

# Metro | Agenda

**Meeting:** Joint Policy Advisory Committee on Transportation (JPACT) Finance Subcommittee  
**Date:** Monday, May 18<sup>th</sup>  
**Time:** 7:30 to 9 a.m.  
**Place:** Metro Regional Center, room 370 A

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- 7:30 a.m.** Welcome and introductions
- 7:35 a.m.** Updates on transportation funding conversations at the federal, state and local level
- 7:50 a.m.** Report from staff workshops on defining a system of mutual funding interest
- 8:10 a.m.** Discussion on next steps

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Date: May 12, 2015  
To: JPACT Finance Subcommittee & Interested Parties  
From: Ted Leybold, Resource Development Manager  
Dan Kaempff, Principal Transportation Planner  
Subject: System of Mutual Funding Interest framework and considerations

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## **INTRODUCTION**

At the direction of the JPACT Finance Sub-committee, Metro staff has led an exercise to define a regional transportation network of “mutual funding interest” to help identify projects the region’s leaders and voters could agree are worthy of a new source of revenue. This is a first task, a technical analysis of existing regional policies to narrow from a system of regional need and federal funding eligibility to a system the region’s voters and transportation stakeholders are more likely to support with new regional scale revenue sources.

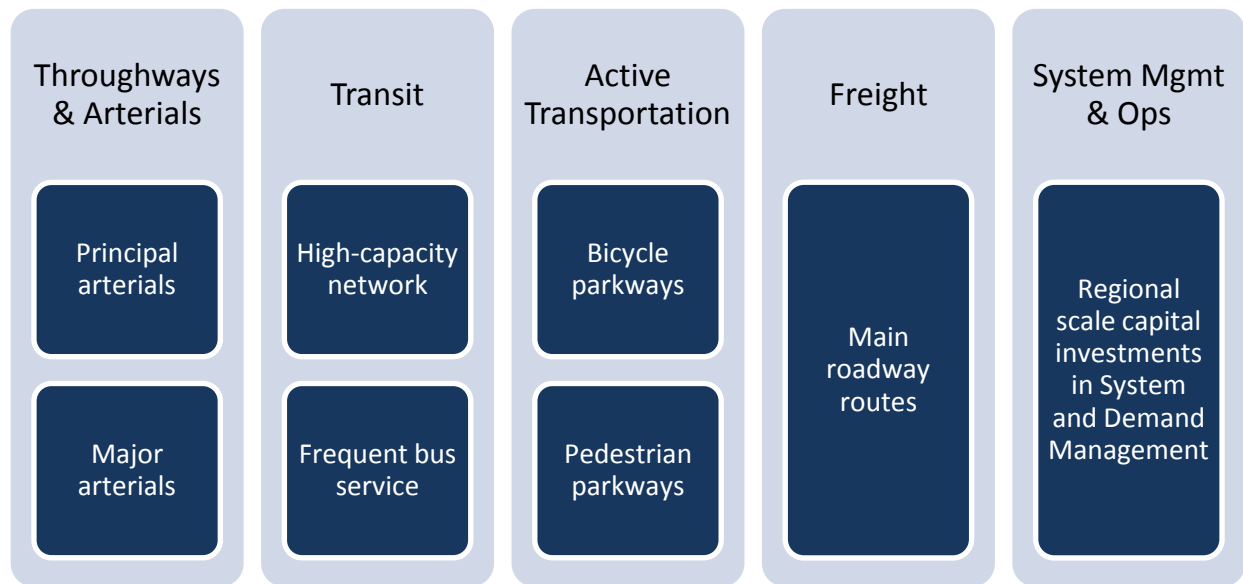
To create this definition, Metro held a series of three workshops, involving over fifty individuals, including staff from state, county and city governments, as well as representatives of non-government organizations and other interested parties. In these workshops, participants discussed what transportation system elements were of sufficient regional importance that it created a shared interest across the region. Their input is captured and reflected in this document.

## **REGIONAL SYSTEM ELEMENTS**

The Regional Transportation Plan (RTP) has defined a regional transportation system needed to implement regional policy interests, define where intra-jurisdictional coordination is necessary and to establish federal funding eligibility. These purposes represent a broader set of interests and regional project definition than what is likely to be of a mutually agreeable set of interests to develop a shared revenue package. However, it does provide a framework from which a shared revenue transportation package can be developed.

The RTP defines the regional system through a list of projects that are consistent with modal system maps (road system, freight system, bicycle system, etc.) and topical plans (system and demand management). The primary characteristics of those system elements that comprise the regional system reflect their significance in moving large numbers of people, providing freight access and connectivity, linking regional and town centers together, and their importance to the region can be generally agreed upon.

**Regional System Network Elements**  
**Figure 1**



These are the network categories and functional class levels that define the primary elements of the Regional Transportation System for the purposes of determining what investments would be eligible for funding from a potential new source of transportation dollars. The table below describes the Mutual Funding Interest of each of these network categories.

**System of Mutual Funding Interest**  
**Table 1**

<b>Network</b>	<b>Elements that comprise the Regional System</b>	<b>What is the Mutual Funding Interest?</b>
Throughways & Arterials	Principal arterials Major arterials	These two functional classifications carry the highest volumes of traffic and serve longer distance trips through the region. Primarily the region's freeways and long-distance routes connecting multiple cities within the region.
Transit	High-capacity network Frequent service	These are the highest ridership elements of the regional transit system, and serve longer-distance trips through the region.

Active Transportation	Bicycle parkways Pedestrian parkways	These are the highest classifications in the bicycle and pedestrian network concepts. They form the connections to Regional and Town Centers, employment and industrial areas, and the regional transit network.
Freight	Main roadway routes	These are designated as the primary roads providing freight mobility into, within and out of the region. The main roadway routes of the freight network largely mirror those of the principal arterial network category.
System Management & Operations	Regional scale capital investments in system and demand management strategies	These measures improve travel time reliability, reduce crashes, improve transit on-time arrival, reduce travel delay, reduce fuel use, reduce air pollution and greenhouse gas emissions

## FUNDAMENTAL QUESTIONS

Through conversations held with stakeholders in a series of three workshops, a number of questions were identified that should be considered by decision makers as they transition to the next phase of funding consideration.

**Using corridor data to inform investment decisions** – Much work has been done to develop an understanding of the region’s primary travel corridors and to identify their multi-modal transportation system needs. The Regional Corridor Atlas data could be used in a number of ways to help define a framework for nominating projects, ranging from a device to prioritize areas where the greatest levels of mutual funding interest may be, to a means of selecting specific investments based on system gaps or deficiencies.

However, caution should be exercised when using corridor data. Placing emphasis on specific corridors may create undue restrictions on the types or locations of selected projects, and potentially limit the effectiveness of the regional investment. Corridor data is important, but should be used in concert with additional sources to develop project proposals.

**One-time or ongoing funding request** – The number and types of projects included in this potential funding will be determined in part by whether voters are being asked to approve a one-time funding request, or a funding request of a longer duration. A one-time, or time-constrained funding request would likely limit the investments to discrete, easily identifiable projects or packages of projects. An ongoing funding source that is more open ended provides the opportunity to invest in maintenance activities (road repairs) and operational costs as well (transit, system management, demand management).

The need for an ongoing funding source is well-documented. But it may be more politically desirable to request a more finite funding timeline in order to build trust with the public and position the region for a subsequent public request for revenue. Regardless of the time horizon of a funding request, a long-term list of projects should be developed to demonstrate the ongoing need for additional funding.

Consideration should be given to the timing of a funding request, as well as its coordination with other regional initiatives such as Powell-Division, Southwest, or other corridor planning efforts. The fundamental question is if this funding request is considered to be a means (wholly or in part) of raising revenue to build projects derived from those corridor planning efforts, or is it an effort distinct from them?

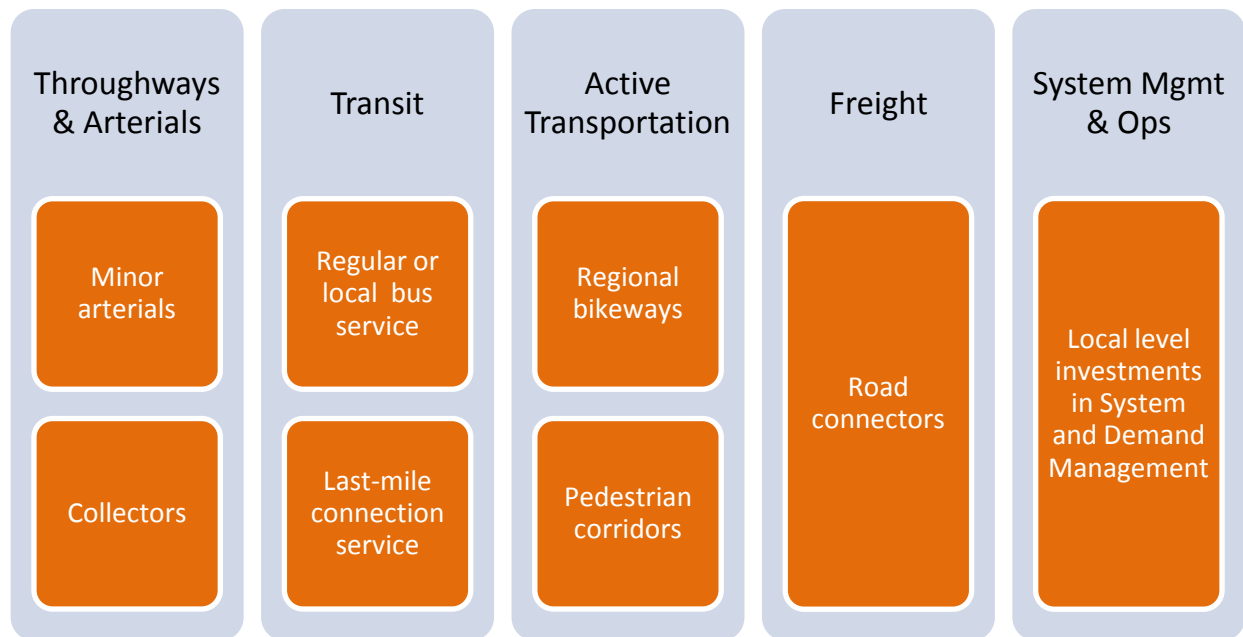
**Cost share** – The regional system is comprised of elements owned by state, county, and city governments, and transit agencies. As such, these entities have an ownership interest and a shared funding interest for investments made with regional funding on their systems. More work is needed to identify a methodology for determining the proper cost share approach. This could be done based on facility ownership, opportunity for jurisdictional transfer, project cost and scale, the regional need met by the project, variances in administrative costs of project delivery, or some combination of these and/or other factors. Consideration on a project by project basis should be given to the appropriateness of the type of funding that would be used in cost share. For certain projects, it may be that due to scale and scope, timing, or other factors, it may not be desirable to use a shared cost approach.

**Thematic approach** – Projects from the identified system could be selected around one or a number of potential themes. Several themes were identified during the workshop discussions, including Safety, Environment, Access to Transit, Access to Jobs and Education, Economic Development and Social Equity, but additional themes could be developed in the second phase of this work.

More polling work could be done to further identify how certain themes resonate with the voting public, but themes should be used as a means to explain outcomes from selected investments, and not as a selection tool.

**Whether to include a local pass-through funding option** – Should funding be focused only on projects on the regionally defined system elements describe above? Or divided into separate buckets, one that is focused on regional-scale projects; the other distributed to local jurisdictions via a formulaic approach and used to fund projects on lower classification facilities (similar to the methodology used to select projects funded through the Metro Open Spaces bond measures)? Examples of functional classes that could be funded with a local share are illustrated below:

**Local System Network Elements**  
**Figure 2**



Investments on these hierarchical levels of the system help improve connectivity to or otherwise enhance the regional system. This in turn, improves the function of the regional system investments, as well as maximizing the return on those investments. For example, providing better pedestrian connections to transit serves the dual purposes of improving safety as well as making transit easier and more attractive to use.

#### **ADDITIONAL ITEMS OF CONSIDERATION**

Other questions have been raised in discussions with stakeholders that will be necessary to define but whose detailed approach are best addressed at a later phase of this effort. These include:

- Identifying a minimum project funding size to ensure regional scale impact and efficient project administration
- Minimum requirements for construction-readiness to ensure timely project delivery
- Whether to broaden the funding eligibility to include railroad, and/or marine terminals and pipelines (these are included in the RTP as a part of the transportation system, but they are typically funded from sources outside of federal surface transportation funds)

Further work should be undertaken to review lessons learned from other regional funding initiative efforts. Atlanta was brought up as an example of a region that failed to pass a referendum due to a lack of a cohesive plan for what the funding would accomplish, and a failure to effectively communicate the benefits to the voters. (See <http://on-ajc.com/L9rTBW> and <http://bit.ly/1cPtOdS> for further details.)

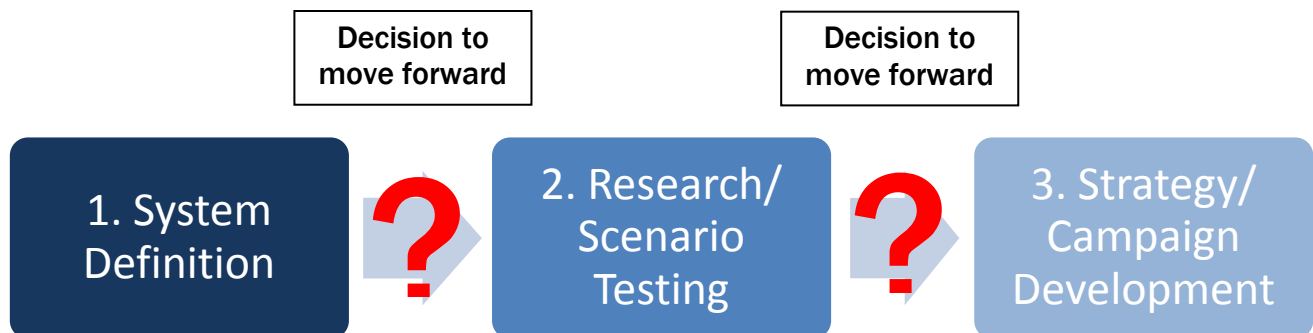
## NEXT STEPS

The definition of a system of “mutual funding interest” reflects an initial task in a multi-step process. This paper outlines a potential framework for next phases of how the region could pursue new revenues for transportation investments. The “Fundamental Questions” section identifies issues that would need to be resolved as part of next phases of such an effort.

There are three basic phases in a process necessary to create the targeted investments that would be funded by a new revenue mechanism. The initial phase starts from a foundation provided by the system definitions found in the Regional Transportation Plan, and progresses through a series of steps aimed at narrowing down and refining options to arrive at an agreed-upon set of investments on which to base a funding request. These steps are:

1. An initial planning & technical analysis stage, leading to identification of a narrowed-down subset of the Regional Transportation Plan network definitions and other regional investments that comprise a “system of mutual funding interest”.
2. Development of potential project and funding package proposals built from the framework created in step 1. These proposals would be considered and tested through opinion research, scenario planning and other comparative analysis.
3. Development of a political strategy and campaign built around a selected proposal.

**Steps towards creating a regional funding strategy**  
**Figure 3**



Between each step, a regional decision is required to move forward to the next phase of the process. This process will not only help the region’s transportation decision makers define the specific targeted investments and a potential funding source for consideration by the region’s voters. It will also create opportunities for discussion through the process and will ensure that decisions are made in a thoughtful and collaborative manner.



JOINT POLICY ADVISORY COMMITTEE ON TRANSPORTATION (JPACT)  
FINANCE SUBCOMMITTEE  
February 23<sup>rd</sup>, 2015  
Metro Regional Center, Room 401

JPACT MEMBERS PRESENT

Craig Dirksen, Chair  
Neil McFarlane  
Steve Novick  
Paul Savas  
Jules Bailey  
Susie Lahsene  
Rian Windsheimer

AFFILIATION

Metro Council  
TriMet  
City of Portland  
Clackamas Co.  
Multnomah Co.  
Port of Portland  
Oregon Department of Transportation

STAFF and COUNCILORS: Andy Cotugno, Randy Tucker, Kim Ellis, Elissa Gertler, Dan Kaempff, Ted Leybold, Councilor Bob Stacey

**1. WELCOME AND INTRODUCTIONS**

Chair Craig Dirksen called the meeting to order at 7:36 a.m. Chair Dirksen re-capped the previous JPACT finance meeting and restated his hope that the conversation starting at today's meeting about defining a transportation system of regional significance will help JPACT have productive conversations about using limited dollars more effectively and potentially identifying new funding for transportation.

**2. STATE LEGISLATURE UPDATE**

Mr. Randy Tucker shared that members of the Oregon Transportation Forum (OTF) have been meeting in Salem on how to advance the OTF package, though it's too early in the session to know what will happen. Mr. Tucker mentioned that a few representatives of the OTF testified in front of a recent House Economic Development Committee. In addition, a small group of legislators appointed from the House and Senate have begun meeting on a potential transportation package.

Mr. Tucker updated the group that a bill extending the clean fuels program, scheduled to sunset this year, passed the Senate and is moving forward in the House. Mr. Tucker and subcommittee members discussed how the membership of the OTF is split on the bill and the political, policy and other implications of its passage.

Mr. Andy Cotugno provided a brief update on the Governor's Vision Committee, which is looking at a transportation package in the next session, but had nothing substantive to report at this time.



### **3. FEDERAL TRANSPORTATION AUTHORIZATION UPDATE**

Mr. Cotugno provided an update on the draft regional position on the reauthorization of the federal transportation program, sharing edits suggested at the February 12<sup>th</sup> JPACT meeting.

### **4. UPDATE AND DISCUSSION ON PROCESS FOR DEFINING A TRANSPORTATION SYSTEM OF REGIONAL SIGNIFICANCE**

At the January JPACT Finance Subcommittee meeting, members requested staff propose a process for defining a transportation system of regional significance. Once defined, this system could be used as a tool in conversations around regional transportation funding.

Mr. Cotugno introduced this topic by noting that several steps must occur prior to any conversations about regional transportation funding. The first step, defining a transportation system of regional significance, represents a technical exercise of narrowing down system categories within the Regional Transportation Plan (RTP). Once a system of regional significance is defined, regional leaders could work to identify projects of sufficient regional importance that create shared interest in identifying funding.

Mr. Cotugno noted, based upon past attempts to talk about regional transportation funding, that there are some key ingredients to being successful. First, there has been a tendency for each jurisdiction to maintain a very strict position that they should get out of a regional funding measure every dollar collected in their jurisdiction. This step of defining a system of regional significance and then selecting projects of shared regional interest is important to break down the expectation that dollars-in equals dollars-out. The second major issue has been reaching agreement on the mode of desired projects. There tends to be different preferences in different parts of the region for road expansion vs. road diet projects, road vs. transit projects and inclusion of bike/pedestrian projects. Finally, any effort around a regional funding measure will need to be strongly guided by public opinion and is dependent on regional leadership.

Mr. Ted Leybold and Mr. Dan Kaempff described upcoming staff workshops, scheduled for March 9<sup>th</sup> and April 6<sup>th</sup>, to help define this system of regional significance. Mr. Leybold and Mr. Kaempff will bring a proposal from the staff workshops back to the JPACT Finance Subcommittee.

Members provided questions and comments on how this system might be defined. Members discussed what categories could be considered for this system including bridges, projects with multiple modal components and demand management projects and the importance of appealing to public opinion when deciding which categories to include. Members also discussed whether a system of regional significance would include state-owned systems and facilities.

Mr. Rian Windsheimer provided an update on the Statewide Transportation Improvement Program (STIP) process. He mentioned that with less funding available for this STIP cycle, the Oregon Transportation Commission is evaluating how to allocate funding in the most efficient manner. Mr. Leybold also reminded the group that conversations will begin in April for the Transportation Improvement Program, which includes the Regional Flexible Funds Allocation and the STIP.

**5. WRAP UP AND NEXT STEPS**

Chair Dirksen proposed letting staff work on the definition of a transportation system of regional significance at the workshops and reconvene the finance subcommittee in May.

**6. ADIURN**

Chair Dirksen adjourned the meeting at 8:50 a.m.

Respectfully Submitted,

A handwritten signature in black ink, appearing to be 'Beth Cohen', with a long, sweeping underline.

Beth Cohen, Council Policy Coordinator

**ATTACHMENTS TO THE PUBLIC RECORD FOR THE MEETING OF FEB. 23 2015**

<b>ITEM</b>	<b>DOCUMENT TYPE</b>	<b>DOC DATE</b>	<b>DOCUMENT DESCRIPTION</b>	<b>DOCUMENT No.</b>
4.0	Memo	2/20/15	Regional System Definition Memo	022315j-01
4.0	Handout	2/20/15	Regional System Definition Matrix	022315j-02