

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ENDORSING)	RESOLUTION NO. 15-4597
REGIONAL POLICY AND FUNDING)	
PRIORITIES FOR 2015 STATE)	Introduced by Councilor Craig Dirksen,
TRANSPORTATION LEGISLATION		JPACT Chair

WHEREAS, the governments of the Portland metropolitan region recognize the importance of investing strategically in public infrastructure, particularly transportation infrastructure, as a way to support private investment, economic prosperity, livability and environmental sustainability; and

WHEREAS, transportation investments that support private investment, job creation and long-term economic prosperity also bring increased revenues to local and state government budgets; and

WHEREAS, our region has a track record of working together to creatively finance forward-looking transportation investments that address the needs of both the present and the future, and of combining smart investment with policy innovations that support good jobs, livable communities and a sustainable environment; and

WHEREAS, a combination of locational advantages, careful planning and strategic investments supported by local, regional, state and federal resources and partnerships has helped to make this region globally competitive, the economic engine of the state of Oregon and an example to the nation; and

WHEREAS, the Climate Smart Communities Scenarios Project has demonstrated that with an increase in transportation funding for all modes, this region can accomplish its many goals for economic prosperity, livability, social equity and environmental protection while reducing per capita greenhouse gas emissions from light-duty vehicles as directed by the Oregon Legislature; and

WHEREAS, the Climate Smart Strategy will be initially implemented through a short list of Climate Smart Actions for 2015 and 2016 related to transportation funding; and

WHEREAS, the region has cooperatively participated with the Oregon Transportation Forum to develop a broad base of statewide support for a legislative transportation funding package that addresses all modes to support the movement of people and freight; and

WHEREAS, the Joint Policy Advisory Committee on Transportation (JPACT) has recommended adoption of this resolution at their meeting on January 8, 2015; and

WHEREAS, the Metro Policy Advisory Committee (MPAC) has recommended adoption of this resolution at their meeting on January 28, 2015; now therefore

BE IT RESOLVED:

1. That the Metro Council, JPACT and MPAC adopt the following principles to guide the region's approach to transportation issues in the 2015 legislative session:
 - Jobs and Economic Prosperity: The regional and local governments and agencies of the Portland metropolitan region are committed to partnering with others to support economic prosperity through the maintenance, improvement and efficient operation of a robust transportation system.
 - Regional and Local Plans: The regional and local governments and agencies of the Portland metropolitan region are committed to taking the strategic actions needed to

implement regional and local plans, including reduction of greenhouse gas emissions from light-duty vehicles.

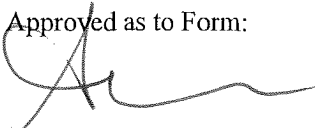
- Support Multi-Modal Investment: The regional and local governments and agencies of the Portland metropolitan region support adoption by the 2015 Oregon Legislature of a funding package designed to address the needs of all modes of transportation for both people and freight.
 - Stable and Reliable Funding: The need to improve and efficiently operate and maintain a multi-modal transportation system requires establishment of funding mechanisms that provide a reliable and stable on-going revenue source and the legislative package should support that objective.
 - Preserve and Expand Local Options: The transportation challenge will require innovative policy and new funding commitments at all levels of government, including additional local funding to repair and maintain existing transportation facilities. Accordingly, the Legislature should remove existing restrictions on local and regional revenue-raising authority; avoid enacting new limitations or pre-emptions; and explore new structures and authorities that give local governments the flexibility to build, operate and fund transportation systems that support prosperity, livability and sustainability.
2. That the Metro Council, JPACT and MPAC endorse transportation funding and policy priorities for the 2015 legislative session as reflected in Exhibit A to this Resolution.
 3. That the Metro Council, JPACT and MPAC endorse the Oregon Transportation Forum Transportation Funding and Policy Package adopted November 6, 2014 as reflected in Exhibit B to this Resolution.

ADOPTED by the Metro Council this 29th day of January 2015.



Tom Hughes, Council President

Approved as to Form:



Alison R. Kean, Metro Attorney

**2015 Regional Transportation Agenda:
Recommendations**

A transportation funding package should be implemented based upon the following principles:

- **Fix It First**
- **Invest in the Future**
- **Implement an All-Modes Approach**
- **Implement a Programmatic Approach**
- **Preserve Local Options**

The elements of the 2015 legislative funding package endorsed by the Portland metropolitan region are as follows:

1. **City/County/State “Fix-It” Program (“catch up and keep up”):** Increase highway trust fund revenues to catch up with needed maintenance, operations and preservation on the city/county/state road system, and index the resource to avoid future losses of revenue.
2. **State and Regional “Enhance” Program:** ODOT consolidated their various road and non-road categories of funds intended for modernization of the multi-modal transportation system into a combined “Enhance” program to facilitate the selection of priority projects most important to each region regardless of mode. Expand the ODOT “Enhance” Program and establish a complementary Regional/Local “Enhance” Program.
3. **Orphan Highway Program:** Establish a pilot funding program to facilitate the transfer of roads between ODOT and local governments to align responsibility with authority.
4. **Elderly and Disabled Transit Service:** Provide funding for transit services to elderly and disabled persons statewide.
5. **Connect Oregon VI:** Support a sixth round of Connect Oregon funding for non-road multi-modal transportation projects.
6. **Youth Transit Service:** Provide grant funding to support improved transit service to meet youth’s transportation needs and provide free or reduced transit fares to youth.
7. **AMTRAK Cascades Passenger Rail Service:** Provide funds to operate the AMTRAK Cascades service between Eugene, Albany/Corvallis, Salem, Oregon City, and Portland to Washington State and Vancouver, B.C.
8. **10-year multi-modal strategic transportation needs assessment:** Develop a 10-year, multi-modal, statewide strategic transportation needs assessment to provide the basis for future legislative funding proposals.

***OREGON TRANSPORTATION FORUM DRAFT
TRANSPORTATION FUNDING AND POLICY PACKAGE
Adopted at the November 6, 2014 Annual Membership Meeting***

Oregon's roads are crumbling. Freight movement faces serious bottlenecks. Many bridges need reinforcement to withstand earthquakes. Our public transit agencies are unable to keep up with demand for service. Some rural communities do not have easy access to essential services. Many Oregonians are unable to safely walk or bicycle in their neighborhoods. Past transportation decisions have failed to adequately consider impacts on public health and the environment. Federal funding is more and more tenuous, and instead of financing new projects, a large portion of current funds must pay off earlier investments.

While transportation is not an end in itself, a safe and reliable transportation system provides a critical foundation for our prosperity and quality of life. It is our responsibility to invest in a better transportation system, immediately and over the long run, to ensure the health and economic wellbeing of our state's residents and communities.

It is for these reasons that the following proposal is being considered.

GOALS OF THE PROPOSAL

- Put Oregonians to work creating cutting-edge multimodal transportation networks to connect people to jobs, attract new talent, and compete on a global scale.
- Address costly and time-consuming bottlenecks and improve connections to ports and freight yards to better serve agriculture, forestry, manufacturing and other key Oregon industries.
- To keep goods and people moving safely and reliably, maintain the transportation system in a state of good repair and increase its resiliency to natural disasters.
- Improve public health and air quality by making our neighborhoods walkable and bikeable and improving access to transit.
- Serve all Oregonians in every part of the state without regard to age, race, disability, or income.
- Reduce transportation-related pollution, preserve our natural environment, and make our transportation system more resilient to the impacts of climate change.

PRINCIPLES

- **FUND ALL MODES:** There is an urgent need to provide adequate funding for all transportation modes that move passengers and freight to improve the safety and reliability of the system and to support economic prosperity, community livability, and environmental quality.

- **FIX IT FIRST:** The State of Oregon’s first priority should be to maintain, rehabilitate and operate existing transportation facilities before building new ones.
- **PROVIDE RELIABLE FUNDING:** Stable and predictable revenues are critical to support ongoing road operations and maintenance as well as transit service enhancements.
- **SHARE COSTS FAIRLY:** The State of Oregon should raise revenue from system users, as appropriate, based on the benefits they derive or the costs they impose on the system.
- **PRESERVE LOCAL OPTIONS:** Addressing our transportation needs will require new funding at all levels of government. Accordingly, the Legislature should remove existing restrictions on local and regional revenue-raising authority and avoid enacting new limitations or pre-emptions.

PACKAGE FUNDING AND POLICY ELEMENTS OF THE PACKAGE

HIGHWAY

- **Prevent loss of highway fund revenue by indexing gas taxes to increases in fuel efficiency of the automobile fleet.**

Comments: This form of indexing acts as a stop-gap measure to prevent further erosion of automobile taxes due to increased fuel efficiency of the fleet until a road user charge can be fully implemented. It does not address the issue of some vehicles that do not pay the fuels tax (e.g. electric vehicles), and it does not impact truck taxes as the indexing will only prevent reduction of revenue owed by automobiles as a class under the cost responsibility requirement of the constitution. Increased revenues from indexing for fuel efficiency would be spent to stabilize revenues available for maintenance and operations.

- **Highway Maintenance and Preservation (“Fix-It”) Tax Increase \$ _____**

Comments: This proposal is intended to address the ongoing cost of maintaining the existing highway system and preventing increased costs caused by postponing maintenance efforts. Any revenue proposal by reference will include provisions for taxation that maintain heavy/light vehicle cost responsibility.

- **Highway Modernization (“Enhance”) Tax Increase \$ _____**

Comments: This proposal will help to resolve costly and time-consuming bottlenecks and improve connections to ports and freight yards to better serve agriculture, forestry,

manufacturing and other key Oregon industries as well as reduce congestion for those travelling to and from their place of employment.

- **Address “orphan highways” and freight corridors by adopting a 1-cent gas tax for a pilot program to facilitate the transfer of road miles between ODOT and local governments to better align ownership and responsibility with state vs. local interests.**

Comments: Jurisdiction over segments of roadway could be more efficiently and appropriately aligned so that those affected by the roadway have decision making authority over it. The State should transfer “orphan highways” – segments of state highway that function more like urban arterials to local governments. Local governments find themselves responsible for local roads and streets that have become statewide freight corridors in practice. Jurisdiction transfers can realign responsibility and authority. However, transfers are not frequent, mostly because of the inability of the receiving entity to pay for maintenance and enhancement of the transferred asset. This proposal seeks to eliminate that obstacle. It is anticipated that a program of this sort would be evaluated after ten years to determine whether it is still needed; if not, the revenue stream could be redirected to the general highway fund.

NON-HIGHWAY

- **Increase funds to enhance non-highway modal infrastructure by restoring the *Connect Oregon* multi-modal funding level to \$100 million in lottery bonds for the 2015-17 biennium. Funds would be used for grants and loans to support capital projects that involve one or more of the following modes of transportation: air; marine; freight rail; passenger rail; public transit; bicycle; and pedestrian.**

Comments: This is a short-term step to be taken while we progress toward the creation of a Multi-Modal Trust Fund analogous to the Highway Trust Fund, with dedicated revenues evenly split between passenger and freight investments.

- **Provide \$22.6 million per biennium for Cascades AMTRAK service.**

Comments: This proposal requests state general funds to cover the lost federal funds that were used to operate and maintain Oregon’s portion of the Cascades AMTRAK service. This amount is in addition to \$6.8 million from custom license plate revenue and \$3.16 million from gas taxes on lawn mowers and other non-road equipment.

- **Provide \$75 million per biennium of state funds to cover the cost of elderly and disabled transit service.**

Comments: This proposal is intended to provide stability to funding for elderly and disabled transit services and provide a nexus for transit related state planning efforts. The rationale is that the state already has significant responsibility for providing services to vulnerable populations. Most of the funding for those services come from the General Fund.

- **Provide up to \$20 million per biennium for Youth Transit Passes**

Comments: This proposal helps high-school-aged youth get to school, weekend and evening educational opportunities, extracurriculars and employment through better access to transit. Transit agencies can use the funds to support increased transit service that might be needed to transport youth quickly and dependably, as well as to provide free or reduced-cost transit passes for youth.

POLICY

- **Develop a 10-year multi-modal transportation needs assessment to establish and quantify the need to operate, maintain and improve the system on a consistent statewide basis. This will serve as the basis for funding proposals to be considered by future Legislatures.**

Comments: This proposal is intended to provide a thoughtful framework of clearly defined system needs and quantification of costs and benefits associated with such needs in such a way that allows policy makers to make informed future decisions about transportation funding.

- **Recommend that state transportation planning efforts (a) include findings regarding how each mode should best interconnect with other modes to maximize use of system resources and (b) evaluate the impact of the plans' findings on other transportation modes.**

Comments: This proposal attempts to alleviate siloing effect of modal planning so that it allows for a fuller consideration of modal connectivity in a systemic and holistic manner.

- **Direct ODOT to enter into agreements with other state agencies or local governments to share the costs of facilities and equipment, to the extent that the facilities and equipment meet the needs of both entities and provide efficiencies to taxpayers. ODOT shall attempt to develop one facility and/or equipment sharing project in each of the five ODOT Regions.**

Comments: This proposal provides direction to ODOT to look for those opportunities where co-locations of facilities and sharing of equipment can work well for both parties or for all parties. Co-location could reduce the overall cost of providing roadway maintenance and operations. Surplus facilities and equipment would be disposed of or repurposed.

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 15- 4597, FOR THE PURPOSE OF ENDORING REGIONAL POLICY AND FUNDING PRIORITIES FOR 2015 STATE TRANSPORTATION LEGISLATION

Date: January 8, 2015

Prepared by: Randy Tucker (xt. 1512)
Andy Cotugno (xt. 1763)

BACKGROUND

THE CASE FOR INVESTING IN TRANSPORTATION

There is a significant need for investment in improved transportation infrastructure to meet the region's goals for economic prosperity, livability and environmental sustainability. A brief overview of the need is as follows:

- The Portland metropolitan region is viewed as a livable, economically competitive and environmentally sustainable region and is therefore growing in population and jobs. To support this growth while maintaining the qualities that attract people and jobs to our region, investments in transportation infrastructure are essential.
- Growing congestion throughout the region limits the region's global economic competitiveness, increases the cost of doing business within the region, reduces access to freight and intermodal terminals serving global and national markets and reduces access to labor for businesses and to jobs for households.
- Implementing the region's adopted land use and transportation plans mitigate the impacts of congestion with an economic value by 2040 of \$684 million/year in increased business output or sales, \$403 million/year in increased business income (above their increased costs) and \$287 million/year in increased wages for the workers. These are the amounts associated with economic growth due to congestion relief above the level of growth expected otherwise. The return on these investments in just economic terms is greater than 1.7 to 1.
- Investing in transportation infrastructure within the Portland metropolitan region also improves the ability of businesses statewide to access global and national markets through the region's marine, air cargo, rail and truck terminals.
- The prized cohort of young, highly educated individuals places a high value on vibrant, livable communities with walkable and bikeable neighborhoods and downtowns and a range of transportation choices. These investments attract people who drive the creativity of the region's labor force and enhance the region's global competitiveness.
- Accommodating the region's growth consistent with adopted plans results in an efficient use of urban land thereby containing the cost of infrastructure expansion into a much larger urban area and preserving highly successful agricultural economies outside the urban growth boundary.

- Investing in transportation infrastructure not only mitigates growth in congestion, it also provides improved multi-modal transportation options for the public to access thereby providing another options to avoid congestion and reduce their cost of travel.
- Strategic investments in transportation infrastructure can make shovel-ready land available for business expansion.
- At the direction of the 2009 Jobs and Transportation Act, the region has completed the Climate Smart Communities Scenarios project and determined that the region’s adopted plans, if implemented, will exceed the state’s adopted targets for reducing greenhouse gas emissions from light-duty vehicle travel, while also achieving a number of co-benefits. It also showed that a lack of investment in needed transportation infrastructure will result in falling short of the goal and other desired outcomes the region has been working to achieve.
- Implementation of the region’s adopted land use and transportation plans will help people live healthier lives and save businesses and households money by reducing public health care costs associated with fatal and severe injury crashes for all modes of travel and illness from air pollution and a lack of physical activity. The monetized value of reduced health care costs related to illness alone equates to \$100-125 million saved per year by 2035. Society values the lives saved through implementation of the Climate Smart Strategy at more than \$1 billion per year by 2035.
- There is a need to invest in the operation, maintenance, rehabilitation and seismic upgrade of existing infrastructure to avoid much higher costs due to failure at a later date. In particular, the state is vulnerable to a major seismic event which could lead to \$405 billion of economic losses during the following seven-year recovery period. Hardening of key state bridges and landslide areas would mitigate this impact and make recovery more feasible.
- ODOT forecasts that existing revenues will result in continued deterioration of bridge and pavement conditions on the state highway system and that an increased investment of \$100 million per year could avoid a cost of \$3.4 – 5.2 billion after 20 years of decreasing investment and worsening bridge and pavement conditions. Allowing bridges and pavements to fail costs 70 to 160 percent more than routine maintenance due to the need to completely replace the facility.

DEVELOPING THE OREGON TRANSPORTATION FORUM’S PROPOSAL

In consideration of this, the region encourages the 2015 Oregon Legislature to enact a comprehensive, “all modes” transportation funding package. Because of the statewide character of the transportation need and the widespread impact of transportation investment and disinvestment, the Portland region joined together to help form and support the Oregon Transportation Forum (OTF). The OTF was created as a broad-based coalition of public sector, private sector, and community organizations that are responsible for delivery of an effective transportation system or significantly impacted by its outcomes. Membership of the OTF is comprised of the following organizations:

<ul style="list-style-type: none"> • 1000 Friends of Oregon • AAA Oregon/Idaho • American Council of Engineering Companies • Associated General Contractors 	<ul style="list-style-type: none"> • Oregon Department of Transportation • Oregon Environmental Council • Oregon Public Ports Association • Oregon Refuse and Recycling Association • Oregon State Building & Construction
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<ul style="list-style-type: none"> • Associated Oregon Industries • Association of Oregon Counties • Bicycle Transportation Alliance • BNSF Railway • Business Oregon • City of Beaverton • City of Bend • City of Portland • City of Tigard • City of Wilsonville • Clackamas County • Coos Siskiyou Shippers Coalition • Lane Transit District • League of Oregon Cities • Metro • Oregon Concrete & Aggregate Producers Assoc. 	<ul style="list-style-type: none"> Trades Council • Oregon Transit Association • Oregon Travel Experience • Oregon Trucking Association • Oregon Vehicle Dealer Association • Portland Cement Association • Portland & Western Railroad • Port of Coos Bay • Port of Portland • State Street Solutions • Transportation for America Committee • Tri-Met • Upstream Public Health • Union Pacific Railroad • Washington County • Western States Petroleum Association
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KEY FEATURES OF THE OREGON TRANSPORTATION FORUM PACKAGE AND PRIORITY INTERESTS FOR THE PORTLAND REGION

The OTF package recommended for adoption by the 2015 Legislature is designed to be an “all modes” package to address the needs described above. The package includes proposals for “Fix-It” to maintain, operate, rehabilitate and seismically retrofit the existing system; proposals for “Enhance” to upgrade and improve the system in support of growth and economic development; and policies to more efficiently and strategically guide future investments. Unlike nearly every other state, Oregon cannot address its transportation needs by simply increasing the sales tax. Rather, due to the characteristics of Oregon’s tax system, the package is comprised of a series of targeted revenue increases supporting the highway trust fund for road-related purposes and allocation of general funds/lottery funds for targeted non-road purposes. Key features (which are described more fully in Attachment 1 to this Staff Report) are as follows:

1. **City/County/State “Fix-It” Program (“catch up and keep up”):** The region acknowledges and supports the principle of “Fix It First” and therefore supports an increase in highway trust fund revenues to support operations, maintenance, rehabilitation and seismic upgrades. This increased level of funding is needed by all road jurisdictions statewide from the smallest to the largest and therefore the region supports distribution through the historical 50/30/20 split between ODOT/Counties/Cities. Further, the region supports indexing of the taxes on light duty vehicles (cars and small trucks) for changes in the fuel efficiency of the fleet. However, the region also acknowledges that the state will never fully meet local maintenance needs and therefore continued pursuit of local sources will be essential.
2. **State and Regional “Enhance” Program:** In addition to taking care of what we have, the region urgently recognizes the need to invest in expansion and improvement of the transportation system to support growth and economic development. The Portland region is the economic engine of the state and the portal for goods and services produced statewide to access national and global markets. Lack of investment will result in negative impacts on economic prosperity, livability, environmental sustainability, health costs and climate. The region supports an increase in highway trust fund revenues to expand the ODOT “Enhance” Program and establish a complementary Regional/Local “Enhance” Program.

3. **Orphan Highway Program:** The region supports the creation of an “Orphan Highway Program” as a 10-year pilot to facilitate the alignment of ownership with function and to provide for improvement to key facilities that fall between the jurisdictional ownership cracks.
4. **Elderly and Disabled Transit Service:** To meet the region’s goals, especially related to greenhouse gas reductions to address climate change, there is an urgent need to increase transit operations funding to expand service. In addition, these costs are currently predominantly borne locally and the State of Oregon is amongst the lowest in the country for its contribution toward transit. The proposed increase in state funding for services to the elderly and disabled populations is closely related to other social service responsibilities of the state and would relieve local transit providers of this growing obligation. This would, in turn, free up local funding capacity to upgrade transit services throughout the region. Services to the elderly and disabled populations are needed throughout urban and rural Oregon and a state contribution is consistent with the state interest.
5. **Connect Oregon VI:** Connect Oregon is the non-road source to address the multi-modal improvement aspects of the “all modes” package. Connect Oregon I-V were awarded to non-road projects on a competitive basis throughout the state. Authorization at the historic level of \$100 million per biennium is important in recognition of the economic importance of these investments. Further refinement to the program is needed to better align the program to the five ODOT regions and to incorporate improvements for passenger rail facilities in addition to freight rail.
6. **Youth Transit Service:** Although youth passes are provided within the Portland Public School system (based upon a cost sharing arrangement between Portland Public Schools, the City of Portland and TriMet), youth access to transit elsewhere is very limited. This program would fill in for the canceled Business Energy Tax Credits (BETC) to provide grants to localities to improve the service needed for youth access to school and after school activities, including jobs, and/or to provide access to service with free or discounted passes. This would make it possible to provide benefits statewide beyond the limited area in Portland.
7. **AMTRAK Cascades Passenger Rail Service:** This would allow continuation of the existing AMTRAK Cascades service under a cost sharing arrangement with the State of Washington and the Province of British Columbia. Funding to continue this service is needed because of the decision of the federal government to no longer assume responsibility for these costs. The federal government will continue to fund and operate the long distance trains (i.e. Portland to Chicago and Seattle to San Diego) but not the regional trains (Eugene to Vancouver, BC). The current service level is an essential platform for future upgrades to service frequency, reliability and speed.
8. **10-year multi-modal strategic transportation needs assessment:** This would draw from existing plans to establish a consistent definition of needs and benefits for all aspects of the multi-modal transportation system regardless of service provider. The focus on a 10-year horizon is intended to produce a realistic proposal to fund improvements and operations that can be feasibly funded and delivered.

ANALYSIS/INFORMATION

1. **Known Opposition:** This resolution endorses increased taxes by the Oregon Legislature which always draws opposition.

2. **Legal Antecedents:** State funding toward transportation is established in state law and this proposal would also require state legislation.
3. **Anticipated Effects:** Adoption of the proposal by the 2015 Legislature would provide funds to implement multi-modal projects and transit service improvements called for in the Regional Transportation Plan.
4. **Budget Impacts:** Metro's budget includes the cost of a lobbyist and this resolution would establish transportation related legislation that the lobbyist would pursue.

RECOMMENDED ACTION

Recommend adoption of Resolution No. 15-4597

**2015 Regional Transportation Agenda:
Specific Recommendations**

A transportation funding package should be implemented based upon the following principles:

- **Fix It First:** First priority should be to take care of what we already have with sufficient resources targeted toward maintaining, operating, preserving and seismically upgrading the existing multi-modal transportation system. We must adequately fund the existing system in order to realize the benefits for which it was built and avoid the much higher cost at a later date of reconstruction due to deferred maintenance.
- **Invest in the Future:** Transportation investments are a key aspect of all of the region’s plans and contribute significantly to meeting goals relating to enhancing livability and economic prosperity, effectively managing growth to maintain and improve vibrant communities while protecting farm and forest lands outside the urban growth boundary, and protecting and improving clean air and water, including reduction of greenhouse gases from light duty vehicles. In addition, the Portland region serves as a gateway for goods and serves throughout Oregon to access national and global markets.
- **Implement an “All Modes” approach to transportation funding:** A successful region depends upon a successful multi-modal transportation system and it is important to maintain and improve all parts of that system. As such, this 2015 legislative package should provide funding for all modes; implementation of one part of the package should not come at the expense of another part of the package.
- **Implement a Programmatic Approach:** The proposed 2015 legislative package is structured around tying certain funding sources to certain programmatic purposes, thereby facilitating on-going implementation consistent with these purposes into the future. Priority projects will be selected and implemented within each program.
- **Preserve Local Options:** The state is one partner, together with the federal government and regional and local governments and agencies, in funding the multi-modal transportation system. State resources are important to implement systems and services of state significance and to ensure a baseline system can be maintained and operated at the local level. In addition to state sources, a significant funding contribution has and will continue to come from regional and local governments and agencies. Accordingly, the Legislature should remove existing and avoid enacting new local funding limitations or pre-emptions.

The elements of the 2015 legislative funding package endorsed by the Portland metro region are as follows:

1. **City/County/State “Fix-It” Program (“catch up and keep up”):** Increase highway trust fund revenues to catch up with needed maintenance, operations and preservation on the city/county/state road system and index the resource to avoid future losses of revenue.
 - a. Increase auto and truck taxes and fees to be distributed 50% to ODOT for the state highway system, 30% to counties for county roads and 20% to cities for city streets.
 - b. Index the state highway trust fund revenue sources on light duty vehicles (autos and small trucks) to ensure they don’t lose revenue due to the rapidly changing vehicle fleet of

electric cars and highly fuel efficient cars. Dedicate the revenues from indexing to ensure the existing highway, road and street systems continue to be adequately maintained into the future.

Indexing based upon the improvement in average fleet fuel efficiency is viewed as a stop-gap measure until the gas tax can be replaced with a per-mile road user charge. In the short term, increases in the number of highly fuel efficient vehicles will place a greater gas tax burden on less fuel efficient vehicles. In the long term, a per-mile road user charge, including an option to allow variable pricing by time and location, would spread the burden more uniformly across vehicles that differ in fuel efficiency. Consider sunseting the gas tax for a date certain when the per-mile road user charge would replace it.

- c. Provide for an increased small cities grant program in recognition of the very small allocations those cities receive from the state Highway Trust Fund.
- 2. State and Regional “Enhance” Program:** ODOT recently consolidated its various road and non-road categories of funds intended for modernization of the multi-modal transportation system into a combined “Enhance” program to facilitate the selection of priority projects most important to each region regardless of mode. Increase highway trust fund revenues to expand the ODOT “Enhance” Program and establish a complementary Regional/Local “Enhance” Program.

3. Orphan Highway Program:

- a. Increase auto and truck taxes and fees to support a 10-year pilot program to facilitate the voluntary transfer of roads between ODOT and local governments to better align ownership and authority with function.
- b. Provide for improvements that facilitate the transfer to local governments of state highways that function as local streets.
- c. Provide for improvements that facilitate the transfer to ODOT of city/county roads that are of state significance.
- d. Establish a panel of stakeholders to select facilities to be transferred and to broker the terms of the transfer subject to the acceptance of both parties. Use the experience of the pilot program to establish policies and practices for continuation of the program.
- e. At the end of the 10-year pilot either continue with policies and practices established based upon the pilot or cancel the program and return the funding to the City/County/State Fix-It Program.

4. Elderly and Disabled Transit Service:

- a. Increase state funding from \$10 million to \$75 million to fund transit services for elderly and disabled persons statewide, including in metropolitan areas and large and small urban and rural areas throughout the state.
- b. Commit to continued state funding beyond the 2015-17 biennium.
- c. Coordinate funding for elderly and disabled persons with other social service programs administered by the state.

5. Connect Oregon VI:

- a. Fund a sixth round of the Connect Oregon multi-modal capital program and restore the funding level to \$100 million in lottery bonds for the 2015-17 biennium.
- b. Provide for authorized uses of the funds for improvements to the air cargo, marine cargo and freight and passenger rail systems and person travel improvements to the transit, bike and pedestrian systems.
- c. Fund the highest priority projects while assuring a minimum target amount of 10% to each of five regions.
- d. Align the five regions with the ODOT region boundaries.
- e. Continue to investigate establishment of a multi-modal trust fund (comparable to the highway trust fund) with a dedicated funding source.
- f. Place a stronger priority on loans (rather than just grants) thereby incentivizing investment by others and establishing a revolving fund.

6. Youth Transit Service

- a. Provide \$20 million per biennium to create a grant program to fund improved transit service and free or reduced transit fares to youth in both rural and urban communities around the state.

7. AMTRAK Cascades Passenger Rail Service:

- a. Support stable statewide inter-city transit service by providing \$22.6 million for operating support of the AMTRAK Cascades service between Eugene, Albany/Corvallis, Salem, Oregon City, and Portland to Washington State and Vancouver, B.C.
- b. Commit to continued state funding beyond the 2015-17 biennium.

8. 10-year multi-modal strategic transportation needs assessment:

- a. Develop a 10-year multi-modal strategic transportation needs assessment to quantify needs vs. expected revenues to operate, maintain, preserve and improve the multi-modal system on a consistent statewide basis.
- b. Provide the basis for future transportation funding requests to the Legislature.