

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ESTABLISHING)	RESOLUTION NO. 98-2676
A POLICY BASIS AND FUNDING)	
STRATEGY FOR TRANSPORTATION)	Introduced by
MANAGEMENT ASSOCIATIONS (TMAs))	Councilor Washington, Chair
FOR THE MTIP/STIP DEVELOPMENT)	JPACT
PROCESS)	

WHEREAS, Metro is in the process of completing an update to the *Regional Transportation Plan* (RTP) for adoption in December 1998; and

WHEREAS, The RTP is designed to implement the region's 2040 Growth Concept by providing alternative transportation options to best serve different land use components; and

WHEREAS, Implementation of the 2040 Growth Concept requires the use of alternative modes of travel in order to avoid unacceptable levels of congestion and to ensure that accessibility by alternative modes is attractive; and

WHEREAS, Transportation Demand Management (TDM) encompasses a series of strategies, techniques and supporting actions to promote the use of alternative modes; and

WHEREAS, The State's Transportation Planning Rule (TPR) requires a reduction in vehicle miles traveled (VMT) over the 20-year planning period of the RTP; and

WHEREAS, The Employee Commute Options (ECO) rule requires employers with more than 50 employees at a work site to reduce vehicle trips by 10 percent; and

WHEREAS, The RTP establishes Regional TDM policy and

objectives to help reduce vehicle trips and VMT; and

WHEREAS, Goal 5, Objective 2 of the RTP, promotes the establishment of Transportation Management Associations (TMAs) as a means to support programs to reduce the need to travel and to make it more convenient for people to use alternative modes for all trips throughout the region; and

WHEREAS, The RTP does not currently include a comprehensive approach to TMA development, implementation and funding; and

WHEREAS, The Portland region currently has three operating TMAs and has identified an additional twenty-five potential locations for TMA development through Tri-Met's Transit Choices for Livability effort; and

WHEREAS, JPACT proposed that Metro proceed with development of a policy basis and funding strategy to determine how to accommodate more TMAs in the region and what process should be used to review TMA proposals for the MTIP/STIP development process; now, therefore,

BE IT RESOLVED:

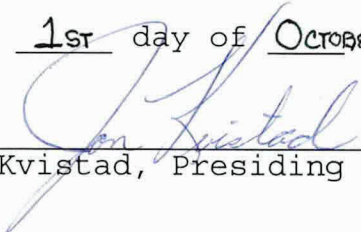
1. That the Metro Council and JPACT endorse the model framework for consideration of TMAs as described in Exhibit A to this resolution.

2. That Tri-Met assumes the general administrative oversight for the regional TMA program. That Tri-Met in conjunction with the TPAC TDM Subcommittee will be responsible for initial review and screening of TMA proposals and development of a recommendation to TPAC/JPACT/Metro Council.

3. That the MTIP/STIP development process will consider the extent to which TMA formation will be funded. There should not, however, be an expectation that all potential TMAs will be funded with federal funds in any of the stages of development.


4. That once a decision is made on how many TMAs to fund, a priority ranking of candidate locations will be developed through the TPAC/JPACT/Metro Council approval process.

ADOPTED by the Metro Council this 1st day of October 1998.



Jon Kvistad, Presiding Officer

Approved as to Form:



Daniel B. Cooper, General Counsel

EXHIBIT A

Recommendation for TMA Policy Basis

Adoption of Resolution No. 98-2676 establishes the following policy basis for reviewing TMA proposals in conjunction with the MTIP/STIP development process. These policies/procedures are based on information developed in the staff report to this resolution.

TMA Application/Proposal Process

Applications for the formation and regional funding of TMAs will be made directly to Tri-Met. Tri-Met will utilize the TPAC TDM Subcommittee for initial review and screening of applications.

Initial Screening Criteria

TMA applications/proposals for the upcoming MTIP/STIP development process will be screened by the TDM Subcommittee relative to the following criteria:

- . Is the TMA proposed in an area that would benefit from a TMA (ie., population/employment density; 2040 design type/land use link)?
- . Is there demonstration of community support for a TMA? Is there an identified problem/issue common to the geographical area?
- . Is there an identified anchor patron, major employer/organization, chamber of commerce, developer, etc. supporting the formation of the TMA?
- . Will the TMA assist in the potential to meet the non-auto mode split targets established for the area, reduce VMT, reduce single-occupant vehicle trips, etc.?

TMA Development/Implementation

During the *Exploratory* stage of development, a Feasibility Study/Needs Assessment will be conducted to determine the economic and transportation barriers to businesses and to identify solutions, common issues and interests, and appropriate levels of commitment for private sector financial/in-kind investment in the TMA. Products will include a business and financial plan to identify the TMA's mission, responsibility, and near-term and long-term funding needs.

The *Formative* stage will be characterized by implementation of the business plan and financial plan, development of an implementation work plan, establishment of an appropriate dues structure, member recruitment procedures, staffing requirements, outreach, and preparation of legal documentation.

The *Operational* stage will focus on implementation of the work plan, achievement of goals and objectives, and the provision of new and expanded services to TMA members.

As identified previously, the most important determinants to a successful TMA model are the proximity of businesses linked by common interest in specific issues and the level of commitment to their solution, rather than mere size and density. Emphasis should be on "access" and "development of transportation alternatives" as the key purposes for the TMA.

TMA Funding Strategy

Adoption of Resolution No. 98-2676 establishes the following phased strategy for funding TMA proposals through the MTIP/STIP development process.

Exploratory Stage - Up to \$35,000 (Each)

During this stage, regional funding assistance will be in the form of seed money to be used to conduct a feasibility/needs assessment to: determine common issues of potential members; identify proposed solutions; conduct business surveys of member companies; conduct focus groups; and prepare final report and recommendation concerning feasibility of TMA formation. A 10 percent local match (up to \$3,000) from the sponsoring jurisdiction is required.

Implementation Model - Formative/Operations Stage \$225,000 over three years

Formative/Operations Stage - \$75,000 per year for three years.

The *Formative* stage will include implementation of the business plan and financial plan, development of an implementation work plan, establishment of an appropriate dues structure, member recruitment procedures, staffing requirements, outreach, and preparation of legal documentation.

The *Operational* stage will focus on implementation of the work plan, achievement of goals and objectives, and the provision of new and expanded services to TMA members.

Regional Share

During the three-year implementation cycle, regional funds would be ratcheted down according to the following proposed schedule:

Year 1 - 90 percent Regional funds equals	$\$75,000 \times .9 =$	\$67,500
Year 2 - 2/3 Regional funds equals	$\$75,000 \times .67 =$	\$50,250
Year 3 - 1/3 Regional funds equals	$\$75,000 \times .33 =$	\$24,750
	Total	\$142,500

Commitment of Local Funds

During the three-year implementation cycle, the commitment of local funds would be ratcheted up according to the following proposed schedule:

Year 1 - 10 percent Local match equals	$\$75,000 \times .10 =$	\$7,500
Year 2 - 1/3 Local match equals	$\$75,000 \times .33 =$	\$24,750
Year 3 - 2/3 Local match equals	$\$75,000 \times .67 =$	\$50,250
	Total	\$82,500

After year 3, the implementation model assumes an ongoing commitment of one-third to one-half (\$25,000 - \$35,000) of local public funds to keep the TMA operating.

This suggested phasing of activities does not preclude a proposal from skipping the exploratory stage and making application for funding under the formative/operations stage. However, the applicant must document the results of the exploratory stage identifying the following: What did the feasibility study/needs analysis show; what are the common issues; what are the proposed solutions; what is the level of commitment from the business surveys; who is the primary sponsor; and does the formation of a TMA in this area have potential for reducing VMT and helping implement the 2040 Growth Concept?

Issues for the MTIP/STIP Process

Approval of the implementation strategy outlined in Exhibit A provides for the following specific issues to be decided in the MTIP/STIP approval process:

companies) and one-half of the employees (200,000 people). Dues are based on \$10 per FTE.

Tualatin Transportation Management Association (TMA)

Program Manager: Dan Kaempff

Annual Budget: \$90,000

FTE: 1.0

Start-up - The TMA was initially provided \$60,000 from Tri-Met as seed money to begin operation of the TMA for member employers. The TMA has received \$40,000 from Tri-Met this year and Tri-Met indicates they will provide \$20,000 next year to help keep the TMA operating. JPACT, at their May meeting, recommended allocation of \$40,000 for the TMA to be divided between second-year operation (\$20,000) and to establish a vanpool program (\$20,000).

There are currently 13 member companies representing approximately 1,400 employees. Dues are currently \$20 per employee per year.

Future plans call for an additional half-time staff assistant (0.5 FTE) and an annual operating budget of \$200,000. This level of funding would continue the shuttle service, purchase an additional bus, and provide for much needed public education and outreach material/programs.

Transit Choices for Livability (TCL)

Tri-Met's TCL project, which outlines a 10 year community transit plan to better link neighborhoods with regional activity centers, identified 25 potential locations where TMA development would facilitate implementation of the TCL plan.

JPACT/Metro Council Recommendation

Exhibit A to the resolution establishes a regional policy framework and phased funding strategy for reviewing TMA proposals in conjunction with the MTIP/STIP development process. The recommendation establishes the scope, administrative responsibility, budget and regional funding share for implementing TMAs in the Portland region.

STAFF REPORT

CONSIDERATION OF RESOLUTION NO. 98-2676 FOR THE PURPOSE OF ESTABLISHING A POLICY BASIS AND FUNDING STRATEGY FOR TRANSPORTATION MANAGEMENT ASSOCIATIONS (TMAs) FOR THE MTIP/STIP DEVELOPMENT PROCESS

Date: July 20, 1998

Presented by: Andrew Cotugno

PROPOSED ACTION

This resolution and Exhibit A establish a policy basis and three year-phased funding strategy for review and implementation of Transportation Management Association (TMA) proposals for the upcoming MTIP/STIP development process. The policy basis recognizes three stages of development and places primary emphasis on the initial stage (Exploratory) which focuses on conducting a feasibility study/needs assessment to identify common issues and levels of commitment and financial support. In addition, the resolution establishes preliminary screening criteria for reviewing TMA proposals and developing a short list for further consideration and evaluation in the MTIP/STIP process. The resolution addresses the policy and programmatic issues of how many TMAs should the region fund; where should TMAs be implemented; and on what basis should regional funds be allocated?

The resolution also recognizes the need for Metro to amend the RTP to incorporate the recommended policy basis for TMAs; places general administrative oversight for the regional TMA program with Tri-Met; and places the responsibility for the initial review and ranking of TMA proposals with the TPAC Transportation Demand Management Subcommittee. Tri-Met, in conjunction with the TPAC TDM Subcommittee, will develop and forward its recommendation through the TPAC/JPACT/Metro Council approval process.

TPAC and JPACT have reviewed this Transportation Management Association policy and funding strategy and recommend approval of Resolution No. 98-2676.

FACTUAL BACKGROUND AND ANALYSIS

Transportation Management Associations (TMAs) are nonprofit coalitions of local businesses and/or public agencies dedicated to reducing traffic congestion and pollution and improving commuting options for their employees. In this role, TMAs have become an important institutional option for implementing transportation demand management (TDM) strategies, particularly those designed to increase the use of alternative modes of travel.

A number of TMA studies and surveys¹ at the national and local level have been conducted in recent years to document the

¹ Ferguson, Erik and Diane Davidson, "Transportation Management Associations," in Transportation Quarterly, Volume 49, Number 1, Winter 1995 pp 45-60.

specific operating characteristics of TMAs and to identify activities and performance criteria that constitute a successful model. Key findings from these studies show the following general trends.

TMA Mission

TMAs differ among themselves in terms of mission or orientation. Some TMAs focus more on community leadership and advocacy to influence policy decisions. Others are more service-oriented and actively solicit and/or implement rideshare matching, shuttle services, vanpooling and guaranteed ride-home programs.

TMA Demographics

TMAs typically are formed in three different geographical settings including downtown areas, suburban activity centers, and other special areas such as corridors, recreational centers and employment/industrial locations. Downtown areas enjoy a high potential for public/private partnerships because employment normally includes significant representation from both public and private organizations.

Suburban activity centers, although smaller than traditional Central Business Districts (CBDs), are characterized by rapid growth and, because they are usually less well served by alternative modes of transportation, have the potential to benefit from TMA formation.

TMAs in "other" areas are generally broader in scope and may cover multiple areas.

Regardless of the geographical setting, most TMAs are formed for one of three main reasons:

- . To respond to existing transportation-related needs.
- . To mitigate anticipated traffic created by new and future development.
- . To centralize and coordinate the TDM efforts of individual employers.

TMA Development

TMAs normally pass through three major stages of development prior to attaining organizational stability. These stages include the exploratory, formative and operational.

The exploratory stage is usually characterized by identification of the market area, potential clients, data collection and analysis, problem definition and consensus building in order to form a constituency of interests in solving an identified problem or issue. A feasibility study/needs assessment provides the focus of this stage, the final products of which are a business and financial plan.

The formative stage implements the business and financial plans and includes start-up costs for beginning operation, preparation of legal documents, establishment of dues structure, member recruitment, staff hiring and development of a work plan.

The operational stage focuses on implementation of the work plan, achievement of goals and objectives, and the provision of new and expanded services to TMA members.

TMA Membership

At the national level, membership in TMAs increased from an average of 26 member companies in 1991 to an average of 46 in 1993. The trend shows that as TMAs mature and reach stability, membership tends to increase.

Funding Mix

In 1991, the average TMA derived 44 percent of its revenue from private sources, including 21 percent from membership dues. In 1993, the average TMA reported that 53 percent of its revenue came from private sources including 47 percent from membership dues. Larger TMAs tend to rely less on membership dues and more on grant revenues. Twenty percent of large TMAs surveyed with annual budgets over \$300,000 received no dues at all.

TMA Dues Structure

Dues generally fall into one of three categories. Dues for employers are normally assessed on a per employee basis. Dues for developers are assessed on a square footage basis. Dues for public agencies are often assessed on a flat rate or fee simple basis. The survey found that employer dues vary widely from \$.50 to \$18 per employee per year. Developer dues average less than \$.10 per square foot of buildable or leasable space per year.

TMA Provision of Services

The studies identified four separate roles for TMAs:

1. Provide employee transportation services, commuter information and assistance.
2. Advocate within the urban transportation planning process.
3. Provide sponsorship or funding for special studies.
4. Provide private management assistance to public sector organizations.

The total number of services offered by individual TMAs vary more as a function of age and organizational stability than by geographic location. In addition, the provision of services are classified as either "soft" or "hard" approaches. Soft

approaches are typically composed of information services and promotional efforts. *Hard* approaches usually involve delivery of actual transportation services, financial incentives for alternative modes or disincentives to driving alone. As expected, soft strategies based on information services and promotional efforts are the most prevalent among TMAs.

A list of potential TMA services made available to member organizations include the following:

- . advocacy
- . rideshare promotion at employer sites
- . periodical publications and other printed materials
- . vanpool formation assistance
- . ridematching services
- . trip-reduction plan preparation
- . development/processing of employee surveys
- . guaranteed ride-home programs
- . training programs for employee transportation coordinators
- . parking management programs/assistance
- . on-site transit pass sales
- . shuttle services
- . vanpool subsidy programs

TMAs with larger budgets generally offer the most complete range of integrated services, including vanpool services, rideshare matching, trip-reduction planning, employee surveys, parking management, guaranteed ride-home programs, training, shuttle services and advocacy. TMAs with smaller budgets concentrate more on information-based programs such as advocacy, promotions, publishing and distribution of literature, and rideshare matching.

TMA Budgets

The TMA studies found that the provision of *hard* services requires an annual budget of approximately \$75,000 whereas TMAs with less than \$75,000 do not have the financial strength to implement effective, integrated services and therefore rely more on *soft* services.

TMA Staffing Levels

All TMAs studied with budgets in the \$50,000-75,000 range have one staff person. The mean staff size for all TMAs is 1.7 persons. TMAs typically contract out services or hire part-time employees to make up for reduced budgets. Types of services contracted out include accounting, legal services, transit/shuttle operations, grant writing, and newsletter design and mailing.

TMA Management/Organizational Structure

Most TMAs with budgets over \$50,000 are managed by an Executive Director and a Board of Directors. Legal counsel is retained as needed. None of the TMAs surveyed have a staff attorney. The typical TMA board meets five or six times per year.

TMA Evaluation

Over half (53%) of the TMAs surveyed in 1993 did not evaluate their effectiveness. Geographic scope and budget size are not factors in determining whether an evaluation had been performed. Survey results indicated that older TMAs are more likely to conduct an evaluation. Before and after evaluations were found to be almost non-existent, even though this type of information is needed to test explicitly for behavioral changes induced by TMA activities. Most TMA evaluations continue to focus on member satisfaction with services offered rather than actual utilization of alternatives to single occupant commuting including the potential for reducing VMT and improving air quality.

TMA Success

The primary elements that characterize a successful TMA² include: 1) a well-defined problem established through a feasibility study/needs assessment process; 2) identified strategies and sufficient resources; 3) private and public sector support; 4) sufficient target market of employers and employees; and 5) existing legal or regulatory transportation requirements. The worst model for a TMA is shown to be a diverse mix of businesses, large in geographical extent, with no common interests or transportation issues.

Portland Experience

The Portland region currently has three operating Transportation Management Associations (TMAs). They are located in the Lloyd District (Lloyd District TMA), City of Beaverton (Westside Transportation Alliance TMA), and the City of Tualatin (Tualatin TMA). Although the operating and funding characteristics of each are different, they share the same primary goals of helping member companies design transportation programs to relieve congestion, promote alternative modes, and meet the requirements of the State's Transportation Planning Rule (TPR) and DEQ's Employee Commute Options rule.

² Commuter Transportation Services, Inc., TMA Handbook, page 15.

Lloyd District TMA

Executive Director: Rick Williams
Current Annual Budget: \$90,000
FTE: 1.25 between two people (Executive Director and staff assistant)

Start-up - \$250,000 of CMAQ funds administered by the City of Portland. The purpose was to fund the TMA to assist with implementation and ongoing support for ECO employers in the Lloyd District. Tri-Met contributed \$35,000 in FY 97/98.

The Lloyd District TMA includes 28 employers and 3,144 employees who take part in Tri-Met's annual transit pass program. Although the CMAQ funds ended in June 1998, Tri-Met is considering some level of funding next fiscal year.

The Lloyd TMA Board of Directors established a future goal of 2.5 FTE and a desired annual budget of \$225,000. The TMA is moving toward becoming an "Assessment District" as the preferred source of long-term funding rather than dues. The Lloyd TMA has a requirement that one-third of all money raised must come from the private sector.

The Lloyd District TMA collected approximately \$6,000 in dues from member companies last year. Dues are voluntary and average approximately \$50 per company per year. The informal agreement is that companies over 25 employees pay \$2.00 per employee per year. For example, Kaiser with 500 employees pays \$1,000 per year.

Other future revenue sources include \$75,000 per year from parking meter revenues and commissions on Pass Port sales. Last year, the TMA received about \$5,000 for their commission share of sales.

Westside Transportation Alliance (TMA)

Executive Director: TBD
Annual Budget: Approximately \$100,000-125,000. However, the TMA currently operates on approximately 80 percent of this amount.
FTE: 1.5 - 1.75 (Executive Director and one or two quarter-time assistants)

Start-up - \$250,000 of CMAQ funds administered by the City of Beaverton. The purpose was to fund the TMA to assist with implementation and ongoing support for ECO employers in the Beaverton area. Only \$93,000 of the initial CMAQ funds have been expended by the TMA. The remaining funds were returned to DEQ when the TMA opted to establish itself independent of the City of Beaverton.

According to the previous Executive Director, there are currently 134 member companies in the TMA. In addition, the TMA can potentially represent one-third of the ECO effected employers (500

companies) and one-half of the employees (200,000 people). Dues are based on \$10 per FTE.

Tualatin Transportation Management Association (TMA)

Program Manager: Dan Kaempff

Annual Budget: \$90,000

FTE: 1.0

Start-up - The TMA was initially provided \$60,000 from Tri-Met as seed money to begin operation of the TMA for member employers. The TMA has received \$40,000 from Tri-Met this year and Tri-Met indicates they will provide \$20,000 next year to help keep the TMA operating. JPACT, at their May meeting, recommended allocation of \$40,000 for the TMA to be divided between second-year operation (\$20,000) and to establish a vanpool program (\$20,000).

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JPACT/Metro Council Recommendation

Exhibit A to the resolution establishes a regional policy framework and phased funding strategy for reviewing TMA proposals in conjunction with the MTIP/STIP development process. The recommendation establishes the scope, administrative responsibility, budget and regional funding share for implementing TMAs in the Portland region.