 2010 U.S. Census.
- Coordinated public comment and provided testimony on behalf of regional partners on the Oregon Metropolitan Scenario Planning Rule to the Land Conservation and Development Commission (the rule was approved in November).
- Program administration funding proposal for the TSMO program was withdrawn from JPACT consideration due to lack of support from partners; a new, scaled strategy is scheduled for consideration by the TRANSPORT Subcommittee of TPAC in January.

Metro management report for 2nd quarter, FY 2012-13

- Discussion has been tabled at JPACT on potential funding for a Regional Safety Program; other ways to implement this program include alternate funding sources or integration with partner projects.
- Long-term shortfall in federal planning grants will significantly impact the ability to meet federal planning mandates for the Regional Transportation Plan in 2013-14; staff work with ODOT and other Oregon MPOs to update the federal planning grant formula will not meet the expected shortfall.

Sustainability Center
Natural areas highlights
- Acquired 107 acres of natural areas; bond property purchases now total 4,376 acres.
- Completed local share projects including acquisitions by Beaverton and Portland (in partnership with Metro), Troutdale's College Nature Park behind Mt. Hood Community College, and Fairview's trail improvements and bank restoration at Salish Ponds Nature Park.
- Conducted restoration and maintenance on 15 natural areas, approximately 1,000 acres.
- Native Plant Center provided over 200 lbs of seed and over 7,000 plants for restoration projects at four sites.
- Projects completed with Nature in Neighborhoods planning grants include a conceptual plan for the John Inskeep Environmental Learning Center at Clackamas Community College and a feasibility study and restoration recommendations for Rinearson Creek in Gladstone.
- Received 11 Letters of Interest for the Nature in Neighborhoods Capital Grants 2013 funding cycle.
- Nature in Neighborhoods Capital Grant recipients completed several significant projects including green features and a rain garden at the new Virginia Garcia Memorial Health Clinic in Cornelius, Klein Point Overlook in Milwaukie Waterfront Park, and extensive habitat restoration at North Clackamas Park.
- The Intertwine Alliance held its Fall Summit with more than 250 attendees; the event highlighted the completion of The Intertwine's Regional Conservation Strategy and launched the first phase of its implementation - a Regional Urban Forestry Strategy.

Parks planning and development highlights
- Per Council directive, staff is readying for a five-year local option levy, should the voters decide to support it in May 2013.
- Pier Park to Chimney Park bike/pedestrian bridge bidding is scheduled for Feb. 28, 2013.
- The second round of open houses for the Westside Trail Master Plan was well attended.
- Finalized the Tonquin Trail plan and delivered to Metro Council and local jurisdictions for review.
- Completed agreements with ODOT and six local jurisdictions that will cover design and implementation of Intertwine regional trail signage; work scope is being negotiated with ODOT.
- Smith and Bybee Natural Resources Management Plan: Staff is submitting additional information in hopes that the City will accept the application as complete; a land use decision is expected in May.
- A second set of open houses for the Mt. Scott/Scouter Mountain Trail Loop is scheduled for January.
- Because of repeated submittals, the Blue Lake Trail project is behind schedule and will need additional local match funds; Council will consider a resolution on this issue in the coming weeks.
- Began Regional Trails Map update with a completion date of June 30, 2013.

Resource conservation and recycling highlights

- The Recycling Information Center answered 16,119 calls and the Find-A-Recycler web site received 18,231 visits.
- The Natural Gardening program directly reached more than 22,000 people in calendar year 2012, resulting in more than 1,700 pledges to reduce or stop using garden chemicals.
- Worked with Oregon Consensus to assess affected stakeholders' potential to collaboratively address composting standards; Metro will convene stakeholders in February to work towards a solution.
- A data report regarding energy efficiency projects completed at six Metro facilities from June 2011 through October 2012 showed a savings of 3.5 million kilowatt hours and 23,432 therms annually.
- Delivered the 2012 Sustainability Report for Metro facilities and operations to the Metro Council.

Visitor Venues

Convention, trade and consumer shows highlights

- Oregon Convention Center hosted several major clients including Applied Semiconductor (generated $534,000 in revenue), The Wildlife Society (generated $251,000 in revenue), International Code Council (generated $310,000 in revenue) and Festival of Trees (generated $272,000 in revenue).
- The OCC continued negotiations with Hyatt/Mortenson Development on a Convention Center Hotel; the Strategic Advisory Group provided an economic impact report (available on Metro's website).
- The OCC began work with Green Building Services to assist in the quest for LEED-Existing Building Gold certification.
- The Portland Expo Center saw strong overall event showings from long-time clients; Collector's West and Rose City Gun Shows (up 35%), Christmas Bazaar (up 31%) and Portland Home and Garden Show (up 22%).
- Expo's West Delta Bar and Grill realized significant increases over the quarter.
- Gathered the first meeting of the new Expo Center Advisory Committee to assist with long-term funding strategies, community building and policy advice.
- The Expo Center unveiled its newly painted tower, with neon signage visible from the Interstate..
- Produced bus and light-rail advertising campaign to highlight upcoming events at Expo.

Performing arts, arts and culture highlights

- Branding effort resulted in a new name for PCPA; Portland'5, Centers for the Arts; a new website is slated for this summer.
- Developed new logos for all five theaters.
- Venues Today magazine named Keller #1 and Schnitzer #2 as top stops for the Pacific Northwest.
- The south concession stand in the Keller lobby was renamed The Ghost Light Bar and new signage was added.
- Funding is still unavailable for further design of the Schnitzer/Main Street project; the PCPA Foundation plans to re-assess in six months the viability of this effort.

Zoo conservation and research highlights

- 2308 Oregon Spotted Butterfly eggs hatched and were placed in winter diapause containers for release in the spring/summer.
- 21 Oregon Spotted Frogs raised at the Zoo were released at Joint Base Lewes McChord, WA.
- Received funding for a Foley-Frischkorn Conservation Fund Grant entitled: "Conservation and Welfare Endocrinology: Establishing a Lab for Noninvasive Hormone Monitoring at Oregon Zoo" in the amount of $13,700.

Zoo education highlights

- Began gathering data to evaluate the Waste Reduction Education Program and the Waste Reduction Education at Outdoor School Program; results are expected this summer.
- 8,200 students and teachers participated in waste reduction programs including puppet shows, assembly programs, and classroom presentations
- Winter Camp at the Zoo had 785 participants, the highest attendance since 2008.
- More than 300 people participated in Metro's annual Salmon Homecoming activities at Oxbow Regional Park and 650 youth and 180 adult chaperones participated in salmon field trips
- Zoo Animal Presenters conducted 15 outreach events, presenting to 500 children and 450 adults.

Zoo Infrastructure Bond (A Better Zoo Program) highlights

- Bureau of Development Services recommended approval of new Zoo Conditional Use Master Plan application; the Hearings Officer decision is expected Jan. 13, 2013.
- The new parking management agreement covering all parking in Washington Park has been approved by all parties.
- A revised Good Neighbor Agreement is expected to be executed in the next month or two with Arlington Heights Neighborhood Association; Sylvan Highlands Neighborhood Association is not able to pursue a Good Neighbor Agreement at this time.
- The Washington Park South Entry Visioning Study (Phase II) was distributed with support from both neighborhood associations.
- The Hearings Officer approved the conditional use application for use of the West Lot and the final decision was recorded on Nov. 16; this conditional use process is complete.
- The Penguin Life Support System Upgrade Project is complete and penguins are back on exhibit.
- Metro Council directed staff to exercise the property purchase option for the Roslyn Lake property for a Remote Elephant Center; project plan development continues.
- The 100 percent design development estimates were completed for the Elephant Lands project, exceeding the established budget; Metro Council approved allocating a portion of unanticipated and unallocated bond sale premium funds to the project and the design team will begin preparing construction documents for elephants and modify designs on Wildlife Live, train and road.
- Construction documents for the new California Condor Habitat are nearly complete; a permit set is under review at the City of Portland; a Request for Bid for construction services will begin in January; the project remains on schedule and budget.
- The Public Art Advisory Committee and Regional Arts and Culture Council will invite 27 public artists, to submit a response to a Request for Qualifications.

Zoo visitor experience highlights

- Volunteers and Guest Services staff worked together to support guest interest in baby elephant Lily, as well as information about the upcoming Elephant Lands construction.
- Attendance set a monthly record in December at 219,000 and ZooLights had the second-best attendance in history by drawing 183,000 visitors. Overall revenue is below budget and management continues to monitor costs.
- The railroad carried 113,000 riders for ZooLights with revenues totaling $232,000.
- Focus is shifting to planning for the summer 2013 concert season, supporting moves and plans for the Elephant Lands project and planning for admissions, food services and facilities management.

Budget and performance reporting framework

Metro Council Work Session | February 5, 2013

Scott Robinson

Metro | *People places. Open spaces.*

Strategic planning and operational model

Performance reporting framework
Three types of reporting

1 Quarterly Management Reports
Status of Metro program performance

2 Quarterly Financial Reports

Financial performance of the agency

3 Annual Balanced scorecard
Overall agency-wide health

Quarterly Management Report
2nd Quarter 2012-13

Top 10 Accomplishments
By Metro Value

Public Service   **Excellence**

Innovation   **Respect**

Teamwork   **Sustainability**

Top 10 Accomplishments

10. Zoo attendance set a monthly record in December (219,000) (Public Service)

9. Oxbow park work to enhance park amenities (camp and RV sites and online reservations introduced (Innovation, Public Service)

8. Development Center "Get Smart" workshops completed in Gresham, Hillsboro, Lake Oswego and Oregon City (Respect)

7. Lone Fir Cremation Garden design and bid (Innovation)

6. Agency & OCC sustainability achievements (Sustainability)

Top 10 Accomplishments

5. Regional trail efforts (Teamwork)

4. Venues Today Magazine names Keller (#1) and Schnitzer #2 top stops for the PNW.   (Excellence)

3. Natural areas operating levy referral (Sustainability)

2. SW Corridor – Working with project partners, narrowing the list of projects to be incorporated (Teamwork)

1. Approval of Zoo Conditional Use Master Plan and Negotiated Good Neighbor Agreement (Respect)