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February 19, 2013

To: Sen. Lee Beyer, Chair
Sen. Bruce Starr
Members of the Senate Business and Transportation Committee

Fr: Craig Honeyman, Legislative Director, League of Oregon Cities

Re: SB 247 – Alternative Mode Transportation Fund

Good afternoon Mr. Chair and members of the Senate Business and Transportation Committee. My name is Craig Honeyman and I am the Legislative Director for the League of Oregon Cities. The League represents all 242 cities in the state of Oregon.

SB 247 had its roots with a work group established by Governor Kitzhaber in 2012. The so-called Non-Roadway Funding Working Group was co-chaired by you, Mr. Chair, and Mayor Phil Houk of Pendleton. Two more League officials served on this work group, Redmond Mayor George Endicott and League Executive Director Mike McCauley. The work group met approximately four times, identified a non-roadway funding gap of over half-a-billion dollars, and brainstormed over 60 funding mechanisms in support of a dedicated non-roadway fund. These options were prioritized to the top 15 funding sources, but no single source of funding emerged as the most practical or popular.

Enter the Oregon Transportation Foundation (OTF), of which the League is a member. The bill before you today, and what I understand will be an amendment offering further clarification, is the brainchild of the members of the OTF. While the League generally supports multimodal transportation funding (I just testified on SB 260 re: *ConnectOregon*), we do have some concerns about the commitment of 18 percent, or an estimated \$189 million of lottery funds for this purpose at this time.

The League recently conducted its own analysis of local infrastructure needs. From the data collected from 80 cities representing 67 percent of the incorporated population of Oregon we have identified a \$2 billion shortfall in local infrastructure investment. These projects include water, wastewater, recreation, as well as transportation facilities. While approximately 50 percent of that, or \$1 billion, is needed for transportation, those largely include projects such as normal maintenance (overlays, reconstruction, pavement restoration), widening, intersection improvements and signal upgrades. Admittedly there are a number of projects that would fit in the non-roadway category such as bike/pedestrian improvements, rail and transit.

So while the League is not opposed to the further exploration of alternative, dedicated funding for a multimodal transportation fund, we have concerns, given the extent to which lottery funds are already allocated by law, of adding an additional dedication at this time. The infrastructure needs of the entire state, transportation and non-transportation, are too great to add this element (18 percent) to the existing dedications for lottery funds (18 percent for an education stability fund when certain conditions are met and 15 percent for a parks and natural resource fund).

We commit, however, to continue our involvement with the OTF and the Legislature to develop a future path towards increased non-roadway transportation infrastructure investment in this state. It's a good idea and good public policy, but not at this time in the amounts proposed.