2023 Regional Transportation Plan

Chapter 5

Our Transportation Funding Outlook

2023 Regional Transportation Plan

July 10, 2023 PUBLIC REVIEW DRAFT

Metro

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5.1 INTRODUCTION

The 2023 Regional Transportation Plan shows that more investment and funding are needed to build, operate, and maintain the regional transportation system for all modes of travel.

Since the 1950s, transportation investments have prioritized private vehicles over other modes, shaping the way we experience spaces and places from suburban downtowns and business districts, various neighborhoods and even downtown Portland. For the greater Portland region, RTPs developed by Metro in partnership with local, regional, state, and federal agencies since the 1980s and 1990s have taken strides towards remedying this imbalance, meeting the needs of our roadway infrastructure to address safety and congestion, while also investing in safe and accessible options for pedestrians, cyclists, transit riders, and other users of the region's transportation system. Figure 5.1 illustrates some of the key legislative milestones that have led to the state of the system today. The RTP stands aligned with this vision and trajectory for funding an equitable and multimodal transportation system.

Defining terms

Transportation System
The various transportation modes and facilities (aviation, bicycle, pedestrian, street, transit, rail etc.) taken altogether into consideration as one intertwined system.

Yet the geopolitical and socioeconomic context of the region (and indeed, much of the world) has radically changed since the RTP was last updated in 2018. Even prior to the COVID-19 pandemic, transportation systems were grappling with the emergence of dockless electric scooters, while contending with trends towards zero-emissions vehicles, an aging population, and addressing the climate crisis. The global pandemic in 2020 led to a drastic change in travel patterns, where telecommuting became widespread and transit ridership plummeted to historic lows. Steep inflation propagated by international conflicts further compounded the public health crisis and its lingering effects. Between the spotlight on essential workers, record-breaking petrol prices, increasing serious traffic crashes and ongoing inflation, the post-pandemic world has brought equity to the forefront of transportation discourse, where cost-of-living, and access to transportation are critical policy issues of the day along with building a safe, reliable, and sustainable transportation system.

As Chapter 4 has explored, the region still faces many challenges:

- Aging infrastructure
- Rising costs
- Changing mobility needs
- Climate crisis and air quality
- Congestion and reliability
- Fatal and life-changing crashes
- Social inequity and disparities

- Earthquake vulnerability, security, and emergency management
- Gaps in transit, biking, and walking connections
- Housing and transportation affordability and displacement
- Technological change

Much work has been done since the 2018 RTP to address the growing urban and transportation needs of the region. In 2020, the Oregon Legislature ratified a bill to end exclusive single-family zoning in cities with populations greater than 10,000, legalizing duplexes and triplexes in low density zones to meet housing demand. This was seen as a significant step towards rectifying a long history of racial discrimination in urban planning, when land use and zoning were used to redline and discriminate against people of color in Oregon.

HB 2017 Keep Oregon Moving provided a significant investment in transportation. However, as the region looks to balance transportation spending over the next two decades, a robust evaluation of revenue collection and allocation strategies will be critical to future policy success.

Building a safe, reliable and sustainable transportation system requires steady, long-term investment. We don't have the resources to invest at the levels needed to address all of the challenges facing our region and achieve our shared vision for the transportation system. For example, the region needs to complete gaps in transit, walking and biking networks to expand affordable travel options, yet active transportation currently lacks dedicated funding at all levels of government. The transit system relies heavily on payroll taxes to fund operations, yet the region's demand for frequent and reliable transit service exceeds the capacity of local payroll taxes to support it.

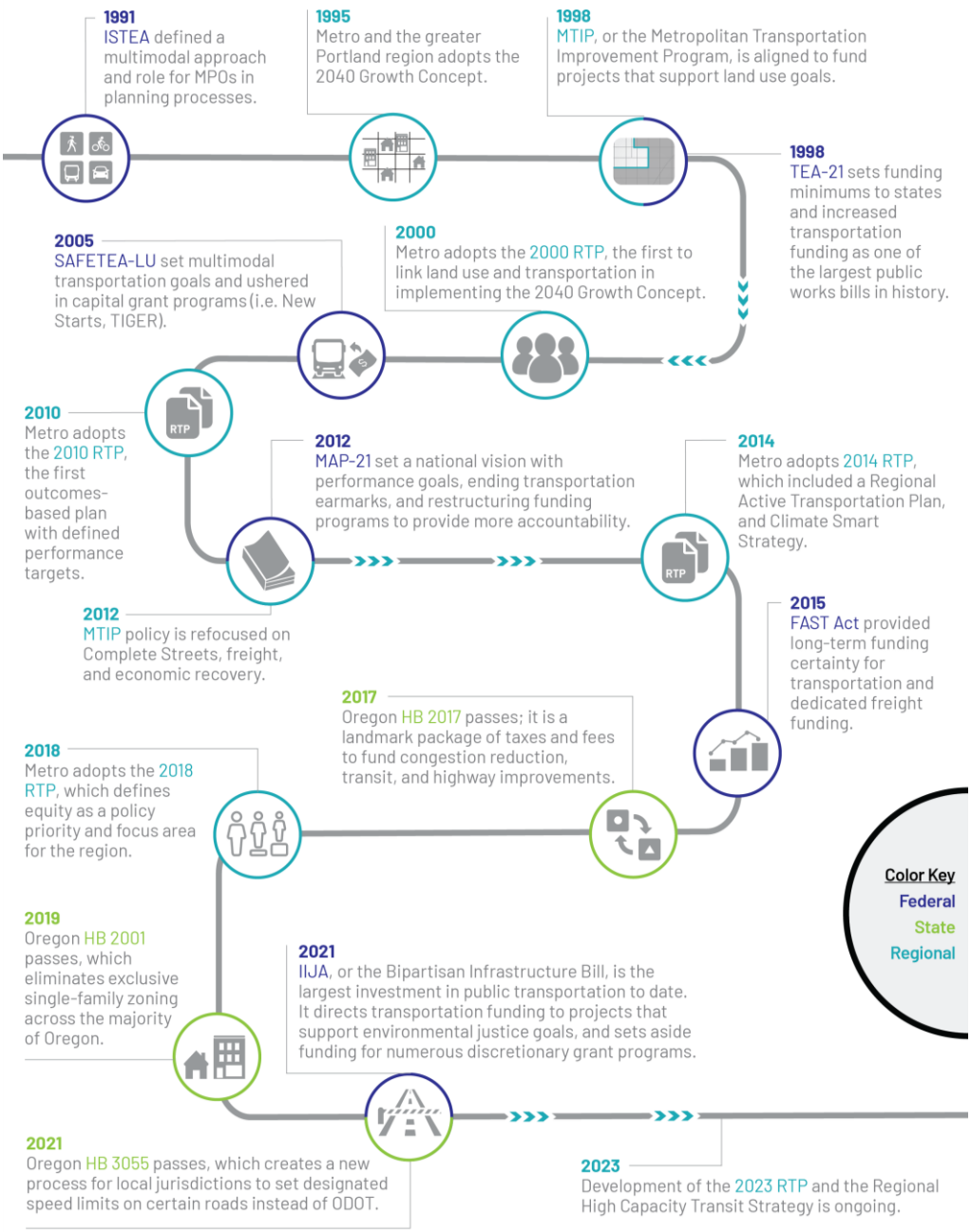
At the same time, innovation in transportation technologies have opened new opportunities to close the funding gap. An emerging source of transportation revenue may be in tolling and other pricing strategies. In 2021, Metro completed the Regional Congestion Pricing Study (RCPS). The RCPS conducted in-depth analysis to test four pricing strategies including congestion pricing, cordon pricing, parking pricing and mileage-based fees. The results of this study showed promise for vehicle pricing strategies, and will be an important factor influencing the region's funding outlook and making the most of past investments in the transportation system.

In October 2021, the City of Portland's Pricing Options for Equitable Mobility (POEM) Task Force explored pricing options on parking, cordon pricing, and highway tolling. The Equity and Mobility Advisory Committee (EMAC) advises the Oregon Department of Transportation (ODOT) and the Oregon Transportation Commission (OTC) on

development of an easy-to-use, accessible and equitable tolling program in the greater Portland region.

Each of these efforts have recognized the need to ensure unintended impacts on people with low-incomes, land use and the transportation system are identified and addressed in design and implementation.

Figure 5.1: Historical Timeline of Legislative Milestones for the Transportation System



5.1.1 Addressing our most urgent needs through investment

The transportation funding landscape is changing, and building a safe, reliable, and sustainable transportation system requires steady, long-term investment. However, we don't have the resources to invest at the levels needed to address all of the challenges facing our region and achieve our shared vision and goals for our transportation system. For example, we need to complete gaps in our region's transit, walking, and biking networks to expand affordable travel options, yet active transportation currently lacks a dedicated funding source at all levels of government. The transit system relies heavily on payroll taxes to fund its operations, yet the region's demand for frequent and reliable transit service exceeds the capacity of local payroll tax to support it.

The Joint Policy Advisory Committee on Transportation (JPACT) and Metro Council jointly developed these goals for the 2023 RTP.

This chapter presents the funding outlook for investing in the programs and projects needed to address these most pressing demands on our transportation system over the next 22 years. The following sections will present those revenues that can be reasonably expected, the anticipated costs associated with maintaining our transportation system, and the projects and programs that can reasonably be funded within these financial constraints. Given our funding limitations, prioritizing where and how to invest is central to developing a feasible plan for achieving Metro's six desired outcomes for the region.

5.1.2 Chapter organization

In accordance with federal law, this chapter documents the cooperative process used to develop the revenue forecast for the 2023 Regional Transportation Plan, and demonstrates that the RTP is financially constrained as defined by 23 CFR 450.324(f)(11) for the time period of 2023 to 2045. Projects identified in **Appendix A** are "reasonably likely to be funded" for planning purposes, as defined by OAR 660-012-0040 (Transportation Financing Program). It provides an overview of the long-range financial plan and forecast that includes system-level estimates of both revenue sources and costs. Details of the long-range forecasts, including key forecast assumptions, can be found in Appendix H.

This chapter is organized into the following sections:

5.1. Introduction: This section describes the current outlook for transportation funding in the region as a result of recent events and summarizes the rationale for further investment.

5.2. Funding the Transportation System: This section offers an overview of how transportation in the region is funded, from revenue collection to distribution to various funding programs and to expenditure on programs and projects. The equity implications of our existing funding structures will also be highlighted.

5.3. Revenue Forecast and Assumptions: This section summarizes forecasted revenue to support implementation of the RTP, including revenues anticipated to be available to adequately operate and maintain the transportation system as well revenue anticipated to be available to fund priority transportation programs and projects. It also describes the forecast methods and the process by which forecasted revenues were identified by Metro, the Oregon Department of Transportation (ODOT), Tri-County Metropolitan Transportation District of Oregon (TriMet), the South Metro Area Regional Transit (SMART), the Port of Portland, Confederated Tribes of the Grand Ronde and the 24 cities and three counties located within the metropolitan planning area boundary.

5.4. Transportation System Costs: This section summarizes system-level transportation costs of priority programs and projects included in the RTP.

5.5. Demonstration of Financial Constraint: This section compares the forecasted revenue expected to be available for transportation investment in the region **(5.3)** and compares it to the cost of adequately maintaining and operating the transportation system **(5.4)** and to the cost of new transportation projects included in the plan (see financially constrained list of projects contained in Appendix A). This section will demonstrate that these costs do not exceed forecasted revenues.

5.6. Moving Forward Together to Fund the Transportation System: This section calls attention to our future transportation needs and issues a call to action for more funding to secure a future with equitable and accessible transportation for all.

5.2 FUNDING THE TRANSPORTATION SYSTEM

Transportation revenues are collected from a variety of sources, which are distributed through complex processes before being available to transportation agencies in the greater Portland region.

At its core, the financial structure behind our transportation system follows a four-part process:

1. Collection of revenues
2. Identification of and distribution of revenues to funding programs
3. Funding programs selection of projects to receive funds
4. Spending of revenues

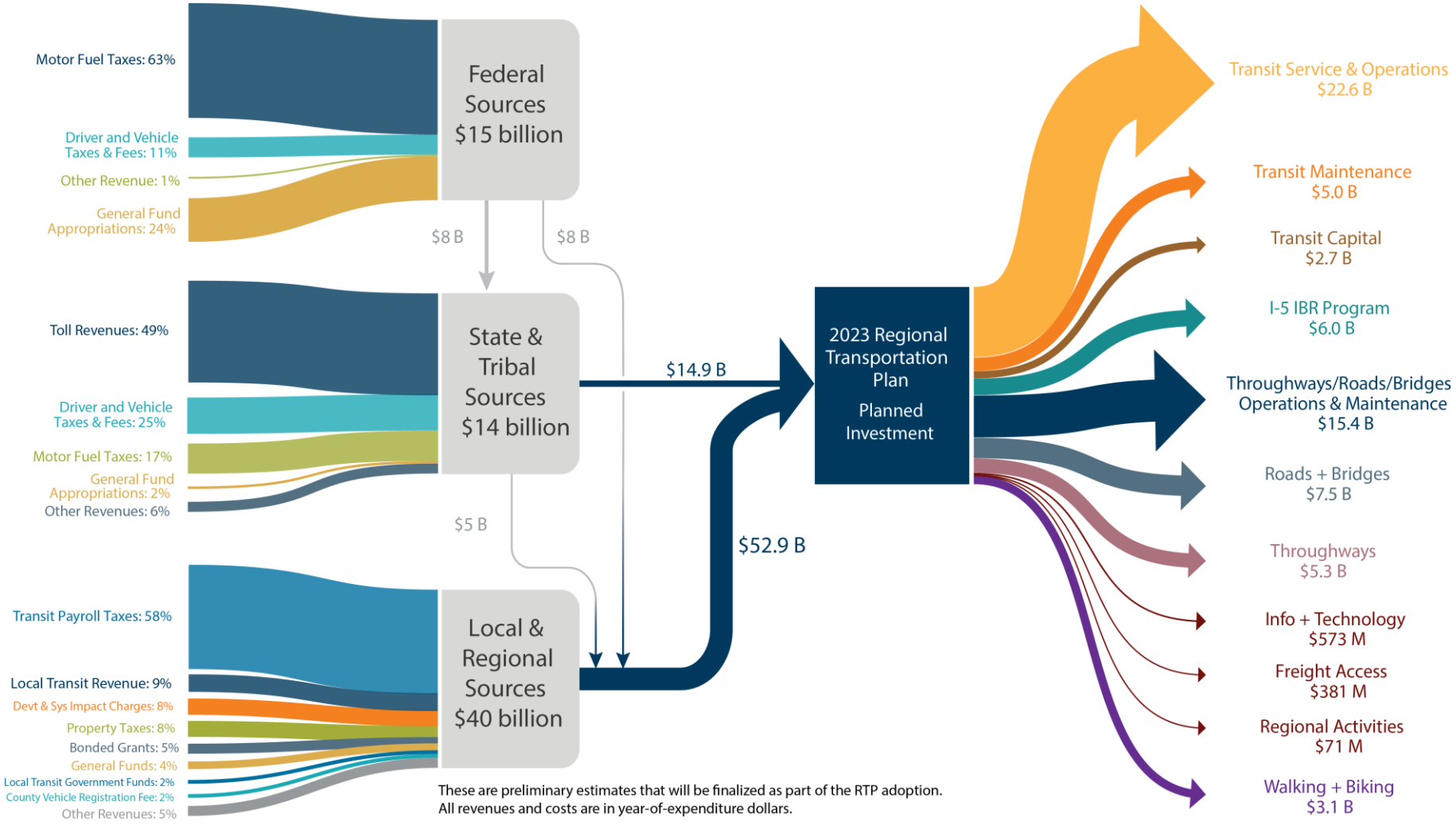
The collection of transportation revenues occurs across multiple levels of government and from a wide range of sources. Revenues then flow through a variety of programs, redistributions, and formulae before being invested in the greater Portland region's local and regional transportation networks. Figure 5.2 illustrates the transportation funding process for the RTP, as revenues flow from collection to direction for expenditure.

Metro's approach to the 2023 RTP and overall transportation funding in the region is one centered by equity and safety; they form two of five core tenets in Metro's goals for the RTP. For one, Metro is committed to a Safe Systems Approach to achieve Vision Zero by 2035 and will leverage funding sources in this RTP to advance the elimination of serious and fatal injuries from traffic crashes.

Defining terms

Safe Systems Approach
A data-driven, strategic approach to roadway safety that recognizes the underlying infrastructural and educational causes of traffic collisions. It is based on the principle that human error is inevitable, but fatalities and serious injuries should not be.

Figure 5.2: Flow of Transportation Revenues into the Portland Metro Region



Sources: FTA and FHWA Transportation Revenue Sources 2022, ODOT Revenue Forecast for 2023 RTP, ODOT Legislatively Adopted Budget 2022, locally reported revenue sources, revenue sources reported by Confederated Tribes of the Grand Ronde, transit providers and other transportation agencies, and Draft 2023 RTP Constrained Project List (7/10/23)

The left side of Figure 5.2 shows the different types of funding sources that comprise local, state, and federal revenues for transportation. For example, the gray box denoting "Federal Sources $15 billion" describes the total revenues that are collected at the federal level (such as federal income taxes and gas taxes) for federal fiscal year 2022 that were available to the region. These funds are not typically directly allocated by the federal government, but instead are disbursed to state and local governments who then prioritize the projects for funding in state and local plans and the Regional Transportation Plan.

→ The gray arrows illustrate transfer of funds between federal, state, and local levels, also known as intergovernmental transfers, or suballocations.

→ Shown with blue arrows, transfers are combined with local and regional own-source revenues to fund the programmed projects in the 2023 RTP.

Transfers from the federal and state levels are often packaged as funding allocation programs, with competitive grant application processes that local jurisdictions apply through in order to receive this funding.

Agencies that allocate federal, state and regional funding to transportation projects and programs (ODOT, TriMet, SMART, and Metro) utilize these plans when allocating federal and state funding through their various funding allocation programs. **Section 5.3** of this Chapter will expand upon the various funding allocation programs and how they support the RTP.

Some revenues must be spent in certain ways, as described in Table 5.1.

Table 5.1: Limitations and Constraints on Revenue Allocation

Source	Category	Allocation and Constraints Description
Federal		
Fuels tax	Roadways, transit, bike, and pedestrian	
Heavy trucks and trailers sales tax		
Heavy vehicles annual use tax		

Source	Category	Allocation and Constraints Description
Individual income taxes, corporate income taxes (General Fund transfer)		Federal revenue sources fund the Highway Trust Fund (HTF). The HTF is made up of the Mass Transit Account and the Highway Account. The Mass Transit Account receives 15.5% of the revenue generated by the gasoline tax and 11.7% of the revenue generated by the tax on diesel fuel. The remainder of the fuel tax is dedicated to the Highway Account. The Mass Transit Account funds transit projects while the Highway Account funds roadway, bike, and pedestrian projects. Federal funding from the HTF flows through state DOTs and to local agencies and is allocated using formula funds.[1]
State		
Motor Fuels Tax	Roadways, bike, and pedestrian within the right-of-way	These revenue sources fund the State Highway Fund. The State Highway Fund is restricted to funding construction, operation, and maintenance of roads, including bike and pedestrian projects in the right-of-way.[2] In 1971, ORS 366.514 dedicated at least 1% of highway funds to bicycle and pedestrian projects.[3]
Weight Mile Tax		
Driver and Vehicle Fees		
Transportation License and Fees		
Cigarette Tax	Transit	A portion of the Cigarette tax is dedicated to transit services for seniors and disabled people.[4]
Bike Tax	Bike	Revenue from the bicycle excise tax goes into Multimodal Statewide Investments Management Fund. It used to fund a bike and pedestrian program within Connect Oregon.[5]
Privilege Tax	Outside of right-of-way – aviation, rail, and marine	Funds are allocated to the Connect Oregon Fund and fund rebates for electric vehicles. The Connect Oregon Fund is restricted to projects outside the highway right-of-way. Historically these projects included active transportation but most recently funds are dedicated to aviation, rail, and marine projects. Any project that is eligible for funding
Lottery Revenues		

[1] https://www.fhwa.dot.gov/fastact/factsheets/htffs.cfmU.S. Department of Transportation Federal Highway Administration. (2017). "Fixing America's Surface Transportation Act or "FAST Act.""

[2] Oregon Department of Transportation. (2022). "Transportation Funding in Oregon."

[3] Interpretation of ORS 366.514

[4] Oregon Department of Transportation. (2022). "Transportation Funding in Oregon."

[5] Oregon Department of Transportation. (2022). "Connect Oregon."

Source	Category	Allocation and Constraints Description
		from the State Highway Fund is not eligible for funding from Connect Oregon.[6]
Payroll Transit Tax	Transit except light rail	The tax is deposited into the Statewide Transportation Improvement Fund and is limited to investments and improvements in public transportation services, except for those involving light rail.[7]
Income Tax (General Fund Transfer)	Variable	As the state legislatively directs. In the past it has been used for capital projects such as light rail.
Local		
Mass-Transit (TriMet) Tax	Transit	The tax funds mass transportation in the TriMet district.[8]
Transit Fares (Passenger Revenues)	Transit	Fares fund the transit system. They make up 7% of TriMet's FY2023 Budget.[9]
Gas Tax Vehicle Registration Fee	Roadways, bike, and pedestrian within the right-of-way	Under state law, motor vehicle revenue is restricted to funding construction, operation, and maintenance of roads, including bike and pedestrian projects in the right-of-way.
Transportation System Development Charges	Capital projects that increase or improve capacity	Fees are dedicated to recoup the cost of additional infrastructure projects required to serve new developments.[10] In Oregon, state law requires that revenue only be spent on capital projects.[11] Local municipalities may have additional requirements on use of revenue, such as specifically serving the impacted area and related parameters.
Street Utility Fees	Street repair and maintenance	Funds are spent locally on street maintenance.
Utility Fees based on estimated number of trips	Street repair and maintenance,	Revenue funds projects outlined in Milwaukie's Street Surface Maintenance Program, Bicycle and Pedestrian Accessibility Program, and the federal

[6] Oregon Department of Transportation. (2022). "Connect Oregon."
[7] Oregon Department of Revenue. (2022). "Statewide transit tax."
[8] TriMet. (2021). "Form OR-TM Instructions."
[9] TriMet. (2022). "Adopted 2022-2023 Budget
[10] Oregon Metro. (2007). "System Development Charges."
[11] Oregon Legislature. (2021). "Chapter 223 – Local Improvements and Works Generally."

Source	Category	Allocation and Constraints Description
	Bike and Pedestrian Accessibility, ADA Transition	ADA Transition Plan. Funding transit, ADA improvements, and active transportation has a positive equity component.
Franchise Fees	Flexible	Franchise fees feed directly into the General Fund to support a portion of a city's transportation budget.
PGE Privilege Tax	Street repair and maintenance	Funds are spent locally on street maintenance.
Parking Fees/Fines	Flexible, discretionary PBOT revenue	Parking fee revenue is general discretionary transportation revenue at PBOT.[12]
Urban Renewal	Flexible but must be spent within TIF districts	Taxes are paid by all homeowners in a jurisdiction and revenue is spent on local transportation projects within specified districts. Tax Increment Financing (TIF) districts can be used to fund improvements in historically underserved communities, including transportation projects.[13] [14]
Property Taxes	Flexible, must be on major road.	For example, taxes are paid by local homeowners in Washington County and revenue is spent on local transportation projects through the Major Streets Transportation Improvement Program (MSTIP). MSTIP funding improves the transportation system for bicyclists, pedestrians, drivers, and transit passengers. Projects must improve safety, improve traffic flow or congestion, be on a major road, address needs for all travelers.[15]
TNC Fee	Flexible, funds programs	This fee has been used to fund programs that help remove barriers to mobility. Program examples include Wheelchair-Accessible Vehicle program,

[12] Portland Bureau of Transportation. (2019). "PBOT Financial Overview."
[13] Prosper Portland. (2021). "Your property tax bill and urban renewal."
[14] Clackamas County Development Agency. (2011). "Urban Renewal in Clackamas County."
[15] Washington County, Oregon. "Major Streets Transportation Improvement Program (MSTIP)."

Source	Category	Allocation and Constraints Description
		Safe Ride Home Program, safety inspections, and Transportation Wallet Initiative.[16] [17]
Local Improvement District	Flexible, must be spent in the LID	A Local Improvement District (LID) is a mechanism for neighboring property owners to share the cost of improvements to infrastructure, where property owners agree to tax themselves (typically at least 51% of the property owners must be in favor). For transportation, it is often used to pave unimproved streets or build sidewalks.
Heavy Truck Fee	Street repair, maintenance, and safety	In Portland, the fee is allocated for 56% Street Repair/Maintenance and 44% Traffic Safety. Projects for both safety and maintenance should focus on streets important to freight movement.[18]

Section 5.4 of this Chapter will further describe transportation system costs and the role that funding programs play in supporting our transportation system.

Finally, the right side of the diagram shows the categories of projects that are proposed for funding in the 2023 RTP. The approximate costs associated with each spending category are elaborated upon in **Section 5.5** of this Chapter. The total expenditure anticipated for all the categories listed on the right of this diagram are reasonably expected to be fully funded by the revenues going into the 2023 RTP; the demonstration of financially constrained expenditures is captured in **Section 5.6**.

Defining terms

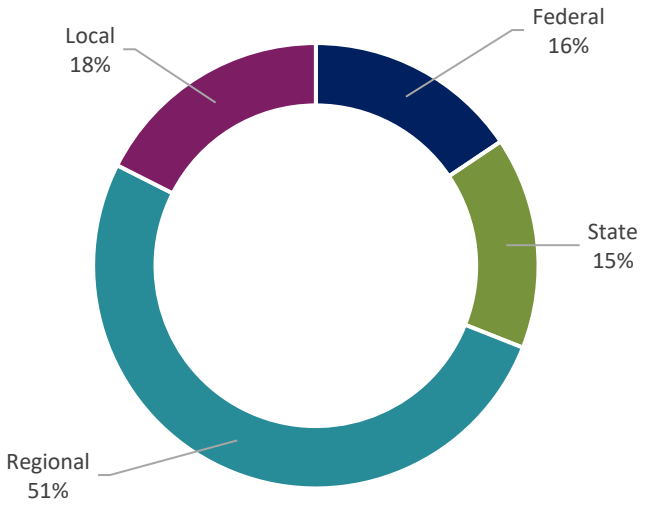
Financially Constrained
When a transportation plan includes sufficient information to show that proposed investments can be implemented using reasonably available revenue sources.

5.2.1 Breaking down revenues by source and government level

The following figures summarize revenue sources by the government level that originally collects the revenue, before any suballocations are made to other entities. Figure 5.3 breaks down the total pool of funding that will go into the 2023 RTP, by the level of government responsible for collecting this revenue (before any regional suballocations are made).

[16] City of Portland, Oregon. "Private For-Hire Transportation & Regulations."
[17] Schafer, Hannah. (2019). "PBOT News Release: PBOT, Portland Police Bureau encourage Portlanders to take a Safe Ride Home on St. Patrick's Day." *Portland Bureau of Transportation*.
[18] Portland Bureau of Transportation. "Heavy Vehicle Use Tax (HVUT) Background and Projects."

Figure 5.3 Sources of Transportation Revenues for the 2023 RTP by Government Level

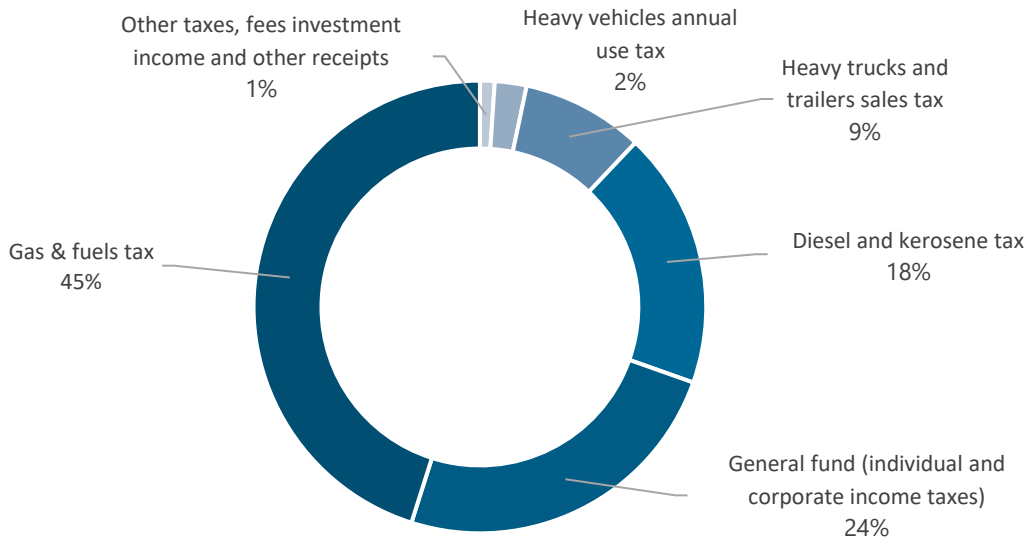


As Figure 5.3 shows, 16 percent of the revenues in the RTP financial plan are collected at the federal level. These funds are primarily comprised of:

- Funds disbursed by the Federal Highway Administration (FHWA) Highway Trust Fund (HTF) for roadway capital and maintenance efforts,
- Funds disbursed by the Federal Transit Administration (FTA) for transit capital and maintenance efforts,
- Funds disbursed through the Oregon Department of Transportation (ODOT) for capital projects and improvements; and,
- Funds disbursed through ODOT for roadway maintenance and operations.

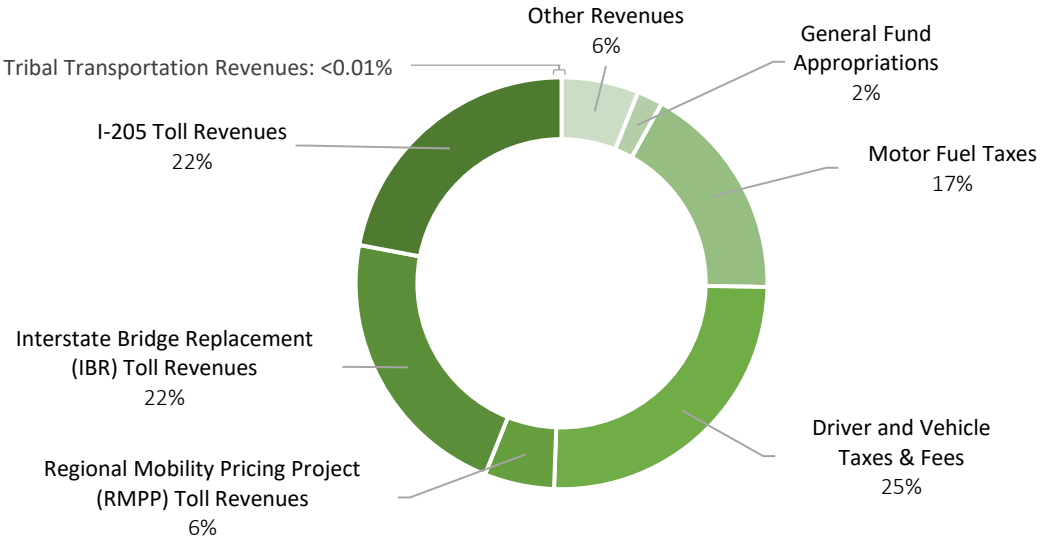
The Federal Highway Trust Fund (HTF) is funded primarily by the federal gas tax, a key revenue source that has seen decreasing returns in recent years. Between changing travel behaviors, inflation, and the rising demand for infrastructure, the HTF has increasingly relied on general revenue transfers to cover its deficit. A portion of this revenue goes to states specifically to maintain federal roadways—Interstate Highways and U.S. Highways—and the remainder is further distributed to various states and localities for their local transportation needs, through formula and grant funding programs. Figure 5.4 below provides a breakdown of the revenue sources that make up the Highway Trust Fund.

Figure 5.4: Sources of Federal Transportation Revenue



State funds comprise 15 percent of the Regional Transportation Plan's financial plan. These revenues fund transit, roadway capital and maintenance projects. Figure 5.5 shows the breakdown of revenue sources collected at the state level that contribute to ODOT's budget.

Figure 5.5: Sources of State Transportation Revenue Funding the 2023 RTP



Approximately 49 percent of state transportation revenue is generated from toll revenues, most notably I-205 toll revenues (22 percent), Interstate Bridge Replacement (IBR) toll revenues (22 percent), and Regional Mobility Pricing Project (RMPP) toll revenues (6 percent). Non-tolling revenue sources are part of ODOT Region 1 revenues

that will fund the 2023 RTP. Tribal revenues are included in the composition of state transportation revenue, representing just under 0.1 percent of transportation revenues.

Regional transit sources represent about half of transportation revenues in the Regional Transportation Plan, more than any other source. Figure 5.6 shows the composition of regional transit revenues, which are generated by TriMet and SMART. Most of these revenues (77 percent) come from TriMet via payroll taxes, while 11 percent is generated by operating revenues from TriMet transit service and 6 percent is generated from bonded grants.

Figure 5.6: Sources of Regional Revenue Funding the 2023 RTP

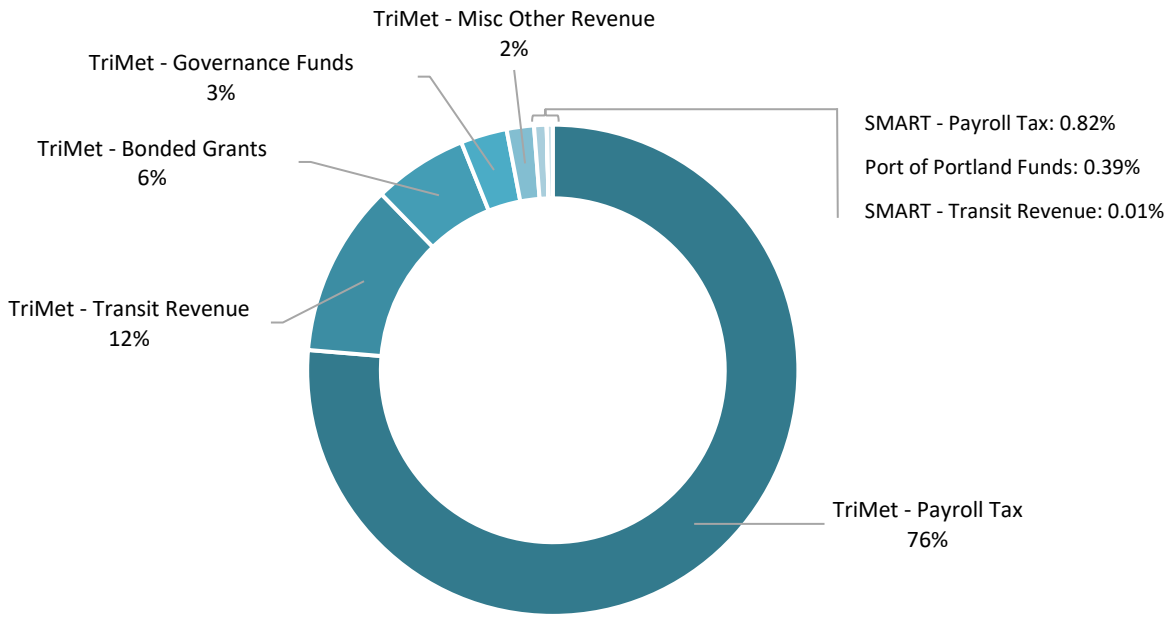
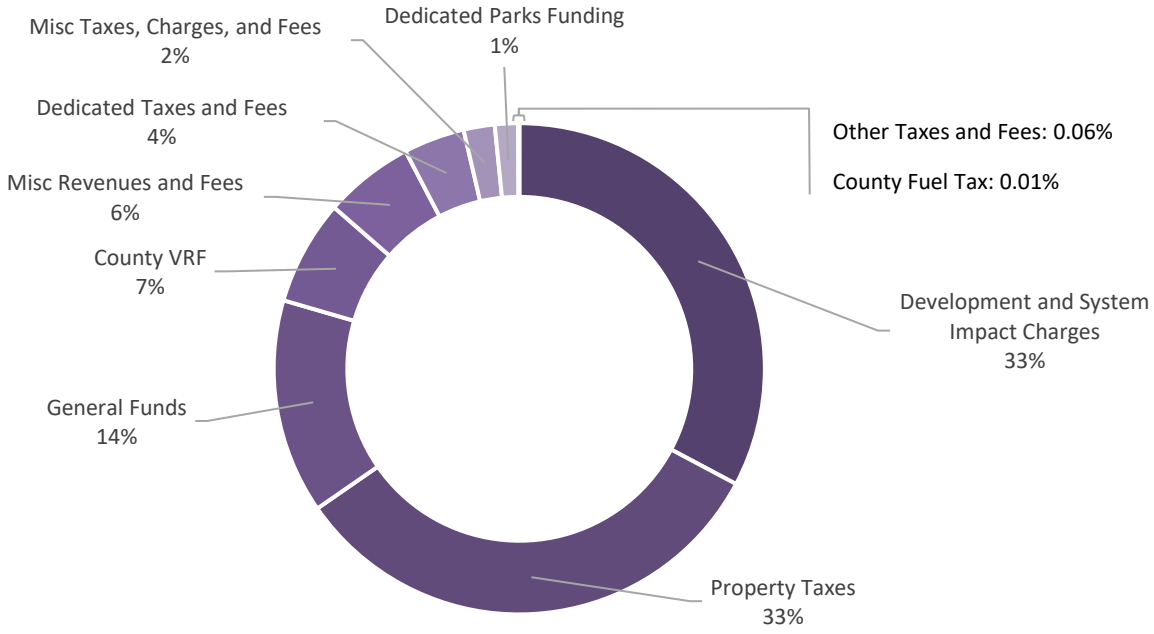


Figure 5.7 illustrates local own-source revenues, which account for 18 percent of transportation revenues in the RTP. The majority of local transportation revenue sources are property taxes and development and system impact fees, which combined account for 66 percent of local revenues. Other sources of revenue include parking fees and fines, local gas taxes, vehicle registration fees, bonds, and other fees and dedicated sources as well as general fund contributions. Each local jurisdiction generates different proportions of revenue from different sources.

Defining terms

System Development / Impact Fees and Charges
One-time fees levied on new property and developments to cover the cost of new public infrastructure needed to service it.

Figure 5.7: Sources of Local Revenue Funding the 2023 RTP



5.2.2 Implications for equity

The diverse range of revenue sources collected highlights how transportation funding touches all of us, how everyone contributes in some way. However, not all revenue sources are equal, and certain populations pay greater shares of the cost than others. Moreover, our current transportation system does not always put people first, and future investments and projects must not further compromise the well-being of the region's residents whether as pedestrians, cyclists, drivers, or shared mobility users.

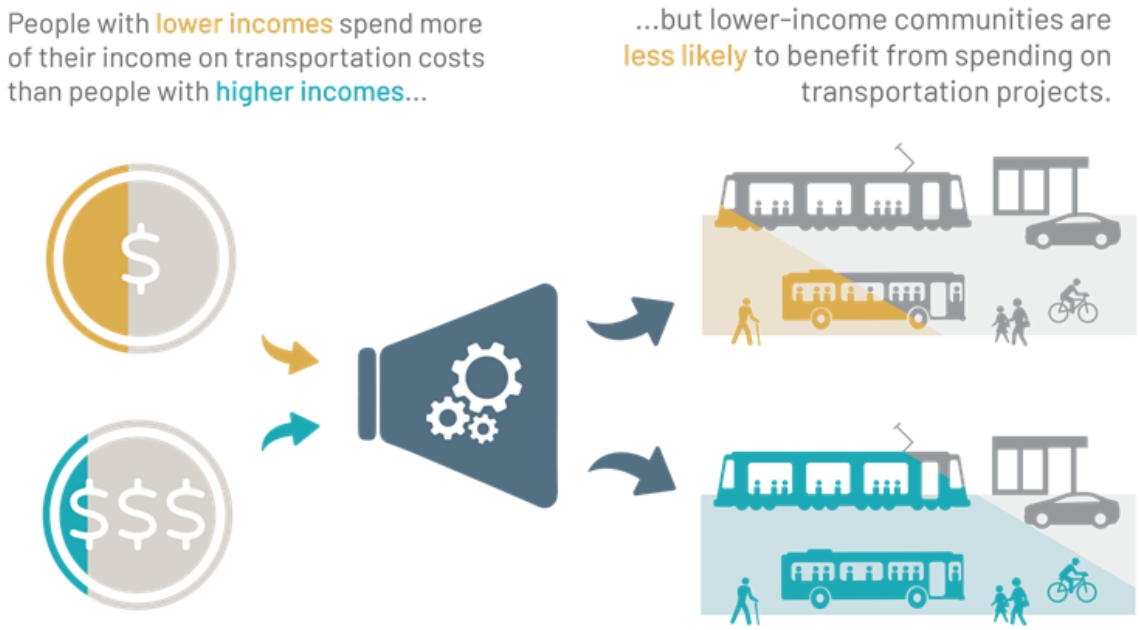
Defining terms

Transportation Equity
A commitment to actions that will eliminate barriers and disparities relating to transportation. It is the provision of thoughtful, inclusive support to reverse the impacts of historical planning decisions.

As such, Metro commissioned a study into the equity of our existing transportation system and funding structures. Published in 2022, the Equitable Transportation Funding Report presents a literature review of 30 existing revenue sources and illuminates how low-income households and people of color often carry a disproportionate burden in funding our transportation system.[19]

[19] Oregon Metro, Equitable Transportation Funding Research Report, 2022.

Figure 5.8: Transportation Cost Burden and Benefits for Different Incomes



For example, with the exception of regional transportation revenues, the largest funding source at every level of government pertains to motor vehicle-related levies such as gas taxes and vehicle registration fees. However, fuel-efficient vehicles, electric vehicles, and telecommuting are increasingly popular alternatives for people with the financial means to access them, depreciating the efficacy of motor fuel revenues as a long-term transportation revenue source. Low-income households are categorically less likely to have access to any of the aforementioned alternatives. Motor fuel taxes are a form of excise tax; a sales tax targeted on specific products determined by quantity purchased rather than a consumer's ability to pay. In the case of transportation, which is relatively inelastic, access to mobility options is often needed regardless of one's income (e.g., for school, work, errands etc.). This means that low-income individuals and households inevitably spend a bigger proportion of their income on transportation. As long as our transportation system relies so heavily on motor fuel taxes, lower-income populations will increasingly bear the burden of financing the bulk of our regional transportation system.

The example of motor fuel taxes is only one of many revenue sources that demand consideration as we envision a more equitable, accessible, safe, and clean transportation future. Careful thought into how we collect transportation revenues, and how we ultimately spend them, has the potential to level the playing field for all members of our communities.

5.3 REVENUE FORECAST AND ASSUMPTIONS

Understanding transportation funding starts with knowing where and how revenues are collected, in order to make equitable spending decisions.

The RTP revenue forecast reflects extensive consultation and coordination with local governments, the Port of Portland, the Oregon Department of Transportation (ODOT), TriMet, and SMART. Metro convened two workshops with local agency staff and provided review and support to County Coordinating Committee staff and the City of Portland to describe and forecast local agency revenues through the planning period. There were also individual meetings with ODOT, TriMet, SMART and Port of Portland staff to support forecasts of revenues generated by those agencies and federal and state funds passed through to them. The forecast includes revenues raised at the federal, state, regional, and local levels for transportation projects and programs to be included or accounted for in the 2023 RTP.

Federal and **state** revenues were identified through a statewide funding working group convened by ODOT that included transit providers and MPOs. In addition, Metro worked with ODOT to estimate a range of potential tolling revenues that are reasonably expected to be available to fund ODOT capital projects (e.g., I-5 Interstate Bridge Replacement (IBR) Program, I-205/Abernethy Bridge and Phase 2 Widening and Toll Project, and the Regional Mobility Pricing Project on I-5 and I-205).

Forecasted **local** revenues are coordinated with and updated from local Transportation System Plans (TSPs) and capital improvement programs in consultation with local agencies. Some of these revenues are already committed to individual projects, in which case those projects are included in the 2023 RTP financially constrained project list.

5.3.1 Funding programs

The transportation revenue sources presented in the previous section (Section 5.2) go through an elaborate system of intergovernmental redistributions and suballocations before being directed for spending. This is particularly true for revenues collected at the federal and state levels, and the process is typically conducted through funding programs such as grants, funds, and funding formulae. Each level of government has the authority to budget, assign, and distribute revenues they collect to various funding programs.

There are many funding programs available to the greater Portland region; many programs are funded by specifically identified revenue sources. For example, the Oregon Department of Transportation (ODOT) collects revenues from the Statewide Transit Payroll Tax specifically to fund the Statewide Transportation Improvement Fund (STIF)

program, which municipal and regional agencies can then submit applications for grants from.

Federal funding programs included in the RTP include the following:

Fund Name	Description
Congestion Mitigation Air Quality (CMAQ) Improvement Funds	Allocated to ODOT, which portions out an annual apportionment to Metro. These funds are used for the Metropolitan Transportation Improvement Program (MTIP). CMAQ funds must be used on programs that reduce congestion and improve air quality to meet national standards for ozone, carbon monoxide, or particulate matter. Forecasts for these funds are included as part of the Statewide forecast.
Surface Transportation Block Grant Program (STBGP) *(includes Transportation Alternatives (TA) set-aside)*	STBGP funds may be used to maintain or improve the performance of any Federal-aid highway, bridge and tunnel projects on any public road, pedestrian and bicycle infrastructure, and transit capital projects, including intercity bus terminals. The STBGP supplants programs from prior authorizations, including FAST Act Transportation Alternatives and the Surface Transportation Program of MAP-21. ODOT administers this funding to Portland Metro, and to the rural portions of Clackamas, Multnomah, and Washington Counties.
Highway Safety Improvement Program (HSIP)	The HSIP program is intended to achieve a significant reduction in traffic fatalities and serious injuries on all public roads, including non-State-owned public roads and roads on tribal lands. The HSIP requires a data-driven, strategic approach to improving highway safety on all public roads that focuses on performance.
National Highway Freight Program	The National Highway Freight Program promotes projects that improve the efficiency of freight on the national highway freight network. These funds can also be used to fund supporting infrastructure.
National Highway Performance Program (NHPP)	The NHPP supports the construction of new facilities and improvement of existing facilities on the National Highway system to support projects that meet the goals of Oregon's highway performance plan. NHPP funds, as of the IIJA, can also be used to provide resiliency against sea-level rise, extreme climate events, and natural disasters.
Metropolitan Planning Program	These funds support regional planning efforts in metropolitan areas. As the area MPO, Metro is the primary user of these funds, and uses it mostly for the regional unified work plan.
Carbon Reduction	Carbon reduction funds are used for projects that reduce transportation CO_2 emissions.
State Planning and Research	Every State DOT must develop a State Transportation Research program. Research may identify actions to improve the regional roadway system, benefitting travelers in the Metro region.
Bridge Program	Regionally, several bridges qualify for the bridge investment program. The Interstate Bridge Replacement Program has been awarded funds for the project, and Multnomah County hopes to win funds for the Burnside Bridge replacement.

Fund Name	Description
National Electric Vehicle Infrastructure (NEVI)	NEVI funds allow states to strategically deploy electric vehicle charging stations, per the IIJA. In the Metro region, I-5 is already compliant with national alternative fuel network provisions. I-205 is in the immediate statewide infrastructure plan.
Promoting Resilient Operations for Transformative, Efficient, and Cost-Saving Transportation (PROTECT)	The IIJA sees the creation of a new program to increase the resilience of the Nation's infrastructure. PROTECT funds can be used to fund planning activities, resilience improvements, community resilience, evacuation route improvements, and at-risk coastal infrastructure.
Miscellaneous Grants	Based on historical rates of winning grants from prior authorizations and assuming that programming continues under the current Infrastructure, Investment, and Jobs Act (IIJA), this RTP assumes some level of money under miscellaneous grant programs. Examples include competitive funds under the Congestion Relief, Resilient Operations (PROTECT program), electric infrastructure, or Reconnecting Communities grant and discretionary funds.
Reduction of Truck Emissions at Port Facilities	In the Metro region, the public operator of seaport and airport infrastructure, as well as the public manager of port-supporting rail infrastructure, is the Port of Portland. While funds for the National Highway Freight Program can be used on any Federal-aid highway, this funding is specific to Port facilities.
Railway-Highway Crossings Program	This program funds improvements to safety at public railway-highway grade crossings, including protective devices and grade separation. These are usually coordinated between Class I railroads, the Port of Portland, Metro, and the affected local agency.
Maritime Administration (MARAD) Port Infrastructure Development Program (PIDP)	The PIDP is discretionary funding that can be used to improve port and related infrastructure to ensure that the nation's ports can meet the nation's freight transportation needs and can meet anticipated growth in freight volumes.
FTA Section 5303 Metropolitan and non-Metropolitan Statewide Planning Formula Funds	Similar to the FHWA's Metropolitan and non-Metropolitan planning grants, these funds are allocated to ODOT, which portions out the funds statewide. Metro uses these funds for transit and regional planning purposes.
FTA Section 5307 Urbanized Area Formula Grant	Provides funding to public transit systems in Urbanized Areas (UZA) for public transportation capital, planning, job access and reverse commute projects, as well as operating expenses in certain circumstances. As the transit agencies in the Metro region, SMART and TriMet are the users of these funds.
FTA Section 5337 State of Good Repair Grants	The State of Good Repair Grants Program (49 U.S.C. 5337) provides capital assistance for maintenance, replacement, and rehabilitation projects of high-intensity fixed guideway and bus systems to help transit agencies

Fund Name	Description
	maintain assets in a state of good repair. Additionally, SGR grants are eligible for developing and implementing Transit Asset Management plans.
FTA Section 5339 Grants for Buses and Bus Facilities Formula Program	Provides funding to states and transit agencies through a statutory formula to replace, rehabilitate and purchase buses and related equipment and to construct bus-related facilities. In addition to the formula allocation, this program includes two discretionary components: The Bus and Bus Facilities Discretionary Program and the Low or No Emissions Bus Discretionary Program.
FTA Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities	This program (49 U.S.C. 5310) provides formula funding to states for the purpose of assisting private nonprofit groups in meeting the transportation needs of older adults and people with disabilities when the transportation service provided is unavailable, insufficient, or inappropriate to meeting these needs
Other funding	Certain projects are funded through discretionary funds, such as the FTA 5309 New Starts/Small Starts grants, or STBG Flex funds allowed under Section 5310. These funds are forecast based on historical levels.

State funding allocation programs include the following:

Fund Name	Description
Fix-It	ODOT allocates funding to various asset management activities for its facilities through its Fix-It allocation program. The Fix-It program includes several sub-categories such as the Bridge program, Pavement Preservation, and Operations. Revenues for the Fix-It programs include both federal and state sources.
Enhance	Funding allocations to projects which expand or enhance the state owned and operated transportation system
Safety	Funding to projects that are focused on reducing fatal and serious injury crashes on Oregon's roads.
Public and Active Transportation	Funding to be allocated to bicycle, pedestrian, public transportation and transportation options projects and programs.
Other Functions	Funding to be allocated to workforce development, planning and data collection and administrative programs using federal resources
Statewide Transportation Improvement Fund	The statewide transportation improvement fund (and recently incorporated Special Transportation Fund) provide state funding to local area transit service provides to support operations and small capital projects.

Regional funding allocation programs include:

Fund Name	Description
Regional Flexible Fund Allocation	The Regional Flexible Fund Allocation (RFFA) process is the allocation of federal urban-STBG (including TA set-aside) and CMAQ funding by Metro.
Carbon Reduction Program	Metro allocates the urban apportioned Carbon Reduction Program funding for the Metropolitan area.
Regional Trails Bond funding	Metro Parks allocates funding for regionally significant trails projects in the region in coordination with the RFFA funding process.

Local agencies, including transit agencies, that raise their own revenues and receive pass through revenues from state or federal agencies allocate those revenues to projects and activities through their capital improvement program and annual budget processes.

5.3.2 Forecast methods and assumptions

The Federal Highway Administration (FHWA) requires that the RTP use "reasonably available" funds to forecast that regional transportation improvements are prudent and reasonably financed. Reasonably available funds are forecast to the best knowledge of staff and may not be indicative of actual funding levels in a future year. Values reflect current trends and are used to forecast "likely" project timelines for the region, not, for example, commitment that a project will be built in 20 years' time. Reasonably available fund estimates are therefore not like budget estimates and are likely to reflect a higher value than local budget documents.

Federal regulations direct the revenue forecast to be developed cooperatively by the MPO with agencies involved in the regional planning process. This cooperative process began at the state level, led by the Oregon Department of Transportation (ODOT). ODOT led development of the statewide long-range revenue forecast with the participation of the Oregon MPOs. This process documented agreed upon forecast methodologies and the federal and state transportation revenues to be expected for the state to inform the long-range planning efforts led by the MPOs. The forecast was the starting point for defining federal and state revenues expected within the region over the planning period of 2023 through 2045.

All cities, counties, local parks districts, and Port agencies that generate and expend transportation revenues were asked to update their 2018 RTP local revenue worksheets. Growth rates were generally left to the local agency to determine; cities usually opted to extrapolate from historic rates of growth. Cities were allowed to change the growth rate if future conditions were expected to change, input negative growth rates, or to terminate a revenue source if for some reason it was to sunset.

Every effort has been made to separate fund sources out by type. However, some jurisdictions have more complex fund sources and agreements, and complete breakdowns by source were not compiled in time for this document. These tables were used to compile countywide summaries from each jurisdiction.

Transit agencies provided similar workbooks as the local and county agencies. However, transit agencies receive their federal dollars primarily from the FTA instead of the FHWA.

5.3.3 Total forecasted revenues

The forecasted transportation revenues are determined from the collaborative efforts of cities, counties, transit providers, states, and the federal government. A constrained revenue forecast for capital projects that meets federal requirements for demonstrating reasonable availability of expected future funding is summarized in Table 5.2. Table 5.3 summarizes the revenue forecast for preservation and maintenance activities.

Table 5.2 RTP Constrained Revenue Forecast Summary for 2023 to 2045 for Capital Projects (YOE$)

RTP Constrained Revenue Forecast Summary for 2023 to 2045 (YOE$) – Capital Projects		
	Fund category	**Millions of YOE $**
Clackamas County and Cities	Local revenues and State pass through	$1,190.70
	Federal, state and regional discretionary funding	$340.65
	Total	$1,531.35
Multnomah County and Cities, including city of Portland	Local revenues and state pass through	$2,112.02
	Federal, state and regional discretionary funding	$1,672.29
	Total	$3,784.31
Washington County and Cities	Local revenues and State pass through	$4,749.74
	Federal, state and regional discretionary funding	$660.25
	Total	$5,409.99
ODOT	Federal	$4,302.50
	State	$1,777.30
	Tolls	$1,200.00
	Total	$7,279.80
I-5 Interstate Bridge Replacement Program[20]	Federal	$2,400.00
	State	$2,000.00
	Tolls	$1,600.00
	Total	$6,000.00

[20] The I-5 IBR Replacement Program project is in an early stage of design. These estimates may be adjusted higher or lower depending on the outcome of NEPA and updated design.

RTP Constrained Revenue Forecast Summary for 2023 to 2045 (YOE$) – Capital Projects		
	Fund category	**Millions of YOE $**
Confederated Tribes of the Grand Ronde (CTGR)	Federal and tribal	$6.76
SMART	Federal, state discretionary funding	$51.45
TriMet	Federal, state	$4,500.84
Port of Portland	Federal, State and local	$127.86
Metro	Federal	$386.42
Total revenue sources available for capital		**$29,078.78**
Federal, state, and local dedicated funding available pre-2024 not accounted for above (as reported by transportation agencies and CTGR)		*$774.33*

These are preliminary estimates that will be finalized as part of the RTP adoption.

Forecasted revenues shown in Table 5.2 include $1,966,557,000 of dedicated funding, of which $774,330,000 is available before 2024. Dedicated funding is local, regional, state, or federal revenues that are dedicated to the project as result of local, regional, state, and/or federal legislative action. Projects or project phases that have dedicated funding must be included in the financially constrained system, and the dedicated funds are not available for other projects.

Table 5.3 RTP Constrained Revenue Forecast Summary for 2023 to 2045 for Preservation and Maintenance (YOE$)

RTP Constrained Revenue Forecast Summary for 2023 to 2045 (YOE$) for Preservation and Maintenance		
	Fund category	**Millions of YOE $**
Clackamas County and Cities	Local revenues and State pass through	$1,952.49
Multnomah County and Cities, including city of Portland	Local revenues and state pass through	$8,516.89
Washington County and Cities	Local revenues and State pass through	$2,658.89
ODOT	Federal[21]	$764.10
	Tolls	$807.10
	Total	$1,571.20
SMART	State	$48.58

[21] For simplicity, assumed federal funds used for these activities. Actual spending is likely to be a blend of federal and state revenue sources.

RTP Constrained Revenue Forecast Summary for 2023 to 2045 (YOE$) for Preservation and Maintenance		
	Fund category	**Millions of YOE $**
	Local	$205.34
	Total	$253.92
TriMet	Federal	$3,369.28
	State	$1,476.79
	Local	$20,971.68
	Total	$25,817.75
Total revenue sources for preservation and maintenance		**$40,771.14**

These are preliminary estimates that will be finalized as part of the RTP adoption.

More detailed information about the forecasting assumptions, sources of funding accounted for and process used to develop the financially constrained revenue forecast can be found in **Appendix H.**

5.4 TRANSPORTATION SYSTEM COSTS

Our transportation needs are wide-ranging and extensive; here are the various investment categories needed to maintain and improve our system.

This section summarizes the costs of the RTP Constrained list of projects and programs; this is the list of priority investments that the region can reasonably assume it will complete based on funding assumptions described in this chapter. The revenue forecast in the previous section provides an estimate of how much funding can be reasonably expected to be available during the life of this plan (2023-2045).

5.4.1 Types of transportation costs and investment categories

People living, working, and travelling in the greater Portland region get around in a diverse range of ways; in-kind, the region's transportation system is varied to meet these different needs. While roadways are a predominant type of infrastructure throughout the region, the RTP recognizes the importance of multimodal infrastructure and includes investments in all parts of the system accordingly.

Road and bridge investments include adequately maintaining the integrity and usability of the region's many roadways and bridges, while improving their safety and resilience to earthquakes and other natural hazards. Roadway and bridge improvements that include Complete Streets designs and other streetscape retrofits can benefit all modes of travel.

Throughways include the region's interstate freeways and major state highways. Throughway projects in the RTP add or reconfigure travel lanes, and improve nearby surface streets, access ramps, active transportation connections and transit facilities.

The **I-5 Interstate Bridge Replacement** project (IBR) is the only megaproject in the region. The project will replace the existing 105-year old bridge connecting Oregon and Washington State with a multimodal, seismically resilient river crossing that includes high capacity transit, auxiliary lanes, protected bikeways and tolling.

Defining terms

Megaproject
Multimodal projects that have a total cost of over $2 billion.

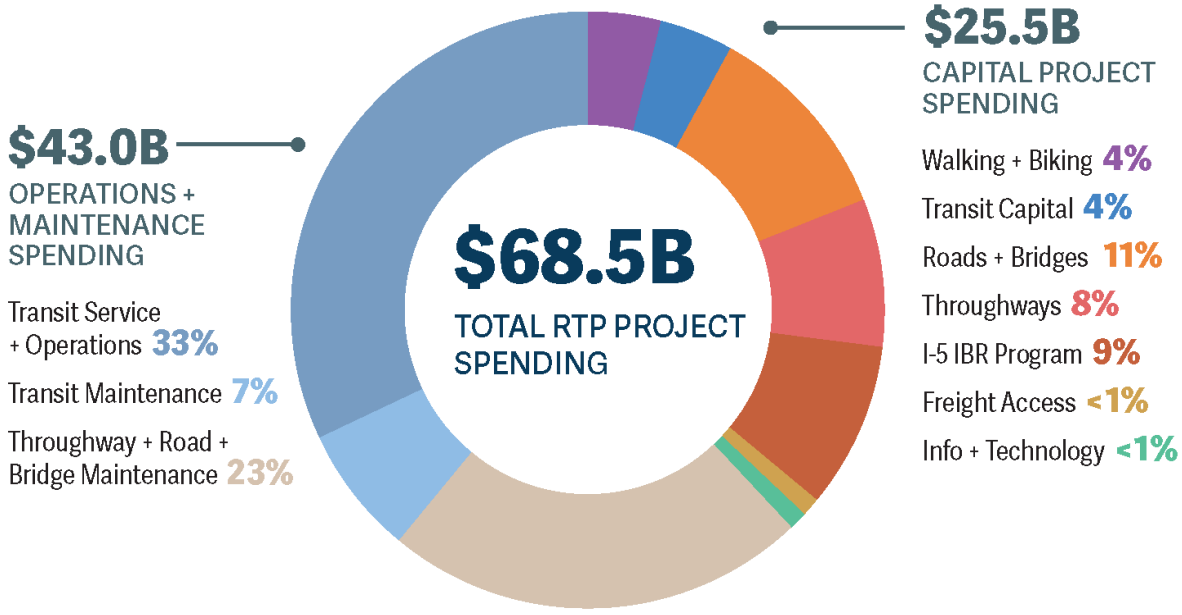
Transit capital and operations investments include maintaining and operating existing levels of service, as well as the planning, design, and construction of new transit infrastructure and services. This includes increased bus service coverage, speed and frequency, new MAX, streetcar, high capacity transit extensions and Better Bus investments that improve speed and reliability. Other examples include providing bus shelters and benches, passenger boarding areas, and lighting at bus stops and transit stations.

Walking and bicycling investments fill important gaps in sidewalks, bikeways, and trails, improve crossings of major streets, install lighting and curb ramps and other design features to make walking, rolling, and bicycling safe for all ages and abilities. The greater Portland region is known for its proximity to nature, and these investments will preserve and improve access to trails and parks and provide important connections to 2040 centers, transit and other daily destinations.

Freight access projects improve access and mobility for national and international rail, air, and marine freight to reach destinations within the region's industrial areas, as well as to the regional throughway system. This includes road and railroad crossing upgrades, port and marine and air terminal improvements and rail yard and rail track upgrades.

Information and technology investments improve the efficiency of the existing system and the way travel demand and transportation systems are managed. This includes providing programs and incentives to encourage walking, biking, use of transit, telecommuting and shared trips and using technology, such as transit priority at intersections and traffic signal coordination, to smooth traffic flow. Other examples include mobility wallets and Safe Routes to School programming.

Figure 5.9: 2023 RTP Total Estimated Investments by Category (YOE$)



Source: Metro Draft 2023 RTP Constrained Project List (7/10/23)

These are preliminary estimates that will be finalized as part of the RTP adoption.

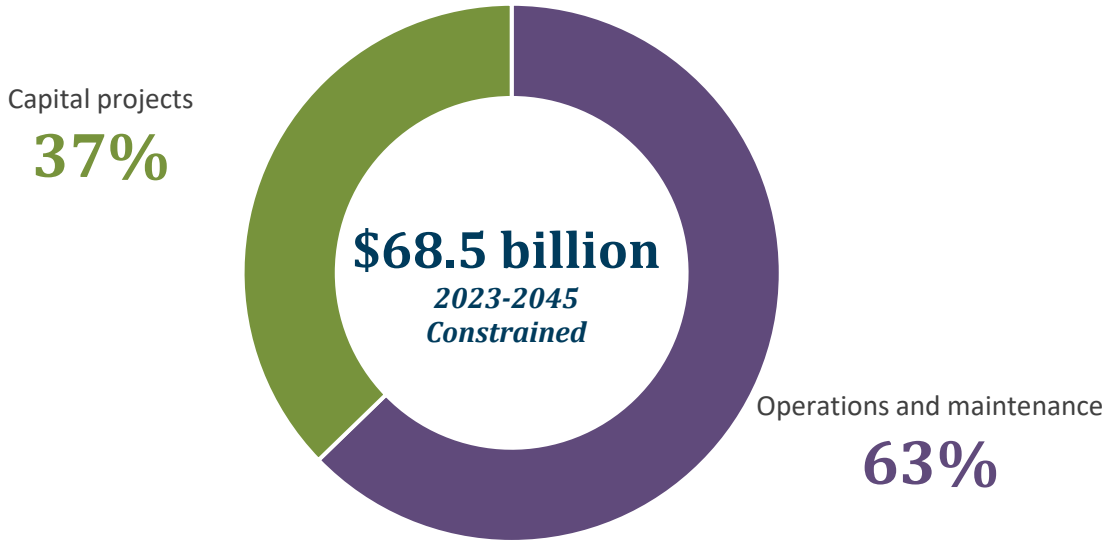
5.4.2 Adequately maintaining the transportation system

Defining terms

State of Good Repair
A capital asset in a condition sufficient to operate at a full level of performance.

The RTP is a crucial tool to help maintain the existing transportation system; it recognizes the importance of prioritizing maintaining the system we have before building new infrastructure. Adequately operating and maintaining the transportation system means that today's transportation system remains in a state of good repair.[22] Operations and Maintenance (O&M) of the transportation system is the largest investment cost type; the ongoing operations, upkeep, and maintenance of public transit, roadways, bridges, and throughways will total $11 billion, or 57 percent of total transportation spending between 2023 and 2030. The share of spending on maintenance and operations is expected to increase to be 63 percent of total spending between 2031 and 2045 as the transportation system ages and grows. Figure 5.10 shows the estimated investments towards O&M as a proportion of total estimated spending in the 2023 RTP.

Figure 5.10 2023 RTP Total Estimated Capital and O&M Investments (YOE$)



Source: Metro Draft 2023 RTP Constrained Project List (7/10/23)

These are preliminary estimates that will be finalized as part of the RTP adoption.

[22] As defined in 49 CFR §625.5 "State of Good Repair (SGR)".

The greater Portland region has many O&M priorities across different modes and types of infrastructure. They include:

- Preserving and updating aging roads, bridges, and throughways, including on-street active transportation facilities, to a state of good repair, including pavement resurfacing, street cleaning, preventative maintenance, replacement of culverts, and joint repair and seismic retrofits for bridges.
- Preventative maintenance of transit fleets and facilities, as well as replacement of aging vehicles and infrastructure to maintain a state of good repair.
- Ongoing operation of existing and new transit services such as bus, rail, shuttles, and transit vehicle purchases for new service and the supporting facilities and technologies to operate them (automatic vehicle locators, fare payment systems, dispatch).
- Providing for the security of transportation infrastructure (crowd control, security, surveillance).
- Enhancing corridors and routes for emergency services.

The next section presents the full breakdown of RTP constrained costs by each investment category and investment time period. The investment scenarios developed for this RTP are as follows:

Near Term: 2023 – 2030

- The *near-term constrained scenario* includes projects that the region can reasonably expect to build between 2023 and 2030 with the funds that are likely to be available during this time. The highest priority projects in the region typically end up in this scenario.

Long Term: 2031 – 2045

- The *long-term constrained scenario* includes projects that the region can reasonably expect to build with the funds that are likely to be available during this time. This scenario covers twice as many years as the near-term constrained scenario, and its budget is also roughly double the size.

Total: 2023 – 2045

- The *total constrained scenario* includes both the near- and long-term constrained scenarios, and therefore all investments that the region can reasonably expect to fund between 2023 and 2045. Table 5.4 provides a quick reference for comparing the relative cost of the short-term Constrained list and long-term Constrained list. The

total costs shown are based on the funding assumptions described in Sections 5.3 and 5.4 of this chapter.

Table 5.4 Estimated costs for Constrained RTP Investment Strategy, 2023-2045

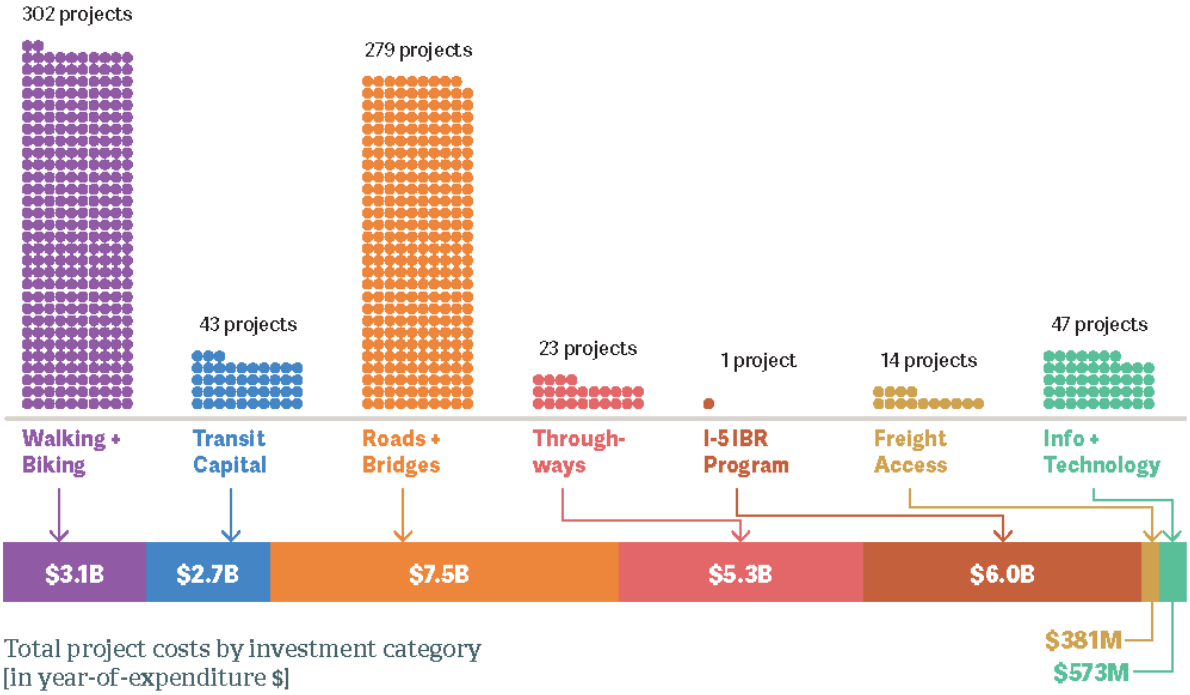
	Constrained RTP Project List Costs		
	Near Term 2023-2030	**Long Term** 2031-2045	**Total** 2023-2045
RTP Capital Projects and Programs (YOE$)			
Transit Capital Investments	1.02 billion	1.64 billion	2.66 billion
Throughways (incl. tolling)	3.15 billion	2.13 billion	5.27 billion
Roads and Bridges	3.10 billion	4.36 billion	7.47 billion
I-5 Interstate Bridge Replacement (IBR)	-	6.00 billion	6.00 billion
Freight Access	0.07 billion	0.31 billion	0.38 billion
Active Transportation (walking + biking)	0.95 billion	2.12 billion	3.07 billion
Information and Technology	0.16 billion	0.41 billion	0.57 billion
Other Regional Activities	0.02 billion	0.05 billion	0.07 billion
Total estimated RTP Capital Costs (YOE$)	**8.48 billion**	**17.01 billion**	**25.49 billion**
RTP Operations and Maintenance (O&M) (YOE$)			
Transit Service and Operations	5.84 billion	16.74 billion	22.58 billion
Transit Maintenance	1.26 billion	3.70 billion	4.96 billion
Throughways, Roads, Bridges O&M	3.95 billion	11.47 billion	15.42 billion
Total estimated RTP O&M Costs (YOE$)	**11.04 billion**	**31.91 billion**	**42.96 billion**
Total estimated RTP Costs (YOE$)	**19.5 billion**	**48.9 billion**	**68.5 billion**

Source: Draft 2023 RTP Constrained Project List (7/10/23)

These are preliminary estimates that will be finalized as part of the RTP adoption

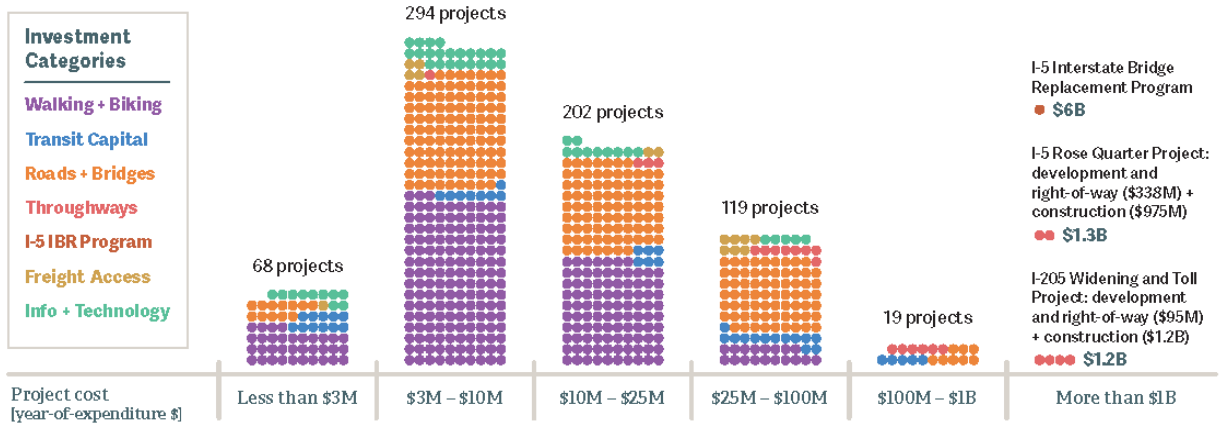
Figure 5.12 show RTP capital investments broken down by investment category. Roads, bridges, and walking and biking connections comprise the majority of projects in the Constrained RTP project list, though the cost of projects vary greatly.

Figure 5.11 Cost and number of Constrained RTP capital projects by investment area (YOE$)



Source: Draft 2023 RTP Constrained Project List (7/10/23)

Figure 5.12 Number and type of Constrained RTP capital projects by Project Cost (YOE$)



Source: *Draft 2023 RTP Constrained Project List (7/10/23)*

5.5 DEMONSTRATION OF FINANCIAL CONSTRAINT

Planned transportation spending is demonstrably balanced against reasonably anticipated funding for the region.

The project costs presented in Figure 5.4, as well as ongoing expenditures, create the cost targets for transportation investments in the region. As illustrated in Figure 5.3, transportation revenues are a mix of federal, state, regional, and local revenues. The sum of these funds creates the revenue target, which is the anticipated sum of Operations and Maintenance funds as well as funding for capital projects. Metro worked with ODOT and other partners to finalize the picture of state and federal funding that flows into the region. This work supported the creation of the capital projects lists whose costs will be constrained to the revenues forecast as available and documented in this report.

The RTP is federally required to demonstrate that the projects and programs included in the plan to address transportation system needs do not cost more than reasonably expected revenues to fund them. The RTP includes a federally constrained financial plan that demonstrates the projects and programs in the plan can be implemented using committed, available, or reasonably available revenue sources, while the existing transportation system is being adequately operated and maintained.[23] The following tables demonstrate fiscal constraint of the RTP project and program costs compared to the forecasted revenues available to pay for them.

To demonstrate financial constraint, Table 5.5 compares the reasonably expected revenues to the estimated costs of the capital projects included in the plan (see financially constrained list of projects contained in **Appendix A**) and the costs of operating and maintaining the transportation system in the region.

Table 5.5 Demonstration of Financial Constraint, 2023-2045 (YOE$)

Category	Constrained Revenues	Constrained Costs
Capital projects	$29,078,780,000	$25,496,976,000
Operations and Maintenance	$40,771,140,000	$42,951,883,000
Grand Total	**$69,849,920,000**	**$68,488,859,000**

These are preliminary estimates that will be finalized as part of the RTP adoption. The estimates are in year-of-expenditure dollars and rounded to the nearest $1,000.

[23] As defined in 23 CFR §450.104 "Financially constrained or Fiscal constraint".

The revenue forecast demonstrates that $29.08 billion of funding, in year-of-expenditure dollars, will be available for capital projects in the region during the time period of the plan. This compares to $25.5 billion in costs for projects, in year-of-expenditure dollars.

Additionally, $40.77 billion of revenue is expected to be available for operations and maintenance of the transportation system during the time period of the plan. This compares to an estimate of $42.95 billion to operate and maintain the region's transportation system during that time period.

Table 5.6 and Table 5.7 break down these total revenues and costs to road-related and transit-related revenues and costs.

Table 5.6 Road-related Revenue Forecast Compared to Total Costs, 2023 - 2045 (YOE$)

Category	Constrained Revenues	Constrained Costs
Capital projects	$24,526,490,000	$22,838,836,000
Operations and Maintenance	$14,699,470,000	$15,415,500,000
Grand Total	**$39,225,960,000**	**$38,254,336,000**

These are preliminary estimates that will be finalized as part of the RTP adoption. The estimates are in year-of-expenditure dollars and rounded to the nearest $1,000.

Table 5.7 Transit-related Revenue Forecast Compared to Total Costs, 2023 - 2045 (YOE$)

Category	Constrained Revenues	Constrained Costs
Capital projects	$4,552,290,000	$2,658,140,000
Operations and Maintenance	$26,071,670,000	$27,536,383,000
Grand Total	**$30,623,960,000**	**$30,194,523,000**

These are preliminary estimates that will be finalized as part of the RTP adoption. The estimates are in year-of-expenditure dollars and rounded to the nearest $1,000.

The total revenues available for both transit capital and transit operations and maintenance exceed expected costs for the planning period. More detailed information about the forecasting assumptions, sources of funding accounted for and process used to develop the financially constrained revenue forecast can be found in **Appendix H**. Proposed investments in the regional transportation system are summarized in more detail in Chapter 6.

5.6 MOVING FORWARD TOGETHER TO FUND THE TRANSPORTATION SYSTEM

More needs to be done to secure an equitable and accessible transportation system for all.

The 2023 RTP will help make the case for more investment and funding to build, operate and maintain the regional transportation system we need now and in the future. As the previous section demonstrates, resources for the greater Portland region remain limited in completing the system needed to support the area's growing economy, labor force and communities.

The above illustration lays out the region's desired outcomes from investment in the transportation system across the five RTP goal areas: equity, climate + resilience, safety, mobility, and economy.

Although there are some exceptions, many of the projects identified in the RTP are unfunded. Diminished resources mean reduced ability to improve, enhance and expand infrastructure for a safe, reliable, healthy, and equitable system. More funding will be needed to address the region's transportation challenges and build a 21st century transportation system as envisioned in community and regional plans. This is important in that the greater Portland region cannot continue to fund transportation in the ways that it has collected and allocated revenues in years past.

As shown in the 2022 Equitable Transportation Funding Research Report funded by Metro transportation funding practices today disproportionately burdens and harms Black, Indigenous, and people of color (BIPOC) communities, low-income households, and people with disabilities. Transportation funding can lead to different outcomes for different communities; therefore, it is critical for regional partners to examine the varying impacts and implications of existing and future funding strategies prior to implementation.

The systems currently in place to raise revenues for transportation have been built over many decades. The Equitable Funding Research report identified opportunities to restructure revenue collection for existing, emerging, and new sources to be more equitable. It also highlighted the need for new sources of revenues to fund the greater Portland region's growing needs and priorities, and to ensure spending decisions around these revenues are equitable.

Transportation funding for streets and highways has long been primarily a state and federal obligation, financed largely through gas taxes and other user fees such as a vehicle registration fee. The purchasing power of federal and state gas tax revenues is declining as individuals drive less and fuel efficiency increases. The effectiveness of this revenue source is further eroded because the gas tax is not indexed to inflation. These monies are largely dedicated to streets and highways – primarily maintenance and preservation – and, to a limited extent, building more roads. We need to complete gaps in our region's transit, walking and biking networks to help expand affordable travel options, yet active transportation currently lacks a dedicated funding source. The transit system has relied heavily on payroll taxes for operations and competitive federal funding for high capacity transit. But the region's demand for frequent and reliable transit service exceeds the capacity of local payroll tax to support it.

As we make the best use of our existing resources and work collectively to acquire new resources, our region needs to work together to ensure that new resources and investments build upon our previous ones in an equitable manner. Accordingly, we'll need to strive to align resources and leverage investments when possible to achieve the vision set out in this Regional Transportation Plan.