Meeting Notes 1995-02-09

Joint Policy Advisory Committee on Transportation
Meeting: JOINT POLICY ADVISORY COMMITTEE ON TRANSPORTATION

Date: FEBRUARY 9, 1995
Day: THURSDAY
Time: 7:15 a.m.
Place: METRO, CONFERENCE ROOM 370

*1. MEETING REPORT OF JANUARY 12, 1995 - APPROVAL REQUESTED.

*2. RESOLUTION NO. 95-2089 - AMENDING THE TRANSPORTATION POLICY ALTERNATIVES COMMITTEE (TPAC) BYLAWS - APPROVAL REQUESTED - Andy Cotugno.


#*4. RESOLUTION NO. 95-2094 - AMENDING THE TIP TO INCLUDE A $1.6 MILLION SECTION 3 "LIVABLE COMMUNITIES" PROJECT IN CLACKAMAS COUNTY - APPROVAL REQUESTED - Andy Cotugno/Rod Sandoz.

*5. EVALUATION CRITERIA FOR RTP, ARTERIAL FUND, $27 MILLION ALLOCATION - INFORMATIONAL - Andy Cotugno/Mike Hoglund.

6. UPDATE ON THE GREENSPACES PROGRAM AND BOND MEASURE - INFORMATIONAL - Councilor McCaig.

*Material enclosed.
#Available at meeting.
MEETING REPORT

DATE OF MEETING: January 12, 1995

GROUP/SUBJECT: Joint Policy Advisory Committee on Transportation (JPACT)

PERSONS ATTENDING: Members: Chair Rod Monroe, Don Morissette and Susan McLain, Metro Council; Earl Blumenauer, City of Portland; Roy Rogers, Washington County; Royce Pollard, City of Vancouver; Bruce Warner, ODOT; Tom Walsh, Tri-Met; Rob Drake, Cities of Washington County; Gerry Smith, WSDOT; Craig Lomnicki, Cities of Clackamas County; Dave Sturdevant, Clark County; Tanya Collier, Multnomah County; Ed Lindquist, Clackamas County; and Claudiette LaVert, Cities of Multnomah County; Dave Lohman (alt.), Port of Portland; and Gregory Green (alt.), DEQ

Guests: Elsa Coleman, Steve Dotterrer, Kate Deane and Meeky Blizzard, City of Portland; Jim Howell and Fred Nussbaum, AORTA; Ray Polani, Citizens for Better Transit; John Rist, Clackamas County; Linda Peters (JPACT alt.); Patricia McCaig (JPACT alt.); Darin Atteberry, City of Vancouver; Park Woodworth, Dick Feeney, Bernie Bottomly, Ross Roberts and G.B. Arrington, Tri-Met; Ron Bergman, Clark County; John Charles, Oregon Environmental Council; Dean Lookingbill, Southwest Washington RTC; Mary Legry, WSDOT; Bob Bothman, MCCI; Kathy Busse, Multnomah County; Dave Williams, ODOT; Jane Heisler (for Tom Coffee), City of Lake Oswego; Susie Lahnse, Port of Portland; Rod Sandoz, Clackamas County; Molly O'Reilly, Citizen; Kathy Lehtola and John Rosenberger, Washington County

Staff: Andrew Cotugno, Mike Hoglund, Tom Kloster, John Cullerton, Casey Short, Heather Nelson, Merrie Waylett and Lois Kaplan, Secretary

Media: Gordon Oliver, The Oregonian

SUMMARY:

The meeting was called to order and a quorum declared by Chair Rod Monroe. He welcomed new members Don Morissette (Metro Council) and Claudiette LaVert (Cities of Multnomah County) and noted that Patricia McCaig (Metro Council), David Ripma (Cities
ANNOUNCEMENTS

Andy Cotugno announced that the seats on JPACT from the cities of Washington and Clackamas Counties will be vacated shortly and that, according to JPACT's bylaws, it is the responsibility of the largest city in each jurisdiction to convene a forum to initiate the balloting for members.

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Andy reported that the Metro Council has decided to repeal its effort to enact a Construction Excise Tax in light of competition with other tax measures. The tax would have generated about $2.5 million. Discussion followed on the impact on Metro's activities. Andy verified that the budget proposal does not include asking for local government dues but it does mean that some services will have to be paid for by local governments. Chair Monroe indicated that some alternatives being discussed include application of Metro's excise tax to some other areas, citing the Convention Center as an example. The budget proposal does not include the Construction Excise Tax. A discussion followed on the gap in the Metro budget and the resulting implications.

Councilor Morissette noted that the Metro Council budget has been reduced by about $100,000 and they are examining other means of savings.

MEETING REPORT

Bruce Warner moved, seconded by Commissioner Lindquist, to approve the December 8, 1994 JPACT meeting report as written. The motion PASSED unanimously.

RESOLUTION NO. 95-1995 - CERTIFYING THAT TRI-MET'S JOINT COMPLEMENTARY PARATRANSIT PLAN UPDATE FOR 1995 CONFORMS TO METRO'S REGIONAL TRANSPORTATION PLAN

Park Woodworth, Tri-Met Director of ADA Compliance, reported that Metro has the responsibility of certifying that Tri-Met's joint complementary Paratransit Plan update meets ADA requirements. In 1992, Tri-Met submitted its plan for compliance in September 1994. Park spoke of the significance of this update and the delayed implementation of several milestones from September 1994 to June 1995, which he reviewed as outlined in the Staff Report. He noted there are quality issues that are yet to be addressed through the automated scheduling program.
Park reported that Tri-Met contracts out all paratransit rides. He noted a correction to Table 5 in that a total of 575,000 rides are contracted out. He indicated that Tri-Met is in compliance approval with ADA and the RTP, and that the Committee on Accessible Transportation (CAT) and the Citizens Advisory Committee to the Tri-Met Board have reviewed and recommended approval of the Paratransit update.

**Action Taken:** Councilor McLain moved, seconded by Commissioner Lindquist, to recommend approval of Resolution No. 95-1995, certifying that Tri-Met's joint complementary Paratransit Plan update for 1995 conforms to Metro's Regional Transportation Plan. The motion PASSED unanimously.

**RESOLUTION NO. 95-2058 - ALLOCATING I-205 BUSWAY WITHDRAWAL FUNDS TO SOUTH/NORTH ENVIRONMENTAL IMPACT STATEMENT AND PRELIMINARY ENGINEERING AND AIRPORT GROUND ACCESS STUDY AND RESCINDING TRI-MET OBLIGATION TO REPAY I-205 BUSLANE WITHDRAWAL GRANT**

Andy Cotugno explained that this resolution recommends that we not proceed with bus-related improvements in the I-205 corridor but instead support the DEIS, FEIS and PE of the South/North light rail project. The two uses identified for the funds include $12.6 million for preconstruction activities on the South/North corridor itself (FEIS and PE) and $300,000 for a comprehensive assessment of ground transportation access to the airport. These funds have already been appropriated but there is need to secure the funds in the form of a grant. All has been appropriated with exception of the remaining $73,000.

Technical staff determined that it would be inappropriate at this time to provide bus-related improvements in the corridor.

The success of the Gateway shuttle was discussed. Tom Walsh indicated it worked well, was the first step to take, but did not match the Port's capabilities. It was noted that these funds might increase chances of getting South/North LRT funds and would not do anything to inhibit final access to the airport.

Andy Cotugno emphasized the fact that this would represent a federal commitment toward the South/North project, citing the criticality for South/North funds.

Dave Lohman cautioned letting funds for I-205 alternatives slip away, proclaiming this a major step for the Port. He indicated it would include working on several private accesses to the airport and on local match. He wanted an opportunity to discuss the amount of the participants in that match. Andy Cotugno noted that TPAC chose not to make the match a condition to approval of the resolution but suggested that the issue of match and the
scope be discussed further. He cited the need to secure the grant at this time and the commitment to fund the $475 million downstream.

Commissioner Lindquist indicated that Clackamas County supports this proposal. The funds were also set aside for parts of Clackamas County north.

Action Taken: Tom Walsh moved, seconded by Councilor McLain, to recommend approval of Resolution No. 95-2058, allocating I-205 busway withdrawal funds to the South/North EIS and PE and airport ground access study and rescinding Tri-Met's obligation to repay the previous I-205 buslane withdrawal grant. The motion PASSED unanimously.

RESOLUTION NO. 95-2072 - ENDORSING THE OREGON TRANSPORTATION FINANCE PACKAGE

Andy Cotugno explained that the Oregon Transportation Finance Package was developed by a coalition comprised of representatives from ODOT, the League of Oregon Cities, the Association of Oregon Counties, the Oregon Public Ports Association and the Oregon Transit Association. This particular proposal is an attempt to be conservative and prudent, and the real need outstrips the proposal. Andy highlighted the components of the proposal which included: a 2-cent gas tax increase for implementation in January 1996 and 1997 for state/local road and bridge needs; a 2-cent gas tax increase for implementation in January 1996 and 1997 to fund seismic bridge needs; a decrease of the truck's share of the Highway Trust Fund from 38.8 percent to 37.5-38.0 percent; a $20/year increase in the statewide vehicle registration fee dedicated to mass transit and local road needs; referral of a Constitutional Amendment, enabling the new vehicle fees to be used for transit; and adoption of a lottery funding package for statewide non-highway purposes.

Andy indicated these are critical funds lacking in the Six-Year Program. He noted that seismic retrofitting for bridges is one component that was not considered heretofore. This represents a city/county/state program that would be administered by the state. Andy noted that ODOT has completed its Cost Responsibility Study to determine what the truck share should be.

Commissioner Lindquist spoke of the current composition of the Legislature, its impact on the region, and the other alternatives that were looked at. Kate Deane, Chair of the Steering Committee, reported that a vehicle emission fee and congestion pricing were also considered. She felt that a funding package was developed that would generate some political support. It is a political assessment on what the committee felt the delegation
would be receptive to or might have a chance of passing.

Kate reviewed some of the package elements relating to airport improvements, freight mobility improvements, and high-speed rail, noting some of the communities that would benefit. The South Rivergate area in Portland is targeted for $6 million for a freight mobility project.

A discussion followed on a meeting held in December and the concern over the apparent lack of sensitivity with regard to the availability of lottery funds. Commissioner Rogers spoke of limited dollars and expressed legislators' concerns surrounding such requests.

Councilor McLain assumed that the region would want to go forward with a finance package that provides an infrastructure balance, maintenance of roads, and a clear commitment. She cited the importance of supporting infrastructure that deals with business, schools and quality of life and stressed the need to exercise leadership and lobby collectively and individually. Chair Monroe concurred that this should be a non-partisan effort.

Kate Deane commented on the size of the funding package, noting that there is a clear link between the existence of the transportation facilities and economic development. Because the funds are geared toward economic development, it is our obligation to tell the state how to maximize those dollars. She pointed out that the committee strived to have a balance by mode and by region. She emphasized that there is something in the finance package for every region of the state.

Commissioner Blumenauer felt the package should be pursued with both caution and support. He didn't feel that any two individuals would have designed the package the same because of different perspectives. While he felt it didn't meet all needs, he noted it allowed for flexibility. He pointed out that the State of Washington's resources are more significant than Oregon's. Also mentioned was the fact that there is a significant adjustment for the truckers. It was noted that Oregon is the only state that practices cost responsibility. Commissioner Blumenauer was hopeful that the message is clear that we may need to spend a few years tightening our belts.

In further discussion, Committee members agreed on the importance of a balanced transportation package and individual contact with the local trucking firms, homebuilders, small business people and school districts.

Dave Lohman indicated that the Port has spent a lot of time working on this package. He questioned whether it would pass,
but felt it would create a forum for discussion during this legislative session. He noted that it is not perfect but he felt it has a chance to pass because it is balanced modally and regionally. He felt that the lottery funds ($100 million) may be the most difficult to obtain but the infrastructure is keyed to economic development.

A discussion followed on the Constitutional Amendment. It will not be a vote on higher taxes or fees. Councilor McLain asked whether consideration had been given to a sliding scale, and the answer was "no" due to the small size of the registration fee. Although the economic need of certain individuals would be impacted, the issue didn't come up.

Commissioner Lindquist noted that the cities and counties have both been working together on this funding package. There isn't much money in the proposal. This represents a delicate effort to bring everyone together. Commissioner Lindquist expressed concern about LRT funding. He cited the need to understand the proposal as a package of benefits, noting that the lottery funds would be the most difficult to attain.

Action Taken: Commissioner Lindquist moved, seconded by Bruce Warner, to recommend approval of Resolution No. 95-2072, endorsing the Oregon Transportation Finance Package.

Jim Howell, a member of AORTA, expressed AORTA's concern being the flexibility of transportation funds. AORTA is supportive of South/North funding but takes issue with separation of funds into separate pots. In order to make good judgments on where the funds should be spent, he didn't feel the proposal offered the same flexibility in the Constitutional Amendment that it offered for the registration fee. He spoke of prior defeats before the Legislature on measures tied to additional taxes. He felt it would be easier to get a Constitutional Amendment passed that is broader in scope.

Fred Nussbaum, President of AORTA, commented on the political acceptability in the balance of this package. He felt this proposal was similar to the one that went before the last Legislature. He noted that the Legislature also favors no new taxes and the transit alternative portion of the package is totally dependent on new taxes. He commented that the leadership in the Legislature is from the non-urban areas.

Ray Polani, a TPAC citizen alternate and a member of Citizens for Better Transit, supported AORTA's position. He felt this funding package is out of step with the Clean Air Act Amendments, Transportation Planning Rule and ISTEA and that the public have
demonstrated they understand the benefits of alternative transportation, also commenting on the funding being crucial.

John Charles of the Oregon Environmental Council felt that the approach taken has not worked in the past, will not work in the future, and would bankrupt the state. He felt that people can change habits and cited the rising rates of VMT and the role of putting more buses out. He spoke of marginal cost pricing and user fees and the need to educate people on alternatives.

Councilor Morissette indicated he was supportive of the transit agency and road projects but felt that the public would not support any new taxes. He cited the importance of maintaining the infrastructure but was not comfortable with the funding proposal. Commissioner Blumenauer reported that several surveys indicate that there is public support for these types of improvements. Such resources to the City of Portland could mean funding to do transit-supportive development. Councilor Morissette felt that there could be other ways to realize those goals. Commissioner Blumenauer reported that the City of Portland’s transportation program had been downsized and its capital reprioritized.

Councilor McLain felt that the proposal represented a commitment for a balanced transportation program that may need to be taken in steps but stressed the need to pursue it in a united effort.

Commissioner Blumenauer asked that Committee members work with Kate Deane and Andy Cotugno to develop a response to the issues noted. Also discussed was the possibility that AORTA could sponsor the Constitutional Amendment.

There was agreement in the need to be more systematic in terms of what the region will support.

Commissioner Lindquist felt that the region is falling behind in its transportation needs, noting that this funding package doesn't provide much more than preservation of the existing infrastructure. This funding package is intended to get the region back to the point of where inflation set in. Commissioner Lindquist felt that the legislators understand that transportation is a key to the rural areas as well. He noted that there would probably be refinements made through the Legislature but asked for Committee support at this time.

Gregory Green commented that good air quality involves a multi-modal transportation system, expressing his support of the transportation finance package.

The motion PASSED. Councilors Morissette and LaVert abstained, citing their newness to the issues and JPACT.
REGIONAL TRANSPORTATION PLAN UPDATE

Andy Cotugno cited three activities to be coordinated this spring relating to the Regional Transportation Plan update: 1) completion of Phase I of the RTP update with added federal requirements and the problems associated with a long-range, constrained RTP; 2) funds set aside for alternative modes and regional flexible ISTEA funds and start-up of the allocation process; and 3) the question of whether an Arterial Fund should move forward, when it would be appropriate to consider a measure, and what should be proposed to meet the needs of the region. Andy spoke of a variety of federal and state requirements to be met, including the Clean Air Act Amendments, the Region 2040 Growth Concept, DEQ's proposed rule and the Transportation Planning Rule.

Commissioner Blumenauer asked to what extent possible federal and state legislative efforts will impact our efforts. Andy Cotugno didn't feel we can forecast what will happen but spoke of potentially reducing unfunded mandates. He noted that the Clean Air Act Amendments set rigid standards and specifies how you meet those standards. He felt that the standards will remain but how you achieve them may change. Two years ago, the Governor's Task Force recommendations were endorsed. If the state or federal requirements are relaxed, it might place more of a burden on the region and some actions might be taken more aggressively.

Gregory Green noted that, if some of these requirements are relaxed, there is a corresponding price to pay. Andy Cotugno continued and spoke of the JPACT/MPAC partnership in the transportation/land use process. He noted that work teams are being developed for technical support in the different modes. A Citizens Advisory Committee (CAC) will also be established to participate throughout this process. Membership for the CAC is being solicited at this time as advisory to JPACT and Metro Council. In terms of a timeframe and integration with 2040, it will take place over the next six months.

The immediate phase in the process is driven by federal requirements with a fiscally constrained RTP. The critical issue in the near term is focused on the constrained dollars with the longer-term RTP being integrated with land use questions. Andy spoke of reasonable assumptions of available resources and a mix of transportation needs as he reviewed the RTP financial constraints chart. Important objectives for the spring are to define what is a fiscally constrained RTP and to determine whether an Urban Arterial Fund ballot measure should be referred.

Andy announced that a Transportation Fair is being hosted on January 28 at Metro with the intent of gaining input on long-term and short-term needs, on fiscal needs, and on criteria as a means of making those decisions.
Councilor McLain will chair the committee that will screen applicants for participation on the 21-member Citizens Advisory Committee.

REVIEW OF SOUTH/NORTH FUNDING PROSPECTUS

Dick Feeney explained that the South/North LRT project funding prospectus represents a plan, not a proposal, that defines funding participation over the length of the South/North LRT project. It evolved through discussions with the State of Washington, C-TRAN, the Oregon Department of Transportation, federal representatives and Clackamas County and will be reviewed in a series of meetings by the JPACT Finance Committee. The objective is to get a picture of how this entire package can be implemented through Congress. The prospectus was developed largely through staff work of Tri-Met and ODOT but does not reflect a proposal by either party. It has, however, been reviewed by Tri-Met's Bond Counsel and transportation and financial consultants.

ADJOURNMENT

There being no further business, the meeting was adjourned.

REPORT WRITTEN BY: Lois Kaplan

COPIES TO: Mike Burton
             JPACT Members

lmk
PROPOSED ACTION

This resolution would amend the TPAC Bylaws as follows:

1. Add implementation of the adopted 2040 growth concept to the requirements to consider in developing the Regional Transportation Plan.

2. Change the reference of the Urban Mass Transportation Administration (UMTA) to the Federal Transit Administration (FTA).

3. Remove reference to the Metro Council Planning Committee to the appointment of citizen members and approval of their alternates since it no longer exists. Selection and appointment of citizen members would remain the responsibility of the Metro Council.

TPAC has reviewed the proposed amendment and recommends approval of Resolution No. 95-2089.

EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer recommends approval of Resolution No. 95-2089.
BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING ) RESOLUTION NO. 95-2089
THE TRANSPORTATION POLICY )
ALTERNATIVES COMMITTEE (TPAC) ) Introduced by
BYLAWS ) Rod Monroe, Chair
JPACT

WHEREAS, The Transportation Policy Alternatives Committee
(TPAC) provides technical and policy input to JPACT and the Metro
Council; and

WHEREAS, Amendments to the Bylaws are needed from time to
time; now, therefore,

BE IT RESOLVED,

That the Metro Council hereby amends the TPAC Bylaws as
reflected in Exhibit A.

ADOPTED by the Metro Council this ____ day of ______,
1995.

J. Ruth McFarland, Presiding Officer
TRANSPORTATION POLICY ALTERNATIVES COMMITTEE

BYLAWS

Adopted by Metro Council
in Resolution 94-1902 on March 24, 1994

ARTICLE I

This Committee shall be known as the TRANSPORTATION POLICY ALTERNATIVES COMMITTEE (TPAC).

ARTICLE II

The Transportation Policy Alternatives Committee coordinates and guides the regional transportation planning program in accordance with the policy of the Metro Council.

The responsibilities of TPAC with respect to transportation planning are:

a. Review the Unified Work Program (UWP) and Prospectus for transportation planning.

b. Monitor and provide advice concerning the transportation planning process to ensure adequate consideration of regional values such as land use, economic development, and other social, economic and environmental factors in plan development.

c. Advise on the development of the Regional Transportation Plan in accordance with the Intermodal Surface Transportation Efficiency Act (ISTEA), the L.C.D.C. Transportation Planning Rule, and the 1992 Metro Charter and the adopted 2040 Growth Concept.

d. Advise on the development of the Transportation Improvement Program (TIP) in accordance with ISTEA.

e. Review projects and plans affecting regional transportation.

f. Advise on the compliance of the regional transportation planning process with all applicable federal requirements for maintaining certification.

g. Develop alternative transportation policies for consideration by JPACT and the Metro Council.

h. Review local comprehensive plans for their transportation impacts and consistency with the Regional Transportation Plan.
i. Recommend needs and opportunities for involving citizens in transportation matters.

The responsibilities of TPAC with respect to air quality planning are:

a. Review and recommend project funding for controlling mobile sources of particulates, CO, HC and NOx.

b. Review the analysis of travel, social, economic and environmental impacts of proposed transportation control measures.

c. Review and provide advice (critique) on the proposed plan for meeting particulate standards as they relate to mobile sources.

d. Review and recommend action on transportation and parking elements necessary to meet federal and state clean air requirements.

ARTICLE III
MEMBERSHIP, VOTING, MEETINGS

Section 1. Membership

a. The Committee will be made up of representatives from local jurisdictions, implementing agencies and citizens as follows:

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<th>Representations</th>
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<td>City of Portland</td>
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<td>Citizens</td>
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In addition, the City of Vancouver, Clark County, C-TRAN, Federal Highway Administration, Federal Aviation Administration (FAA), Urban Mass Transportation Administration (UMTA) Federal
Transit Administration (FTA), and Washington Department of Ecology may appoint an associate member without a vote. Additional associate members without vote may serve on the Committee at the pleasure of the Committee.

b. Each member shall serve until removed by the appointing agency. Citizen members shall serve for two years and can be reappointed.

c. Alternates may be appointed to serve in the absence of the regular member.

d. Unexcused absence from regularly scheduled meetings for three (3) consecutive months shall require the Chairperson to notify the appointing agency with a request for remedial action.

Section 2. Appointment of Members and Alternates

a. Representatives (and alternatives if desired) of the Counties and the City of Portland shall be appointed by the presiding executive of their jurisdiction/agency.

b. Representatives (and alternates if desired) of Cities within a County shall be appointed by means of a consensus of the Mayors of those cities. It shall be the responsibility of the representative to coordinate with the cities within his/her county.

c. Citizen representatives will be nominated by the Planning Committee of the Metro Council, jurisdictions and through a public application process, and through confirmed by the Metro Council, and appointed by the Presiding Officer of the Metro Council. All citizen members shall, with the approval of the Chairperson of the Metro Council Planning Committee, appoint an alternate to serve in their absence; if a citizen member fails to appoint an alternate within 30 days of appointment, the Metro Council will make the appointment.

d. Metro representatives (non-voting) shall be appointed one each by the Metro Executive Officer and Council Presiding Officer.

Section 3. Voting Privileges

a. Each member or alternate of the Committee, except associate members, shall be entitled to one (1) vote on all issues presented at regular and special meetings at which the member or alternate is present.

b. The Chairperson shall have no vote.
Section 4. Meetings

a. Regular meetings of the Committee shall be held each month at a time and place established by the Chairperson.

b. Special meetings may be called by the Chairperson or a majority of the Committee members.

Section 5. Conduct of Meetings

a. A majority of the voting members (or designated alternates) shall constitute a quorum for the conduct of business. The act of the majority of the members (or designated alternates) present at meetings at which a quorum is present shall be the act of the Committee.

b. All meetings shall be conducted in accordance with Robert's Rules of Order, Newly Revised.

c. The Committee may establish other rules of procedure as deemed necessary for the conduct of business.

d. An opportunity will be provided at each meeting for citizen comment on agenda and non-agenda items.

ARTICLE IV

OFFICERS AND DUTIES

Section 1. Officers

The permanent Chairperson of the Committee shall be the Metro Planning Director or designee.

Section 2. Duties

The Chairperson shall preside at all meetings he/she attends and shall be responsible for the expeditious conduct of the Committee's business.

Section 3. Administrative Support

a. Metro shall supply staff, as necessary, to record actions of the Committee and to handle Committee correspondence and public information concerning meeting times and places.
ARTICLE V

SUBCOMMITTEES

One (1) permanent subcommittee of the Committee is established to oversee the major functional area in the transportation planning process where specific products are required:

a. Transportation Improvement Program Subcommittee (TIP) -- to develop and update the five-year TIP, including the Annual Element.

b. Transportation Demand Management Subcommittee (TDM) -- to recommend measures to reduce travel demand for inclusion in the Regional Transportation Plan or funding in the Transportation Improvement Program.

Subcommittees may be established by the Chairperson. Membership composition shall be determined according to mission and need. The Chair shall consult with the full committee on membership and charge before organization of subcommittees. Subcommittee members can include TPAC members, alternates and/or outside experts. All such committees shall report to the Transportation Policy Alternatives Committee.

ARTICLE VI

REPORTING PROCEDURES

The Committee shall make its reports and findings and recommendations to the Joint Policy Advisory Committee on Transportation (JPACT). The Committee shall develop and adopt procedures which adequately notify affected jurisdictions on matters before the Committee.

ARTICLE VII

AMENDMENTS

The Bylaws may be amended or repealed only by the Metro Council.

TPACBLAW.3
1-30-95
March 24, 1994 - As approved by Metro Council.
STAFF RECOMMENDATION

CONSIDERATION OF RESOLUTION NO. 95-2090 FOR THE PURPOSE OF
ESTABLISHING A FINANCING PLAN FOR THE SOUTH/NORTH LIGHT RAIL
PROJECT

Date: January 30, 1995 Presented by: Andrew Cotugno

PROPOSED ACTION

Adoption of the South/North Financing Plan would establish the
region's intent to pursue the following funding actions:

1. A minimum 50 percent federal funding share to be sought over
the next two Intermodal Surface Transportation Efficiency
Acts for a total of $1.4 billion.

2. One-third of the local share from the Tri-Met General
Obligation bond measure approved November 1994.

3. One-third of the local share from the State of Washington.
One-half of that share is to be provided by C-TRAN and one-
half by the Washington Legislature.

4. One-third of the local share from the State of Oregon.

FACTUAL BACKGROUND AND ANALYSIS

The proposed financing plan (Exhibit A) includes details of the
scheduling of the South/North LRT project, required cash flow,
timing, and amount of anticipated receipt of the various sources
of funds and proposed source of funds. As a financing plan, each
element is subject to approval by the responsible party, as
follows:

1. Federal Section 3 funds subject to authorization by Congress,
execution of a Full-Funding Grant Agreement by the Federal
Transit Administration and annual funding appropriation by
Congress.

2. Tri-Met General Obligation bonds subject to approval by the
Tri-Met Board of Directors.

3. C-TRAN funding subject to approval by the voters and the C-
TRAN Board of Directors.

4. State of Oregon contribution subject to authorization by the
Oregon Legislature, execution of a funding agreement with
ODOT and biennial appropriation by the Oregon Legislature.

5. State of Washington contribution subject to authorization by
the Washington Legislature, execution of a funding agreement
with WSDOT and biennial appropriation by the Washington
Legislature.
Due to these many required approvals, many specific details are subject to change.

TPAC has reviewed this financing plan and recommends approval of Resolution No. 95-2090.

EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer recommends approval of Resolution No. 95-2090.
BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ESTABLISHING ) RESOLUTION NO. 95-2090
A FINANCING PLAN FOR THE SOUTH/ ) Introduced by
NORTH LIGHT RAIL PROJECT ) Rod Monroe, Chair

WHEREAS, The South/North Light Rail Transit (LRT) project was established as the next regional priority by Resolution No. 93-1784; and

WHEREAS, An overall 5 and 10-year transportation financing strategy was established by Resolution No. 94-2009; and

WHEREAS; That strategy included a federal, State of Oregon, State of Washington and regional funding approach to the South/North LRT project; and

WHEREAS, The voters approved a Tri-Met $475 million General Obligation bond measure as the first funding step toward the South/North LRT project; now, therefore,

BE IT RESOLVED,

That the Metro Council:

1. Adopts the South/North Financing Plan as reflected in Exhibit A.

2. Supports Tri-Met's and ODOT's efforts to pursue innovative funding sources to reduce the need for state and regional sources.

ADOPTED by the Metro Council this ____ day of ______, 1995.

J. Ruth McFarland, Presiding Officer
FINANCING PLAN
FOR THE
SOUTH/NORTH LRT PROJECT

January 30, 1995
STATE OF OREGON MATCHING FUNDS FOR THE SOUTH/NORTH LRT PROJECT:
Executive Summary

- A commitment of matching funds from Tri-Met, C-TRAN and the States of Oregon and Washington is needed during 1995/96 to secure an earmarking of Section 3 funds for the South/North LRT Project in the upcoming federal transportation authorization bill.

- The State of Oregon's share of matching funds for the South/North LRT Project is proposed to be one-sixth of total construction costs which is estimated to be $475 million.

- To attain this State contribution, the JPACT Finance Committee recommends that:
  
  [a] The 1995 Legislative Assembly authorize a total lottery commitment to light rail transit (LRT) of $40 million per year beginning in FY 2000. This stream of funds would be used to pay the State's share of both the Westside LRT and the South/North LRT. Until FY 2000, the State would continue its current $10 million per year commitment to the Westside LRT.

  [b] The funds made available to the South/North LRT Project by this authorization be used to support about a $95 million cash contribution to the project and to repay a $380 million bond contribution to the project.

  [c] The 1995 Legislative Assembly authorize the issuance of lottery bonds for the South/North LRT Project which are also coupled (or "wrapped") with a "moral obligation" of the State to appropriate other State funds to repay the debt if lottery revenues are insufficient to meet debt service requirements. The "moral obligation" commitment is needed to allow for a long-term (25 - 30 year) lottery bond. Without such a commitment, the maximum term of a bond solely backed by lottery revenues might be 15 years.

- Subsequent to legislative approval, Tri-Met would enter into an agreement with ODOT which commits the state's matching funds, subject to receipt of a federal funding commitment, in order to demonstrate a fully-committed 50% share of non-Section 3 funds prior to the mark-up of the next federal authorization bill.

- In addition to the state matching funds, the State may be asked to provide credit enhancements to support interim borrowing requirements caused by the cash-flow limitations of federal funds.

- The following oversight functions would be established for State:

  [a] The criteria currently required by state statute for the ODOT Director's release of State matching funds for the Westside LRT project will be required for the release of the State's contribution to the South/North LRT project.
A Steering Group and Project Management Group will be established, similar to those in operation on the Westside Project, which will provide ODOT ongoing involvement in key project management decisions.

- A task force would be formed to determine if there are other funding sources that can be used for South/North LRT Project which reduce the funding requirements of the State and regional property-owners.
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I. OVERVIEW OF FINANCING PLAN

1.1 Background

In reviewing the proposed financing plan, it is important to consider the unique facets of securing federal funding for LRT projects. The fact that Section 3 New Start funds, the source of federal funding for LRT, are discretionary funds alters the character of the financing plan, the timing of securing funding commitments and the strategy for implementing the financing plan.

In particular, as evidenced by ISTEA, to receive Section 3 funding for an LRT project, it is necessary to have the Section 3 funds earmarked in the transportation authorization bill. If a project is not earmarked in the upcoming authorization bill, it will almost certainly have to wait another five or six years (until the next authorization bill) for another opportunity for federal funding.

Beyond sheer political muscle, it will be necessary to demonstrate the local financial commitment to get a project earmarked in the upcoming authorization bill. The existence of local funding commitment was a major consideration in the earmarking within ISTEA, but some projects without local commitments got earmarked. Since that time, most of the earmarked projects which did not have a local funding commitment have faltered. Congress has vented its frustration about tying up federal funds on projects which do not proceed and, as a result, has intensified its requirement that local funding be committed as a precondition for future earmarkings.

The current ISTEA terminates on September 30, 1997. However, ODOT and Tri-Met have learned from their federal representatives that the Administration intends on marking-up an authorization bill during calendar 1995 and reporting the bill to Congress in early 1996 for adoption during September 1996. Thus, it is necessary to establish state and local funding commitments in 1995 and seek an earmarking for federal funds in 1996 or delay project funding until the year 2001 or 2002. It is important to note that at this time we need a "commitment" of funds, not "the money in-hand".

There are several worrisome but unavoidable uncertainties which result from these circumstances including:

[a] State and local funding commitments must be made before the project is fully defined and highly reliable cost estimates, based on detailed engineering, exist;

[b] State and local funding commitments must be made based on assumptions about what might included in the mark-up of the federal transportation authorization bill and how congressional deliberations might proceed;

[c] Beyond the authorization bill, the financing plan must also be based on assumptions about future levels of federal transportation appropriations which in turn have a significant impact on the size and nature of the financing plan.

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These uncertainties will lead to questions about the financing plan which do not always have definitive answers. Accordingly, the financing plan must be evaluated on its ability to accommodate a variety of circumstances and not on its ability to render static answers to unanswerable questions.

As part of this background, it is also important to introduce the concept of the "Full Funding Grant Agreement (FFGA)" which Tri-Met must enter into with the FTA to receive the federal funds. It is important to note that FTA will only execute FFGAs which fully funds an operable segment of a project. That is, the combination of federal, state and locally committed funds must be sufficient to build an entirely operational line.

If, for example, federal funds are not earmarked in the authorization bill, then FTA will not execute an FFGA which requires the use of federal funds to construct an operational line. If, however, the authorization bill includes an earmarking which is insufficient to fund a full-length project but is sufficient, when added to the committed state and local funding, to build a shorter (but fully operational) line, FTA will execute an FFGA for the shorter line (Minimum Operable Segment (MOS)). The notion of an MOS is important to the financing plan which is proposed later in this report.

1.2 Capital Costs

The total capital cost for the South/North LRT project between Clackamas Town Center and 99th Street in Clark County is estimated to be $2.85 billion in year-of-expenditure dollars. Year-of-expenditure dollars were calculated from a 1994-dollar capital cost estimate using a construction scheduling computer model developed for the Westside LRT project. The preliminary schedule assumes a full funding contract with the Federal Transit Administration would be executed in early 1998, a least-time construction schedule would be followed and construction would be completed in 2007.

It must be noted that the capital cost estimates are based on a pre-Preliminary Engineering level-of-detail. Furthermore, there are a variety of design options in many segments which could effect the construction cost. These uncertainties are addressed in the year-of-expenditure estimate by the inclusion of a 35% contingency on engineering estimates. In sum, by accepting the $2.85 billion construction cost estimate as a basis for making funding requests, the project has, in essence, assumed a maximum budget for capital construction. From this point on, project decisions on design elements and schedule will be made so as to ensure they fit within the maximum budget.

In Section 1.1, the concept of Minimum Operable Segments (MOS) was introduced. It should be noted that the MOS for the South/North LRT project would be an LRT line between downtown Vancouver and downtown Milwaukie. While such a line would not fully address the objectives of the project, it would be a workable line with sizeable benefits. The estimated YOE cost for the Milwaukie CBD-to-Vancouver CBD MOS is $2.10 billion. The relevancy of the MOS and its associated cost will be made apparent below.
1.3 Availability of Federal Funds

1.3.1 Federal Authorization Options

The financing plan for the South/North LRT project is premised on a Section 3 share of 50%, or $1.425 billion. The reader should note that this is the "Section 3 share" not the "Federal share" which would include any formula flexible funds (STP or NHS) that may be employed in the funding plan. It should be noted that the Portland region already has a need for about a $100 million earmarking in the upcoming authorization bill for the Westside (system-related costs)/ Hillsboro project. Thus, the total Section 3 authorization request would be about $1.525 billion.

It is important to consider the three types of authorization that may be available in the next authorization bill: "outright authorization", "contingent commitment" and a "program of interrelated projects". Regardless of which type of authorization is ultimately achieved, it will be necessary to demonstrate that there is a sufficient commitment of local and state funds to match the construction of the entire project.

"Outright authorization" implies that the funds allocated the project are legally available to the project over the life of the authorization bill although their actual receipt depends on future decisions by the appropriation committees. While an "outright authorization" is a necessary condition to be able to borrow to meet project cash-flow requirements, it is not sufficient to meet the project's borrowing needs. This is due to the fact that debt markets deeply discount the "outright authorization" when funds are borrowed against it.

A "contingent commitment", on the other hand, represents a commitment of funds subject to a future authorization bill. Thus, while funds are legally obligated to a project, funds are not to be appropriated towards such commitments in the current authorization period. This is a new authority permitted by ISTEA which has not yet been applied in practice, but will be soon be applied to the Hillsboro Extension. In the borrowing program for the Westside LRT, the debt markets gave borrowing credit for the anticipated Hillsboro "contingent commitment" through a formula similar to that used for borrowing against an "outright authorization", but only after an FFGA is signed which includes the "contingent commitment". Until such an FFGA is signed, no borrowing credit is given for the "contingent commitment".

The "program of interrelated projects" differs from the first two options in that it does not afford a legal funding commitment to a portion of the project, instead it establishes a policy regarding a future extension(s). The Westside/Hillsboro LRT project is an example of a "program of interrelated projects" in ISTEA. ISTEA gave an "outright commitment" of funds to the Westside LRT to SW 185th Street. In addition, ISTEA expressed an intent or, at least, an acknowledgement that the Hillsboro Extension would be included in a future amendment to FFGA for the Westside LRT project. While this level of commitment is clearly inferior to the first two, it provides a political basis to bridge authorization bills when a legal commitment was not achievable.

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1.3.2 Assessment of Federal Authorization Options

**Outright Authorization**: Based on previous experience and assuming historic levels of national Section 3 authorization, the total Westside/Hillsboro and South/North request of $1.525 billion is beyond that which can reasonably be expected as an "outright authorization". Thus, a financing plan premised on a fully outright authorized project is not judged to be viable and will not be further considered in this report.

**Partial Outright Authorization/Partial Contingent Commitment**: As stated earlier, it is possible to get an FFGA for a shorter but operational line (an MOS) with the opportunity to effectuate a contingent clause when additional funding is made available to the project. The best way to implement such a strategy is to secure an "outright authorization" for the MOS and a "contingent commitment" for the extension.

In the case of the South/North LRT project, this would require a $1.15 billion "outright authorization" of Section 3 funds (this includes $1.05 billion for the South/North MOS and $100 million to close-out the Westside/Hillsboro project) and a $375 million "contingent commitment for the extension of the MOS to 99th Street in Clark County and to the Town Center area in Clackamas County would be earmarked in the upcoming authorization bill.

The $1.15 billion Section 3 authorization is probably too large of an "outright authorization" request, so a back-up variation has been identified. Since the MOS is estimated to cost $2.1 billion and the proposed local and state match for the full project is $1.425 billion, only $675 million needs to be "outright authorized" in order to demonstrate sufficient funding commitments to construct the MOS. The overmatch (the amount of state and local funds in excess of 50% of the MOS cost) can be used to construct the MOS and then match the "contingent commitment" when these funds are effectuated. Thus, under the variation, a $775 million "outright authorization" of Section 3 funds ($675 million for the South/North LRT MOS and $100 million for Westside/Hillsboro LRT) and a $750 million "contingent commitment" (for extensions to the South/North LRT MOS) would be earmarked in the upcoming authorization bill.

**Partial Outright Authorization/Partial Program of Interrelated Projects**: The required dollars would be similar to the above option and variation except that a "contingent commitment" would not be included in the earmarking. Instead some statement of intent, whether as a "program of interrelated projects" as in ISTEA or some similar bill or report language, would be included. While not as powerful as a "contingent commitment", this option is more easily achievable and could provide the basis for a later "contingent commitment" enacted by the Administration.

1.4 Allocation of Non-Section 3 Shares Between the States of Oregon and Washington

Metro, C-Tran and Tri-Met have been working to determine an equitable formula for allocating the local share of the capital costs ($1.425 Billion). Two methods for computing the relative shares of the capital cost were identified: Ridership and Population.
The "Ridership" methodology assumes that the capital cost of the project should be allocated on the basis of the relative number of South/North LRT trips that have a production and/or attraction in Oregon versus Washington. This is shown below:

<table>
<thead>
<tr>
<th>Daily Trips</th>
<th>Per Cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of South/North LRT Trips with a Washington Production and/or Attraction</td>
<td>23,435</td>
</tr>
<tr>
<td>Number of South/North LRT Trips with an Oregon Production and/or Attraction</td>
<td>51,720</td>
</tr>
</tbody>
</table>

The "Population" methodology assumes that the relative populations within the corridor served by LRT correlates well with ridership and benefit and is simpler to understand than "productions and attractions". There are two possible years to use as the basis for determining C-TRAN's share of the South/North:

1994: Because it is the current year and the year agreement is reached.
1998: Because it is the year that the FFGA is projected to be executed and construction becomes real (and starts).

Based on these years, C-TRAN's share of South/North would be as follows:

<table>
<thead>
<tr>
<th>Base Year to Pro-Rate Share</th>
<th>S/N Corridor Population</th>
<th>Population in Clark Co.</th>
<th>% in Clark County</th>
<th>% in Oregon</th>
</tr>
</thead>
<tbody>
<tr>
<td>1994</td>
<td>552,422</td>
<td>184,525</td>
<td>33.4%</td>
<td>66.6%</td>
</tr>
<tr>
<td>1998</td>
<td>578,509</td>
<td>198,829</td>
<td>34.4%</td>
<td>65.6%</td>
</tr>
</tbody>
</table>

Upon consideration of all of these possibilities, it was recommended that the C-Tran/Washington share of the non-Section 3 capital requirements should be one-third or $475 million. As a result, the Tri-Met/Oregon share should be two-thirds or $950 million.

1.5 Allocation of Tri-Met/Oregon Share Between the State of Oregon and Tri-Met

In total, it is proposed that Tri-Met and the State of Oregon contribute two-thirds of the non-Section 3 funds needed to construct the project. This is estimated to amount to $950 million. It is further proposed that this total be split evenly between Tri-Met and the State. As a result, the State is requested to contribute one-sixth of the project cost, or $475 million based on current estimates. The 50/50 split between Tri-Met and the State is the same relationship that was agreed-upon for funding the Westside/Hillsboro LRT project. The rationale for the State's participation includes:

[a] *Oregon Income Tax Derived from Construction of the Project:* About $160 million.

Reduced Unemployment and Other Welfare Requirements on the State: The construction and operation of the South/North LRT Project creates about 60,000 job-years (number of jobs multiplied by the number of years they exist) over a 20-year time horizon.

Compliance with State Requirements Regarding Urban Sprawl and VMT: Creates the ability to encourage a compact Portland region with transit-supportive land uses within the urban area and, as a result, achieve a 20% reduction in per capita VMT as required by the State’s Transportation Planning Rule.

State Implementation Plan Benefits: A major component of the State Implementation Plan (SIP), the federally required air quality plan for the Portland region, is a major transit expansion. Maintenance of air quality standards allows for reduced federal regulations on future development, saving business millions of dollars per year in air pollution control costs. In addition, compliance with the SIP is required to maintain eligibility for federal transportation funds.

Achievement of Region 2040 Plan Objectives and a Reduced Cost of Urban Sprawl: The Region 2040 Plan establishes a long-term policy on urban containment and transit-supportive land uses within the urban area. These policies result in massive savings in infrastructure costs, including arterials and collectors. This Plan and its related fiscal benefits would not be feasible without a light rail system.

II. RECOMMENDED FINANCING PLAN

2.1. Implementation Framework

The financing plan is premised on executing a Full Funding Grant Agreement which allows for the staged implementation of the South/North LRT project between the Clackamas Town Center and 99th Street in Clark County. Stage 1, which would start soon after the federal authorization bill passes, would construct an MOS between the Milwaukie CBD and the Vancouver CBD. Stage 2 would construct the extensions from the MOS to the desired termini. Stage 2 would hopefully overlap the latter part of Stage 1 but, depending on events, might be sequential to Stage 1.

To allow for the fastest practical construction schedule, the financing plan would "advance spend" local and state funds (under a Letter of No Prejudice which would ensure such funds would later count as local match) and short-term borrow to fill federal cash-flow gaps.

2.2 Federal Funding Participation

2.2.1 Federal Authorization Strategy

Over the next two authorization bills, Tri-Met will seek a 50% federal share for the South/North LRT project. Based on current estimates, this will amount to $1.425 billion.
To secure the commitment for such funds, Tri-Met would implement a federal authorization strategy consisting, in priority order, of the following request and back-ups:

First Request: Earmark both a $1.15 billion "outright authorization" of Section 3 funds ($1.05 billion for the South/North MOS and $100 million for the Westside/Hillsboro project) and a $375 million "contingent commitment for the extension of the MOS to 99th Street in Clark County and to the Town Center area in Clackamas County in the upcoming authorization bill. It should be understood that this request for authorization is extremely large and not likely to be achievable. However, it provides Tri-Met with the ability to compromise, as part of the congressional deliberations, to Back-Up 1 which is likely the best achievable option.

If First Request Fails, Back-Up 1: Earmark both a $775 million "outright authorization" of Section 3 funds ($675 million for the South/North LRT MOS and $100 million for Westside/Hillsboro LRT) and a $750 million "contingent commitment" (for extensions to the South/North LRT MOS) in the upcoming authorization bill. It is anticipated that the "contingent commitment" would automatically become an "outright authorization" upon enactment of the authorization bill following the one to be adopted in 1996 (or 1997).

If Back-Up 1 Fails, Back-Up 2: Earmark an "outright authorization" of $775 million of Section 3 funds for the MOS and a "program of interrelated projects-type" commitment for the extensions. Tri-Met would then have to seek an "outright authorization" of $750 million of Section 3 funds (or more if the construction schedule has to be elongated) in the federal authorization bill following the one to be adopted in 1996 (or 1997).

2.2.2 Federal Appropriations Considerations

While the federal authorization level defines the ultimate level of federal financial involvement, the actual amount of funds available to the project at any point at time is a function of the appropriations process. Because (i) the amount of funds earmarked to different projects may exceed the total amount of funds authorized and (ii) congress has regularly chosen not to appropriate the full amount of funds authorized, it is virtually certain that the funds appropriated to the project will not (i) meet the cash flow needs of the project and, (ii) over the period covered by the authorization bill, will not total the amount authorized for the period. Thus:

[a] There will be a need for interim financing, and

[b] The receipt of Federal funding for the project will likely bridge three authorization bills.

The base analysis shown later in this report assumes that federal funds would be appropriated to the project at a uniform rate of $100 million per year. A sensitivity analysis, also shown later, shows the impact of lower federal appropriations.
2.3 C-Tran/State of Washington Funding Participation

It is proposed that, in total, C-Tran and the State of Washington contribute one-sixth of the total capital cost for the project. This is estimated to be $475 million. C-Tran will likely propose to the State of Washington that they evenly split this funding requirement.

C-Tran’s $237.5 million funding contribution would come from bonds backed by a 0.3% sales tax and a 0.3% motor vehicle excise tax imposed within Clark County. C-Tran has scheduled an election for February 1995 to seek voter approval of these taxes. This analysis assumes that the bonds would be issued in their entirety at the beginning of the construction period. Current thinking regarding the State of Washington’s $237.5 million contribution is that it would be provided in installments over the construction period (this analysis assumes these installments would be equal).

2.4 Tri-Met Funding Participation

It is proposed that Tri-Met would contribute one-sixth of the total project capital cost. Tri-Met’s share would be paid from the $475 million bond measure recently approved by 65% of the region’s voters. This analysis assumes that these bonds would be issued in their entirety at the beginning of the construction period.

2.5 State of Oregon Funding Participation

It is proposed that the State of Oregon would contribute one-sixth of the total project cost or, based on current estimates, $475 million. The financing plan identified for the State’s contribution requires the 1995 Legislative Assembly to authorize a total lottery commitment to light rail transit (LRT) of $40 million per year beginning in FY 2000. There does not have to be an appropriation of lottery funds to the South/North LRT Project until the FY 2000 - 2001 biennium.

Until FY 2000, the State would continue its current $10 million per year commitment to the Westside LRT. Beginning in FY 2000, the $40 million per year stream of funds would be used to pay the State’s share of both the Westside LRT and the South/North LRT. The State’s commitment to the Westside LRT Project would continue to be $10 million per year until FY 2009 when the Westside LRT bonds are repaid. The remaining funds would be made available to the South/North LRT and would be used to support a cash contribution to the project and to repay a bond.

Bond underwriters view lottery bonds as risky securities, thus they have been reluctant to issue bonds solely backed by lottery proceeds which are long-term. Accordingly, the financing plan calls for legislative authority to issue lottery bonds for the South/North LRT which are coupled (or "wrapped") with a "moral obligation" of the State to appropriate other State funds to repay the debt if lottery revenues are insufficient to meet debt service requirements. Such bonds would be similar to so-called "double-barrel" bonds in that the basic credit obligation upon which the bondholders would rely would be the State’s "moral obligation" to cover shortfalls, but the annual debt service would be paid by lottery funds.

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The "moral obligation" commitment is needed to allow for a long-term (25 - 30 year) lottery bond. Without such a commitment, the maximum term of a bond solely backed by lottery revenues might be 15 years, which would require significantly higher annual lottery appropriations to support the required bonding.

It should be noted that this assumes that the lottery funds allocated to the South/North LRT project would be given the same priority as those allocated to the Westside LRT project. That is, the South/North LRT would have "first call" on annual lottery proceeds (e.g., the allocation of lottery funds to the South/North LRT project would come before almost all other project allocations), eliminating the need to use some of the funds allocated to the South/North LRT project as "coverage" and, thereby, decreasing their leverage.

It also should be noted that while the $40 million per year of lottery funds would be pledged to repay the debt, the actual funds used to repay the debt could come from any state source or combination of sources. Even if other state funding sources are to be used, the amount of lottery funds pledged should still, in itself, be sufficient to repay the debt. The reason for making such a pledge of lottery funds is to maximize the marketability of the bonds and, thereby, reduce the interest costs to the State.

In order to maximize the likelihood of receiving an earmarking for the project in the upcoming federal authorization bill, a commitment of the State's entire share will have to be in place by the end of 1995 or very early in 1996. To accomplish this, ODOT and Tri-Met will need to enter into an intergovernmental agreement which commits the state contribution to the project, subject to a federal funding commitment and the due diligence criteria already established by statute for the ODOT Director.

2.6 Interim Borrowing Needs

As explained in Section 2.2.2, regardless of the type and level of federal authorization, the amount of federal appropriations will not keep pace with cash-flow needs of the project. As a result, interim borrowing will be required. Since the interim financing requirement is expected to be larger than Tri-Met's credit capacity, credit support will likely be necessary from the State of Oregon, State of Washington and C-TRAN. It should be noted that the interest on interim borrowing is a "project cost" and, thus, 50% is repaid with Section 3 appropriations.

Interim borrowing needs will be met, in part, by "advancing" local, state and federal formula funds. In this context, "advancing" means overmatching Section 3 in the early years of the project followed by an equivalent amount of undermatching in the latter years. In addition, the interim borrowing program will have to be supplemented with lines of credit or other short-term debt instruments (such as commercial paper).

The debt service on credit lines and other debt instruments would be repaid by future Section 3 appropriations. However, a credit enhancement, which is a guaranteed source of funds to repay the short-term debt if the federal funds are not appropriated, will be required by banks, underwriters and the debt market. Tri-Met and C-TRAN will provide credit to
support the interim borrowing requirements of the project, but it will not be sufficient. Thus, credit enhancements will be requested from the States of Oregon and Washington in the form of guarantees backed by either (a) identified dedicated revenue streams or (b) "moral obligation" or other similar commitments which meet the requirements and restrictions of state law and are satisfactory to the debt markets.

III. IMPACTS OF FINANCE PLAN ON THE STATE

3.1 Analysis of Proposed Financing Plan

Table 1 illustrates the financing plan which assumes the state and local shares described in Section II and:

[a] Construction of the MOS between Milwaukie CBD and Vancouver CBD starts in 1998 and ends in 2005 and the construction of Extensions to the Town Center and 99th Street in Clark County overlaps the construction of the MOS in the years 2004 and 2005. The Extensions are completed in the year 2007.

[b] Section 3 funds would be appropriated to the project at a 50% rate up to a maximum of $100 million per year until the year 2008 when the federal appropriation begins to rise to a maximum of $115 million per year.

[c] State and local funds are advanced to the project to allow it to maintain its schedule. After they are fully expended, interim borrowing is used to meet cash-flow needs.

Table 2 shows the cash-flow requirements upon the State. The following fiscal impacts and issues are identified for this scenario:

[a] Currently, the State is allocating $10 million per year of lottery funds to repay the debt on the State’s share of the Westside LRT Project. The financing plan assumes that, beginning in FY 2000, the State would allocate a total of $40 million per year to LRT projects. At first, the South/North LRT Project would receive $30 million per year of the LRT allocation and the Westside LRT would continue to receive its $10 million per year allocation. Then in FY 2009, when the Westside LRT bonds are fully repaid, the full $40 million allocation would be used by the South/North LRT Project. This $40 million per year allocation would continue until the South/North LRT bonds are fully repaid in FY 2028.

[b] The lottery funds allocated to the South/North LRT Project would be used in two ways. Funds allocated in FY 2000 through FY 2002 (along with any interest earnings) would be provided to the project on a cash flow basis. The remaining lottery funds would be used to repay debt. In total, about $95 million would be available to the project as a cash contribution. The long-term maturity allowed by the "moral obligation" commitment and the annual lottery allocations after FY2002 would support about a $380 bond contribution to the project.
### Table 1a: South/North LRT Construction Costs
Millions of Dollars (Year-of-Expenditure Dollars)

<table>
<thead>
<tr>
<th>Federal FY:</th>
<th>98</th>
<th>99</th>
<th>00</th>
<th>01</th>
<th>02</th>
<th>03</th>
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<th>07</th>
<th>08</th>
<th>09</th>
<th>10</th>
<th>11</th>
<th>12</th>
<th>Total</th>
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<tbody>
<tr>
<td>Milwaukie-Vancouver</td>
<td>$20</td>
<td>$88</td>
<td>$260</td>
<td>$515</td>
<td>$496</td>
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### Table 1b: South/North LRT Financing Plan
Millions of Dollars (Year-of-Expenditure Dollars)

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Section 3 funds must be appropriated to the project over 15 years and three authorization cycles. Moreover, appropriations must occur for five years after the project is complete in order to repay interim borrowing caused by the inability of federal appropriations to keep pace with the project’s cash-flow needs.

Maximum interim borrowing occurs in the year 2007 at which time approximately $600 million of short-term debt is incurred. Overall, about $130 million in interest costs accrue to the project.

3.2 Impact of Lower Federal Appropriations

Table 3 illustrates the impacts of a lower level of federal appropriations than that assumed in Section 3.1, above. The number of permutations of lower federal appropriation scenarios is endless. This example shows the impact of a $10 million per year lower appropriations over a six-year period between the years 2000 and 2005, inclusive. The construction assumption in this scenario is the "sequential" option. That is, the MOS (between Milwaukie CBD and Vancouver CBD) is fully constructed before construction starts on the Extensions (to the Town Center and 99th Street).

This scenario is possible under any of the Federal Authorization Strategies discussed in Section 2.2.1, but is particularly likely if Back-Up Strategy 2 is employed ("contingent commitment" is not available to the project, so a "program of interrelated projects-type of earmark is secured for the Extensions). Under such a scenario, the risk may be judged to be too great to proceed with an overlapping construction schedule.

The following fiscal impacts and issues are identified for this scenario:

[a] The extension of the construction schedule results in about a $50 million increase in the overall construction cost. The increase is caused by the fact that the increased inflation costs on the extended construction elements outstrip the savings resulting from reduced interim borrowing needs.

[b] As a result of the increased costs, the State’s contribution to the project budget is increased by about $8 million (as is Tri-Met’s).

c] Maximum interim borrowing occurs in the year 2009 when $485 million of short-term debt is incurred, this is about $115 million less than the base scenario shown in Section 3.1. Overall, almost $90 million in interest costs accrue to the project.

[d] Note that the results reported above represent a modest reduction in appropriation levels. Obviously as lower rates are assumed, the impacts get higher.
### Table 3a: South/North LRT Construction Costs: Sequential Construction
Millions of Dollars (Year-of-Expenditure Dollars)

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### Table 3b: South/North LRT Financing Plan: Sequential Construction
Millions of Dollars (Year-of-Expenditure Dollars)

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IV. Governance and Management of the Project

4.1 Bi-State Compact

Tri-Met and C-TRAN are in the process of preparing a Bi-State Compact for possible submission to the Washington and Oregon legislatures in 1995. The purpose of such a Compact is to establish a cooperative governance and management organization for constructing and operating the South/North LRT system. To accomplish this, three critical steps must be taken:

[a] Tri-Met and C-TRAN must first reach agreement on the form, structure, scope and powers of the "Authority" to be created and prepare legislation defining these elements;

[b] Both the Oregon and Washington legislative assemblies would then have to pass the legislation (which must be, for all intents and purposes, identical);

[c] The legislation approved by both legislatures would then be proposed to the U.S. Congress for enactment.

Once passed by Congress, the Authority would have the powers specified in the legislation.

Based on the current draft of the concept:

[a] The Authority would oversee the construction and operations of the South/North LRT system;

[b] It would be governed by a Board of four members consisting of two Tri-Met Board members and two C-TRAN board members;

[c] The Authority would not directly hire staff but would contract with Tri-Met, C-Tran and private contractors for services;

[d] The Authority would receive and hold funding contributions and would disburse such funds through contracts; and

[e] The legislation would define a uniform set of legislation in both States which apply to the construction and operation of the project.

The last point is critical. The legislation of both States regarding the funding and construction of the project is vastly different. There is concern that the administration of such a project would be difficult and would lead to higher than expected costs. The implementation of a Bi-State Compact provides a vehicle for reconciling these problems.
4.2 Current Statutory Pre-Requisites for State Match

The legislation authorizing the state contribution for the Westside LRT project provided the ODOT Director the authority to release funds to the project if and when he/she was satisfied that:

[a] The local approvals for the project were in place;
[b] There was sufficient assurances that the other funds needed for the project were in place;
[c] The project, or the specific phase of the project in question, was certified by JPACT; and
[d] The capital costs for the elements to be funded by the State were sufficiently known.

Identical criteria will be included in the legislation proposed for the South/North LRT project.

4.3 Steering Group and Project Management Group Role

The Steering Group and Project Management Group to be established for the South/North LRT project would be similar in nature to that currently operating for the Westside LRT project. In particular, ODOT would be invited to actively participate in regularly scheduled meetings for the purpose of making design, budget, scheduling and other project-level decisions.

V. PUBLIC-PRIVATE FINANCING ALTERNATIVES

5.1 Alternative Funding Task Force

A public-private task force would be formed jointly by Tri-Met and ODOT to explore other funding sources than can be used for the South/North LRT Project funding requirements, reducing the requirements on the State and regional taxpayers.

The task force would consist of at least seven members drawn from the Tri-Met Board, the C-TRAN Board, the OTC and private industry. It would be chaired by either a member of the Tri-Met Board or the OTC. It would establish a work program with the help of Tri-Met and ODOT staff, that would analyze all feasible aspects of private sector involvement in funding the Project.

5.2 Allocation of Alternative Funding Resources

The allocation of alternative funding resources should be used whenever possible to offset the burden of the taxpayer's contribution to the Project. This could take the form of:
[a] A reduction in the amount of the Tri-Met General Obligation Bonds issued, to be paid by regional property taxpayers.

[b] A reduction in the amount of C-TRAN Revenue Bonds issued, to be paid by Clark County taxpayers.

[c] A substitution for lottery, General Fund or other funds committed to the Project by the States of Oregon and Washington.

The proportionate distribution of such funds would be decided by the Project Steering Committee, but could be based on the proportion of local match being generated by the potential recipients of these funds and the location (Oregon versus Washington) of the private sector activity which is generating the alternative funding.
January 26, 1995

Andy Cotugno
Transportation Director
METRO
600 NE Grand Ave.
Portland, OR 97232-2736

Dear Andy,

I am requesting that TPAC at their January 27, 1995 meeting amend the FY 95 Metro Transportation Improvement Program to include a $1.6 million Section 3 "Livable Communities" project which would implement the Clackamas County East Sunnyside Village Community Improvement Program. This program includes the purchase and development of the Sunnyside Village transit plaza, village green and community/commercial center.

The transit plaza, village green and community/commercial center are sited to provide the shortest walking and bicycling distance to the greatest number of Village residents and employees. Approximately 8.25 acres in size, this Village "hub" includes a community park and a "community service zone" with a public library and a day care center adjacent to the transit plaza.

The Sunnyside Village Plan is incorporated into the County’s Comprehensive Plan and is projected to generate between 10-15% fewer external vehicle trips than a typical suburban development containing identical land uses.

Sincerely,

Thomas J. VanderZanden, Director
Department of Transportation and Development
## COMMERCIAL CENTER, COMMUNITY SERVICE PARCELS, TRANSIT PLAZA AND VILLAGE GREEN

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Date: January 31, 1995

To: JPACT

From: Michael Hoglund, Manager
Regional Transportation Planning

Re: Schedule/Criteria for $27 Million Regional Reserve Allocation

At the February 9 JPACT meeting, Metro staff will provide a brief update on the schedule and criteria associated with the proposed allocation of the $27 million regional reserve of federal Surface Transportation Program (STP) funds. The following information is background to that update.

SCHEDULE

The process will conclude in late May with adoption of a resolution to amend the TIP to reflect the programming of the $27 million. Previous direction through JPACT/Metro Council resolution is that $7 million of the total be for alternative mode projects, with the $20 million balance being used for 2040 implementation. Monthly activities will be broken into discrete tasks and products, as follows:

1. January. Activities were oriented on the Transportation Fair held January 28. For the $27 million, the Fair was used to generate public comment on projects and criteria. Current planning and programming information was displayed at the various booths and a public survey on land use/transportation priorities was distributed and collected. Staff is tabulating results of the public survey and will summarize findings for JPACT. We are also asking that JPACT members complete the survey (see below and attached).

2. February. Results of the Fair will be synthesized with project comments and requests forwarded to appropriate public agency/jurisdiction project sponsor(s). We anticipate receiving comments on already proposed projects, as well as proposals for new projects and strategies. Metro will work with local jurisdictions to ensure an adequate response to public comments and ideas.

Also in February, and following review of Transportation Fair information, Metro will formally solicit agencies and jurisdictions for projects for use of the $27 million reserve.
Metro will provide an application form defining specific required information with an application deadline of March 9 (at the March JPACT meeting). The solicitation will be designed in a manner that will limit the pool of potential projects to a total target of less than $100 million, unless combined with an Arterial Fund solicitation. If determined that a combined Arterial Fund/$27 million reserve solicitation is best, the pool target would likely be higher.

JPACT discussion in February will focus on agreement of overall program objectives and a concept for criteria. The RTP teams will refine specific modal criteria during February; TPAC will review final criteria at its February 24 meeting.

March. JPACT will be asked to approve final criteria at its March 9 meeting.

Also in March, projects will be screened and detailed information collected for project technical rankings. Metro staff will formally request from project sponsors the specific information necessary for the ranking. Again, we anticipate having a standard form for requesting any information.

April. The evaluation and ranking process will conclude and a staff recommendation will be released by April 15 for public hearing and TPAC consideration at its April 28 meeting. The public hearing will be late in April and is proposed to follow a similar format to last year's JPACT hearing on the ODOT STIP cuts.

May. JPACT and Metro Council adoption.

The final program will require a Conformity Determination. The technical conformity work will be conducted during May and June in conjunction with conformity for the ISTEA RTP update.

CRITERIA/SURVEY

Based on previous TPAC comments, staff is reviewing the criteria methodology for determining the link between the Region 2040 concept and the investment of the $27 million. As mentioned, a survey instrument was developed for distribution and collection at the Transportation Fair and for distribution to other interested transportation groups and to RTP technical work teams. Staff is recommended that the survey also be used for JPACT priority-setting.

Therefore, JPACT members are requested to complete the attached survey by the end of the February 9 meeting. The JPACT responses will be used to assist staff in finalizing and weighting the evaluation criteria. If you have questions about the survey, please call me at 797-1743 or bring them to the meeting.

MH: lmk
Attachment
Transportation Improvement Priorities Survey

Please take a moment to comment on proposed priorities for regional transportation funding. Return completed survey to Metro staff, or mail or fax to the Metro Planning Department, address at left.

Types of Improvement Projects

The following types of improvements to the regional transportation system are proposed to be ranked. Please prioritize (Circle number to indicate priority, 1 high − 6 low) the importance of allocating funds to each type of transportation improvement.

1 2 3 4 5 6 Road and highway expansion and replacement
1 2 3 4 5 6 Road and highway reconstruction
1 2 3 4 5 6 Transit
1 2 3 4 5 6 Stand-alone bike and pedestrian improvements
1 2 3 4 5 6 Transportation Demand Management (TDM) and Transit Oriented Real Estate Developments (TODs) – projects which reduce trips
1 2 3 4 5 6 Transportation System Management (TSM) – projects which improve capacity of existing facilities without building new travel lanes

Do you agree that these are the type of projects that should be evaluated?

☐ Yes  ☐ No

Would you suggest any other types of transportation improvements?

__________________________________________________________________________

__________________________________________________________________________

Proposed Funding Criteria and Relative Weight

The projects are proposed to be ranked on how effective they are at addressing the following criteria and maximum weights would be assigned to each:

Criteria: Projects with the highest use or that reduce demand the greatest should be the highest rank. Proposed weight: 25 percent. Agree? Other suggested weight: ________ percent

Criteria: Projects that address the most dangerous conditions receive highest priority. Proposed weight: 25 percent. Agree? Other suggested weight: ________ percent
Criteria: Projects that best promote 2040 land-use planning goals receive highest priority. (Please see below to comment on land use priorities.) Proposed weight: 25 percent. Agree? Other suggested weight: ______ percent

Criteria: Projects that provide the greatest mobility at the least cost receive highest priority. Proposed weight: 15 percent. Agree? Other suggested weight: ______ percent

Criteria: Projects that benefit multiple modes of travel (e.g., bikes, pedestrians, freight movement, transit) receive highest priority. Proposed weight: 10 percent. Agree? Other suggested weight: ______ percent

Would you suggest other criteria? __________________________________________________________________________

________________________________________________________________________

Land-Use Priorities

1. The following land-use types from the 2040 growth concept are recommended as the priorities for implementing the growth concept:

   High Priority – Central city, regional centers and industrial sanctuaries

   Medium Priority – Town centers, main streets, light rail station communities, bus corridors and neo-traditional neighborhoods

   Low Priority – Mixed-use employment areas and traditional single family neighborhoods

Do you agree with this ranking?  □ Yes  □ No

If you disagree, what priority would you assign to these uses? Please indicate your ranking below with 1 as the highest priority and 10 as the lowest.

1. ______________________  6. ______________________
2. ______________________  7. ______________________
3. ______________________  8. ______________________
4. ______________________  9. ______________________
5. ______________________  10. ______________________

2. Land uses throughout the region are served by a system of roads. Some such as freeways and arterials serve regional travel. Others serve more localized needs. Do you agree that regional funding should place a higher priority on projects on regional road facilities rather than local facilities?

□ Yes  □ No

3. The 2040 planning process has shown that transit use and short-distance pedestrian and bicycle travel are critical to effective management of growth, achieving higher densities and reducing travel demand. Do you agree that Metro should use state and regional funds to build these types of improvements to local streets?

□ Yes  □ No
I. MODES AND MEANS OF IMPLEMENTATION

The following table represents the loosely defined relationship of arenas in which funding decisions are made for these modes.

<table>
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<tr>
<th>S/N</th>
<th>STIP CUT</th>
<th>PROSPECTUS</th>
<th>$27 M RESERVE</th>
<th>FINANCIALLY CONstrained</th>
<th>LEG. PACKAGE (2X2)</th>
<th>STATE-WIDE REG. FEE</th>
<th>ARTERIAL FUND</th>
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<tr>
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<td>$7 M $11 M RSTP $9 M SSTP</td>
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II. RELATIONSHIP OF RTP UPDATE TO ANALYSIS OF MODES AND MEANS OF IMPLEMENTATION

The following general process is suggested to organize the decision making process for each funding arena.

1. DEFINE RTP "NEED"

Projects meeting 2015 system needs, not constrained to revenue.

2. PRIORITIZE VIA:

Technical Ranking Factors
a. Use
b. Safety
c. 2040 Compatible
d. Cost Effective
e. Multi-Modal

Technical Scoring & Administrative Criteria
e.g., local match, schedule feasibility, etc. (see below)

Rank: Hi
Medium
Low

3. FUNDING RECOMMENDATION

JPACT
Metro Council

III. DRAFT RECOMMENDED ADMINISTRATIVE CRITERIA

1. Local Commitment (e.g., overmatch)
2. Implementation Feasibility (e.g., capable of construction within life of funds)
3. Avoided Cost (e.g., construction cost significantly off-set by avoided preservation expense)
4. Regional Equity
5. Others as developed by JPACT, TPAC and RTP Work Teams
# TIP UPDATE

## PROJECT NOMINATION FORM

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<tr>
<th>Project Name</th>
<th>Approval Status:</th>
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<tr>
<td></td>
<td>Addressed in 1992 RTP? Yes □ No □</td>
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<tr>
<td></td>
<td>Referred from County Coordinating Committee? Yes □ No □</td>
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<tr>
<td></td>
<td>Derives from Local Capital Improvement Document? Yes □ No □</td>
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<tr>
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<td>Project Was Subject to Local Public Hearing? Yes □ No □</td>
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| Est. Project Cost: $ | |

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<tr>
<th>Match Funds Committed:</th>
<th>Yes □ No □</th>
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<tr>
<td>Indicate Overmatch, if any:</td>
<td>% Committed =</td>
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| Project Complete by FY '98? | Yes □ No □ |

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<th>Project Type:</th>
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<tbody>
<tr>
<td>□ Road Expansion</td>
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<tr>
<td>□ Road Preservation (no SOV capacity increase but may add right-of-way for bike/ped amenities)</td>
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<tr>
<td>□ Transportation System Management (includes ATMS, access control, striping, etc.)</td>
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<tr>
<td>□ Transit Capital</td>
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<tr>
<td>□ Bike &amp; Pedestrian</td>
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<tr>
<td>□ Transit Oriented Development</td>
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<td>□ Transportation Demand Management</td>
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<th>Project Focus:</th>
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<tr>
<td>□ Industrial Sanctuary</td>
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<tr>
<td>□ Main Street</td>
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<tr>
<td>□ LRT Station</td>
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<tr>
<td>□ Bus Corridor</td>
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<tr>
<td>□ Neo-Traditional Community</td>
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<tr>
<td>□ Mixed-use Employment Area</td>
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<td>□ Traditional Single Family Neighborhood</td>
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<tr>
<td>Tanya Collie</td>
<td>Multnomah County</td>
</tr>
<tr>
<td>Mike Thorne</td>
<td>Port of Portland</td>
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<tr>
<td>Earl Blumenauer</td>
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<tr>
<td>Bill Bruland</td>
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<tr>
<td>Greg Zimlich</td>
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<td>Bob Post</td>
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<tr>
<td>Bruce Warner</td>
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<td>Mary Heritage</td>
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<td>John Kurf</td>
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<tr>
<td>Kathy Bosu</td>
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<td>Kate Deane</td>
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<td>Susan (absole)</td>
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<td>Sandra Downey</td>
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