



METROPOLITAN SERVICE DISTRICT

527 S.W. HALL ST., PORTLAND, OR. 97201, 503/221-1646

May 6, 1981

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Mike Burton
DISTRICT 12

Mr. James J. Kuffner
Executive Assistant
Office of Mayor Ivancie
1220 SW 5th, Room 303
Portland, Oregon 97204

Dear Jim:

Enclosed is the letter from Secretary Lewis to Senator Hatfield regarding the Banfield project. The indication from UMTA is that they expected the letter would simply prompt additional questions from Senator Hatfield (and others in this region) which would, in turn, lead to negotiations to reach a final agreement. This follow-up is now underway by Bob Duncan and Susan Long.

Also enclosed is an updated version of the potential compromise funding package for this region. The first two pages have been forwarded to Duncan and Susan Long. The remaining pages show the accounting of the Interstate Transfer/Section 3 trade and is intended for use within the region.

Sincerely,

Andrew C. Cotugno
Transportation Director

ACC:lmk

Enclosures



Adm: MARK

THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

May 1, 1981

The Honorable Mark O. Hatfield
United States Senate
Washington, D.C. 20510

Dear Senator Hatfield

This is in response to your recent letter and reaffirms my April 9, 1981 remarks before the Senate Appropriations Subcommittee on Transportation regarding the Department's position on funding the proposed Banfield light rail system in Portland.

As part of the President's Economic Recovery Program, the Department's Urban Mass Transportation Administration (UMTA) is postponing all new start projects, under the Section 3 program, that are in the planning, engineering or early construction stage whether or not a Letter of Intent was issued. We intend to honor our commitment to projects under a Letter of Intent, including the Portland Banfield LRT, when the nation's economic situation improves.

My recent testimony supports the Department's willingness to progress the initial construction of the LRT project using an additional amount of the \$400,000,000 of Interstate Transfer funds currently available to the Portland urbanized area. In our annual allocation of the Interstate Program funds, we will carefully consider the construction schedule for this project.

I have asked Arthur E. Teele, Jr., the UMTA Administrator to work with the Tri-County Metropolitan Transportation District in Portland to agree on programming for the initiation of the early segments of this project and its overall schedule.

I hope this fully addresses your concerns.

Sincerely,

W. Drew

apparently,
this
>
means
stretch the
project out

FEDERAL FUNDING POSITION PAPER

I. Basic Principles

- A. In response to U.S. DOT's needs, the region is willing to fund the Banfield Transitway Project entirely with Interstate Transfer Funds if a re-arrangement can be agreed to between U.S. DOT and the Portland region that does not damage the non-Banfield portion of the region's overall transportation funding program.
- B. The federal Interstate Transfer fund commitment to the Banfield Transitway Project must be in the form of a full funding contract to ensure an efficient construction program.
- C. The following is an arrangement which has regional consensus for meeting the condition upon which additional Interstate Transfer funds can be allocated to the Banfield Transitway Project:
 1. The region will transfer \$64.7 million (in March, 1980 dollars) from other regional transit projects to the Banfield Transitway Project.
 2. In return, the Banfield Project's existing Section 3 Letter of Intent must be re-issued to the region for a transit improvement program which would have been funded by the Interstate Transit Funds reallocated to the Banfield Transitway Projects.
 3. To ensure that the transfer of funds does not damage the region's transportation program, the re-issued Section 3 Letter of Intent must be based upon the funding schedule in the existing Section 3 Letter of Intent.
 4. The region needs assurances that this transfer of funds will not prejudice decisions on other federal transportation funding appropriations including:
 - a. this region's ability to compete with other regions for additional Section 3 funds for purposes beyond those included in the re-issued Section 3 Letter of Intent;
 - b. this region's ability to obtain ^{its} ~~a share~~ share of the annual Interstate Transfer Funds for highway and road improvements ~~which are the responsibility of federal states and metropolitan~~ needs; and
 - c. this region's ability to compete for annual allocations for its remaining transit Interstate Transfer Funds.

D. To facilitate other U.S. DOT objectives:

1. with a full funding contract, the region is willing to help minimize the FY 82 and FY 83 Banfield funding demands by receiving the funds on a cash-flow basis; and
2. to help correct the nationwide imbalance between transit and highway demands for Interstate Transfer Funds in relation to their appropriations, the region recommends funding the full Banfield Project (highway and transit elements) as a transit appropriation.

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II. Funding Transfer Accounting
(\$ millions)

A. Original Banfield Cost Estimate - March 30, 1980 \$

	<u>Federal</u>	<u>Local</u>	<u>Total</u>
Highway e(4)	\$ 66.8	\$11.8	\$ 78.6
Transit e(4)	60.2	10.6	70.8
Section 3	60.9	15.2	76.1
	<u>\$187.9</u>	<u>\$37.6</u>	<u>\$225.5</u>

B. Assuming Banfield is 100 percent e(4) Funded - March 30, 1980 \$

	<u>Federal</u>	<u>Local</u>	<u>Total</u>
Highway e(4)	\$ 66.8	\$11.8	\$ 78.6
Original Transit e(4)	60.2	10.6	70.8
New Transit e(4)	64.7	11.4	76.1
	<u>\$191.7</u>	<u>\$33.8</u>	<u>\$225.5</u>

C. Transit Funded e(4) Projects to Transfer with Section 3 - March 30, 1980 (funding amount excludes obligations and is therefore the balance available for each project as of July, 1981 deflated to March, 1980 \$)

	<u>Federal</u>	<u>Local</u>	<u>Total</u>
Westside	\$63.35	\$11.18	\$74.53
Milwaukie Transit Station	1.82	.32	2.14
Oregon City Transit Station	.465	.085	.55
Clackamas Town Center	.22	.04	.26
Tigard Transit Center	.26	.045	.305
Beaverton Park and Ride	.08	.01	.09
McLoughlin Corridor Transit	1.22	.215	1.435
Buses	1.63	.29	1.92
	<u>\$69.045</u>	<u>\$12.185</u>	<u>\$81.230</u>

D. Section 3/e(4) Transfer Summary

	<u>Federal</u>	<u>Local</u>	<u>Total</u>
Section 3 Transferred	\$60.9	\$15.2	\$76.1
e(4) Transferred	\$64.7	\$11.4	\$76.1

Due to the difference in match rates, \$64.7 million of e(4) funds must be transferred from other transit projects in return for \$60.9 million of Section 3 funds. In total dollars (including local match) \$76.1 million is exchanged.

III. Building a New Package

- A. The Westside element of Table II. C will transfer \$59,005 (in March, 1980 dollars) million of e(4) funds to the Banfield Project. The remaining \$4.345 million will be added to the \$6.493 million in the Westside Corridor Related Highway reserve -- making a total of \$10.838 (March, 1980) million in e(4) reserved for the Westside Corridor for road improvement purposes.
- B. All of the remaining line items in Table II. C will transfer their e(4) funds to the Banfield Project. With this \$5.695 million added to the \$59.005 million transfer from the Westside line item, a total \$64.7 million is transferred.
- C. An example of what the re-issued Section 3 Letter of Intent would look like is exhibited in Table III. C. Note that total costs add up to \$76.1 million as with the e(4) program -- however in the case of Section 3 funds only \$60.88 federal dollars are used. Whether or not this amount is equal to the \$85.7 million Section 3 Letter of Intent depends on the programming schedule. Any additional Section 3 funds could be used for bus purchase.
- D. In addition, Tri-Met will commit to revise their TDP in August as shown in Table III D.

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Table III. C Example of Re-Issued Section 3 Package

A. Westside ¹ Element of Section 3 Package

<u>Major Centers</u>	<u>Total Costs in 1980</u> <u>\$ (millions)</u>
Tigard Transit Center	1.2
Beaverton Transit Center	2.3
Cedar Hill Transit Center	8.1
Burlingame Transit Center	3.4
Hillsboro Transit Center	1.5
Tualatin Transit Center	.9
<u>Minor Centers</u>	
Washington Square Transit Station	.4
Tannasborne Transit Station	.5
Slyvan Transit Station	.1
Raleigh Hills Transit Station	.1
<u>Park and Ride Lots</u>	
Highway 217/Sunset Interchange	1.7
158th and T.V.	1.0
Tualatin	.5
<u>Intersections, Signals, Other "System Management" Improvements</u>	
Beaverton Area	2.0
Washington County	8.0
Downtown Portland	8.0
Ramp Metering Sunset Hwy. & Hwy. 217	2.0
Bus Lane up Hill on Sunset Hwy.	3.9
Westside Maintenance Yard	6.0
Buses	9.9
Misc and Contingency	7.92

B. Non-Westside Elements of Section 3 Package

Milwaukie Transit Center	1.2
Oregon City Transit Station	.6
Lake Oswego Transit Center	1.0
Northwest Transit Center	.6
McLoughlin Transit Improvements	1.3
Other Minor Projects	2.0

¹ Note: Westside Gets an additional \$4.345 million in e(4) for roads also.

Table III. D

January -
June 1982

Subject to manufacturer's delivery, implementation of new articulated buses on line #57, the major trunk route connecting downtown Portland, Beaverton, Hillsboro, and Forest Grove. Use of these larger buses will increase the peak-hour capacity of service. Disabled persons will also, for the first time, have access to regular fixed-route transit in Washington County as these buses will be equipped with wheelchair lifts.

January 1983 -
January 1984

Additional service on Beaverton and Cedar Hills trunk lines, expanding peak capacity. Major new service improvements in the suburban southwest with particular emphasis on the Barbur Corridor between Tigard and Portland. Transit centers will be opened in Burlingame, Tigard, Washington Square, Lake Oswego and Tualatin. The timed-transfer system between local and trunk routes will be established in this area. Frequency of service will be improved on most routes. New service would be provided on Allen Blvd., So. Beaverton to the Tigard industrial area and on Western Avenue and in N. Tigard.

June 1984

Completion of new transit facilities in the Westside as part of the Westside Transitway Project: Beaverton, Cedar Hills-Peterkort, Hillsboro, Tanasbourne, Raleigh Hills and Sylvan. New peak hour express service along Hwy. 217 between Lake Oswego and Cedar Hills providing connections to major employment centers. Improved off-peak service on several Westside lines. Implementation of new service along Cornell Road, Baseline Road, Jenkins Road and 170th. Continued expansion of peak period service along major trunk lines.

June 1986

New service to Thompson Road, Skyline and Cornell Road.

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