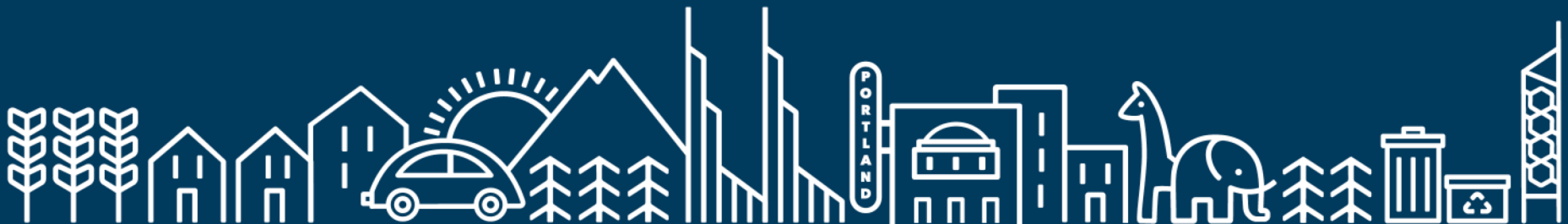


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# Task Force agenda: Dec. 11, 2019

Public comment

Presentation/Q&A:  
Revenue  
mechanism options

Next steps





Up to 30 minutes is available for verbal public comment, from up to 15 speakers.  
If more than 15 people have signed up, a lottery will identify speakers.  
Verbal comments will be limited to 1 minute 45 seconds.

Please submit written comments at

**getmoving@**  
**oregonmetro.gov**

Comments submitted by 2 p.m. on the day of a Task Force meeting will be printed for that meeting's packet.



# Presentation overview

The funding puzzle:  
Where does regional  
investment fit?

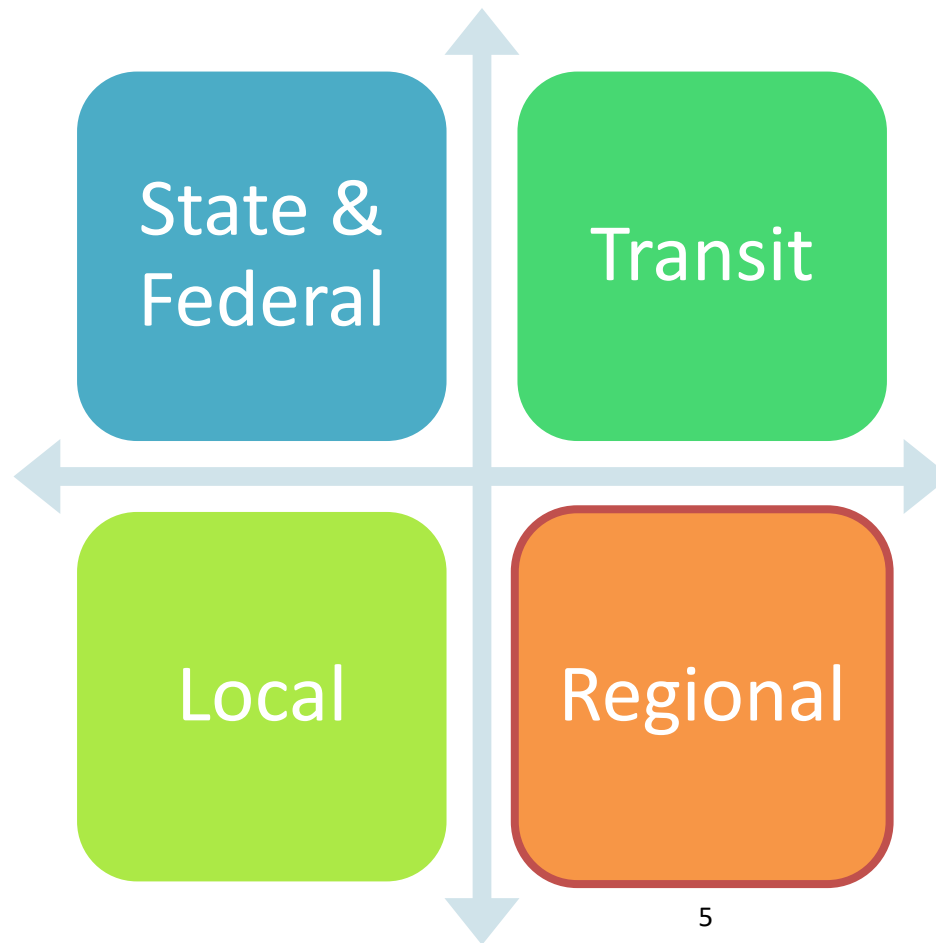
How much do we  
need to raise?

How much could  
options raise?

What might people  
support?



# Pieces of the funding puzzle





# Federal funding in the region

Regional Flexible Funds

Major transit projects

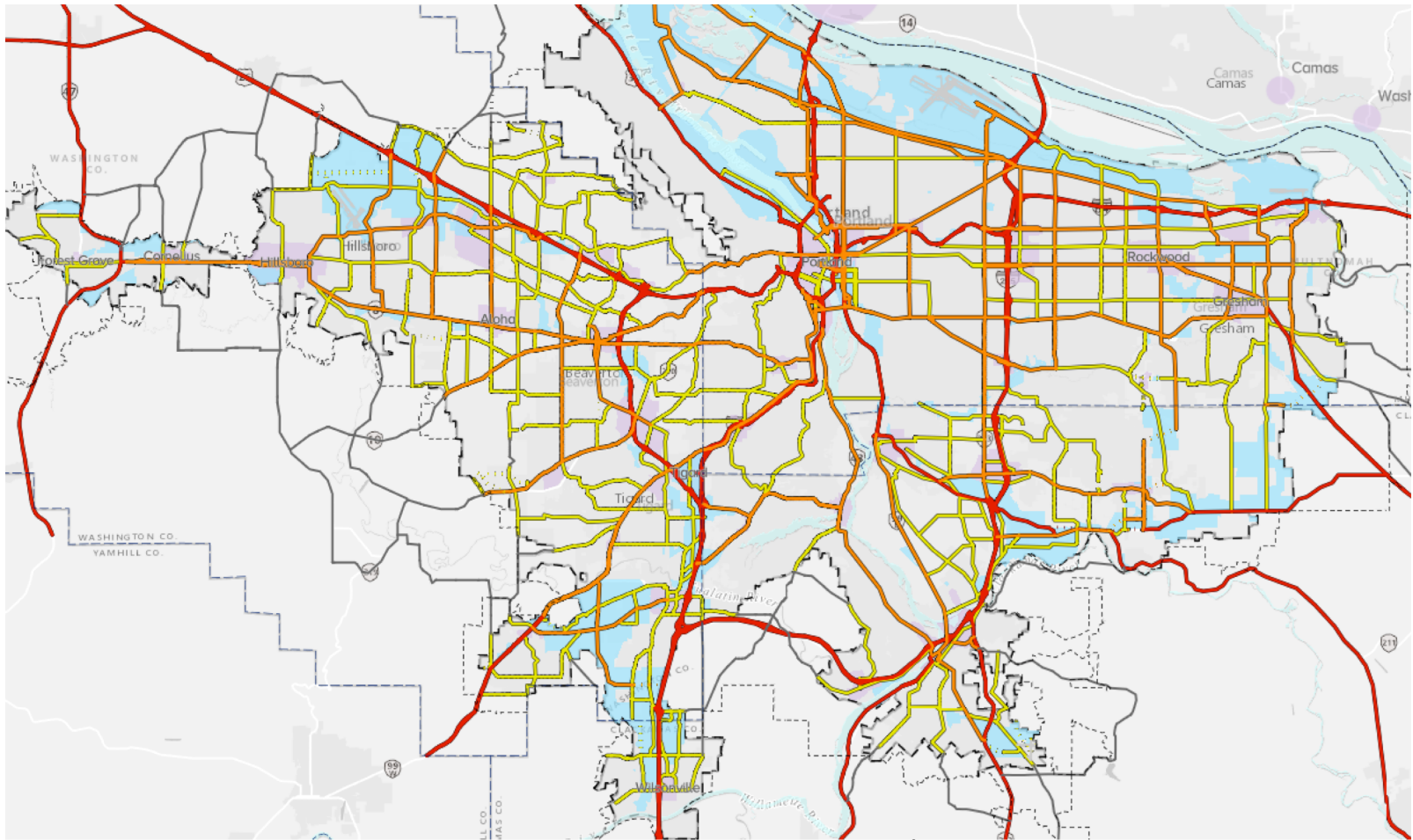
Part of ODOT's statewide budget

Other grant programs

Limitations: Unreliable, shrinking, complex



# State funds: The state's system



# Transportation Investments

## Roads & Bridges



Most of ODOT's funding will go to road maintenance and preservation for lasting fixes that keep Oregon's roads and bridges in good condition today and for future generations.

## Local Control



Half of road funding will go to cities and counties to complete local communities' top priority road maintenance and improvements.

## Reducing Congestion



Relieving congestion bottlenecks will help people get where they want to go

quickly and reliably. New lanes on I-5 at the Rose Quarter will save motorists 2.5 million hours wasted in gridlock each year, and widening sections of OR 217 and I-205 in Portland will improve reliability.

## Better Public Transportation



Rural and urban bus service will provide choices to help people get around, while reducing air pollution and greenhouse gas emissions.

## Safe Biking & Walking Options



Sidewalks, bike lanes, and crossings near schools will help kids get to school safely. Funding from a new bike tax will build

off-road paths that separate bikes and walkers from auto traffic.

## Moving Freight



Improvements to rail and ports will get products from Oregon's farms, forests, and factories to markets across the world. New intermodal rail facilities will shift freight from truck to train, freeing up space on crowded freeways.

## Electric Vehicle Incentives



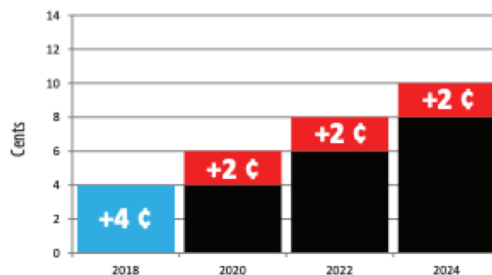
Rebates for zero emission vehicle purchases will help Oregon transition to a sustainable transportation system.



# HB 2017 Funding sources

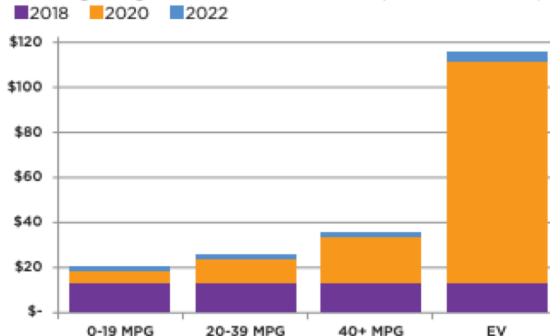
## Gas tax, vehicle registration & title fees

Gas tax will increase 10 cents in four steps—with the last three increases conditioned on meeting accountability requirements.



Registration and title fees increase in three steps. Surcharges for electric vehicles and hybrids that pay little in gas tax ensure they pay their fair share for roads.

Light registration and title fees stepped and tiered  
Passenger registration annual increase (current rate \$43)



## Bicycle Tax

\$15 fee on new adult bicycles that cost \$200 or more will generate \$1.2 million a year for separated biking and walking paths.



## New Light Vehicle Dealer Privilege Tax

0.5% dealer privilege tax on new light vehicles dedicated to electric vehicle rebates and multimodal transportation projects.

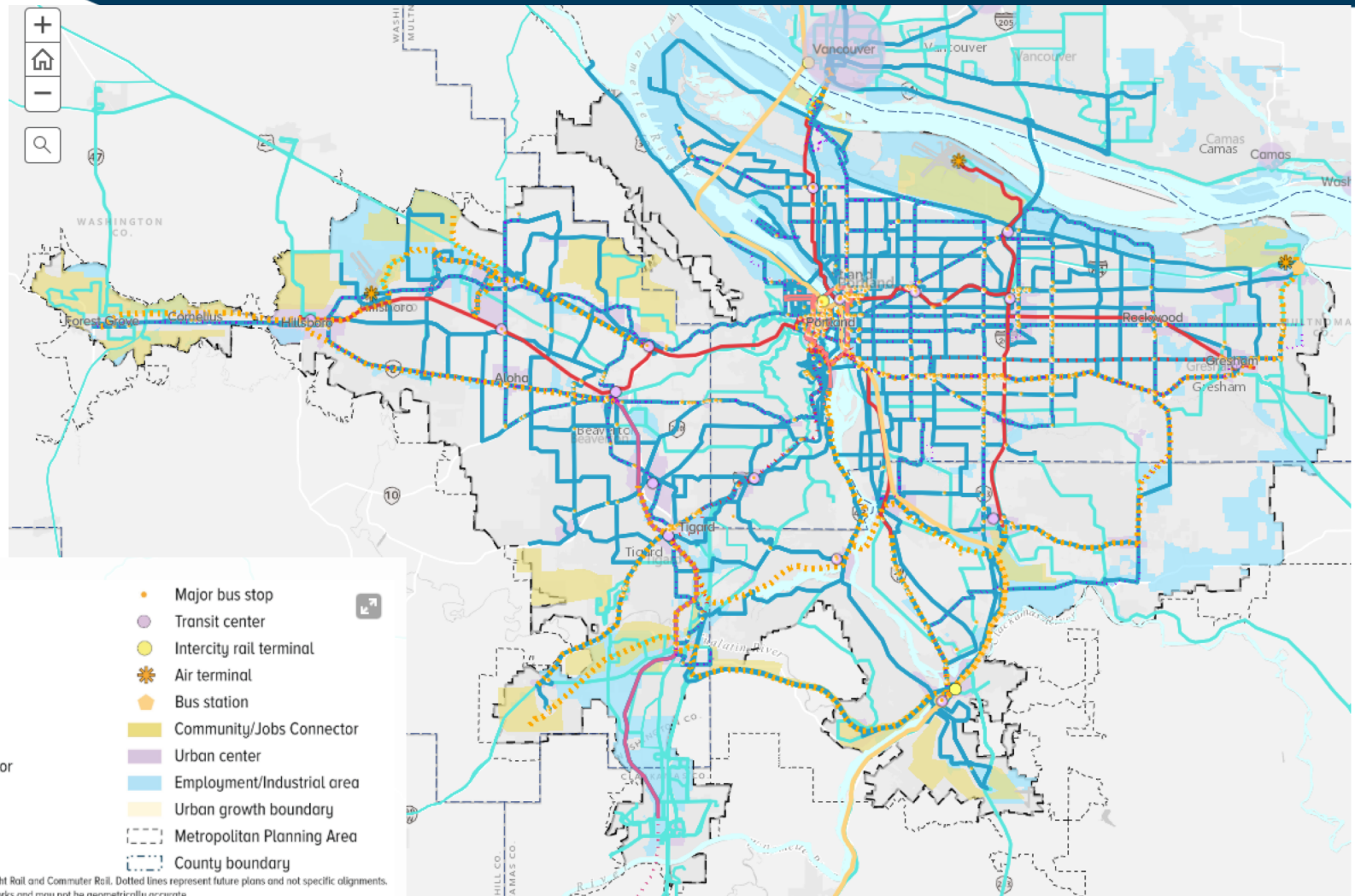


## Public Transportation Payroll Tax

Less than \$1 a week for the average worker from a 1/10 of 1% tax on wages will generate \$115 million a year for better public transportation.

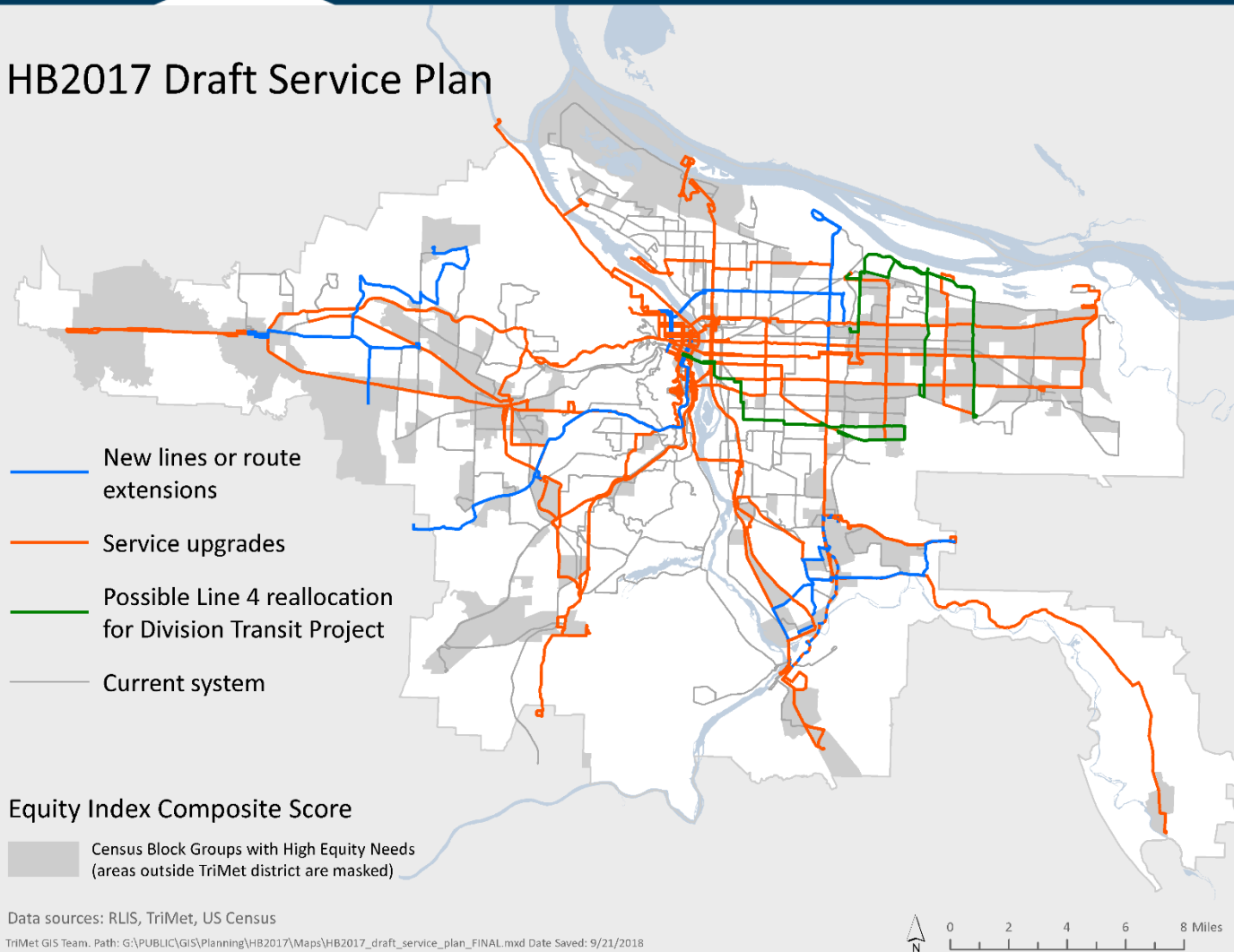


# Transit



# Making transit better: HB 2017 service improvements

## HB2017 Draft Service Plan



### Improvements

5 new bus lines

3 weekend improvements

7 route extensions or route changes

10 frequency upgrades

8 early/late/midday improvements

2 24-hr. service additions

5 new 15-min. Frequent Service Lines

4 Frequent Service Lines upgraded to 12 min. service



# Making transit better: HB2017 transit programs

Low Income Fare

Electric Bus replacement

Last Mile access

Senior & Disabled Fares

Student Fares



# Making transit better: HB 2017 Capital investments

E-bus Infrastructure

Bus Stop Amenities

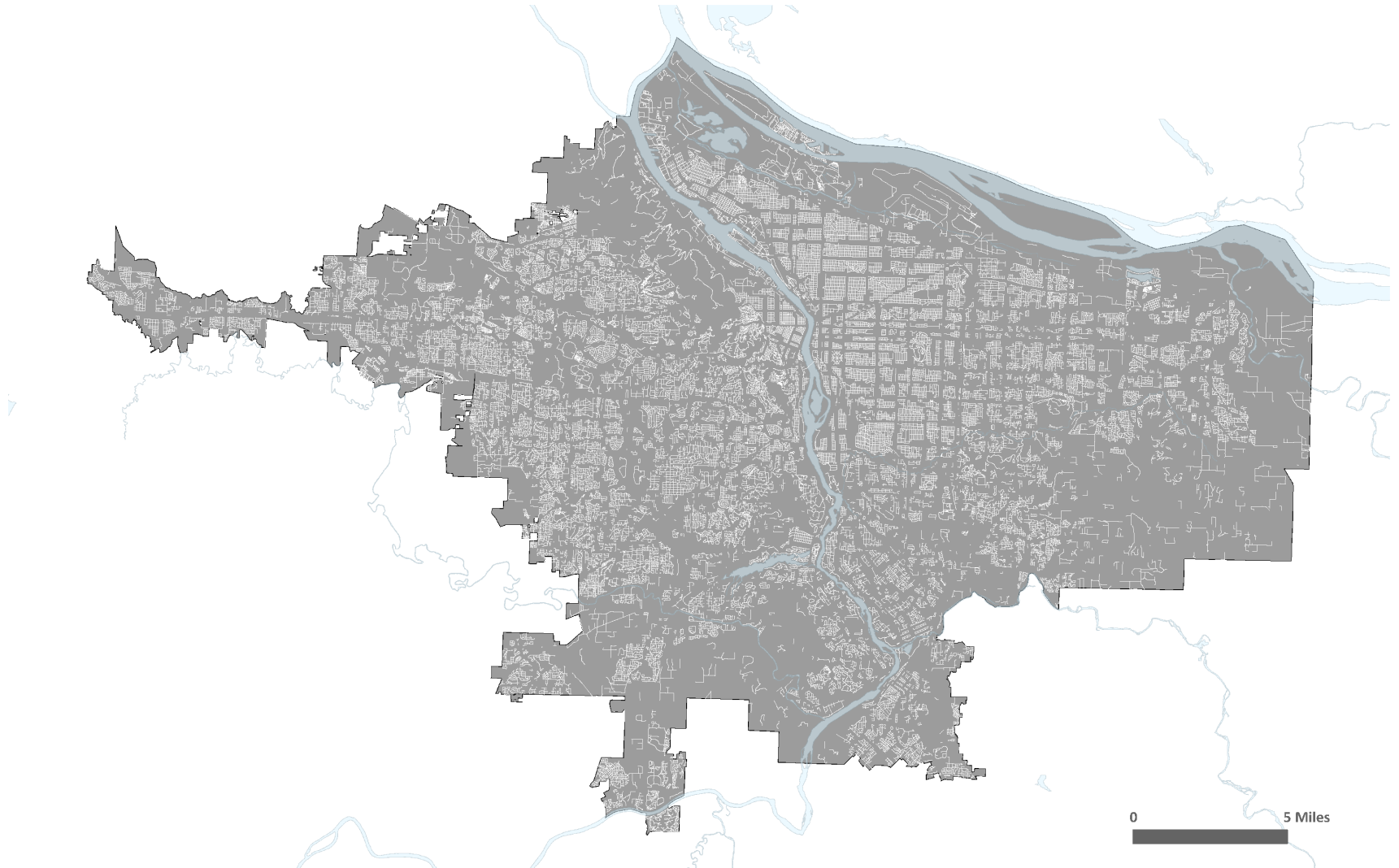
Digital information displays

ADA improvements

Station lighting and security  
improvements



# The local network





# Local funding examples



Other local gas taxes: Milwaukie, Tigard, Troutdale, Multnomah County, Washington County



## MSTIP

MAJOR STREETS TRANSPORTATION IMPROVEMENT PROGRAM

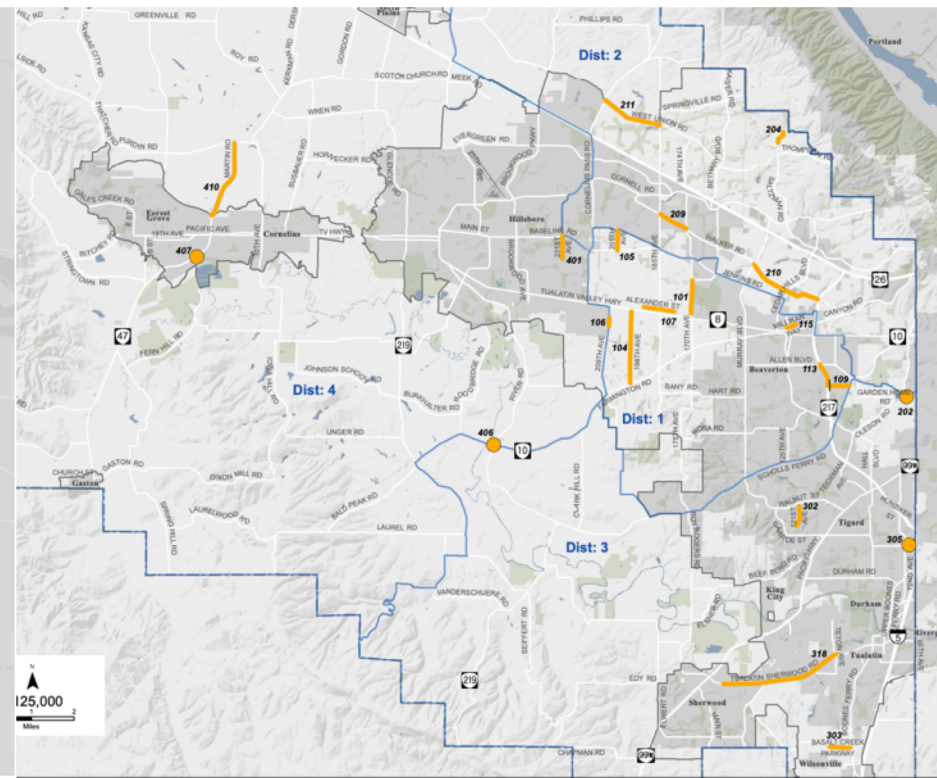
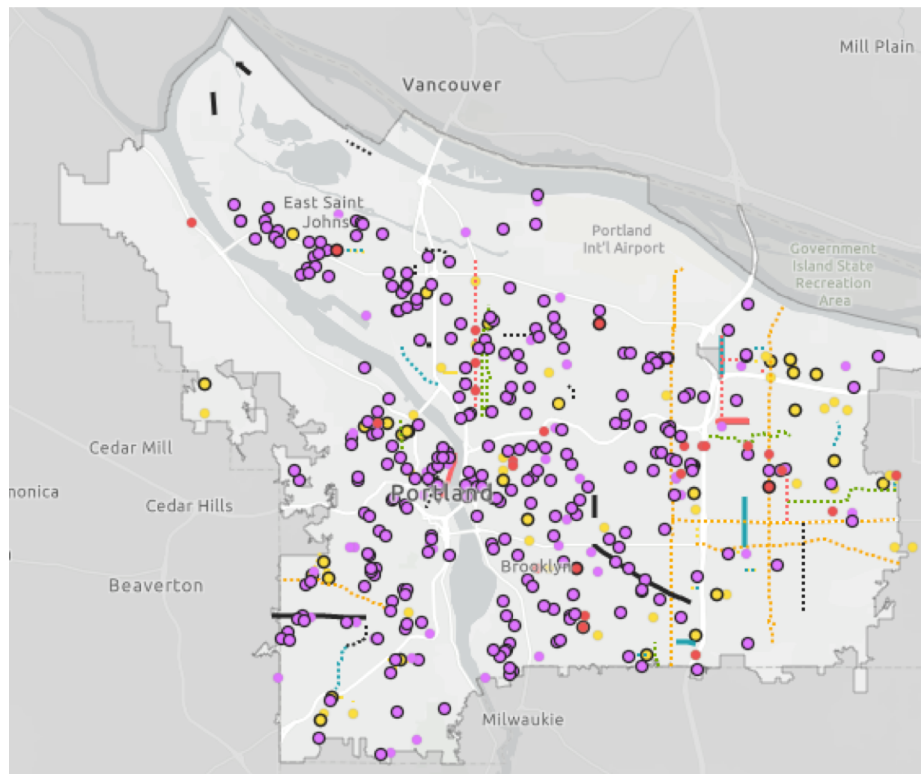
Property Taxes (Wash. County)

County vehicle registration fees

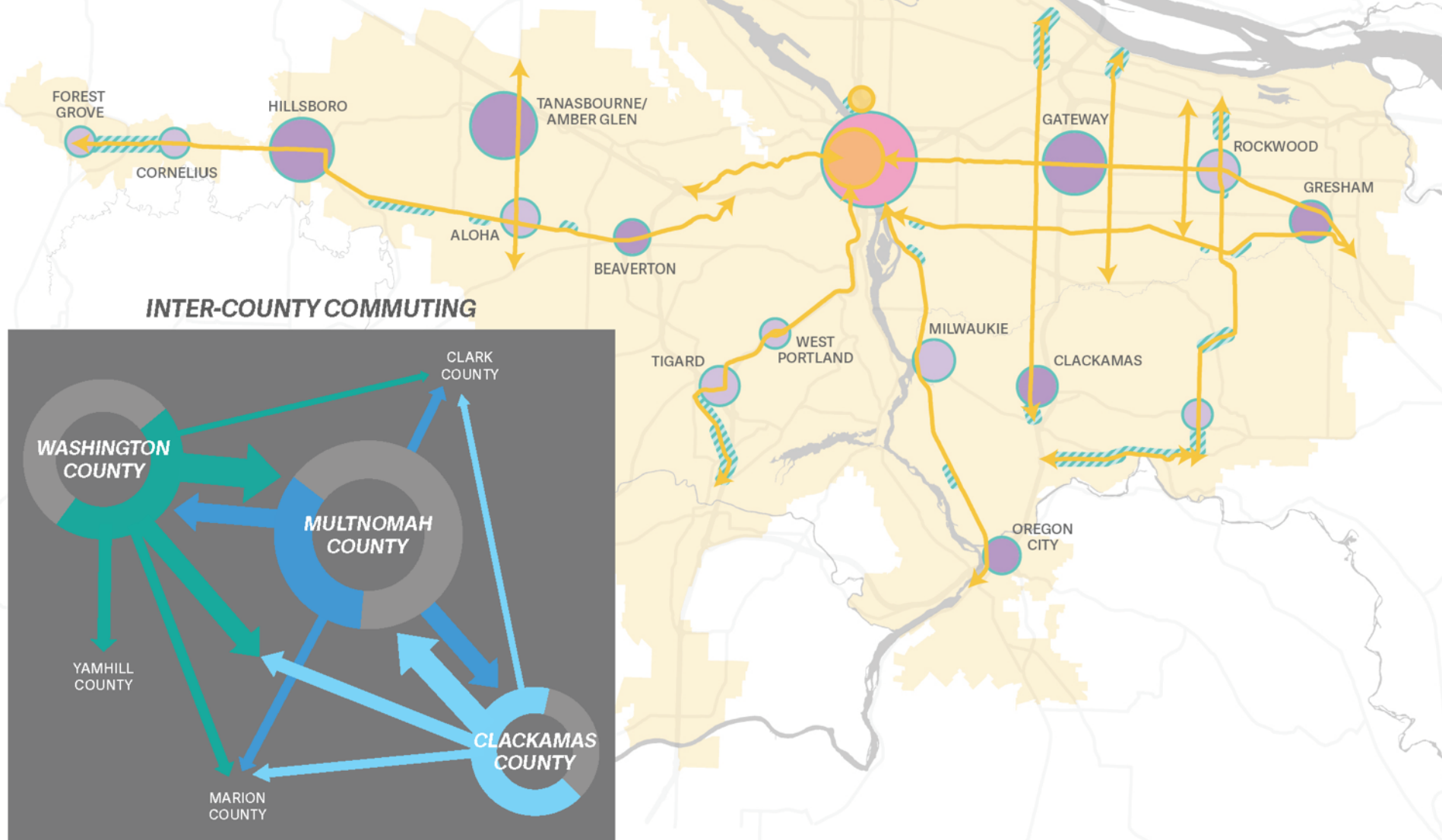
Local street utility fees: Hillsboro, Lake Oswego, Milwaukie, Oregon City, Tigard, Tualatin, Wilsonville

Pairing with development (SDCs)

# Local funding: Focus on local fixes



# Regional corridors: Connecting a regional system



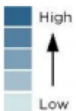


# Regional programs: Potential to meet regional needs

## Metro Regional Safe Routes to School Strategy

### Regional School Site Analysis

#### OVERALL SCORE



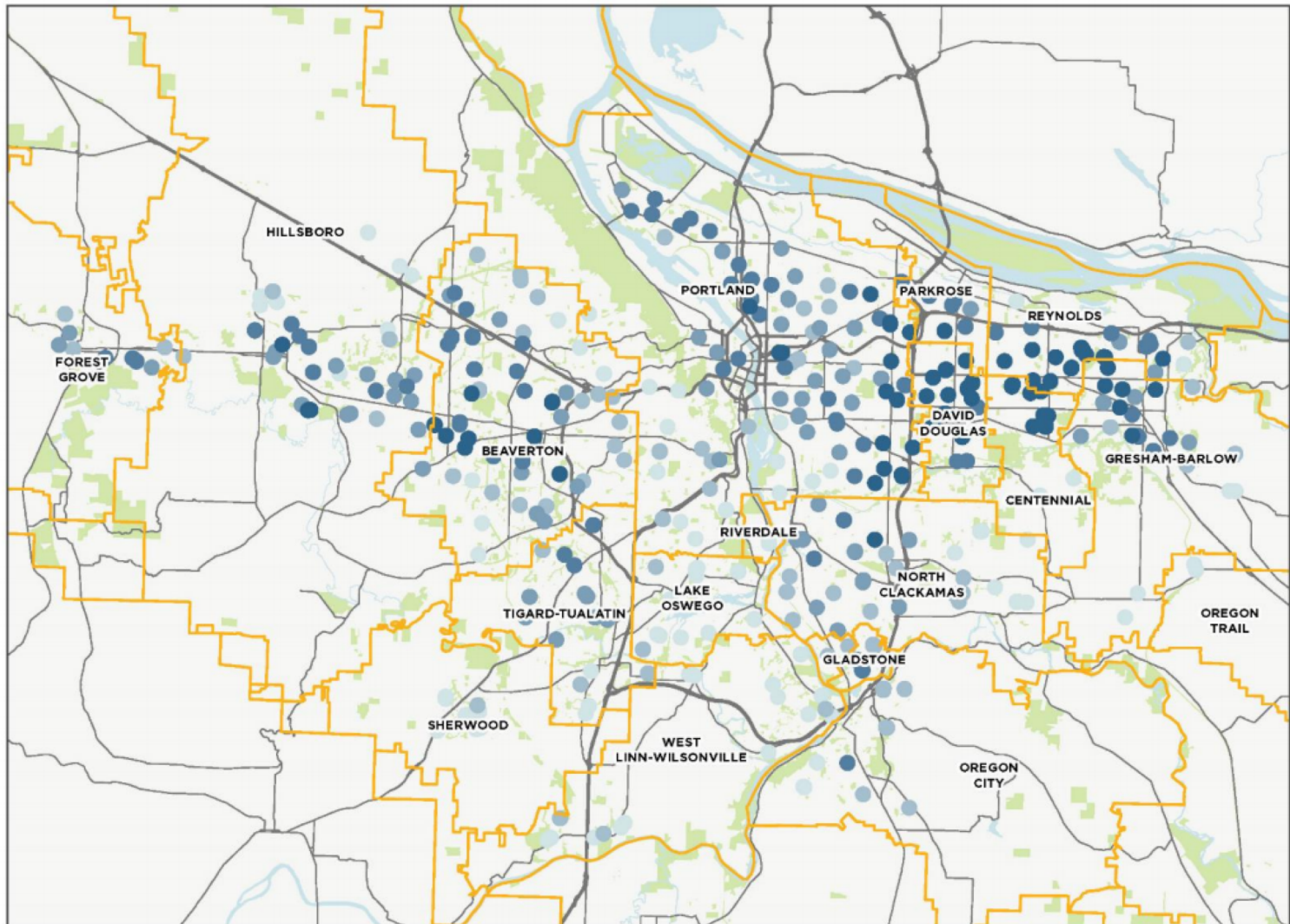
School District Boundaries

#### INPUTS

- Household Income
- Students Eligible for Free or Reduced Lunch
- Non-white Student Percentage
- Pedestrian and Bicycle Crashes
- Sidewalk Coverage
- Barriers to Walking and Biking
- Youth Population
- Density of Local Street Network
- Enrollment

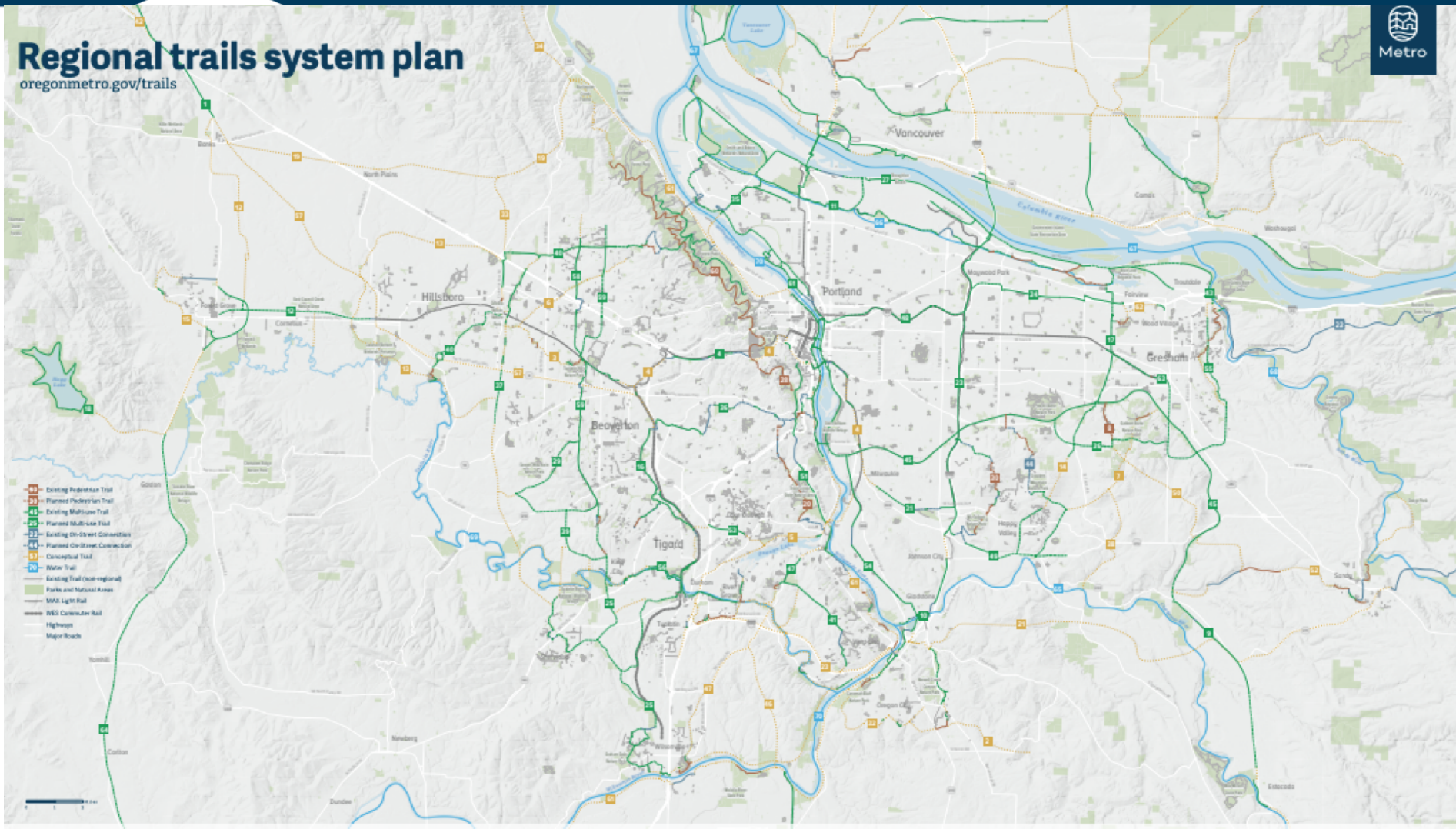
0 1.5 3 MILES

Data Source: Metro's RJS, ODOT, OROS, and ACS  
Map produced October 2016





# Regional programs: Making regional connections



# Questions so far?



# Current measure scope

## Corridors

Staff Recommendation  
Tier 1 Measure investments:

**\$3.11B**

Leveraged FTA & Local  
Investments:

**\$2.13B**

Total Tier 1  
Corridor Investments

**\$5.24B**

## Programs

**\$50 million/year for 20 years**

**\$1B**

Total Investments **\$6.24B**

## Total revenue stream needed

**\$350-\$450 million annually for 20 years**

DRAFT – 12/11/2019 – Subject to change following Task Force & Council discussion

# Current measure scope

## Corridors

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**Total revenue stream needed**

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DRAFT – 12/11/2019 – Subject to change following Task Force & Council discussion



# Examining revenue options

- **Authority**
  - Oregon Constitution
  - State statutes
  - Metro Charter
- **Important factors**
  - Ease of collection
  - Limitations/constraints
  - How much can be raised



# Considering options: Property Tax

**How could we raise \$100M per year?**

\$0.552 per \$1000/assessed value: \$100M

*Would raise Metro's total to \$1.225/\$1000*

**Advantages:** Well understood, relatively easy administration, stable

**Constraints:** Inequities in Oregon taxing system; Limited to capital spending

# Considering options: Vehicle Registration Fee

**How could we raise \$100M per year?**

Max rate (\$56 for cars): Only \$65M

**Advantages:** Well understood, stable, easy to collect, clear user tax

**Constraints:** Spending restrictions, caps on rate, limited revenue raised, regressive

# Considering options: Vehicle Privilege Tax

**How could we raise \$100M per year?**

Privilege: 2.6% dealer tax on sales = \$100M

**Advantages:** Relatively easy administration,  
clear user tax

**Constraints:** Volatility, possibly regressive,  
requires change to state law



# Considering options: Regional Gas Tax

**How could we raise \$100M per year?**

Gas only: \$0.16 per gallon

Gas + Diesel combined: \$0.13 per gallon

**Advantages:** Well understood, easy to collect, stability, clear user tax

**Constraints:** Spending restrictions, regressive

# Considering options: Employer Payroll Tax

**How could we raise \$100M per year?**

0.21% employer & self-employment payroll tax

**Advantages:** Well understood, easy to collect, relative stability

**Constraints:** Legal review needed on Metro's ability to use

# Considering options: Corporate Activities Tax

**How could we raise \$100M per year?**

0.1% gross receipts tax = \$100M

**Advantages:** No spending restrictions,  
substantial revenue, stability

**Constraints:** Would require change in state  
law

# Considering options: Business Income Tax

**How could we raise \$100M per year?**

0.8% business income tax = \$100M

**Advantages:** No spending restrictions,  
relatively easy administration

**Constraints:** Volatility, potential tax  
avoidance



# Considering options: Personal Income Tax

**How could we raise \$100M per year?**

0.2% flat income tax = \$100M

Alternative: Tiered income tax

**Advantages:** Can be progressive, No spending restrictions, relatively easy administration

**Constraints:** Highly volatile

# Considering options: General Sales Tax

**How could we raise \$100M per year?**

0.18% to 0.25% sales tax = \$100M

**Advantages:** No spending restrictions,  
relatively stable

**Constraints:** Likely regressive;  
Administration challenges; May require  
further legal review

# Considering options:

## Prepared Food/Beverage Sales Tax

**How could we raise \$100M per year?**

1.3 to 1.8% food/bev sales tax = \$100M

**Advantages:** No spending restrictions,  
relatively stable

**Constraints:** Likely regressive;  
Administration challenges; May require  
further legal review

# Questions?





# Public opinion research: Context

Recent public opinion research: Revenue mechanisms, Dec. 1-5, 2019

Not a ballot title/measure viability poll

Focus on potential revenue mechanisms, not outcomes of measure

# What do voters think?

More favorable regional funding options  
(~50-60% support range)

- Vehicle registration fees

- Payroll & business taxes

Less favorable regional funding options  
(~35-50% support range)

- Sales tax

- Gas tax

- Property tax

# What do voters think?

## Possible combinations

Vehicle reg fee, property tax, payroll tax  
43% support

Vehicle reg fee, payroll tax, income tax  
56% support

Vehicle reg fee, business profits tax:  
53% support

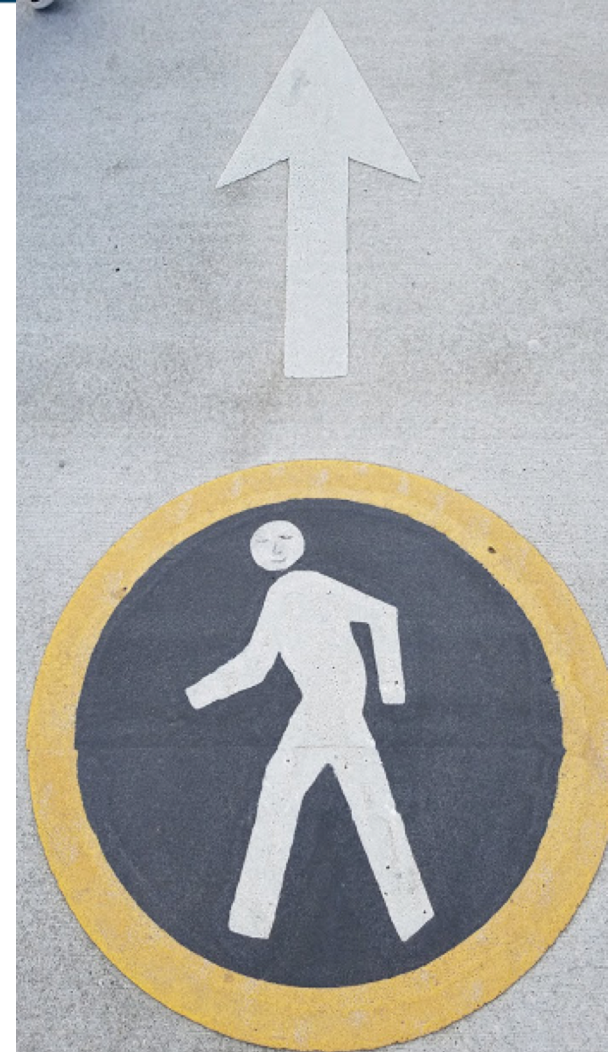
# Questions?





# Next steps

- |                 |   |
|-----------------|---|
| <b>Dec. 18</b>  | <b>Task Force meeting, 5:30-8:30 p.m.</b><br><b>Clackamas C.C., Harmony Campus</b><br>Tier 1 project recommendation |
| <b>Jan. 7</b>   | <b>Metro Council work session</b><br>Receive Task Force recommendation  |
| <b>Jan. 13</b>  | <b>Metro Council public hearing – Location TBA</b>  |
| <b>Jan. 14</b>  | <b>Metro Council work session</b><br>Tier 1 project direction   |
| <b>Jan. 15</b>  | <b>Task Force meeting</b><br>Revenue mechanisms, part 2   |
| <i>February</i> | <i>Program forums – Details TBA</i>   |
| <b>Feb. 19</b>  | <b>Task Force meeting</b><br>Tier 2 projects discussion   |



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