

IN CONSIDERATION OF ORDINANCE NO. 20-1448, FOR THE PURPOSE OF  
IMPOSING A TAX FOR TRANSPORTATION IMPROVEMENTS AND PROGRAMS  
FOR VOTER APPROVAL

---

Date: July 8, 2020  
Department: GAPD  
Meeting Date: July 9, 2020

Prepared by: Andy Shaw  
Presenter: Andy Shaw  
Length: 10 minutes

---

## **ISSUE STATEMENT**

Get Moving 2020 will make regionally-significant safety, transit and mobility investments in regional corridors that are largely overlooked by other funding sources, or that need greater investment than is currently available. Additionally, through the regionwide programs, Get Moving 2020 will make regionally-important investments in safety, transit and community stability beyond these corridor investments.

Currently, transportation resources available to fund transportation improvements and programs do not meet the needs of the growing region. The measure seeks to leverage and coordinate with existing funding resources, as well as future funding from federal, state and local sources. Together, these funding sources and partners will help create a seamless regional transportation system that is more reliable, safer and interconnected than ever before, while advancing our shared goals for racial equity, economic prosperity, healthy ecosystems and climate change.

Metro studied a wide range of potential revenue sources for the Get Moving 2020 measure, considering such factors as Metro's authority to use the source, rate caps or other limitations on their use, revenue generation potential, simplicity of administration, familiarity in the region and potential voter support. Additionally, Metro closely examined the connection between revenue options and direction from the Metro Council to ensure that the burdens of revenue mechanisms are not borne disproportionately by people of color and people with low incomes.

After an initial high-level scan of more than a dozen potential revenue options, Metro contracted with ECONorthwest to conduct more detailed analysis of 10 potential revenue options in fall 2019; ECONorthwest conducted further analysis of two revenue options in spring 2020. Based on further Council direction and community input, Metro staff is recommending for Council and voter approval a tax to require employers to pay a percentage of total wages paid, to fund transportation projects and programs around the greater Portland region.

## **GET MOVING 2020 BACKGROUND**

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. 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.

As the region emerges from the current crisis, the greater Portland area will continue to grow. People will still be moving here. Children will still need to get to school safely. Workers and students will still need safe, reliable, and affordable transportation choices. Our communities will look for leadership to create jobs and generate the economic activity that will drive our region's recovery.

That's why Metro has continued to work with partners, stakeholders and the public to complete the Get Moving 2020 Transportation Measure proposal. This effort has always been about working together to create a healthy and prosperous region for everyone who lives here. Now more than ever, building a blueprint forward will help all of us when it's time to regather and rebuild.

## **PUBLIC INPUT**

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 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. The Task Force reviewed Metro Council direction and policy regarding the measure; identified additional desired outcomes; provided input to council on priority corridors, regionwide programs and possible revenue mechanisms; and made recommendations for corridor investments. Co-chaired by Commissioners Jessica Vega Pederson and Pam Treece, the Task Force discussed and provided input on a range of potential revenue options at meetings in December and January. Metro staff, local jurisdictions, and stakeholders used the outcomes identified by Metro Council and the Task Force to select and design transportation improvements and develop transportation-related programs.

At a work session on Jan. 28, the Metro Council directed staff to proceed with developing four revenue options for further consideration. After analyzing the four options and

ongoing stakeholder input, and discussions at Council work sessions in June and July 2020, Metro staff are recommending the council adopt an employer-paid tax based on wages paid.

The ordinance includes a tax not to exceed 0.75% of wages paid. The Metro Council may set a lower initial rate to reflect current economic conditions. If the Metro Council sets the rate lower than 0.75% of wages paid, the Council may increase the rate, depending on economic conditions, not more than once per fiscal year.

### **KNOWN OPPOSITION**

No known formal opposition.

### **LEGAL ANTECEDENT**

Metro Charter Section 10 provides that Metro may impose, levy, and collect taxes and may issue revenue bonds and general and special obligation bonds. Metro Charter Section 11 requires that any ordinance of the Council imposing broadly based taxes of general applicability on payroll (wages paid) be approved by the voters of Metro before taking effect.

Metro Charter Section 36(1) requires the Metro Council to adopt legislation of Metro by ordinance. See also Metro Code Section 2.01.070.

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF IMPOSING A TAX FOR )      ORDINANCE NO. 20-1448  
TRANSPORTATION IMPROVEMENTS AND )  
PROGRAMS FOR VOTER APPROVAL )      Introduced by the Metro Council

WHEREAS, the Metro Charter recognizes regional transportation planning as one of Metro’s primary functions and directs the Metro Council to appropriate funds sufficient to support this function; and

WHEREAS, a safe and reliable transportation system is a key part of a livable, equitable, and prosperous Metro Area, along with affordable homes, clean air and water, and access to parks and natural areas; and

WHEREAS, since January 2019, Metro has worked with local leaders and community members throughout the Metro Area on a plan to make the region’s transportation system safer, more reliable, more accessible and more affordable for everyone; and

WHEREAS, Metro convened a Transportation Funding Task Force to advise the Metro Council on key outcomes, investments and implementation for the Get Moving 2020 Transportation Measure; and

WHEREAS, additional revenue is needed to address transportation issues identified by the Task Force and the revenue source must be responsive to current economic conditions; and

WHEREAS, the Metro Council intends to refer to the voters the Get Moving 2020 Transportation Measure that would approve of the imposition of a tax to fund transportation improvements and programs; and

WHEREAS, Metro Charter Section 10 provides that Metro may impose, levy, and collect taxes and Metro Charter Section 11 provides that any ordinance of the Council imposing a broadly based tax of general applicability requires approval of the voters before taking effect; and

WHEREAS, the Metro Council finds the need for immediate adoption of this ordinance is necessary given the upcoming state deadlines to refer the Get Moving 2020 Transportation Measure to the voters and to adequately prepare for any challenge to the measure’s ballot title; now therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

1. Beginning 2022, a tax is imposed on every employer on the wages paid by the employer to individuals who perform services in the Metro Area. The rate may not exceed 0.75% (0.0075) of wages paid by the employer. Employers with 25 or fewer total employees, and state and local governments, are exempt from paying the tax.
2. Upon passage by the voters, the Metro Council will set the specific rate of the tax but may not set a rate that exceeds 0.75% of wages paid. The Metro Council may set a rate lower than 0.75% of wages paid the first time the Council sets the rate. If the Metro Council determines a rate increase is needed, the Council may increase the tax rate not more than once per fiscal year.

3. The following definitions apply to the tax: (a) Employer means without limitation a person who is in such relation to another person that the person may control the work of that other person and direct the manner in which it is to be done, or an officer or employee of a corporation, or a member or employee of a partnership, who as such officer, employee or member is under a duty to perform the acts required of employers; (b) Metro Area means the areas of Clackamas, Multnomah, and Washington counties within Metro's jurisdictional boundary and has the meaning prescribed by the Metro Charter, Section 3; (c) Wages means remuneration for services performed by an employee for the employer, including the cash value of all remuneration paid in any medium other than cash. Wages includes remuneration for services performed partly within the Metro Area. Wages does not include remuneration paid for services performed wholly outside the Metro Area.
4. The Metro Council will take all necessary actions to refer the Get Moving 2020 Transportation Measure, in a form substantially similar to the attached Exhibit A, to obtain voter approval of the tax at the November 3, 2020 general election.
5. The Metro Council authorizes and directs the Chief Operating Officer and the Metro Attorney to take all other actions necessary to place the Get Moving 2020 Transportation Measure on the ballot for the November election in a manner consistent with and in furtherance of this Ordinance, including amending this Ordinance to reflect legally required language.
6. Upon passage by the voters of the Get Moving 2020 Transportation Measure, the Metro Council will take further action to establish, among other things, code language and rules to enforce and implement the tax.

ADOPTED by the Metro Council this \_\_\_\_\_ day of July 2020.

\_\_\_\_\_  
Lynn Peterson, Council President

Attest:

Approved as to Form:

\_\_\_\_\_  
Jaye Cromwell, Legislative Engagement  
Coordinator

\_\_\_\_\_  
Carrie MacLaren, Metro Attorney

The People of Metro ordain as follows:

**GET MOVING 2020 TRANSPORTATION MEASURE**

**TAX AND RATE**

**Section 1. Voter Approval Ordinance No. 20-1448; Tax, Rate, Definitions**

Metro Council Ordinance No. 20-1448 is approved as follows:

**Tax and Rate**

- (1) Beginning 2022, a tax is imposed on every employer on the wages paid by the employer to individuals who perform services in the Metro Area. The rate may not exceed 0.75% (0.0075) of wages paid by the employer.
- (2) Employers with 25 or fewer total employees, and state and local governments, are exempt from paying the tax.
- (3) The Metro Council will set the specific rate of the tax but may not set a rate that exceeds 0.75% of wages paid.
- (4) The Metro Council may set a rate lower than 0.75% of wages paid the first time the Council sets the rate. If the Metro Council determines a rate increase is needed, the Council may increase the tax rate not more than once per fiscal year.

**Definitions**

For the purpose of this measure, the terms used are defined as provided in this section, unless the context requires otherwise.

Employer means without limitation a person who is in such relation to another person that the person may control the work of that other person and direct the manner in which it is to be done; or an officer or employee of a corporation, or a member or employee of a partnership, who as such officer, employee or member is under a duty to perform the acts required of employers.

Metro Area means the areas of Clackamas, Multnomah, and Washington counties within Metro's jurisdictional boundary and has the meaning prescribed by the Metro Charter, Section 3.

Wages means remuneration for services performed by an employee for the employer, including the cash value of all remuneration paid in any medium other than cash. Wages includes remuneration for services performed partly within the Metro Area. Wages does not include remuneration paid for services performed wholly outside the Metro Area.

**PURPOSE AND OUTCOMES**

**Section 2. Purpose and Outcomes**

**Purpose**

The Get Moving 2020 Transportation Measure will fund safety, transit, traffic and other transportation improvements and programs along roadway and transit corridors throughout the Metro Area. The measure

supplements but does not replace existing federal, state and local funding sources. Measure goals include racial equity, economic prosperity, saving lives, and improved air quality. The measure corridor improvements, programs, and implementation will be funded by a 0.75% business tax on payroll.

**Outcomes**

The Metro Council and Transportation Funding Task Force (“Task Force”) identified these outcomes for the measure: improve safety for everyone; prevent displacement and benefit communities of color; make it easier to get around; address climate change and support resiliency from disasters and emergencies; support clean air, clean water, and healthy ecosystems; support economic growth; increase opportunity for low-income Oregonians; and leverage regional and local investments.

**CORRIDOR IMPROVEMENTS**

**Section 3. Corridor Improvements**

The Metro Council and Task Force identified approximately 150 transportation projects on 17 regional corridors located in Clackamas, Multnomah, and Washington counties for investment. Metro will prioritize traffic safety, transit efficiency, and reliability for all modes on the network of roads and transit routes that connect the Metro Area. Measure revenue will support, without limitation, a rapid bus network, a light-rail transit line between downtown Portland and Washington County, bridge repair and replacement, sidewalk completion and pedestrian crossings, traffic safety road improvements, traffic operation improvements, off-street facilities for walking and biking, and a network of signal and street light upgrades.

**Seventeen Corridors**

- SW Corridor
- McLoughlin Boulevard
- C2C (Clackamas to Columbia) / NE/SE 181st Ave
- Highway 212 / Sunrise Corridor
- Highway 43
- Tualatin Valley (TV) Highway
- SW 185<sup>th</sup> Ave
- Pacific Highway 99W
- Highway 217
- Highway 26
- NE/SE 82<sup>nd</sup> Ave
- Burnside
- Central City
- NE/SE 122<sup>nd</sup> Ave
- NE/SE 162<sup>nd</sup> Ave
- Albina Vision
- Powell Blvd

Metro will enter into agreements with state, regional, county, and city governments for funding and delivery of these improvements. The government agencies will be responsible for the design, construction, and overall delivery of the projects, with Metro oversight.

The corridors identified will be the first priority for corridor improvements. Corridors may include the route or area named above as well as nearby travel routes. The Metro Council may amend this list or identify other corridors for funding if corridor improvements become cost prohibitive or otherwise infeasible or if annual tax revenue collected fluctuates, as determined by the Metro Council following a public hearing.

When the outcomes from identified corridors are achieved, the Metro Council may approve additional corridor investments following a public hearing. Before considering additional corridors, no later than 2035, the Metro Council must appoint a task force that includes community organizations, business leaders, and local partner jurisdictions. The task force will work with existing committees and advisory groups, and consider all reports drafted by the same, to develop recommendations for additional corridor or project investments to present to the Metro Council.

## **PROGRAMS**

### **Section 4. Programs**

The Metro Council and Task Force identified 10 programs for investment. The Metro Council will determine the amount of investment in each program once the programs are developed and the amount of revenue is known. Metro will prioritize safety, access to transit, racial equity, and community stability when developing the programs. Measure revenue will be dedicated to, without limitation, safety of children walking and biking to school, safety on roads and streets with high crash rates, accessibility to and support for local main streets, strategies to address potential displacement along transportation corridors, retention of affordable housing along transportation corridors, safe walking and biking connections, transition of transit bus fleets from diesel to electric and low-carbon fuels, youth access to transit passes, reliability and convenience of bus transit, and future planning for corridors.

#### **Ten Programs**

- Safe Routes to Schools
- Safety Hot Spots
- Thriving Main Streets
- Anti-displacement Strategies
- Housing Opportunity
- Regional Walking and Biking Connections
- Bus Electrification
- Youth Transit Access
- Better Bus
- Future Corridor Planning

The following criteria apply across all the programs: ongoing public and stakeholder engagement and accountability to community priorities; prioritizing racial equity; fiscal transparency and accountability; ability to leverage other resources; consideration of geographic-specific needs and differences; flexibility to adapt to changing economic, transportation, and housing contexts over a 20-year period; and coordination with other regional investments in housing, parks and nature, and transportation.

The 10 programs identified will be the first priority for program investments. The Metro Council may amend this list or identify other programs for funding if a program becomes cost prohibitive or otherwise infeasible or if annual tax revenue collected fluctuates, as determined by the Metro Council following a public hearing.



When the outcomes from existing programs are achieved, the Metro Council may approve additional program investments following a public hearing. Before considering additional programs, no later than 2035, the Metro Council must appoint a task force that includes community organizations, business leaders, and local partner jurisdictions. The task force will work with existing committees and advisory groups, and consider all reports drafted by the same, to develop recommendations for additional program investments to present to the Metro Council.

## **IMPLEMENTATION**

### **Section 5. Implementation**

Metro will manage all aspects of the implementation of the Get Moving 2020 Transportation Measure. Metro's implementation plan includes, but is not limited to:

- **Accountability and Oversight:** The Metro Council will appoint an independent oversight committee to review progress in the implementation of Metro's ballot measure and to submit to the Council an annual report; the report will include without limitation information on fund expenditure oversight and progress on the measure outcomes.
- **Technical Assistance:** Metro will establish additional committees to provide technical expertise as needed, including without limitation to provide advice on projects and programs.
- **Independent Financial Audit:** Metro will retain a public accounting firm to conduct an annual financial audit of the measure expenditures and will publish the results.
- **Transparency:** Metro will document the decisions and activities of measure implementation, will provide access to relevant information, and will make meetings of oversight and advisory bodies accessible to the public.
- **Public Engagement:** Metro will engage community members in decision making and will support communities of color, youth, seniors, people with disabilities, low-income communities, people with limited English proficiency, and others who experience barriers to participation and will support project delivery agencies to do the same.
- **Project Agreements:** Metro will enter into agreements with the agencies delivering the corridor projects and will oversee all aspects of those agreements.
- **Urban Design Guidelines:** Metro will require use of Metro's urban design guidelines, or substantially similar urban design guidelines, to project improvements.
- **Contract and Workforce Equity:** Metro will develop a combination of policies, programs and practices to facilitate contract and workforce equity for programs and projects; Metro's work with delivery agencies will include, but is not limited to, facilitating and developing contracting firms owned by women and people of color, creating demand for women and people of color in the workforce, and supporting a regional contract and workforce equity fund.
- **Air Quality Monitoring:** Metro will support the monitoring and tracking of air quality and greenhouse gases as it relates to transportation emissions in the region.
- **Bonding:** Metro may issue bonds secured by the tax described in Section 1.