

**Agenda**  
**Salem-Keizer Area Transportation Study (SKATS)**

**Technical Advisory Committee (TAC)**

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**Date:** Tuesday, February 12, 2019  
**Time:** 1:30 p.m.  
**Place:** MWVCOG Conference Room B  
100 High St. SE, Suite 200  
Salem, OR 97301  
**Phone:** (503) 588-6177 FAX (503) 588-6094  
**E-mail:** mwvcog@mwvcog.org  
**Website:** www.mwvcog.org

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- A. **Call to Order .....Nate Brown**
- B. **Approval of TAC Minutes January 8, 2019 .....Nate Brown**
- C. **RTSP Project Selection Process: Options for Weighting.....Ray Jackson**

Background: Continuing our discussion from the January SKATS TAC meeting, staff will present the latest on the proposed project selection process including a list of projects that are recommended for the financially constrained project list to be included in the Public Review draft of the 2019-2043 Regional Transportation Systems Plan (RTSP). Details on the steps used from evaluation of the projects to allocation of regional funds are provided in the *attached* memorandum. Please come prepared to discuss the results of the process. The TAC will be asked to forward the resulting list of projects on to the Policy Committee, along with the process involved, to be used in the Public Review draft and to allow for Chapters 7 (Proposed System) and 8 (Impacts) to be presented and discussed at the March TAC meeting.

Action

Requested: Discussion of the project selection process and resulting list of projects.  
Recommend project list for Policy Committee consideration and use in the Public Review draft of the RTSP.

- D. **FY 2021-2026 TIP Applications.....Karen Odenthal**

Background: Approximately \$15 million in federal funds will be available for projects for the federal fiscal year **FY 2021- 2026 Transportation Improvement**

**Program (TIP).** This will be a combined solicitation to award Surface Transportation Block Grant Program-Urban (**STBGP-U**) funds, Transportation Alternative-Urban (**TA-U**) set aside funds, and Congestion Mitigation and Air Quality Improvement Program (**CMAQ**) funds. The process for selecting projects and allocating the available STBGP-U, TA-U, and CMAQ funds in the FY 2021 - 2026 TIP will be very similar to what was used for the development of the last two TIPs. Application materials are available on the website at <http://www.mwvcog.org/>. Pre-applications are due March 26, 2019; and full applications are due June 28, 2019.

Action

Requested: Informational item.

**E. RTSP Update: Chapter 6 (Finance) .....Ray Jackson**

Background: As part of the update to the SKATS Regional Transportation Systems Plan (RTSP), the SKATS TAC discussed an overview of funding projects at their December 2018 meeting. Building on that discussion, the *attached* chapter has been revised from the version in the 2015-2035 RTSP to address the comments from the TAC and has been simplified to make reading easier. Additionally, all of the tables have been updated to reflect revised project costs and revenue forecasts provided by the TAC. The values in this chapter are consistent with those used as part of the project selection process (see Item C above). The revised chapter is *attached* for review by the TAC.

Action

Requested: Review and provide feedback on the draft chapter.

**F. Special Meeting with ODOT on Obligation Rates .....Karen Odenthal**

Background: Over the last year, ODOT and the three larger MPOs (SKATS, Central Lane, and Metro) have met to develop a proposal of developing future-year obligation targets for the federal transportation funds used in the MPO TIPs. For various reasons, too many projects (and their phases) are not obligated according to the years programmed in the TIPs; and these project “slips” have an effect on ODOT’s overall goal of obligating all federal funds each year in order to qualify for distribution funds.

Because of the complexity of this topic, we would like to schedule a special meeting (duration ~2 hours) of TAC members as well as city/county project managers so ODOT can present the proposal, get feedback, and answer questions.

Action

Requested: SKATS will coordinate with ODOT and the local agencies to select a date for this meeting (separate from a regular TAC meeting) in March or April.

**G. Other Business..... SKATS Staff**

- Next TAC Meeting – March 12, 2019
- Next Policy Committee Meeting – March 26, 2019

**H. Adjournment ..... Nate Brown**

# DRAFT

## Minutes

Salem-Keizer Area Transportation Study (SKATS)  
Technical Advisory Committee (TAC)

January 8, 2019  
100 High St. SE, Suite 200  
Salem, OR  
1:30 p.m.

### **TAC Members Present**

Lisa Anderson-Ogilvie, Salem Community Development  
Nate Brown, Keizer Community Development, 2019 Chair  
Steve Dickey, Salem Area Mass Transit District  
Dan Fricke, ODOT Region 2  
Robert Mansolillo, DLCD (Alternate for Angela Carnahan)  
Austin McGuigan, Polk County Planning, 2019 Vice Chair  
Brandon Reich, Marion County Planning  
David Sawyer, City of Turner  
Janelle Shanahan, Marion County Public Works  
Julie Warncke, Salem Public Works

### **TAC Members Absent**

Sam Ayash, ODOT System Studies, (non-voting)  
Angela Carnahan, DLCD  
Bill Lawyer, Keizer Public Works  
Victor Lippert, Salem-Keizer School District  
Rachael Tupica, FHWA, (non-voting)  
Todd Whitaker, Polk County Public Works  
Cory Ann Wind, DEQ, as needed

### **Others Present**

Becky Gilliam, SRTS National Partnership  
Ray Jackson, MWVCOG-SKATS  
Mike Jaffe, MWVCOG-SKATS  
Lori Moore, MWVCOG-SKATS  
Karen Odenthal, MWVCOG-SKATS  
Kim Sapunar, MWVCOG-SKATS

### **Agenda Item A. Call to Order**

Former Chair Lisa Anderson-Ogilvie called the meeting to order at 1:34 p.m.

## **Agenda Item B. Approval of the Minutes of December 11, 2018**

**Motion was made by Brandon Reich, seconded by Steve Dickey, to approve the minutes of the December 11, 2018 meeting as submitted.** Those voting in favor of the motion were Lisa Anderson-Ogilvie, Steve Dickey, Dan Fricke, Robert Mansolillo, Austin McGuigan, Brandon Reich, David Sawyer, Janelle Shanahan, and Julie Warncke. **The motion passed unanimously.**

## **Agenda Item C. Election of Officers**

Nate Brown was elected TAC chair for 2019. Austin McGuigan was elected 2019 TAC Vice Chair.

## **Agenda Item D. RTSP Project Selection Process: Options for Weighting**

Ray Jackson explained that the SKATS Policy Committee requested staff to provide options for weighting projects after the initial project evaluations were completed. Staff developed five potential weighting options that were discussed by TAC members during their December 2018 meeting.

Following the December TAC meeting, members were asked to review the initial evaluation of each of the projects and provide SKATS staff with feedback.

Mr. Jackson described the 5-Step Project Prioritization Process that was outlined in the memorandum included in the agenda packet:

1. Apply Screening Criteria-MPO criteria are developed based on the Goals for the RTSP with answers either “yes” or “no.”
2. Evaluate whether a project addresses each criteria-As there are 10 evaluation criteria with 1 point for each criteria met and zero points for each not met, the maximum number of points a project can score is 10. (Most projects score approximately 5-6 points.)
3. SKATS TAC Review-SKATS staff perform the initial evaluation and provide TAC members with the results for their review. This helps to ensure the accuracy of the evaluation. In addition, TAC members can indicate reasons for prioritizing a project(s) higher than the initial point total would rank it/them.

The process is currently at Step 3.

4. Review and Final Ranking by the SKATS Policy Committee-PC members will review the prioritized list prior to including it in the Public Review Draft of the RTSP.
5. Public Participation and Review of the draft RTSP and projects-The public will have at least 30 days to review the draft plan before its final review and adoption by the Policy Committee.

Mr. Jackson reminded the group that they were e-mailed a spreadsheet in December that contained project evaluations and were asked to review the evaluations of their respective projects for correctness. They were also asked to provide feedback on the proposed weighting options and add any other options that should be considered.

Julie Warncke asked if staff will show the Policy Committee the evaluation worksheet. Ray Jackson responded that the PC will most likely see, at their request, the information related to the Top 10 and maybe, the lowest ranked projects. A final decision as to the content of the next PC agenda (January 22, 2019) has not been made yet.

TAC members discussed the fundability of projects along with the weighting options. Austin McGuigan noted that the proposal for the Willamette River Bridge project has phases. It is easier to fund small pieces of large projects than to find funding for one large one. The city of Salem plans to fund Marine Drive, which is a phase of the project. Other pieces of the overall project would include the bridge ramps.

Nate Brown arrived at 1:52 p.m. He conducted the remainder of today's meeting.

Discussion continued related to the source of projects. Ray Jackson noted that projects should ideally come from official documents such as local transportation plans rather than showing up out of nowhere.

### **Agenda Item E. Unified Planning Work Program (UPWP) for FY 2019-2020**

Mike Jaffe provided an overview of the highlights of the preliminary draft work plan. Referencing tasks on page 10, Mr. Jaffe emphasized that Performance-Based Planning is an ongoing task. Staff will gather and track the data used as indicators and performance measures for the goals and objectives of the RTSP. Mr. Jaffe highlighted additional proposed tasks for the coming year. It was noted that a Regional Safety Plan had been included in previous work programs; however, it remains undeveloped at this time. Future discussions are likely to include the initiation of a Crash Fatality Review Team or a Safe Communities Program.

SKATS staff will review the SKATS Title VI Plan and determine the extent of which the plan needs updating. Although many of the tasks required for completion of the Salem River Crossing Environmental Impact Statement (EIS) are done, required land use changes have not yet been made by the city of Salem. It is unknown at this time how the city will respond to the Oregon Land Use Board of Appeals (LUBA) remand.

Mr. Jaffe informed the group that the next version of the work program will go out with the next Policy Committee agenda.

### **Agenda Item F. FY 2021-2026 TIP Timeline**

Karen Odenthal provided an overview of the timeline schedule for the next update of the Transportation Improvement Program (TIP). Julie Warncke asked how much funding is likely to be available for projects in this cycle. Ms. Odenthal responded that approximately \$15 million in Surface Transportation Block Grant Program-Urban (STBGP-U) funds, Transportation Alternative-Urban (TA-U) set aside funds, and Congestion Mitigation and Air Quality Improvement Program (CMAQ) funds will be available for projects. The project application and selection process will be similar to that used for the previous two TIPs.

TAC members discussed federal Omnibus funds. Ms. Odenthal announced that it is unknown at this time if, and when, SKATS will receive additional funds as previously anticipated. She noted

that there are currently three projects that need additional funds that could use Omnibus funds, if they become available. Discussion continued on how to deal with these projects if SKATS does not receive more Omnibus funds. Ms. Odenthal recommended that sponsors of projects that need extra funding submit a pre-application for the next TIP cycle. These applications could be addressed earlier, if funds become available.

Ms. Odenthal announced that application materials will be available February 1. Julie Warncke asked if it is mandatory to do a pre-application for all proposed projects. Ms. Odenthal responded that it is highly recommended that pre-applications be made for projects, but if a project is identified through the prioritization process, then pre-applications will not be mandatory. She suggested that those projects that only have the preliminary engineering phase funded be submitted for the remaining phases. She also reminded everyone that projects should be included in the RTSP, especially, since we are going through the RTSP project selection process right now.

### **Agenda Item G. Safety Performance Measures**

Karen Odenthal explained that the SKATS Policy Committee supported federal safety-performance measure targets developed by ODOT last year along with continuing to analyze local safety data/concerns. She reminded the group that MPOs are required to either develop their own measures/targets or support the state's measures/targets annually. She suggested that the SKATS TAC recommend to the Policy Committee to continue to support ODOT performance measures targets again this year and for the foreseeable future along with tracking local data/information.

**Motion was made by Brandon Reich, seconded by David Sawyer, to recommend that the SKATS Policy Committee support ODOT Safety measures and targets for the next year.** Those voting in favor of the motion were Lisa Anderson-Ogilvie, Nate Brown, Steve Dickey, Dan Fricke, Robert Mansolillo, Austin McGuigan, Brandon Reich, David Sawyer, Janelle Shanahan, and Julie Warncke. **The motion passed unanimously.**

### **Agenda Item H. Other Business**

Robert Mansolillo, DLCD, offered to provide TAC members with a link to the digital timeline for 2019 TGM Grant Program. Pre-applications are likely to be available in February.<sup>1</sup>

The next SKATS TAC meeting is scheduled for February 12, 2019.

The SKATS Policy Committee meets on Tuesday, January 22, 2019.

Chair Nate Brown adjourned the meeting at 3:06 p.m.

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<sup>1</sup> Mr. Mansolillo provided a link to the annual award timeline which was forwarded to the TAC members on January 8.

## **Agenda Item C.**

### **RTSP Project Selection Process: Options for Weighting**

**SKATS Technical Advisory  
Committee (TAC)  
February 12, 2019**

#### **Action Requested:**

Discussion of the project selection process and resulting list of projects. Recommend project list for Policy Committee consideration and use in the Public Review draft of the RTSP.



## Memorandum

**Date:** February 5, 2019

**To:** SKATS Technical Advisory (TAC) Committee

**From:** Ray Jackson,

**Re:** **Prioritization Results Using the Weighting Option Developed by the SKAT PC**

At the January 22, 2019 SKATS Policy Committee meeting, staff was directed to use a weighting scheme that combined two of the options that were presented (*See Agenda E in the January 2019 PC packet.*) and included a measure of whether a project is adjacent to another project from a separate jurisdiction. The process used to weight the projects and the resulting list of projects that could be funded given the estimated revenues available to the local jurisdictions and SKATS are described in this memorandum.

The TAC is asked to review the process and the results. Projects that previously were identified as a priority of each jurisdiction are included in the funded section regardless of score. If this method is acceptable, shall it be used to develop the draft list of financially constrained projects for the SKATS 2019-2043 Regional Transportation Systems Plan?

### New Weighting Option

At their January 2019 meeting, the SKATS Policy Committee, after discussing the options for weighting the projects proposed for inclusion in the SKATS 2019-2043 Regional Transportation Systems Plan (RTSP), directed staff to use a modified weighting scheme that shows the focus and intent of projects in the region to support the Goals of the RTSP. This weighting scheme would combine the “Safety” and “Complete Systems” options.<sup>1</sup> Specifically, extra weight is provided to projects that meet the criteria for safety, enhancing transit service or operations, reducing a gap in a regional system, and addressing a bottleneck. They also directed staff to include criteria that captures whether a project is contiguous with a project from another jurisdictions (the example they had in mind is the current project to provide sidewalks, bike lanes, and stormwater handling capabilities along Brown Road NE, segments of which are owned and operated by the city of Salem and Marion County). The Policy Committee assigned a weight to each of these as shown in **Table 1** below.

*Table 1: Criteria and Weights used for Evaluating Projects*

Criteria	Weight / Multiplier
<b>Safety</b>	4
<b>Enhancing Transit Service or Operations</b>	3
<b>Reducing a Gap in a Regional System</b>	
<b>Addressing a Bottleneck</b>	
<b>Contiguous to adjacent project from another jurisdiction</b>	1
<b>All other criteria</b>	1

<sup>1</sup> Note that the “Complete Systems” option included the safety criteria. In the new scheme, it is scored only once.

The revised evaluation calculation was applied to all 268 projects that could be part of the SKATS 2019-2043 RTSP. The results are presented in the remainder of this memorandum.

### Determining Whether a Project is “Fundable”

After the projects have been scored using the new weighting, the next step is to determine which projects are fundable for each jurisdiction given the project’s evaluation score, the estimated cost of the project, and the estimated funds available to the jurisdiction. The process used by SKATS staff is outlined below:

- 1) Filter the project list for a particular jurisdiction (e.g., Marion County).
- 2) Sort the resulting table by the evaluation score (highest to lowest).
- 3) Sort the table to ensure the projects identified by the jurisdiction as a priority are part of the included list.
- 4) Sum the project cost for projects (from highest evaluation score to lowest) until the total cost are equal to or less than the forecasted revenue for that jurisdiction. This summation is for groups of projects with the same evaluation score.
  - a. If all the projects with the same evaluation score can be funded given the jurisdiction’s forecasted revenue, they are designated as “Funded” (or “Yes”).
  - b. It is likely that the amount of revenue will only cover a portion of the projects with the same evaluation score. For all the projects that fall into this category, they are designated as “On the Bubble.”
    - i. Determination of which of these projects should be funded will take place at the next stage.
  - c. All the remaining projects, i.e., those with evaluation scores that are lower than those projects “On the Bubble,” are initially designated as “Unfunded” (or “No”).
- 5) Repeat for each jurisdiction.

The results of this process are summarized in **Table 2** below. This table presents, for each jurisdiction, the number and estimated cost for projects that have been categorized as either funded, "on the bubble" or not funded after the steps described above.

*Table 2: Results of Evaluation for Fundability*

Jurisdiction	# Funded	Funded Est. Cost (\$)	# Bubble	Bubble Est. Cost (\$)	# Not Funded	Not Funded Est. Cost (\$)
<b>Keizer</b>	9	\$13,488,800			2	\$3,813,200
<b>Salem<sup>2</sup></b>	103	\$432,438,200	17	\$45,018,400	8	\$45,900,200
<b>Turner</b>	1	\$1,130,000				
<b>Marion C.</b>	4	\$9,338,300	17	\$24,402,600	51	\$121,010,800
<b>ODOT</b>	11	\$78,920,600	7	\$120,525,300	1	\$180,000
<b>Regional</b>	1	\$20,000,000			1	\$318,888,300
<b>SAMTD</b>	5	\$11,972,300				
<b>Total</b>	<b>134</b>	<b>\$567,288,200</b>	<b>41</b>	<b>\$189,946,300</b>	<b>63</b>	<b>\$489,792,500</b>

<sup>2</sup> There are 30 projects that do not currently have a cost estimate; 29 scored high enough to be considered ‘funded.’ One was ‘on the bubble.’ These projects are part of the illustrative list until a cost estimate can be provided.

Designating funding for those projects that scored well does not use all of the estimated revenues available to the jurisdiction (except for Turner); and thus, they can apply these to some, or all, of the projects that have been identified as being “On the Bubble.” Note that SKATS historically has not provided funds for ODOT projects. All ODOT projects either “On the Bubble” or “Not Funded” are thus removed from the rest of the discussion. ODOT has historically been able to fund their own projects without SKATS’ federal funds. (See **Chapter 6** of the SKATS 2019-2043 RTSP for a complete discussion.) **Table 3** presents the estimated revenue from the Finance chapter (**Chapter 6**), amount to be used on the “funded” projects, and the revenue remaining for use for “On the Bubble” projects.

*Table 3: Revenue after Funding Top Scoring Projects*

Jurisdiction	Revenue	Cost of Funded	Remaining Funds for Bubble or other projects
<b>Keizer</b>	\$14,557,900	\$13,488,800	\$1,069,100
<b>Salem</b>	\$459,052,000	\$432,438,200	\$26,614,600
<b>Turner</b>	\$356,700	\$1,134,100	(\$777,400)
<b>Marion C.</b>	\$28,719,100	\$9,338,300	\$19,380,800
<b>ODOT</b>	\$125,000,000	\$78,920,600	\$46,079,400
<b>Regional</b>	\$152,129,800	\$20,000,000	<b>\$132,129,800</b>
<b>SAMTD</b>	\$120,100,000	\$11,972,300	No Projects Left

At the January 2019 Policy Committee meeting, the members were supportive of the idea that with jurisdictional equity in mind, using SKATS funds to cover Turner’s project was appropriate. This is reflected in **Table 3**.

The next step is to decide how the remaining funds will be allocated to the “On the Bubble” projects. As illustrated in **Table 4**, the remaining jurisdictional funds and the estimated cost of the “On the Bubble” projects will result in the jurisdiction requiring additional revenue to fully fund the projects.

*Table 4: On the Bubble Projects and Remaining Funds*

Jurisdiction	Funds for Bubble or other projects (from Table 3)	Cost of Bubble projects	MPO Federal Funds Needed for Bubble Projects	Remaining Funds for “Not Initially Funded”	Cost of Remaining Projects
<b>Keizer</b>	\$1,069,100	\$0		\$1,069,100	\$3,813,200
<b>Salem</b>	\$26,614,600	\$45,018,400	(\$18,403,800)		\$45,900,200
<b>Turner</b>		\$0			None Left
<b>Marion C.</b>	\$19,380,800	\$24,402,600	(\$5,021,800)		\$121,010,800
<b>Regional</b>	<b>\$131,352,400</b>	\$0		\$107,926,800	\$318,888,300
<b>SAMTD</b>	No Projects Left	\$0			None Left

SKATS funds can be used to fully fund the projects identified as “On the Bubble” for Marion County and Salem (totaling \$23,425,600), leaving over \$107 million for use on projects initially identified as “Not Funded.”

**Table 5** shows the remaining projects by their evaluation score. Note that the Regional project R002 (Third Willamette Bridge) is omitted as its cost exceeds the amount of funds available. Also shown in the table are the available SKATS funds after subtracting the cost for projects in each evaluation score. Thus, all the projects scoring 2 to 5, at an estimated total project cost of approximately \$101.9 million, could be covered by the SKATS funds leaving approximately \$6 million for either projects from the group that

scored a '1' or left as a reserve to recognize the changes in project costs and revenue likely to occur over the next 24 years. If the option to reserve the approximately \$6 million is selected, the illustrative list would include all the projects that scored a '1' during the evaluation process plus those projects that do not have a cost estimate. The complete list of the illustrative projects is shown in **Table 6**.

Table 5: Cost of Unfunded Projects by Evaluation Score

Jurisdiction	SKATS Funds	Score = 5	Score = 4	Score = 3	Score = 2	Score = 1
<b>Keizer</b>						\$3,813,254
<b>Salem</b>						\$45,900,200
<b>Turner</b>		No Projects Left				
<b>Marion C.</b>		\$21,607,300	\$8,598,300	\$22,454,400	\$49,271,200	\$19,079,700
<b>SAMTD</b>		No Projects Left				
<b>Total</b>		\$21,607,300	\$8,598,300	\$22,454,400	\$49,271,200	\$68,793,154
<b>Remaining SKATS Funds</b>	\$107,926,800	\$86,319,500	\$77,721,200	\$55,266,800	\$5,995,600	<b>(\$62,797,554)</b>

RJ:lm

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## **Agenda Item E.**

### **RTSP Update: Chapter 6 (Finance)**

**SKATS Technical Advisory  
Committee (TAC)  
February 12, 2019**

#### **Action Requested:**

Review and provide feedback on the draft chapter.

## DRAFT Chapter 6 - Financial

The previous chapters have provided an overview of the existing system (**Chapter 4**) and the gaps and needs that have been identified that limit the overall effectiveness of the current transportation infrastructure from meeting the needs of the people and businesses in the Salem metropolitan area (**Chapter 5**). This chapter and the next chapter, which presents the projects and programs that are proposed for the next 24 years to address these gaps, combine to provide a comprehensive look at what the future system will look like and how it could be funded. Under federal regulations, the long-range plan (i.e., this RTSP) must be financially constrained; meaning that the cost of the projects and programs proposed in the Plan may not exceed the amount of revenues that are *reasonably anticipated* to be available to the SKATS area during the time frame of the plan.

### ***SKATS' Role***

As mentioned in **Chapter 2**, SKATS does not own, operate, maintain, or have any jurisdiction over any part of the regional transportation system. This is the province of the cities, counties, and other agencies in the area. SKATS' responsibility is limited to coordinated, comprehensive regional transportation planning activities, including development of a long-range regional transportation plan for the MPO area. Financial assumptions in this chapter were developed in cooperation with the local jurisdictions and other affected agencies such as the Oregon Department of Transportation (ODOT) and the Salem Area Mass Transit District (SAMTD).

### ***Overview of Funding Sources***

A variety of funding sources are available for the projects and programs identified in this Plan. These range from funds from the Federal government to local sources such as system development charges. These funding sources are typically limited either to a locale or by the type of project. Each of the funding sources available and the type of projects that are eligible will be discussed in this section. An overview of the sources of funding and their allowed uses is presented in **Table 6-1**.

Table 6-1: Funding Flexibility Matrix – General Guides for the Use of Transportation Funding

POTENTIAL USES		TRANSIT										HIGHWAY					Other
FUNDING SOURCES		Transit Operations	Capital Improvements	ADA/Elderly & Handicapped	Maintenance & Operations	Roadway Capacity	Bicycle	Pedestrian	Rideshare / TDM						Passenger Rail & Facilities		
<b>Federal</b>																	
	National Highway Performance Program (NHPP)	no	(a)	no	yes	yes	yes	yes	no	yes	yes	yes	no	no	no	no	no
	Highway Safety Improvement Program (HSIP)	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no
	Surface Transportation Block Grant (STBG) (DOOT)	no	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
	Transportation Alternatives set-aside from STBGP (TA)	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no
	Congestion Management Air Quality (CMAQ)	no	?	no	no	no	no	no	no	no	no	no	no	no	no	no	no
	FTA - Metropolitan Transportation Planning (Section 5303)	(b)	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no
	FTA - Urbanized Area Program (Section 5307 and 5340)	(c)	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
	FTA - Rural Area Program (Section 5311)	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
	FTA - Enhanced Mobility for Seniors and Individuals with Disabilities (Section 5310)	no	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
	FTA - Bus and Bus Facilities (Section 5339)	no	yes	no	no	no	no	no	no	no	no	no	no	no	no	no	no
<b>State</b>																	
	Gas Tax Revenues	no	no	no	yes	yes	yes	yes	yes	yes	yes	yes	yes	(c)	no	no	no
	Special Transportation Fund (STF) (d)	yes	yes	yes	no	no	no	no	no	no	no	no	no	no	no	no	no
	Transit in Lieu Payments	yes	yes	yes	no	no	no	no	no	no	no	no	no	no	no	no	no
<b>Regional</b>																	
	SKATS STBGP-U	no	yes	yes	(e)	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
<b>Local</b>																	
	Salem G.D. Bonds	no	no	no	yes	yes	yes	yes	yes	yes	yes	yes	yes	no	no	no	no
	Gas Tax Revenue	no	no	no	yes	yes	yes	yes	yes	yes	yes	yes	yes	no	no	no	no
	Transportation System Development Charges (f)(g)	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no
	Urban Renewal	no	yes	no	no	no	no	no	no	no	no	no	no	no	no	no	no

(a) May be used for construction of publicly owned intracity or intercity bus terminals servicing the NHS

(b) FTA Section 5303 is dedicated for transit planning activities.

(c) Potential uses may include park-and-ride facilities only, as part of eligible highway improvements projects.

(d) May be used for transit capital improvements and ADA/elderly & handicapped operations; cannot be used for transit system operations.

(e) STP-U funds may be used for operations and infrastructure renewal but not maintenance.

(f) Limited to roadway capacity projects. Bicycle and pedestrian facility improvements may be included as part of roadway capacity projects.

(g) TSDCs are currently implemented by the cities of Keizer, Salem and Marion County.

## ***Federal Funds***

Federal transportation money distributed to the states comes from the federal Highway Trust Fund (HTF), which receives the federal excise taxes on motor fuels and various heavy truck related taxes. Currently, the taxes are 18.4 cents per gallon for gasoline and 24.4 cents per gallon for diesel. The money in the HTF is currently distributed 86 percent to highway projects and 14 percent to mass transit projects. The federal fuel taxes have not been raised since 1993 and have required Congress to transfer money eleven times between 2008 and 2018, (totaling \$114.7 billion) from the General Fund into the HTF to insure solvency.<sup>1</sup> Additional transfers are likely in the future, as recent projections from the Congressional Budget Office (CBO) show that the HTF will be insolvent by the Spring of 2020<sup>2</sup> (assuming no new transfers of money or increases in the fuel taxes). Except for a few types of safety projects, all federal funds used in Oregon for roadway projects require a local match of at least 10.27 percent. For transit projects, the match requirement varies between 10.27 and 50 percent.

### ***Federal Funds for Highways, Roads, and Bridges***

**National Highway Performance Program (NHPP)** – This program funds the construction of roads on the NHS and replacement or rehabilitation of on-system or off-system bridges. The rehabilitation, restoration, and resurfacing of the Interstate System is also eligible. Reconstruction is eligible if not adding capacity except for HOV lanes. Funds are received and programmed for projects by ODOT; none of the funds are sub-allocated to SKATS.

**National Highway Freight Program (NHFP)** – established under MAP-21, it aims to ‘... improve the efficient movement of freight on the National Highway Freight Network’ (NHFN). The NHFN consists of the Interstate system, the Critical Urban Freight Corridors, and the Critical Rural Freight Corridors. Note that the *Oregon Freight Plan* has identified the segments of the NHFN that will receive these funds through 2020. Funds are received and programmed by ODOT; none of the funds are sub-allocated to SKATS.

**Highway Safety Improvement Program (HSIP)** - Funds may be used for construction and operational projects to address safety issues with the target of reducing traffic fatalities and serious injuries on all public roads. These funds are usable on any public road or publicly owned bicycle or pedestrian pathway, trail, or Safe Routes to School activities. Funds are received and programmed by ODOT; none of the funds are sub-allocated to SKATS. However, ODOT uses a competitive process to award a portion of these funds for safety projects in local jurisdictions.

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<sup>1</sup> See: <https://www.fhwa.dot.gov/policy/olsp/fundingfederalaid/07.cfm>

<sup>2</sup> See: See *June 2018 Revenue Forecast*, ODOT available at: <https://www.oregon.gov/ODOT/Data/Documents/June-2018-Forecast.pdf>

**Surface Transportation Block Group Program (STBGP)** - These funds are the most flexible available, as illustrated in **Table 6-1**. Road construction, ITS (Intelligent Transportation System) devices, travel demand management (TDM), and transit capital projects are among the eligible uses. With few exceptions, road related projects must be located on roads classified as urban minor collector and above or rural major collector and above. SKATS receives a portion of Oregon’s STBGP funds according to a formula that is based on population. ODOT’s portion of Oregon’s STBGP funds can be used anywhere in the state (including within SKATS).

**Transportation Alternatives (TA)** – This is a set-aside of the STBGP funds. As part of the MAP-21 and FAST Acts, this combines Transportation Enhancements, Safe Routes to Schools, and Recreational Trails programs from SAFETEA-LU into one program. The funds can be used for construction, engineering, educational, or promotional activities. SKATS receives a small portion of Oregon’s TA funds. Received and distributed by ODOT and SKATS.

**Congestion Mitigation and Air Quality Improvement Program (CMAQ)** - Funds from this program are available for projects in air quality non-attainment or maintenance areas. The funded projects are designed to contribute toward meeting national ambient air quality standards and must demonstrate that they will reduce emissions of carbon monoxide (CO). The SKATS area began receiving a portion of Oregon’s CMAQ funds in 2016, based on a formula approved by the Oregon Transportation Commission (OTC).

Of particular interest to MPOs and local governments are the federal STBGP-U (urban) funds. These funds are flexible, in that they may be spent on a wide range of transportation related projects as illustrated in **Table 6-1**. Each year SKATS receives an allocation of STBGP-U funds. The amount is based on the relative share of the population of the SKATS area to that in the state. The funds are distributed to projects of regional importance via a process developed for the SKATS Transportation Improvement Program (TIP).<sup>3</sup> Projects are ranked according to how well they address the regional objectives presented in **Chapter 3** (among other considerations). The amount of federal funds that are forecast to be received by SKATS over the period covered by this Plan from STBGP, TA, and CMAQ programs is over \$206 million, as illustrated in **Table 6-2**. Funds from the other federal programs (NHPP, NHFP, HSIP) may be used for projects within SKATS (primarily by ODOT), but this forecast does not assume a specific amount for the regional systems.

Table 6-2: Federal Funds Forecast for SKATS 2019-2043

	2019-2029	2030-2043	Total
<b>Total FHWA-SKATS</b>	\$76,592,400	\$129,425,700	\$206,018,100

<sup>3</sup> For more information, go to [www.mwvcog.org](http://www.mwvcog.org) and search for “TIP”. The current (Fall 2018) SKATS TIP covers the years 2018 to 2023.

**Federally Funded Programs for Public Transit**

A smaller portion of the HTF is sent to local transit districts via programmatic and formulaic means. Most of these funds are for capital projects such as purchasing buses and constructing bus stops and maintenance facilities, or maintenance (preventative maintenance of the bus fleet). Because SKATS is designated as a Transportation Management Area (TMA), federal transit funds are restricted in use of operating the transit service. For transit districts in areas with a population of 200,000 or more, but that operate fewer than 100 buses in peak service, most of the operating expenses must come from non-federal sources of revenue, with only a portion of their 5307 Urbanized Area funds available for operations. The federal programs that are available to the Salem Area Mass Transit District (SAMTD) for use in the SKATS area are discussed below. ODOT Rail and Public Transit division also receives many of these funds, which are distributed to public transit operators within Oregon including SAMTD.

**Urbanized Area Formula Grant (Section 5307)** – Primarily used for capital expenses (including preventative maintenance), a limited percentage may be used for operations. This is largest source of federal transit funds received by SAMTD.

**Enhanced Mobility of Seniors and Individuals with Disabilities (Section 5310)** - Consolidates Elderly and Disabled and New Freedom programs from SAFETEA-LU. This program provides funds to private non-profit and public organizations that provide transportation services to elderly and/or disabled persons. The funds can be used for capital, mobility management, and operating expenses.

**Formula Grant for Rural Areas (Section 5311)** - Funds from this program may be used for capital projects, operating, and administrative assistance of public transportation services in rural and small-urban areas.

**Bus and Bus Facilities (Section 5339)** - Used to fund the replacement, rehabilitation, and purchase of buses, vans, and related equipment and to construct bus-related facilities.

**Metropolitan Transportation Planning (Section 5303)** - Provides funds for multimodal transportation planning in urban areas.

The amount of federal transit funds forecast to be distributed to SAMTD that will be used within the SKATS boundary is shown in **Table 6-3**.

Table 6-3: Federal Funds Forecast for SAMTD 2019-2043

	2019-2029	2030-2043	Total
<b>Total FTA</b>	\$84,117,400	\$140,734,000	\$224,851,400

## State Funds

Funds collected from the State fuel and weight-mile taxes are limited by the Oregon Constitution for use within the road right-of-way. The revenue received is currently divided between the State, counties, and cities in a 60.05–24.38-15.57 split, respectively. Funds are distributed to counties based on vehicle registrations and to cities by their population. The State Constitution mandates that at least one percent of state fuel tax revenues be used by the recipient jurisdiction on bicycle and/or pedestrian projects. For the cities and counties, most of the State Highway Funds they receive is used to maintain and operate their existing transportation system because maintenance costs have been increasing faster than revenues distributed by the State. This reduces the amount of the State Highway Fund revenue available for capital projects. The amount of state highway funds used by ODOT or distributed to the local jurisdictions within in SKATS is illustrated in **Table 6-4**.

The state also collects a payroll tax of one-tenth of one percent on employees in Oregon which goes into the State Transportation Improvement Fund (STIF). These funds are distributed to transit districts and operators within the state. SAMTD also receives additional funds from the State, primarily as “In Lieu” payments, for their buildings and lands that are not subject to local property taxes. The amount that SAMTD is forecast to receive from the State is illustrated in **Table 6-4**.

Table 6-4: Distribution of State Highway Funds 2019-2043

	2019-2029	2030-2043	Total
State – Highway Funds	\$178,929,200	\$296,118,900	\$475,048,100
State – Transit Funds	\$158,138,200	\$392,888,000	\$551,025,800

## Local Funds

In addition to the Highway Funds distributed to the cities and counties by the State, the jurisdictions within the SKATS boundary have other revenue sources to pay for the operation and maintenance of the current system and to fund capital projects to address system needs and gaps. The mix of revenue sources varies for each of the jurisdictions.

Transportation System Development Charges (TSDC) are levied when a residential or commercial development is built. These are used for projects that address the additional demands on the transportation system imposed by new trips generated by the development. By statute, they may not be used to maintain or operate the existing system or to pay for capital needs that pre-date adoption of the TSDC. Typically, the jurisdiction will identify the projects and the amount that can be covered in their TSDC regulations, which are updated periodically.

Developers of properties might be required to put in parts of the transportation infrastructure as a condition for that development. These can include sidewalks, half- or full-street improvements, traffic signals, etc.

Salem has urban renewal districts and has used the revenue collected to fund transportation infrastructure within the districts. These define a specific area(s) within each city and dedicate the tax increment raised in them toward projects located in the district. Projects must be included in the applicable urban renewal plan and are not limited to transportation. Renewal districts are in existence for a limited time (20 years unless renewed) and have a limit on the amount of funds they can raise and spend.

Salem has used voter-approved General Obligation (GO) bonds to periodically fund a mixture of projects within their city limits that repair and expand the road system. These have used a 10-year time span to collect and fund the projects with the bonds being repaid via the property tax collected. The last GO bond was approved in 2008 providing over \$100 million for projects. Currently (Fall 2018), no bond package is scheduled for a vote in the next year; and the working assumption is for two larger bonds during the time frame of this Plan. Salem restricts the amount of bonds that are ‘active’ at one time to limit the annual property tax levy for debt not to exceed \$2.42 per \$1000 of assessed value. This necessitates coordination amongst the various city departments (Public Works, Library, Police, etc.). Only a portion of each bond has been used for capital projects on the regional system; the bond is also used to pay for larger maintenance projects and projects off the regional system. The estimate illustrated in **Table 6-5** is for only the portion of the forecasted bond revenues that would be used on roads that are part of the regional systems.

Polk County also has used voter-approved bonds in the past, mainly for maintaining the roads that they own, most of which are outside the SKATS area.

For the Salem Area Mass Transit District, a significant source of funding for the operation of their fixed-route and demand-response buses is with property taxes on the land within their service boundary. The last successful vote was in 1996, which established a new tax base and will account for less than 50 percent of the operating revenue available to the Transit District. Attempts to increase the base at the 2006 and 2008 elections were unsuccessful. Other local sources of funds include the fares collected from passengers and advertising on the buses and transit stops (**Table 6-5**).

Table 6-5: Local Funding by Jurisdiction 2019-2043

Funding Source	2019-2029	2030-2043	Total
Local - Roads	\$264,090,700	\$348,843,800	\$612,934,500
Local - Transit	\$228,477,200	\$438,350,500	\$666,827,700

**Other Potential Funds Not Included in the Revenue Forecasts**

Additional awarded funds periodically become available for projects in the SKATS area but are difficult to forecast due to their nature, especially those associated with new or changed policies. This includes Federal earmarks (which were removed as an option with MAP-21); the Oregon Legislature directing funding to specific projects as part of legislative bills (such as H.B. 2001 and H.B. 2017), or legislation changing the priorities for *Connect Oregon*; future decisions by the Oregon Transportation Commission (for example, where

Federal Freight funds will be spent); the outcomes of Oregon’s competitive programs (such as Safe Routes to School infrastructure and All Roads Transportation Safety (ARTS)), and developer contributions as part of housing or commercial development projects. All of these potential funding sources are not included in the forecasts; although, some of those funds could potentially be used for projects within SKATS. One-time funding increases, such as the American Recovery and Reinvestment Act (ARRA) [2009], are also not part of the future revenue forecast.

### ***Summary of Forecasted Revenue***

Summarizing **Tables 6-2** through **6-5**, the funds that are reasonably anticipated to be received by each of the SKATS members is illustrated in **Table 6-6**. If information is available for the amounts to be spent on capital projects and operations and maintenance, it is illustrated in the table.

*Table 6-6: Summary of Forecasted Revenues by Funding Source 2019-2043*

	Reference	2019-2029	2030-2043	Total
<b>FHWA – SKATS</b>	Table 6-2	\$76,592,400	\$129,425,700	\$206,018,100
<b>State Highway Funds</b>	Table 6-4	\$178,929,200	\$296,118,900	\$476,048,100
<b>Local Funds for Regional Roads</b>	Table 6-5	\$264,090,700	\$348,843,800	\$612,934,500
<b>Total - Roads</b>		<b>\$519,612,300</b>	<b>\$774,388,400</b>	<b>\$1,294,000,700</b>
<b>FTA - SAMTD</b>	Table 6-3	\$84,117,400	\$140,734,000	\$224,851,400
<b>State Transit Funds</b>	Table 6-4	\$158,138,200	\$392,887,600	\$551,025,800
<b>Local – Transit</b>	Table 6-5	\$228,477,200	\$438,350,500	\$666,827,700
<b>Total - Transit</b>		<b>\$470,732,800</b>	<b>\$971,972,500</b>	<b>\$1,442,705,300</b>

### ***Expenditures***

The expenditures on the regional system by the local jurisdictions and agencies are for the operations, maintenance, and preservation of the existing system and modernization projects to address system needs and – in the case of transit – to build new facilities or replace their aging rolling stock. These are discussed and presented in this section.

### ***Operations, Maintenance, and Preservation***

These expenditures cover the day-to-day operations of the regional system, and the maintenance and preservation projects to keep systems in a state of good repair. Future reports filed by the cities and counties as part of the requirements of H.B. 2017 will provide more information on the state of the locally owned roads and bridges. Information on the roads and bridges that are part of the National Highway System are collected by ODOT every two years, and are part of the federally required performance measures discussed in **Chapter 3** and **Appendix P**.

### **SKATS Regional Programs**

SKATS currently allocates a portion of the federal funds it receives to several on-going regional operational programs. These programs are Rideshare and Transportation Demand Management (TDM) program managed by Cherriots Trip Choice and the Regional Traffic Signal Control Center operated by the city of Salem. These address the efficient operation of the regional system (in concordance with several of the RTSP Goals state in **Chapter 3**). Another regional program that may be funded in the future is a regional Safe Routes to School program. Additionally, funds are allocated to SAMTD for the replacement of transit buses when they have reached the end of their useful life, per the strategy outlined in SAMTD's *Transit Asset Management Plan*. Finally, the operation of the MPO is funded with federal funds. The amount SKATS is forecast to fund these programs over the next 24 years is illustrated in **Table 6-7**.

Table 6-7: Expected Cost of Regional Programs, 2019-2043

Program	2019-2029	2030-2043	Total
<b>Total</b>	\$18,414,200	\$35,474,100	\$53,888,300

### **Salem Area Mass Transit District**

Operations and maintenance expenses for the Transit District are substantially different than those for the other members of SKATS. Within the SKATS area are two types of major services: a fixed-route service (“Cherriots”) and a demand-response paratransit service (“Cherriots LIFT”). The Transit District also has a service for seniors and those with disabilities for shopping and medical appointments (“Cherriots Shop and Ride”) and a Shopper Shuttle for trips to dedicated stores. The Transit District also operates its regional service (“Cherriots Regional”) between cities in Marion and Polk Counties, but funding for this is not included in **Table 6-8**.

The cost for SAMTD to operate their fixed-route Cherriots service and the demand-response Cherriots LIFT (including the costs for fuel, labor, insurance, maintenance, etc.), as well as for the supportive functions of dispatching buses, maintaining and cleaning stops and buses, customer service, and general administration over the next 24 years, is approximately \$1.27 billion (**Table 6-8**). This estimate is for the level of service offered by the current fixed-route transit system as it exists today plus the new service that will be rolled out later in 2019 and 2020 as part of the **Better Cherriots** scheme. The majority of this will be met with property taxes, STIF distributions from the state, and fare revenues, and to a lesser extent by the other fees collected by the Transit District.

Table 6-8: Estimated Cost of Cherriots Service, 2019-2043

Program	2019-2029	2030-2043	Total
<b>Bus Service</b>	\$408,605,900	\$865,332,900	\$1,273,938,800

### **ODOT and Local Jurisdictions**

ODOT spends approximately \$500,000 per year on operation and maintenance of its roadways in the SKATS area. Investments are based, in part, on the rankings from ODOT's

management systems (such as pavement) that ODOT uses to track the condition of their facilities and assets. In addition, policy direction set by the Oregon Transportation Commission (OTC) – such as which facilities to will be awarded federal Freight Funds – can influence expenditures as can legislative decisions made by the Oregon Legislature.

The OTC has adopted a policy that the preservation of the existing transportation system is its first priority and has directed that the majority of funds be used to that purpose statewide. Therefore, for state owned and operated highway facilities – which include Interstate 5, Highway 22, Highway 221 (Wallace Road), and Salem Parkway – it is assumed that the State will allocate the necessary financial resources to adequately maintain and operate these facilities based on the highway preservation policies established by the OTC. With the full implementation of the performance measures related to MAP-21 and FAST, it is possible that ODOT will need to spend more funds to meet the targets set for the various performance measures.

The cities and counties that own the majority of roads and bridges within the SKATS area spend their operations, maintenance, and preservation funds on roads that are part of the regional system and to a lesser extent on the local roads that provide the final connection between the regional system and the neighborhoods. The local jurisdictions use State Highway Funds for these tasks. The estimated expenditures for operating, maintaining, and preserving the regional system are presented in **Table 6-9**.

Table 6-9: Estimated Operations, Maintenance and Preservation Expenditures on Regional Roads, 2019-2043

	2019-2029	2030-2043	Total
<b>ODOT</b>	\$5,000,000	\$7,000,000	\$12,000,000
<b>Local Jurisdictions</b>	\$229,814,800	\$355,107,200	\$584,922,000

***Regional Modernization Projects – Road and Bridge Related***

In addition to the cost of operating and maintaining the current system, the projects identified in **Chapter 7** and **Appendix I** are necessary to address some of the gaps in the existing regional system that were discussed in **Chapter 5**. The total estimated cost for the identified regional roadway capital projects (i.e. the project lists in **Chapter 7** and **Appendix I**), is over \$1.2 billion. It should be noted that the cost is likely higher as not all projects are included if the planning studies are underway or if the projects have not been added into the appropriate local transportation systems plan.

The projects included in **Chapter 7** meets the fiscal constraint requirement of this plan for two reasons: First, adequate revenues have been identified for the maintenance and preservation of the regional system; and second, the estimated costs (in year of expenditure) for the capital projects included in this Plan are less than the estimated revenues for capital projects (See **Table 6-6** and **Table 6-x**). This project list was developed following the project selection process outlined in **Appendix L**. As mentioned above, in total, the all agencies and local jurisdictions (including ODOT) within SKATS are forecast to have approximately \$899 million for roadway capital projects.

**Table 6-10** presents the estimated cost in Year of Expenditure (YoE) dollars by the type of project, and whether it is “committed” (to be built or funded within approximately the next five years) or “included” (to be built within five to twenty years and has priority to be funded with the money currently forecasted to be available). The estimated costs (in YoE dollars) of the committed and included projects by jurisdiction are provided in **Table 6-11**. The project categories are described in more detail in **Chapter 7**. A complete list of the projects identified to be constructed over the next 20+ years is presented in **Table 7-X** in **Chapter 7**.

Table 6-10: PRELIMINARY SUBJECT TO CHANGE Project Cost by Project Type and Category (Based on Evaluation Scores and Costs)

	Committed	Included	Illustrative	Subtotal
Road-Bridge				\$1,134,372,400
ITS-Signals				\$34,017,300
Bicycle-Pedestrian				\$67,644,200
Transit				\$10,997,300
<b>Total</b>				<b>\$1,245,525,800</b>

Table 6-11: PRELIMINARY SUBJECT TO CHANGE Project Cost by Jurisdiction and Category (Based on Evaluation Scores and Costs)

	Committed	Included	Illustrative	Subtotal
Keizer				\$17,302,100
Salem				\$523,356,800
Turner				\$1,134,100
Marion County				\$154,751,700
Polk County				-
SAMTD				\$11,972,300
SKATS				\$338,888,300
Sub Total				\$1,045,899,900
ODOT				\$199,625,900
<b>Grand Total</b>				<b>\$1,245,525,800</b>

### ***Regional Modernization Projects – Transit Related***

In addition to these projects (which are for physical structures such as transit centers), the Transit District will spend approximately \$120 million over the next 24 years to replace and expand their fleet of buses and other vehicles (**Table 6-12**).

Table 6-12: DRAFT PRELIMINARY Estimated Cost for Transit Modernization Projects, 2019-2043

	Total
Transit Modernization	\$120,100,000

### ***Identifying Other Potential Funding (Not Included in This Plan)***

The discussion in the previous sections of this chapter describes the sources of funds that are reasonably expected to be available to the jurisdictions and agencies in the region over the next 24 years to fund the operations, maintenance, and preservation of the regional system as well as fund capital projects. This results in a system that is presented in **Chapter 7**. As mentioned previously, this group of financially constrained projects does not include all projects that have been identified to address the needs that were discussed in **Chapter 5**. A more complete list of projects that have been identified during planning studies, but for which funding is currently not expected to be available over the next 24 years is provided in **Appendix I**.

To address all these needs, plus those that may develop over the next 20+ years, additional levels of existing funding sources or new funding sources may be needed. These additional sources include, but are not limited to:

- Local income tax
- Local property tax (GO Bonds)
- Local improvement districts
- Utility fees (street, streetlight, sidewalk, etc.)
- VMT (Vehicle Mile Tax) Fees
- Increased taxes on vehicle use (fuel, etc.)
- Increased fees on vehicles (registration, etc.)
- Dedicated Oregon Lottery Funds
- Tax increment financing
- Tolling (roadway capital projects only)
- Public-Private Partnerships
- Revenues from carbon taxes

Additional transit operating funds could come from one, or more, of the following sources:

- Increased fares
- Employer Payroll tax (as used by TriMet and Lane Transit District)
- Transit utility fee
- Local income tax
- Increased property tax
- Public-Private Partnerships
- Revenues from carbon taxes

The list of possible funding sources presented above is not meant to be exhaustive. It is possible that there are other solutions that have not been identified. In addition, there are limitations with each of the sources listed, either in the amount of funds that could be raised, in the applicability to the SKATS area, or in the likelihood of being approved for implementation. For example, increases in local property taxes for transportation must compete with other services (such as parks and fire departments). VMT taxes (aka road

usage charge or mileage collection system) are slowly being implemented in Oregon, and it is unknown whether they will add any revenue to the system. Increasing fuel taxes, whether at the federal, state, or local level tends to be unpopular unless it is dedicated to a defined list of projects. It is unknown how a local fuel tax would be received by those voting on such a proposal, but 14 cities and two counties in Oregon have successfully passed them.

Also, some of the possible funding sources may only be used on projects of a minimum value, often in the tens of millions of dollars. As such, these sources are not appropriate for all types of projects. Some funds could be used to free up existing money used; for example, a streetlight utility fee would allow gas tax funds currently expended to be used on other projects.

For transit, a payroll tax currently requires a vote of the people of the area. Local taxes for transit have not been received well in the past two attempts, but this could change with better marketing and dialog with the citizens.

No matter the combination of funding sources, the region has a finite capacity to fund projects and operations, while still paying for other non-transportation related services (e.g., police, fire, schools, etc.).

### ***Financial Constraint***

Fiscal responsibility, as well as federal and state regulations, requires that the Plan exhibit “financial constraint”. This means that the cost of the identified projects does not exceed the forecasted financial resources available over the next 20 years. There is no forecast included in this Plan for any funds from sources that are not currently used or have not been used in the last 20 years, by one of the jurisdictions within SKATS.

Federal and state regulations additionally require the demonstration that adequate funding is expected to be available to maintain and operate the existing transportation facilities and services during the time frame of this Plan. This will help protect the investments made in previous years.

Projects that do not have reasonably anticipated funding identified or that increase the level of transit operations beyond the level identified as part of *Better Cherriots* are not included in the financially constrained portion of this Plan. These projects are categorized as “Illustrative” and while they are presented in **Appendix I**, they are not considered part of this Plan. Before any of the projects listed in **Appendix I** could be built, adequate funding would have to be identified and shown to be reasonably available over the timeframe of this Plan; this could include removing other projects from the “Included” list of projects.

**Table 6-13** presents a summary of the funds available and identified expenditures for the road-related projects that are part of the financially constrained Plan. The funds and expenditures for the transit-related projects are illustrated in **Table 6-14**.

Table 6-13: Financial Constraint for Road-related Expenditures (PRELIMINARY – SUBJECT TO CHANGE)

Source	Revenue	Expenditure-O+M & Reg. Programs	Expenditures-Capital	Residual
FHWA – SKATS	\$206,018,100	\$53,888,300	\$152,129,800	\$0
State Funds – Roads	\$476,048,100	\$434,079,200	\$40,968,800	\$0
Local -Roads	\$612,934,500	\$150,842,800	\$461,716,700	\$375,000
Total-Roads	\$1,294,000,700	\$638,810,300	\$654,815,300	\$375,000

Table 6-14: Financial Constraint for Transit-Related Expenditures (PRELIMINARY – SUBJECT TO CHANGE)

Source	Revenue	Expenditure-O+M	Expenditures-Capital	Residual
FTA-SAMTD	\$224,851,400	Not Broken Out by Fund Type and Expenditure		
State Funds- Transit	\$551,025,800			
Local-Transit	\$666,827,700			
Total-Transit	\$1,442,705,300	\$1,273,938,800	\$120,100,000	\$48,666,100