

## REGIONAL INVESTMENT STRATEGY: TRANSPORTATION INVESTMENT MEASURE

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### **ISSUE STATEMENT**

People in the greater Portland region are increasingly concerned about growing traffic and unsafe arterial roads across the region. The Metro Council has directed staff to work with community and partners on a potential 2020 transportation investment measure.

### **ACTION REQUESTED**

Provide direction on potential revenue mechanisms to continue exploring for a potential regional transportation investment measure.

### **IDENTIFIED POLICY OUTCOMES**

The Metro Council has directed that a potential measure advance the Regional Transportation Plan, Strategic Plan to Advance Racial Equity, and Climate Smart Strategy; engage diverse partners and community members; and leverage regional and local investments in affordable housing and parks and nature.

The Metro Council approved specific policy outcomes for the potential transportation measure and appointed a Transportation Funding Task Force in early 2019.

In order to advance its desired policy outcomes, the Council has directed staff to develop a measure that focuses investments in key regional travel corridors and also includes regionwide investment programs to spread benefits throughout the region. Council direction on the measure structure is further described in the “Background” section below.

### **POLICY QUESTION**

Considering Metro’s authority, revenue-raising potential and possible support from voters and stakeholders, what revenue mechanism options should continue to be explored for a potential measure?

### **POLICY OPTIONS FOR COUNCIL TO CONSIDER**

In late 2019, Metro contracted with ECONorthwest to conduct an analysis of 10 possible revenue mechanism options. This analysis covered such topics as revenue generation potential, Metro’s authority, limitations and high-level legal issues associated with each option. Metro conducted also public opinion research to gauge voter preferences for potential mechanisms, including possible combinations of mechanisms that could raise sufficient revenue for current expectations about the scope of measure investment.

The Transportation Funding Task Force discussed these analyses on Dec. 11 and Jan. 15. With members representing a cross-section of communities across the region, the Task Force provided valuable feedback to help inform the Council's direction on this issue.

At this work session, staff will present several revenue options that appear to be most feasible based on current understanding of the measure's potential scope, Council and Task Force values, revenue generation potential, and initial stakeholder conversations. Staff will ask Council's direction to proceed with exploring the potential and limitations of these options through continuing research and engagement. Staff will also recommend a few options be removed from further consideration at this time.

### **STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION**

Greater Portland is growing quickly. It's fundamental to our future to have a variety of safe, affordable and reliable options for people to get where they need to go – whether they are driving, riding a bus or train, biking or walking.

Metro has been working since early 2018 to lay the foundation of a collaborative, comprehensive investment plan that makes getting around safer, faster and more affordable for everyone. The Metro Council has directed that this plan include investments throughout the region, supporting the many ways people travel. The council has directed that this work must place advancing racial equity and addressing climate change at its core. The council has also directed staff to engage a wide range of community members, partners and leaders to identify smart solutions supported by a broad coalition.

Greater Portland voters' decisive approval of the regional affordable housing bond in 2018 and regional Parks and Nature bond renewal in 2019 demonstrates their eagerness to address the critical issues we face across the region. The Metro Council is now working with jurisdictional partners, housing providers and the community to create needed affordable homes through the bond, and will soon begin a refinement process for implementing the new parks and nature bond. As greater Portland faces the future, a regional transportation measure in 2020 represents a significant opportunity to continue connecting these priorities to make meaningful, strategic investments that improve lives and increase opportunities throughout the region.

### **BACKGROUND**

In December 2018, the Metro Council adopted a Regional Transportation Plan update, following years of engagement that included more than 19,000 engagements with residents, community and business leaders, and regional partners. Through the extensive engagement that shaped the plan, Metro heard clear desires for safe, smart, reliable and affordable transportation options for everyone and every type of trip. The 2018 Regional Transportation Plan is therefore built on key values of equity, climate, safety, and congestion relief.

At work sessions in January 2019, the Metro Council provided guidance on key outcomes, principles and the structure of a potential investment measure to help advance these

values. The council also approved a charge for a diverse and regionally inclusive Regional Transportation Funding Task Force. Co-chaired by Commissioners Jessica Vega Pederson and Pam Treece, the Task Force has met 16 times. To date, the Task Force has reviewed Metro Council direction and policy applying to the regional investment measure, identified additional desired outcomes, provided input to Council on priority corridors and regionwide programs, discussed possible revenue mechanisms, and made recommendations on potential Tier 1 investments.

In June, informed by input from the Task Force and an online survey completed by approximately 3,500 area residents, the Metro Council directed staff to move 13 “Tier 1” corridors into further project identification, development and engagement. The council also identified 16 “Tier 2” corridors to be considered for funding if there is revenue capacity. The Task Force will begin discussion of options in these corridors at its Feb. 19 meeting.

Following a summer of in-depth engagement with community-based Local Investment Teams and project development with jurisdictional partners, Metro staff released a Tier 1 corridor projects and regionwide programs recommendation to the Force in October. After discussing staff’s recommendations and proposed amendments at several meetings, the Task Force voted on Tier 1 corridor recommendations on Dec. 18, achieving unanimous consensus on almost the entire package. In summary, the Task Force recommendations constitute roughly \$3.81 billion in measure investments in Tier 1 corridors, leveraging approximately \$2.22 billion in expected federal and local funds, for a total of approximately \$6.03 billion in recommended Tier 1 corridor investments.

The Metro Council discussed the Task Force recommendations at work sessions on Jan. 7 and 14, providing direction to staff to proceed with project development as well as continue to explore questions and options for several specific investments.

In September 2019, informed by input from community forums in the spring and Task Force discussions in the summer, the Metro Council provided direction on nine regionwide programs to continue developing for potential inclusion in the measure; these programs would advance Council outcomes and meet community needs beyond the priority corridors identified in the measure. The programs are expected to include approximately \$50 million in total annual investment for 20 years. At the Metro Council’s direction, staff are also continuing to develop a community stability program that would support the development of community-based anti-displacement strategies in corridors funded through the measure. Staff plan to bring a refined program recommendation to the Metro Council in April.

The Metro Council will continue to direct staff in future iterative policy discussions over the next several months. The council could consider referral to voters in late spring.

- Is legislation required for Council action? **Legislation will be required for referral, but staff are not proposing legislation for direction on revenue mechanisms at this time.**