

**SALEM AREA MASS TRANSIT DISTRICT
BOARD OF DIRECTORS**

~ SPECIAL MEETING ~

Monday, April 24, 2017

5:00 - 6:00 PM

Courthouse Square – Senator Hearing Room
555 Court Street NE, Salem, Oregon 97301

AGENDA

- 1. CALL TO ORDER** (President Bob Krebs)
- 2. ACTION ITEM**
 - a.** Legislative Proposal for MPO Taxing Districts as Part of State Transportation Bill
- 3. ADJOURN SPECIAL MEETING**

Mission

*Connecting people with places
through safe, friendly, and reliable public transportation services*

Values

Safety – Service Excellence – Communication – Innovation – Accountability

SPECIAL ACCOMODATIONS Those individuals needing special accommodations such as sign or other language interpreters to participate in the Board meeting must request such services at least 48 hours prior to the meeting. Please direct your request to the Board Secretary at 503-588-2424. Hearing impaired please call Oregon Telecommunications Relay Service, 711.

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Date: April 13, 2017 at 5:21:53 PM PDT

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Subject: Legislative Proposal for MPO taxing districts as part of state Transportation Bill

Dear Policy Committee members –

At the March Policy Committee meeting, I described recent discussions at the Legislature's *Joint Committee on Transportation Preservation and Modernization*, with particular emphasis on the Congestion Work Group (led by Senator Boquist (Dallas), vice-chair of the Joint committee. The Congestion Work Group studied options for funding major congestion projects and how to include those options as part of a 2017 state transportation bill. I'm attaching the Powerpoint I shared at the March meeting: most of the slides come from Senator Boquist's presentation of March 27th, with annotations I added. Slide #10 is the most relevant to SKATS (it has a title "Metropolitan Planning Organizations") with the senator's Draft Action Plan (image below)

Of particular relevance to SKATS is the proposal from Senator Boquist about a new excise tax on new vehicles sold in Oregon. The funds from the excise tax would go into a State Infrastructure Fund to be used for congestion/modernization projects in the Portland MPO area and other parts of the state. A 1% excise tax raises \$73 million per year. Senator Boquist also supports establishing taxing districts for all MPOs in Oregon, to fund major congestion-relief projects. The Senator's idea is that the state-designated MPO area taxing districts -- with an added fuel tax and/or vehicle registration in the district – could produce revenue in order that ODOT and MPOs share in the cost of major transportation projects. There could be other ways to cost-share beside (or in addition to) revenue from a new MPO district, such as funds from the expected increase in gas taxes going to cities and counties, as well as our regular MPO federal funds.

This cost-sharing paradigm is moving forward in cooperation with the Portland Metro MPO area. The Portland MPO is willing to impose on themselves additional fuel taxes and registration fees to pay for half the cost for three major congestion projects (I-5 Rose Quarter, I-205, and Highway 217). The total cost of these three projects is about \$1 billion, with Portland and the state each paying half. The goal is to construct these projects over the next 8 years

Portland's MPO Policy Board is supportive of this MPO-taxing district proposal, as is the Central Lane MPO Policy Board. We discussed it briefly at the March 28th SKATS meeting, but because Commissioner Pope and Councilor Lewis were absent we did not have the full discussion that is needed about the proposal.

In my discussions with the Portland and Central Lane MPO transportation managers, they would like to have OMPOC support the proposal for MPO area taxing districts. OMPOC meets on April 26th, one day after our April 25th SKATS meeting. In addition, OMPOC members will be

asked on April 26th to talk with members of the Joint Committee and other legislators about the transportation bill (in general) and the taxing district proposal (in particular).

My goal between now and April 26th is to get the SKATS MPO Policy Committee's preference on this taxing district proposal. To that end:

- I am available to talk with any Policy Committee member before the April 25th SKATS meeting about what I know about the proposal.
- If there is a initial version of a proposed bill available, I will forward it to Policy Committee members
- This topic will be on the agenda at the SKATS April 25th meeting. At the conclusion of discussion on this topic, I ask that the Policy Committee provide to Cathy Clark and Bob Krebs a clear position (either "support", "against", or "conditional") about the taxing district proposal for discussion at the April 26th OMPOC meeting.

At the March 28th PC meeting, those in attendance did not voice disagreement with the idea. You will notice in the slides (slide #5) that the two "shared-cost" projects in the SKATS area are the seismic upgrade of the Center Street bridge and a phase of the Preferred Alternative 3rd bridge.

Note: we have a full agenda for the April 25th SKATS meeting, including a public hearing on the TIP (which we'll have first), and several resolutions we need adopted. Following that is the discussion about the state transportation bill and revenue districts proposal. **So if possible, please schedule up to 2 hours for the April 25th SKATS meeting.** Thank you.

Please contact me with any comments or questions you have on this important topic.

Mike Jaffe

Transportation Planning Director
Mid-Willamette Valley Council of Governments

Metropolitan Planning Organizations Transportation Management Areas*

Existing Federal MPOs:

1. Metro Plus (Portland)*
2. Salem Keizer Area Transportation Study*
3. Central Lane MPO (Eugene-Springfield)*
4. Albany Area MPO
5. Corvallis Area MPO
6. Bend MPO
7. Middle Rogue MPO (Grants Pass)
8. Rogue Valley MPO (Medford)

Draft Action Plan:

- Convert MPOs to State districts
- Mirror governing body
- Empower to act & coordinate
- Focus on congestion & carbon reduction (vehicle equivalent)
- Establish State funding source for cost shared projects (50/50)
- Designate JPACT/Metro (+) as first three projects
- OTC (Plus) make future recommendations to the Legislature

What does it look like?

Joint Data Set – Ten Year Plus: Possible Future Statewide Areas (No Order)

- MPO Albany I-5 Auxiliary Lanes \$35 million
- MPO Bend Hwy 97 La Pine Passing Lanes \$25 million
- MPO Medford Seismic Triage \$35 million
- MPO Portland OR 217 Phase II \$50 million (TBD)
- MPO Salem Center Street Bridge Seismic \$60 million (Years 10-15)
- MPO Salem Center Street Bridge Replace \$170 - \$250 million (Years 10-15)
- MPO Portland Boone Bridge & Lanes \$120 million (Years 10-15)
- MPO Eugene Delta Hwy & River Road \$120 million (Transfer or Out Years)
- Newberg/Dundee bypass phase 2 \$332 million (Years 10-15)

Correction: this is reference to
the Salem River Crossing
Preferred Alternative

Possible Revenue Options

'Elimination Process'

- Fuel tax on light (65%) & heavy vehicles (35%) (*diminishing return*)
 - Vehicle registration fee increase at three tiers (closer to road use)
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- Title fee change to three tiers (closer to road use)
 - Normal driver's license fee
 - New vehicle excise tax to new account at one percent*
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- Bicycle cost share by point of sale or simple process
 - Employee tax for transit if balanced with employer
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- Pre-construction tolling or congestion pricing in two years
 - Tiering any of the above yearly
 - Stair stepping any of the above in out years