

BEFORE THE METRO COUNCIL

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

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

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

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

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

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

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


BE IT RESOLVED,

That the Council of Metro:

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

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

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



Judy Wyers, Presiding Officer

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

Exhibit "A"

JPACT 10-Year Transportation Finance Strategy

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

FIVE-YEAR FUNDING PROGRAM

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

5YRFUND.CH1\bc
July 1, 1994

Exhibit "B"

STAFF REPORT

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

Date: July 5, 1994

Presented by: Andrew C. Cotugno

PROPOSED ACTION

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

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

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

BACKGROUND

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

statewide funding initiative. This effort ultimately failed in the 1993

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

This resolution addresses these significant unmet funding concerns.

SOUTH/NORTH FUNDING

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

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

ARTERIAL FUNDING

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

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

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

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

1995 LEGISLATURE PROGRAM

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

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

10-YEAR STRATEGY

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

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

EXECUTIVE OFFICER'S RECOMMENDATION

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

PLANNING COMMITTEE REPORT

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

Date: July 25, 1994

Presented By: Councilor Gardner

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

M E M O R A N D U M

800 NORTHEAST GRAND AVENUE PORTLAND, OREGON 97232 2736
TEL 503 797 1700 FAX 503 797 1787



METRO

To: Planning Committee
Interested Parties

From: Gail Ryder, Senior Council Analyst

Date: July 25, 1994

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

CORRECTED

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

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

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

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

legislative funding contribution.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



M E T R O

To: Planning Committee
Interested Parties

From: Gail Ryder, Senior Council Analyst

Date: July 14, 1994

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