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Testimony to the House Transportation & Economic Development Committee on HB 2310

February 22, 2013

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Founded in 1968, the Oregon Environmental Council (OEC) is a nonprofit, nonpartisan, membership-based organization. We advance innovative, collaborative solutions to Oregon's environmental challenges for today and future generations.

OEC supports funding for multimodal transportation. We urge you to not only fund the important needs of air, rail, public transit, highway and marine transportation, but to broaden HB 2310 to allow funds to be used for public transit operations and bicycle and pedestrian infrastructure.

Last year OEC participated in the Non-Roadway Transportation Working Group convened by the Governor to develop ideas for adequate and stable funding for non-roadway transportation modes. Thank you for serving on that working group as well, Representatives Read and Bentz.

Although the consulting team reviewed and shared many ideas for funding mechanisms utilized by other states, the outcome of the process didn't result in any groundbreaking recommendations (see attached list from the report). Ultimately, we need to think bigger.

In the mean time, one of the priority funding and financing options recommended for further consideration by the Working Group was to expand lottery revenue for non-roadway transportation (for several biennia lottery dollars have helped fund certain multimodal needs in our state through *ConnectOregon*).

After the Non-Roadway Transportation Working Group disbanded, the Oregon Transportation Forum—comprised of interests as diverse as OEC, Bicycle Transportation Alliance, 1000 Friends of Oregon, Oregon Trucking Association, AAA Oregon/Idaho, Oregon Public Ports Association, Associated General Contractors, League of Oregon Cities, Association of Oregon Counties, TriMet and many others—spent several months developing a legislative concept to broaden *ConnectOregon* to seek higher levels of funding and also to provide funding for transit and rail operations as well as bicycling and pedestrian needs. These discussions led to SB 247, which received a hearing earlier this week in the Senate Business & Transportation Committee.

There is a growing recognition that providing people options to driving alone helps reduce congestion and free up freight movement. The most recent Urban Mobility Report from Texas A&M Transportation Institute found that the Portland region's motorists saved an estimated 6.9 million hours in traffic time (and \$151.1 million dollars in gas) due to public transit in 2011. In other words, if we snapped our fingers and

removed light rail and buses from the Portland region, freight movement would practically grind to a halt.

Not only does transit help reduce congestion. It also encourages development and boosts real estate values. It increases business revenues, employs people (the American Public Transportation Association reports that for every \$1 billion invested in public transportation, 36,000 jobs are created and supported), and increases business access to a broader labor force. Transit is also absolutely essential for the mobility of many of our senior and disabled citizens.

The problem at hand for transit (and passenger rail) in Oregon is lack of funding for operations. *ConnectOregon* dollars have been limited to capital projects. But transit providers across the state, large and small, are finding it difficult to keep up with increased ridership and the needs of senior and disabled citizens. For example, Salem has had to suspend weekend transit service. While what's needed is stable, long-term funding for operations, not a one-time infusion, we feel it's important to raise this issue this session because the problem will only get bigger over time.

With regard to pedestrian needs, every Oregonian is a pedestrian or wheelchair user at some point during the day. We've all faced the daunting task of crossing a busy road at an unsafe location. Sidewalks and safe pedestrian crossing serve everybody and encourage one of the healthiest forms of exercise. Also, from an economic standpoint, building sidewalk infrastructure provides some of the highest bang for the buck as far as job creation is concerned. A 2011 study by the Political Economy Research Institute (*Pedestrian and Bicycle Infrastructure: A National Study of Employment Impacts*) found that pedestrian infrastructure projects generate 9.91 jobs per \$1 million spent compared to road projects, which generate 7.75 jobs per \$1 million.

Investment in bicycling infrastructure is also proving its worth, as per testimony from the Bicycle Transportation Alliance. But I'd like to share a fun tidbit: a Ph.D. candidate in Urban Studies at PSU recently completed a research project (*Commute Well-being Among Bicycle, Transit, and Car Users in Portland, Oregon*) where he surveyed more than 800 people over the course of two months and found the happiest commuters are those who walk and bike. As someone who is thrilled to be able to bicycle to work, I can attest that I arrive feeling alive and refreshed and expect I'm more productive over the course of the day than I would be if I had to battle congestion every morning.

Finally, transit, bicycling and walking also save individuals money on auto ownership and operation. You've likely heard of Portland's Green Dividend, a 2007 report by CEOs for Cities, which found that the fact that residents drive about 20% less than other large metropolitan areas results in a total savings in time and money spent on gas of \$2.6 billion per year, money that gets funneled back into the local economy instead of being sent out-of-state to produce and refine gasoline.

By citing Portland-area statistics, I don't want to leave you with the impression that the needs and benefits aren't statewide. Some of the highest walk-to-work rates in Oregon are in smaller towns like Ashland. Bicycling is booming in many areas. And, as mentioned earlier, transit districts across the state are experiencing growth in ridership while having to cut back services.

For all of these reasons, OEC urges you to find a way to provide a new source of state funding for these important needs this legislative session.

Oregon Non-Roadway Transportation Funding Options: Report to the Governor

Figure 2. Priority Funding and Financing Options For Further Consideration

Funding / Financing Source	Brief Description
<u>Funding or Revenue Enhancement Tools</u>	
Expanded Lottery Revenue	Expand State lottery program to generate revenue dedicated to non-roadway transportation. Connect Oregon is already funded through this source
Ballot Measure 66, Lottery Revenues for Parks, Habitat and Watershed Protection (1998)	Use a portion of the State lottery funds dedicated to the acquisition and development of parks through Ballot Measure 66 (1998) to fund trails for cyclists and pedestrians.
Expanded Cigarette Tax	Cigarette tax revenue for non-roadway transportation. Currently, \$0.02 per pack is dedicated by statute to special transportation for senior citizens and people with disabilities. The amount could be increased.
Reallocation of senior medical tax deductions	Eliminate senior medical tax deductions and allocate revenues to senior & disabled transit.
Hotel/Motel Tax (Transient Occupancy or TOT):	A new surcharge on hotel rooms designated to non-roadway transportation (potentially on out-of-state residents only). Conversely, the allowable use of existing TOT revenues could be expanded (currently, 70% of local TOT currently goes to "tourist-related activities" but the definition could be expanded).
Sequester Funding	Dedicate a portion of the revenues raised through transportation-related taxes or fees that currently go into the State general fund toward non-roadway transportation.
User fee for bikes	Tax on bicycle operation or purchase dedicated to non-roadway transportation (e.g. bicycle license tax). Potentially voluntary with membership advantages
Expanded / dedicated Utility or Franchise Fee (e.g. Telecom)	Add, create, or re-allocate existing fees on certain utilities or franchises (e.g. phone, garbage, cable etc) to non-roadway transportation. Could reflect changes in landline / cell phone usage.
Railroad Property Tax Reallocation	Reallocation of current and future property taxes paid by freight railroads from the counties to the State, to be used for freight rail improvements.
"Through the Fence" Airport operations	Enable/encourage private businesses located adjacent to publicly-owned general aviation facilities to access and help improve airport infrastructure to foster growth in the aviation industry and economic development in areas surrounding rural airports. PDX would be exempt.
Rail tax credit	A corporate investment tax credit for major railroad projects to encourage infrastructure investments by the freight railroads.
UGB expansion Windfall Tax	Charge a tax to capture the increases in property values that occur when land is added to the regional Urban Growth Boundary in metro areas. Dedicate a portion or all of the revenues to non-roadway transportation in the region.
<u>Financing or Debt Based Measures</u>	
State General Obligation (GO) Bond (e.g. utilizing capacity from retired debt)	A GO bond dedicated to non-roadway facilities secured by State General Fund revenues. Impact on other GF obligations would be reduced if other GO bonds are soon to be retired.
Oregon Growth Account	Use a portion of the funds in the Oregon Growth Account to invest in non-roadway transportation projects that create jobs and/or spur economic growth.
Expanded Use of State Infrastructure Bank (SIB) (aka Multi-model revolving loan fund)	Provide low cost loan financing to local agencies for non-roadway transportation infrastructure, financing new projects with loan repayment revenues and other sources (initial capital injection required).
Expanded Use of Transportation Infrastructure Finance and Innovation Act (TIFIA)	Federal credit assistance in the form of secured loans, loan guarantees, and lines of credit, for large-scale surface transportation projects.

