
METRO TRANSPORTATION FUNDING TASK FORCE (TF2)

MEETING 15 SUMMARY

December 11, 2019 – 5:30-7:30 PM

World Trade Center

121 SW Salmon St

Portland, OR 97204

ATTENDEES

Jim Bernard, *Clackamas County Board of Commissioners Chair*

Emerald Bogue, *Port of Portland*

Cooper Brown, *Oregon Transportation Commission*

Leslie Carlson, *Street Trust Board*

Meredith Connolly, *Climate Solutions*

Mayor Denny Doyle, *City of Beaverton*

Senator Lew Frederick, *State of Oregon*

Mayor Mark Gamba, *City of Milwaukie*

Stephen Gomez, *Project PDX | BBPDX*

Mayor Tim Knapp, *City of Wilsonville*

Nolan Lienhart, *ZGF Architects*

Nate McCoy, *NAMC-Oregon*

Marcus Mundy, *Coalition of Communities of Color*

Chi Nguyen, *APANO*

Dave Nielsen, *Home Builders Association*

Vivian Satterfield, *VerdeNW*

Co-Chair Commissioner Pam Treece, *Washington County*

NOT IN ATTENDANCE

Michael Alexander, *PSU | Albina Vision*

Mayor Steve Callaway, *City of Hillsboro*

Marie Dodds, *AAA*

Debra Dunn, *Synergy Resources Group*

Councilor Karylenn Echols, *City of Gresham*

Commissioner Chloe Eudaly, *City of Portland*

Sheila Greenlaw-Fink, *Community Housing Fund*

Elaine Friesen-Strang, *AARP*

Mary Ellen Glynn, *Columbia Sportswear*

Kayse Jama, *Unite Oregon*

Amanda Manjarrez, *Latino Network*

Representative Susan McLain, *State of Oregon*
Councilor Eddy Morales, *City of Gresham*
Co-Chair Commissioner Jessica Vega Pederson, *Multnomah County*
Dave Robertson, *PGE | Portland Business Association Board*
Linda Simmons, *TriMet Board*
Nate Stokes, *Union of Operation Engineers*
Kathryn Williams, *NW Natural*

STAFF

Kyle Armstrong, *Metro*
Margi Bradway, *Metro*
Craig Beebe, *Metro*
Karynn Fish, *Metro*
Andy Shaw, *Metro*
Hannah Mills, *JLA Public Involvement*

Note: At the first meeting, Task Force chairs suggested referring to the members by their first names due to the nature of this as a working group. The Task Force members agreed and therefore members will be identified by first names for the purposes of this summary document.

WELCOME AND AGENDA

Co-chair Commissioner Pam Treece, Washington County welcomed the group and explained that co-chair Jessica Vega Pederson would not be attending this meeting.

The agenda was as follows:

1. Public Comment
2. Funding Mechanisms Presentation and Discussion
3. Next Steps and Close

PUBLIC COMMENT

Two people provided verbal testimony.

Fred Sawyer, McLoughlin Area Plan Implementation Team, provided the following summarized comment.

Thank you for your investment, but there is a need for sidewalks to connect to the 36 and 24 bus lines along McLoughlin. We need funding for Safe Routes to Schools, and funding for sidewalks in unincorporated parts of the County. We have a lot of non-subsidized affordable housing mobile home parks that need sidewalk connections to bus lines.

Ashley Henry, Business for a Better Portland, provided the following summarized comment.

Small businesses are an important representation of the economy. Entrepreneurs face the same problems of being asked to “be brave.” There are rewards that come from being brave. I encourage you to think about ways you can reduce GHG emissions while ensuring freight mobility by getting people off the road.

Co-chair Commissioner Treece encouraged the group to review the written testimonies that were included in their meeting packets.

FUNDING MECHANISMS PRESENTATION AND DISCUSSION

Using a PowerPoint, Andy Shaw, Metro, gave a presentation on the funding mechanisms Metro staff have been evaluating, the amount of funding needed, and the types of projects voters are likely to support. The presentation can be found online. Highlights from the presentation are summarized below.

Federal funding comes in the form of Regional Flexible Funds, funding for major transit projects, ODOT’s statewide budget, and other grant programs. The State worked hard to put together a transportation package, but it wasn’t until 2017 that we got a significant transportation package.

House Bill 2017 included investments in roads and bridges, local control, reducing congestion, better public transportation, safe biking and walking options, freight mobility, and electric vehicle investments. During development of House Bill 2017, the State heard the need for reducing traffic statewide, addressing bottlenecks, and considering congestion pricing.

House Bill 2017 is mainly funded through gas taxes and registration fees, as well as small, dedicated parts coming from bike taxes, the new light vehicle dealer privilege tax, and public transportation payroll tax.

There are a number of roads and streets that fall under the responsibility of cities, but they have been scrambling to identify the resources to support and improve them. Local funding examples include:

- *Local gas taxes*
- *County vehicle registration fees*
- *Local street utility fees*
- *System development charges (SDCs)*

Our proposal will focus mainly on the regional connections and where the region has already identified active transportation connections.

Metro staff has recommended \$3.11 billion for Tier 1 measure investments. When combined with the leveraged FTA and local investments of \$2.13 billion, the total for the Tier 1 corridor investments would be \$5.24 billion. If bonded early on, we would need a total of \$350-450 million per year, and more if project needs increase.

When examining the revenue options, there are limitations under the Oregon Constitution. It's important to consider the ease of collection, limitations and constraints, and how much can be raised. Options and subsequent constraints include:

- *Property taxes – inequitable in the Oregon taxing system, and they are limited to capital spending.*
- *Vehicle Registration Fee – spending restrictions, caps on rate, limited revenue opportunity, and it is regressive.*
- *Vehicle Privilege Tax – volatility, it is potentially regressive, and it requires a change to State law.*
- *The Gas Tax – spending restrictions and it is regressive.*
- *Employer Payroll Tax – need for legal review.*
- *Corporate Activities Tax – requires a change in State law.*
- *Business Income Tax – volatility, potential for tax avoidance.*
- *Personal Income Tax – high volatility.*
- *General Sales Tax – likely regressive, administration challenges, potentially requires further legal review.*
- *Prepared Food/Beverage Sales Tax – likely regressive, administration challenges, potentially requires further legal review.*

Polling showed that voters were more favorable of regional funding options (Vehicle Registration Fees, payroll and business taxes), and were less favorable of regional transportation options (Sales Tax, Gas Tax, Property Tax). This is not purely indicative of what will happen at the ballot and final language will need to be developed in order to get more reliable testing results.

The Task Force was given the opportunity to ask questions and provide comments throughout the presentation. Below is a summary of the discussion.

- What is needed to structure a tax exemption for the Vehicle registration fee?
 - Metro staff responded: *We have the authority to have a flat rate, but not to adjust based on the value of the car.*
- When considering a Vehicle Privilege Tax, what is regressive if the tax increases with the cost of the vehicle?
 - Metro staff responded: *The cost has been found to have a higher impact on lower income households.*
- Would people living outside Metro jurisdictions be exempt from paying the Employer Payroll Tax?
 - Metro staff responded: *It depends where their place of work is located. The tax is based on where they work, not where they live.*
- Can you lift preemptions for the Sales Tax at the ballot?
 - Metro staff responded: *No, not at the regional ballot.*
- Is there an acceptable amount of volatility or is any volatility bad?

- Metro staff responded: *The question comes down to how much volatility. The best case for bonding is something like a property tax because it increases each year regardless.*
- Has Oregon explored the concept of a luxury tax?
 - Metro staff responded: *We examined what was being done in Connecticut, but it didn't appear to be lucrative in Oregon. It depends on what is being considered "luxury."*

NEXT STEPS AND CLOSE

Co-chair Commissioner Treece thanked the group and explained that they would be meeting at Clackamas Community College on December 18 to vote on the corridors. The meeting was adjourned.