

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ENDORSING) RESOLUTION NO. 17-4772
REGIONAL POLICY AND FUNDING)
PRIORITIES FOR 2017 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 region's continuing economic success has created new challenges in the form of congestion, air quality and safety concerns; and

WHEREAS, the region has identified the top transportation priorities across all modes and invested regional funds to develop a bundle of projects that aim to relieve congestion for Oregon's economy, even as state and federal funds have continued to decline; and

WHEREAS, the Climate Smart Strategy has demonstrated that with an increase in transportation funding for all modes, this region can accomplish its many goals for safety, 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 Joint Policy Advisory Committee on Transportation (JPACT) has recommended adoption of this resolution at their meeting on February 16, 2017; now therefore

BE IT RESOLVED:

1. That the Metro Council and JPACT adopt the following principles to guide the region's approach to transportation issues in the 2017 legislative session:
 - **Fix It First:** The best value for public investment is to invest now in our critical roads and bridges to avoid more costly repairs in the future. Doing so requires sufficient ongoing revenue to address the needs of the statewide system, as well as those maintained by cities and counties.
 - **Address Metropolitan Area Congestion:** Congestion in the Portland region is a *statewide* concern. As such, JPACT is partnering with ODOT to plan three bottleneck relief projects on state highways. The Portland region is willing to make additional investments, but is looking to see a full partnership from the Legislature to complete these projects.

- **Invest in Multi-Modal Solutions for Congestion Relief:** The Portland region's congestion issues can only be solved effectively through multi-modal investments. The 2017 Oregon Legislature should adopt a funding package designed to improve safety and address the needs of all modes of transportation for both people and freight.
- **Prioritize Transit:** Expanding transit operations is the most important factor in achieving the region's state-mandated Climate Smart Strategy. The Portland region supports expansion of the light rail system in the Southwest Corridor as a critical element of congestion relief.
- **Improve Regional Air Quality:** Federal funding from the Congestion Mitigation and Air Quality (CMAQ) improvement program quality have been stretched to include more urban regions with existing funds. This means reduced funding for air quality in the Portland metro region at exactly the time when it is most needed. The Legislature should ensure that these programs are kept whole or expanded in the Portland region.
- **Support and Expand Local Options:** : The regional and local governments and agencies of the Portland region are committed to implementing plans for the reduction of greenhouse gas emissions from light-duty vehicles, providing transportation and options, and addressing safety. This will require innovative policy and new funding commitments at all levels of government, including additional local funding to repair, maintain and improve 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 and JPACT endorse transportation funding and policy priorities for the 2017 legislative session as reflected in Exhibit A to this Resolution.

ADOPTED by the Metro Council this second day of March 2017.

Tom Hughes, Council President

Approved as to Form:

Alison R. Kean, Metro Attorney

**2017 Regional Transportation Agenda:
Recommendations**

The Portland region is committed to addressing critical transportation needs for the metro area and the state as a whole. Doing so requires both clear priorities and the willingness to propose bold solutions. The region's agenda for this session is in line with "Scenario 1" of the January report of the Oregon Transportation Commission (OTC). This scenario, when combined with the urgent needs of cities and counties, would require a legislative package of approximately \$1 billion.

The Portland region's legislative is based upon the following principles:

1. **Fix It First**
2. **Address Metropolitan Area Congestion**
3. **Invest in Multi-Modal Solutions for Congestion Relief**
4. **Prioritize Transit**
5. **Improve Regional Air Quality**
6. **Preserve Local Options**

The elements of the 2017 legislative funding package endorsed by the Portland metropolitan region are as follows:

1. Fix-It First:

- a. Increase State Highway Fund revenues at a sufficiently significant level to catch up with needed maintenance, operations and preservation on the city/county/state road system.
- b. Establish a pilot funding program to facilitate the transfer of roads between ODOT and local governments.
- c. Index the resource to avoid future losses of revenue or purchasing power.
- d. Ensure that critical lifeline corridors are able to withstand a seismic event.

2. Address Metropolitan Area Congestion:

- a. Like the OTC, the Portland metropolitan region has prioritized its highest priorities. In partnership with ODOT, the region has identified three priority bottleneck projects along the I-5 Corridor (Rose Quarter, OR 217, I-205 Abernethy Bridge). These were recognized as priorities in statewide hearings of the Joint Legislative Committee on Transportation, and by the Governor's Vision Panel. The region has invested early dollars in project development and is willing to pursue additional *regional* investments in these projects. This would represent a bold new funding model for addressing these projects of statewide significance. To make this viable for voters in our region, the state package should include sufficient funds to bond for at least half of the capital construction cost on these state facilities. Initial state funding is absolutely necessary to catalyze regional match.
- b. Congestion should be addressed through a multi-modal package of investments. In addition to the proposed transit and highway improvements, the region supports calls for a significant increase in statewide funding for active transportation. This would best be achieved through alignment with the region's adopted Active Transportation Plan.

3. Invest in Multi-Modal Solutions for Congestion Relief:

- a. The region supports a seventh round of Connect Oregon funding for non-road multi-modal transportation projects, at the higher funding levels of the program's earlier

rounds. This program has been critical for addressing the region's freight mobility needs, as well as advancing the region's Active Transportation Strategy.

- b. The region reiterates its support for comprehensive investments to improve mobility, including efforts to relieve highway bottlenecks, expand the high capacity transit network and enhance existing transit service, and provide safe bicycle and pedestrian connections.

4. Prioritize Transit:

- a. The region supports a significant ongoing investment in statewide transit operations, as reported from the statewide hearings of the Joint Legislative Committee on Transportation, and recommended by the Governor's Transportation Vision Panel. Expanding transit operations was identified as the most important factor in achieving the region's state-mandated Climate Smart Strategy. The region is actively pursuing a \$150 million investment in the Southwest Corridor, a one-time state capital investment comparable to previous light rail projects.

5. Improve Regional Air Quality:

- a. Federal funding from the Congestion Mitigation and Air Quality (CMAQ) improvement program quality have been stretched to include more urban regions with existing funds. This means reduced funding for air quality in the Portland metro region at exactly the time when it is most needed. The Legislature should ensure that these programs are kept whole or expanded in the Portland region, while addressing other urgent needs around the state.

6. Support and Expand Local Options:

- a. The Legislature should remove existing restrictions on local and regional revenue-raising authority, and avoid enacting new limitations or pre-emptions.
- b. The Legislature should explore new tools and authorities that give local governments the flexibility to build, operate and fund transportation systems that support prosperity, livability and sustainability. Additional regional tools provide an opportunity to acknowledge that a higher level of capital infrastructure investment is necessary in the metropolitan region than in other areas of the state, given the higher population and resulting congestion of both residential development and job creation.

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 17- 4772, FOR THE PURPOSE OF ENDORING REGIONAL POLICY AND FUNDING PRIORITIES FOR 2017 STATE TRANSPORTATION LEGISLATION

Date: March 2, 2017

Prepared by: Noah Siegel

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 economic opportunity 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. Conversely, failure to address regional congestion has been identified by the Governor's Transportation Vision Panel as a matter of statewide consequences and concern.
- The life and health of Metro's residents are our utmost priority. We are actively taking steps to ensure safety on our streets through Vision Zero and Safe Routes to School, and ask the legislature to support these programs. Vision Zero recognizes that there is no acceptable number of traffic deaths and serious injuries on our roadways, and that children, the elderly, people of color and people in low-income communities face a disproportionate risk of traffic injuries and fatalities. The Safe Routes to School Program makes walking, biking and rolling around our

neighborhoods and schools fun, easy, safe and healthy for all students and families while reducing congestion around schools.

- 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 other options to avoid congestion and reduce their cost of travel.
- Strategic investments in transportation infrastructure can make shovel-ready land available for business expansion and deliver a significant return on investment for the public in terms of new revenues, private investment, and job creation.
- At the direction of the 2009 Jobs and Transportation Act, the region has completed the Climate Smart Strategy 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. Cities and counties face similar challenges to the state-of-good-repair at the local level. Allowing bridges and pavements to fail costs 70 to 160 percent more than routine maintenance due to the need to completely replace the facility.

A STATEWIDE TRANSPORTATION PACKAGE THAT GETS THE JOB DONE

In order to realize the potential in these proposed transportation investments, the Legislature must pass a package that is proportionate to the desired outcomes. The Legislature passed the last statewide transportation package in 2009, a relatively modest achievement at that time that has failed to keep pace with inflation since. There is a shared sense of urgency among policymakers around the state that a new transportation package is urgent. To this effect, the Oregon Transportation Forum met in 2016 and agreed on a minimum consensus proposal of \$300 million annually. It is the opinion of the region's governments, however, that this will not be sufficient to achieve the goals laid out by the Joint Transportation Committee or those of the Governor's Vision Panel.

The Portland region's investment priorities are in line with of the Oregon Transportation Commission's (OTC) January report. The OTC lays out multiple investment scenarios for bridges, seismic improvements, safety, congestion, pavements, culverts and maintenance. The more moderate investment scenario totals approximately \$466 million in increased annual expenditure. If one assumes the traditional 50-30-20 split with cities and counties, this would translate into an annual increase of \$932 million in state transportation investment from the State Highway Fund. In addition, the OTC proposes increases in multi-modal investments and transit services, which would likely come from other revenue sources. This would bring the moderate investment scenario to over \$1 billion. These may seem like large sums, but states such as Washington and New Jersey have recently made commitments at this scale in recognition of the fact that the federal government appears unlikely to properly fund the National Highway Trust Fund anytime soon.

Regional leaders implore state leadership to consider bold action of this kind to maintain transportation infrastructure, address congestion, and improve environmental quality. At the same time, the Portland region also recognizes current political constraints. As such, the metro region is actively exploring a number of revenue options to help share the burden of investing in our state system. But the Legislature must do its part. Any successful regional investment package must, at a minimum, be built on a fifty percent match from the state for investments in state facilities. The three proposed highway bottleneck projects alone cost nearly \$1 billion, requiring some \$100 million annually in bonded capital. This is before the addition of other critical statewide projects and the multi-modal needs of our state. This effort must begin with strong commitment from the Legislature.

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 2017 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

Staff recommends adoption of Resolution No. 17-4772.