

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

Study Session Worksheet

Presentation Date: February 11, 2014

Approx Start Time: ⁹10:30 AM

Approx Length: 60 minutes

Presentation Title: Climate Smart Communities – Process and Policy areas

Department: Department of Transportation and Development (DTD) – Engineering Division

Presenters: Dan Chandler, Strategic Policy Administrator, Karen Buehrig, Transportation Planning Supervisor,

Other Invitees: Barb Cartmill, Acting Director of Department of Transportation and Development; Gary Schmidt, Director Public Government Affairs; Mike McCallister Planning Director; Gary Barth Director Business and Community Services

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

This is an informational session to discuss the policy areas under consideration for the Climate Smart Communities preferred approach, as well as provide information about the process that will be used by Metro to select a preferred alternative.

EXECUTIVE SUMMARY:

Over the next few months, the Joint Policy Advisory Committee on Transportation (JPACT) and the Metro Policy Advisory Committee (MPAC) will be discussing and making decisions about the Climate Smart Communities preferred approach. This study session will focus on the timeline for the decision making process and will highlight key elements that will be discussed at the JPACT and MPAC meetings. An additional BCC Planning Session is scheduled for Wednesday February 19th, 2014 where the focus will be on the economic development goals for Clackamas County and the specific Metro policies such as the UGB and land supply that impact those goals.

Attached are two documents from Metro: (1) details about the Climate Smart Communities project schedule addressing specific touch points with JPACT and MPAC and (2) a January 28th memo "Clackamas Smart Communities Scenarios Project – Process for shaping the Preferred Approach in 2014."

There are four policy area groupings under discussion.

- Stay the Course – Implement existing plans
- Assume State Actions – Transitioning to cleaner and low carbon fuels; low emissions vehicles; and promoting vehicle insurance paid by the miles driven
- Discuss options for the below policy areas:

Last updated: January 2012

- Making transit more convenient, frequent and affordable;
- Providing information and use technology and "smarter" roads; and
- Manage parking with a market responsive approach.
- Discuss potential funding mechanisms

At the February 12th and 13th MPAC and JPACT meetings, members will be asked to confirm the process for how the Climate Smart Communities project moves forward to shape and adopt the preferred approach in 2014. This study session is the opportunity for BCC members to share with the County's MPAC and JPACT representatives ideas about the timeline of activities (the process) and if there are items, such as the need for more detail or information, that should be brought up during the JPACT and MPAC meetings related to the policy areas.

FINANCIAL IMPLICATIONS (current year and ongoing):

None

LEGAL/POLICY REQUIREMENTS:

None

PUBLIC/GOVERNMENTAL PARTICIPATION:

Metro will be facilitating a "Community Choices" discussion between January and May 2014 to receive public input on the investments and actions to be included in the preferred approach.

OPTIONS:

N/A

RECOMMENDATION:

N/A (information only)

SUBMITTED BY:

Division Director/Head Approval

Department Director/Head Approval

County Administrator Approval

A. B. Confield 2/5/14

For information on this issue or copies of attachments, please contact Karen Buehrig @ 503-742-4683

Fiscal Impact Form

RESOURCES:

Is this item in your current work plan and budget?

YES

X NO

START-UP EXPENSES AND STAFFING (if applicable):

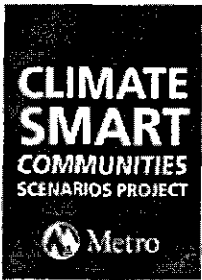
ONGOING OPERATING EXPENSES/SAVINGS AND STAFFING (if applicable):

ANTICIPATED RESULTS:

COSTS & BENEFITS:

Costs:							
	Item	Hours	Start-up Capital	Other Start-up	Annual Operations	Annual Capital	TOTAL
Total Start-up Costs							
Ongoing Annual Costs							
Benefits/Savings:							
	Item	Hours	Start-up Capital	Other Start-up	Annual Operations	Annual Capital	TOTAL
Total Start-up Benefit/Savings							
Ongoing Annual Benefit/Savings							

Last updated: January 2012



2014 Regional Policy Advisory Committee Meetings

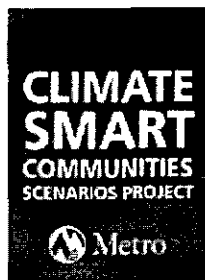
This schedule identifies discussions and decision points for shaping and adoption of the Climate Smart Communities preferred approach.

Joint Policy Advisory Committee on Transportation (JPACT) | 7:30-9 a.m. | Council chamber

- **Jan. 8** – discuss results and proposed process & policy areas to be focus of engagement to shape preferred scenario in 2014
- **Feb. 13** – make recommendation to the Metro Council on the proposed process & policy areas to be focus of engagement to shape preferred scenario in 2014; review recent opinion research; and update on implementation of Oregon Statewide Transportation Strategy Vision
- **March 13** – update on framing policy options and provide update on joint MPAC/JPACT meetings and engagement activities
- **April 4 or 11** – joint meeting with MPAC to discussion policy options
- **April 10** - discuss findings and recommendations from Health Impact Assessment conducted by Oregon Health Authority
- **May 8** - review public engagement report and emerging ideas for draft preferred approach
- **May 23 or 30** – joint meeting with MPAC to make recommendation to Metro Council on draft preferred approach, subject to final evaluation and public review
- **Aug. 14** – discuss proposed RFP amendments and near-term implementation recommendations
- **Sept. 11** – discuss evaluation results and public review draft preferred approach
- **Oct. 9** – discuss public comments, potential refinements & recommendation to the Metro Council
- **Nov. 13** – make recommendation to the Metro Council on adoption of the preferred approach

Metro Policy Advisory Committee (MPAC) | 5-7 p.m. | Council chamber

- **Jan. 8** – discuss results and proposed process & policy areas to be focus of engagement to shape preferred scenario in 2014
- **Jan. 22** – discuss community case studies showcasing local efforts
- **Feb. 12** – make recommendation to the Metro Council on the proposed process & policy areas to be focus of engagement to shape preferred scenario in 2014 and review recent opinion research
- **Feb. 26** – provide update on implementation of Oregon Statewide Transportation Strategy Vision and discuss community-based transit solutions
- **March 26** – discuss local, regional and state approaches to make travel more safe, efficient and reliable
- **April 4 or 11** – joint meeting with MPAC to discussion policy options
- **April 9** - discuss findings and recommendations from Health Impact Assessment conducted by Oregon Health Authority
- **May 14** - review public engagement report and emerging ideas for draft preferred approach
- **May 23 or 30** – joint meeting with JPACT to make recommendation to Metro Council on draft preferred approach, subject to final evaluation and public review
- **Aug. 13** – discuss proposed RFP amendments and near-term implementation recommendations
- **Sept. 10** – discuss evaluation results and public review draft preferred approach
- **Oct. 8** – discuss public comments, potential refinements & recommendation to the Metro Council
- **Oct. 22** – discuss recommendation to the Metro Council
- **Nov. 12** – make recommendation to the Metro Council on adoption of the preferred approach



2014 Regional Technical Advisory Committee Meetings

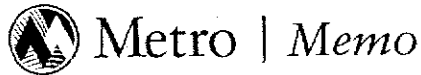
This schedule identifies discussions and decision points for shaping and adoption of the Climate Smart Communities preferred approach.

Transportation Policy Alternatives Committee (TPAC) | 9:30-noon | Council chamber

- **Jan. 3** – discuss results and proposed process & policy areas to be focus of engagement to shape preferred scenario in 2014
- **Jan. 31** – make recommendation to JPACT on proposed process & policy areas to be focus of engagement to shape preferred scenario in 2014
- **Feb. 28** – provide update on implementation of Oregon Statewide Transportation Strategy Vision and preview draft policy options for consideration by MPAC and JPACT
- **March 28** - discuss findings and recommendations from Health Impact Assessment conducted by Oregon Health Authority
- **April 25** - review public engagement report and emerging ideas for draft preferred approach
- **June 27** – discuss proposed RFP amendments and near-term implementation recommendations
- **July 25** – discuss proposed RFP amendments and near-term implementation recommendations
- **Aug. 29** – discuss evaluation results and public review draft preferred approach
- **Sept. 26** – discuss public comments & begin discussion of recommendation to JPACT
- **Oct. 31** – make recommendation to JPACT on adoption of the preferred approach

Metro Technical Advisory Committee (MTAC) | 10-noon | Council chamber

- **Jan. 15** – discuss results and proposed process & policy areas to be focus of engagement to shape preferred scenario in 2014
- **Feb. 5** – make recommendation to JPACT on proposed process & policy areas to be focus of engagement to shape preferred scenario in 2014
- **Feb. 19** – provide update on implementation of Oregon Statewide Transportation Strategy Vision
- **March 19** - preview draft policy options for consideration by MPAC and JPACT and discuss findings and recommendations from Health Impact Assessment conducted by Oregon Health Authority
- **May 7** - review public engagement report and emerging ideas for draft preferred approach
- **July 16** – discuss proposed RFP amendments and near-term implementation recommendations
- **Aug. 6** – discuss proposed RFP amendments and near-term implementation recommendations
- **Sept. 3** – discuss evaluation results and public review draft preferred approach
- **Oct. 15** – discuss public comments & begin discussion of recommendation to MPAC
- **Nov. 5** – make recommendation to MPAC on adoption of the preferred approach



DATE: January 28, 2014
TO: TPAC, MTAC and Interested Parties
FROM: Kim Ellis, Principal Transportation Planner
SUBJECT: Climate Smart Communities Scenarios Project – Process for Shaping the Preferred Approach in 2014 – RECOMMENDATION REQUESTED

PURPOSE

The purpose of this memo is to seek TPAC and MTAC recommendations to the Joint Policy Advisory Committee on Transportation (JPACT) and the Metro Policy Advisory Committee (MPAC), respectively.

ACTION REQUESTED

Recommend MPAC and JPACT approval of the proposed process for shaping and adoption of the preferred approach in 2014. Approving the process means the policy committees are in agreement on how the project moves forward to shape and adopt the preferred approach in 2014.

BACKGROUND

The Climate Smart Communities Scenarios Project was initiated in response to a mandate from the 2009 Oregon Legislature to reduce per capita greenhouse gas emissions from cars and small trucks by 20 percent below 2005 levels by 2035.

The goal of the Climate Smart Communities Scenarios Project is to engage community, business, public health and elected leaders in a discussion with their communities to shape a preferred approach that meets the state mandate and supports local and regional plans for downtowns, main streets and employment areas. To realize that goal, the Council directed staff to evaluate three illustrative approaches – or scenarios – over the summer of 2013 to better understand how best to support community visions and a vibrant economy while reducing greenhouse gas emissions. Adopted local and regional land use and transportation plans served as the foundation for each scenario. The results will be used to frame the regional discussion about which investments and actions should be included in a preferred approach for the Metro Council to consider for adoption in December 2014.

The project is currently on track to meet its legislative and administrative mandates. In November, the committees discussed early results related to greenhouse gas emissions, housing, jobs, travel and air quality. In December, staff presented results related to economic and social equity outcomes. In January, the committees reviewed public health and additional cost-related results and a proposed process for developing the preferred approach in 2014.

CHANGES SINCE TPAC AND MTAC LAST CONSIDERED THIS ITEM

- In December, Councilors and staff **briefed the Metro Policy Advisory Committee and the Joint Policy Advisory Committee on Transportation** on the public health and cost-related results and a proposed process for developing the preferred approach in 2014.
- The **Oregon Health Authority completed a technical review of a health impact assessment** of the three scenarios and prepared additional findings and recommendations for the region to consider as the Climate Smart Communities Scenarios Project moves forward. OHA staff will brief regional advisory committees in March and April.
- The **Oregon Department of Transportation staff were scheduled to provide briefings to the regional advisory committees on the Statewide Transportation Strategy Short-Term Implementation Plan¹** in March and April. Accepted by the Oregon Transportation Commission in March 2013, the Statewide Transportation Strategy (STS)² identifies 18 strategies for Oregon to pursue to reduce greenhouse gas emissions from transportation. The Short-Term Implementation Plan identifies priority actions ODOT will pursue in the next 2 to 5 years to move the STS vision forward. By design, the actions identified represent "low-hanging fruit:" strategies with a relatively high degree of political acceptance, actions that maximize existing work, or actions that can be pursued at a relatively low level of effort with moderate returns.
- **Regional transportation planning staff continued compiling updated investment priorities submitted by ODOT, TriMet, the South Metro Area Rapid Transit (SMART) district, the Port of Portland and local governments for inclusion in the 2014 Regional Transportation Plan (RTP).** The investment priorities submitted by project sponsors reflect two levels of funding: a fiscally constrained level of investment and a more aspirational level of investment. A system performance analysis and draft 2014 RTP will be released for public review from March 21 to May 5, 2014. A preview of the public comment materials will be provided in March.
- **The Oregon Department of Transportation and Land Conservation and Development Commission submitted a progress report to the Oregon House and Senate interim committees related to transportation on progress toward implementing the land use and transportation scenario planning described in section 37 of House Bill 2001.³** The 2014 report is the third of a series of three legislatively required reports in HB 2001. The report includes:
 - The rules adopted by the Land Conservation and Development Commission to guide Metro as it develops and selects a preferred land use and transportation scenario to meet their greenhouse gas emissions reduction target;
 - A description of Metro's completed planning and work remaining to be completed; and

¹ http://www.oregon.gov/ODOT/TD/OSTI/docs/STS%20Short-Term%20Implementation%20Plan_12.19.2013.pdf

² <http://www.oregon.gov/ODOT/TD/OSTI/Pages/STS.aspx> and

http://www.oregon.gov/ODOT/TD/OSTI/docs/STS%20Strategy%20Summary%20Sheets_12.19.2013.pdf

³ <http://www.oregon.gov/ODOT/TD/OSTI/docs/Reports/LegRpt2014.pdf>

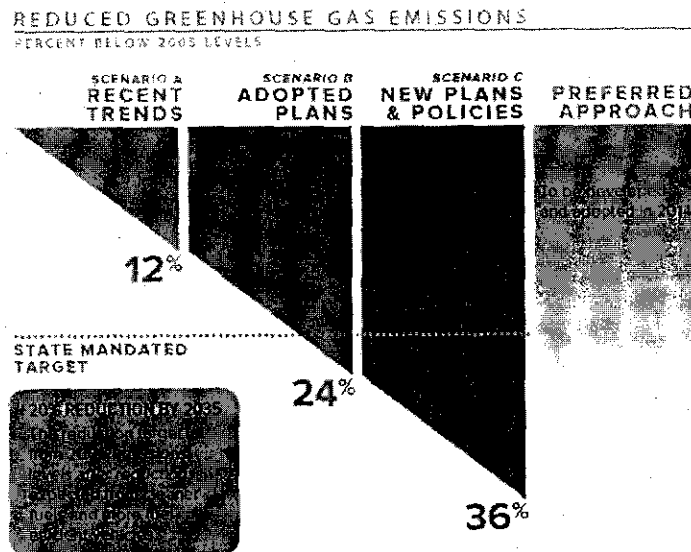
- ODOT and LCDC's recommendation on how the scenario planning requirements in HB 2001 should be extended to the Eugene-Springfield and Salem-Keizer metropolitan planning organization areas or to cities that have significant levels of commute trips to destinations within metropolitan areas.

RECOMMENDATION FOR MOVING FORWARD IN 2014

The Portland metropolitan region is growing and changing. By 2035, the region's population is expected to grow to nearly 1.9 million people and 1.1 million jobs. This growth will bring more diversity, more travel, more economic activity and more infrastructure to maintain. Nearly two decades ago, the residents of this region set a course for how to manage growth with the adoption of the 2040 Growth Concept – a blueprint for how the region grows over the next 50 years. For the last 20 years, the region has focused development and investment where it makes sense – in downtowns, main streets and employment areas.

The results of the Phase 2 scenario alternatives analysis demonstrate that implementation of the 2040 Growth Concept and locally adopted zoning, land use and transportation plans and policies make the state-mandated greenhouse gas emissions reduction target achievable – if we make the investments and take the actions needed to implement those plans.

RECOMMENDATION FOR MOVING FORWARD IN 2014: Moving forward in 2014, a four-step process for building consensus on what strategies are included in the region's draft preferred approach by May 2014 is recommended (see Attachment 1).



- **Step 1 and 2:** In January and February 2014, the Metro Council, MPAC, and JPACT confirm initial areas of agreement to carry forward without further discussion related to: (1) locally adopted zoning, comprehensive plans and draft 2014 RTP investment priorities from local transportation system plans, ODOT, TriMet, SMART and the Port of Portland, and (2) state assumptions for pay-as-you-drive insurance, clean fuels and more fuel-efficient vehicles and engines. Confirming the initial areas of agreement reflects a commitment to carry out local and regional investments & actions from adopted plans and existing efforts as part of the region's draft preferred approach.
- **Step 3:** From February to May 2014, the Council facilitates a regional discussion on policy choices related to transit service, transportation system efficiency, and parking management. Policy options will be summarized for each policy area to frame the regional discussion. The

policy options will reflect the range of what was tested in Scenario A (Recent Trends), Scenario B (Adopted Plans) and Scenario C (New Plans and Policies) for each policy area. MPAC and JPACT will be asked to make recommendations to the Metro Council on what policy option should be carried forward to the draft preferred approach for each policy area.

- **Step 4:** From February to December 2014, the Council facilitates a regional discussion to identify potential funding mechanisms to implement the preferred approach. Policy options will be developed for discussion that reflect the range of what was tested in Scenario A (Recent Trends), Scenario B (Adopted Plans) and Scenario C (New Plans and Policies) for each policy area. MPAC and JPACT will be asked to make recommendations to the Metro Council on the potential funding mechanisms that should be carried forward to the draft preferred approach. Long-term finance discussions are anticipated continue beyond the Climate Smart Communities Scenarios Project.

The recommended process allows the 2014 regional policy discussions and engagement activities to focus on a narrowed set of policy areas to shape a draft preferred approach by May 2014. The regional policy discussions may identify additional investments and actions to complement local, regional and state actions that have already been taken or that are under way in Step 1 and Step 2.

More discussion of each step is provided below.

STEP 1. STAY THE COURSE: The Council, MPAC and JPACT confirm a commitment to implement locally adopted zoning, comprehensive plans and draft 2014 RTP investment priorities from local transportation system plans, ODOT, TriMet, SMART and the Port of Portland and recommend these investments and actions be carried forward for inclusion in the draft preferred approach. (January and February 2014)

Recommendation: The Council, MPAC and JPACT confirm that locally adopted zoning, comprehensive plans and updated draft 2014 RTP investment priorities from local transportation system plans, ODOT, TriMet, SMART and the Port of Portland be carried forward into the draft preferred approach. The updated investment priorities were identified locally and submitted by project sponsors in December 2013 for inclusion in the 2014 RTP. The submitted project lists reflect two levels of funding: (1) a fiscally constrained level of investment, and (2) a more aspirational level of investment. Staff recommends that the more aspirational set of investment priorities be carried forward and included in the draft preferred approach, pending final adoption of the 2014 RTP in July 2014.

For purposes of evaluating the draft preferred approach, staff will use a combination of the adopted 2035 growth forecast (which reflects locally adopted plans as of 2010), its estimated 12,000 acres of urban growth boundary expansion, and the draft 2014 Regional Transportation Plan State System. Additional investments and actions may be identified in Step 3.

Rationale: This step confirms a commitment to carry out local and regional investments & actions from adopted plans and existing efforts as part of the region's draft preferred approach. Project work to date has found that most of the investments and actions under consideration are already being implemented to varying degrees to realize community visions and other important economic,

social and environmental goals. Many of these strategies are primarily local government responsibilities. These include implementing local transportation system plans, comprehensive plans and zoning; locating new schools, services and shopping close to where people live; managing parking; completing local and arterial street connections with sidewalks and bicycle facilities; and expanding access to electric vehicle infrastructure and car-sharing programs.

Under state law, Metro has primary responsibility for maintaining the region's urban growth boundary and coordinating development of a regional population, housing and employment growth forecast to inform regional growth management decisions every five years. In November 2012, the Metro Council adopted a population and employment growth forecast for the year 2035. The growth forecast predicts localized distribution of jobs and housing for the metropolitan area and is based on policy and investment decisions and assumptions that local officials and the Metro Council agreed upon in 2012, including locally-adopted comprehensive plans and zoning, the local and regional investment priorities assumed in 2010 Regional Transportation Plan, and designation of urban and rural reserves. Prior to adoptions, the regional population and employment growth forecast was developed with extensive review by local governments and includes estimates of expected housing and job growth by jurisdiction and land use type. Metro will submit these estimates to LCDC as part of documenting the planning assumptions upon which the preferred approach relies, as required by state administrative rules.

Updates to these planning assumptions are being made in consultation and collaboration with local governments as part of the growth management cycle that is also under way. The current growth management cycle provides an opportunity for local governments to update land use assumptions to better reflect land use plans and visions adopted since 2010, including the Southwest Corridor land use vision. An updated Urban Growth Report will be finalized by the end of 2014, after which a new regional population and employment growth forecast will be developed for the year 2040. Future growth management decisions and updates to the Regional Transportation Plan will be evaluated for transportation-related greenhouse gas emissions as part of the periodic monitoring mandated by state administrative rules.

STEP 2. ASSUME STATE ACTIONS: The Council, MPAC and JPACT confirm investments and actions related to pay-as-you-drive insurance, clean fuels and more fuel-efficient vehicles and engines be carried forward for inclusion in the draft preferred approach. (January and February 2014).

Recommendation: The Council, MPAC and JPACT confirm that the vehicle and fuel assumptions and related investments and actions developed by three state agencies (ODOT, ODEQ and ODOE) be included in the draft preferred approach. These assumptions were specified by the Land Conservation and Development Commission when setting the region's per capita GHG emissions reduction target in 2011. The assumptions were developed based on the best available information and current estimates about improvements in vehicle technologies and fuels. This recommendation reflects what is required by state administrative rules.

Rationale: These investments and actions are primarily state and federal responsibilities, and significant work is already under way to implement them as outlined in the Governor's 10-year

Energy Action Plan⁴, the Oregon Global Warming Commission 2020 Road Map⁵, the Statewide Transportation Strategy (STS) and STS Short-Term Implementation Plan. OAR 660-044-0040 directs Metro to identify the assumptions used for state-wide actions, such as pay-as-you-drive insurance and vehicle technology, fleet and fuels as part of documenting the planning assumptions upon which the preferred approach relies.

STEP 3. DISCUSS POLICY AREAS: The Council facilitates a regional discussion to identify how much transit service, transportation system efficiency strategies, and parking management should be included in the region's draft preferred approach to complement local, regional and state actions from Step 1 and Step 2. (January to May 2014)

Recommendation: The Council, MPAC and JPACT recommend focusing 2014 policy discussions and engagement activities on a narrowed set of policy areas to further shape the draft preferred approach by May 2014. The recommended policy areas are:

- a. **Improve transit** to make it more convenient, frequent, accessible and affordable.
- b. **Provide information and use technology and "smarter" roads** to manage traffic flow, boost system efficiency, and expand use of low carbon travel options and fuel-efficient driving techniques.
- c. **Manage parking** with a market-responsive approach.

Rationale: The 2014 policy discussions and engagement activities will aim to build understanding of the investments and actions needed to implement these policies and develop a recommendation on how bold or aggressive the region should be in shaping the draft preferred approach. Policy options will be summarized for each of the three policy areas to frame the regional discussion. The policy options will reflect the range of what was tested in Scenario A (Recent Trends), Scenario B (Adopted Plans) and Scenario C (New Plans and Policies) for each policy area. MPAC and JPACT will be asked to make recommendations to the Metro Council on what should be carried for to the draft preferred approach for each policy area.

More background on each policy area is provided below.

The first policy area, **improving transit**, has been identified during MPAC and JPACT discussions as being a key strategy for meeting the state-mandated target as well as other community and regional goals. Improving transit service is primarily the responsibility of TriMet and SMART; however, the state, Metro and local governments play important supporting roles. The analysis to date shows this policy provides a relatively high greenhouse gas emissions reduction benefit for a relatively moderate to high cost. More discussion is recommended to determine how much transit should be included in the draft preferred approach and how community-based transit solutions can help support more localized travel needs.

⁴ http://www.oregon.gov/energy/pages/ten_year/ten_year_energy_plan.aspx

⁵ http://www.keeporegoncool.org/sites/default/files/Integrated_OGWC_Interim_Roadmap_to_2020_Oct29_1-19Additions.pdf

The second policy area relates to **providing information and incentives to make it easier for people to drive less by choice and improving the efficiency of the transportation system through technology and “smarter” roads**. This policy area has been identified as “low hanging” fruit that provides a moderate greenhouse emissions reduction benefit for a relatively low cost, and addresses other important economic, social and environmental goals. This policy area is a region-wide responsibility that involves the collaboration of Metro, ODOT, local governments, transit providers and emergency responders. The region has successfully implemented these policies and programs, but could accomplish more with expanded resources and coordination. MPAC and JPACT members have called for the need to consider “low hanging” fruit in the draft preferred approach, considering GHG emissions reduction potential, cost, ease of implementation and political acceptance. More discussion is recommended to identify the actions and level of investment that should be included in the draft preferred approach.

The third policy area relates to **using market-based approaches to manage parking in commercial districts, downtowns, main streets and areas that are well-served by transit**. Parking is frequently a controversial issue in communities. Many business owners and operators feel their success relies on an ample and easily accessible supply of parking, as do the customers that want convenient access to the business. The same can be true for access to work and home for employees and residents. This policy area has been identified as providing a relatively moderate to high greenhouse gas emissions reduction benefit for a relatively low cost. This policy area is primarily a local responsibility, and is recommended for further discussion to determine what actions in this policy area should be included in the draft preferred approach.

STEP 4. DISCUSS POTENTIAL FUNDING MECHANISMS: The Council facilitates a regional discussion to identify potential funding mechanisms to implement the preferred approach. (January to May 2014)

Recommendation: The Council, MPAC and JPACT recommend a fourth policy area – (d.) Identify potential funding mechanisms – also be part of the 2014 regional discussion. The regional discussion will identify a general estimate of the amount of additional funding needed and potential funding mechanisms for key actions, including local, regional and state mechanisms, to implement the preferred approach. This recommendation reflects what is required by state administrative rules, and may result in recommendations for a state and federal transportation legislative package for 2015. As a result, the Climate Smart Communities effort will identify a preferred approach and potential funding mechanisms to pay for the investments needed to implement the approach. Policy options will be developed for discussion that reflect the range of what was tested in Scenario A (Recent Trends), Scenario B (Adopted Plans) and Scenario C (New Plans and Policies) for each policy area. MPAC and JPACT will be asked to make recommendations to the Metro Council on potential funding mechanisms to be carried forward for to the draft preferred approach. Long-term finance discussions will continue beyond the Climate Smart Communities Scenarios Project.

Rationale: Several transportation finance-related discussions are under way at the federal, state, regional and local levels about how to adequately maintain and improve transportation infrastructure. Given the complex nature of transportation finance in combination with the number of discussions under way and the project timeline, staff are not able to conduct the level of analysis

and community engagement needed to inform policymakers about the broader economic and social equity implications of different mechanisms, such as a mileage-based road user fee and a carbon tax.

At the federal level, discussions have been under way about how to comprehensively address underinvestment in transportation infrastructure, the insolvency of the Highway Trust Fund and the lack of dedicated revenues for transit and active transportation investments. Legislation has been introduced to increase the federal gas tax, for example, as a step toward transitioning to other funding mechanisms such as a road user fee or carbon tax.

Since 2001, ODOT has studied the feasibility of road user fees and is currently implementing a statewide mileage-based road user fee program that allows up to 5,000 Oregon drivers to voluntarily pay 1.5 cents per mile in exchange for a gas tax reimbursement. The program will begin July 1, 2015. The STS Short-Term Implementation Plan calls for ODOT to prepare an economic impact analysis in the next biennium, and is an important next step to further advance consideration of this funding mechanism in Oregon.

In addition, state-level technical analysis and policy discussions are under way related to a carbon fee. A Portland State University study released in March 2013 found that a carbon tax could deliver billions to the state's budget.⁶ Subsequently, Senate Bill 306 directed the Oregon Legislative Revenue Officer to conduct an analysis of the feasibility of a statewide carbon fee and the potential impacts on key industries, traded-sector businesses, low-income households and local governments. A final report is mandated by November 15, 2014, and will likely inform further consideration of a fee or tax on greenhouse gas emissions in Oregon.

Locally, some cities and counties in the Portland metropolitan area are working to build community support for long-term solutions to fund existing and future transportation needs. For example, Washington County is considering a county-wide vehicle registration fee to complement the existing gas tax.⁷

Any effort to expand existing mechanisms or establish new transportation-related fees or taxes will be a long-term effort that may require support from the federal government and the Oregon Legislature and the participation of a broad range of stakeholders. More discussion is recommended to determine what potential funding mechanisms should be considered to help pay for the investments and actions recommended in the preferred approach the Metro Council considers for adoption in December 2014, and recommendations for continuing these finance discussions beyond the Climate Smart Communities Scenarios Project.

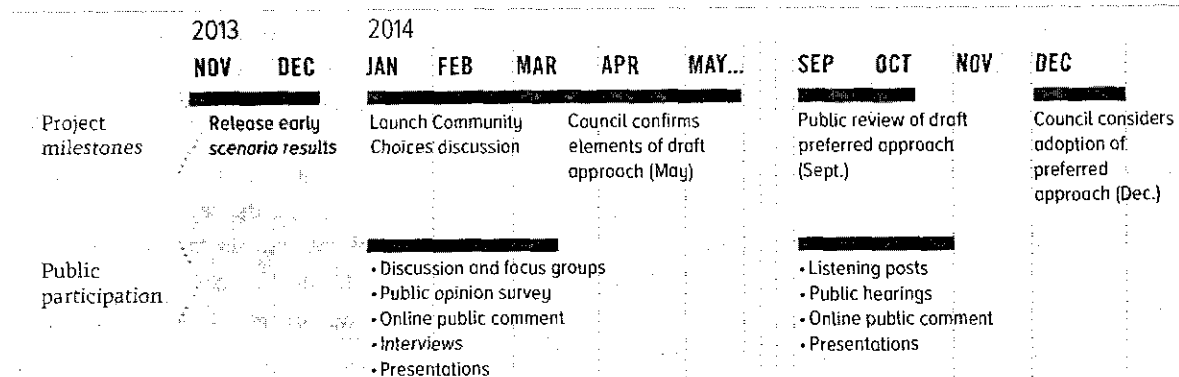
⁶ <http://www.pdx.edu/nerc/sites/www.pdx.edu/nerc/files/carbontax2013.pdf>

⁷ <http://www.co.washington.or.us/LUT/TransportationFunding/vehicle-registration-fee.cfm>

NEXT STEPS

Figure 1 provides a summary of Phase 3 activities and milestones for reference.

FIGURE 1. PHASE 3 PROJECT MILESTONES AND PUBLIC PARTICIPATION OPPORTUNITIES



FIRST LOOK AT RESULTS: In November and December 2013, analysis of the Phase 2 scenario results was reported back to the Metro Council, regional advisory committees and local government county-level coordinating committees, prior to engaging other community and business leaders and the public. A goal of the "First Look at Results" was to begin to identify potential policy areas on which to seek input through "Community Choices" discussions in 2014.

- **COMMUNITY CHOICES DISCUSSION:** From January to May 2014, Metro will facilitate a Community Choices discussion to explore policy choices and trade-offs. The January through March policy committee meetings are proposed to focus on providing additional background information in advance of two joint Metro Council/MPAC/JPACT meetings proposed for April and May. During this period, community and business leaders, local governments and the public will also be asked to weigh in on which investments and actions should be included in the region's preferred approach, with a focus on the regional policy areas proposed for discussion and input. On-line comment opportunities, interviews, discussion groups, and public opinion research will be used to gather input on the four recommended policy areas. A public engagement summary report and recommendations for the draft preferred approach will be provided to Metro's technical and policy advisory committees prior to the second joint MPAC/JPACT meeting.

The April and May joint MPAC/JPACT meetings will use interactive, facilitated discussions to build consensus on what investments and actions should be included in the draft preferred approach. The May joint meeting is proposed to conclude with a formal recommendation to the Metro Council from each committee recommending preliminary approval of the draft preferred approach, subject to final analysis and public comment. The action would recommend that Council direct staff to evaluate the agreed-upon draft preferred approach, report back on the

results of the evaluation and prepare Regional Framework Plan amendments for the fall public comment period.

- **DIRECTION TO STAFF: In June 2014**, the Metro Council will be asked to recommend preliminary approval of the draft preferred approach, subject to final analysis and public comment. Outreach to local government officials will occur in the summer in advance of the final adoption process to be held in the fall. **The draft approach will be evaluated in Summer 2014 and then released for final public review in September 2014.**
- **ADOPTION PROCESS: From September to December 2014**, the project will move into the final adoption stage. OAR 660-044 directs the Metro Council to select a preferred approach by December 31, 2014 after public review and consultation with local governments, the Port of Portland, TriMet and the Oregon Department of Transportation. A formal 45-day public comment period is planned from September 5 to October 20. On-line comment opportunities and public hearings are planned during this period.

Concurrent with the comment period, the Fall advisory committee meetings will focus on reviewing results of staff's technical evaluation of the draft preferred approach and discussing proposed Regional Framework Plan amendments and potential refinements based on public comments received. The final action to select a preferred scenario is required to be in the form of an amendment to the Regional Framework Plan. The action is also anticipated to make recommendations to state agencies and commissions, the 2015 Legislature, and the 2018 Regional Transportation Plan (RTP) update. Final recommendations from the regional policy advisory committees will be requested in November to allow sufficient legislative process time between MPAC and JPACT actions and the final Council action. **The Metro Council is scheduled to consider adoption of a preferred approach on December 11, 2014.**

In early 2015, Metro will submit the preferred approach to the Land Conservation and Development Commission in the manner of periodic review. According to OAR 660-044, following Metro's plan amendment and LCDC review and order, Metro is required to adopt functional plan amendments, if needed, to require cities and counties to update local plans as necessary to implement the preferred approach.

- Attachment 1. Climate Smart Communities Scenarios Project: Shaping the Preferred Approach in 2014 *(Jan. 28, 2014)*
- Attachment 2. Investing in Great Communities brochure *(Jan. 2, 2014)*

1/28/14

www.oregonmetro.gov/climatescenarios

Council/MPAC/IPACT milestones

January
Council direction on process and policy areas to discuss in 2014 (1/7)

February
MPAC and IPACT approve process & policy areas to discuss in 2014 (2/12 & 2/13)

March

April
Joint Council/MPAC/IPACT meeting to discuss policy choices & funding mechanisms (4/4 or 4/11)

May
Joint Council/MPAC/IPACT meeting to recommend draft preferred approach (5/23 or 5/30)

Climate Smart Communities Scenarios Project: Shaping the Preferred Approach in 2014

Potential investments & actions	Implement 2040 Growth Concept
	Implement local zoning, comp plans & transportation system plans
	Provide new schools, services and shopping near homes
	Manage the urban growth boundary
	Make streets and highways more safe and reliable
	Make it easy to walk and bike
Assume state actions	Transition to cleaner & low carbon fleet
	Transition to low emission vehicles
	Promote vehicle insurance parity by the miles driven
Discuss options for each policy area	Make value more congruent frequently accessible and affordable
	Provide information and use technology and smarter roads
	Manage parking with a market responsive approach
Discuss potential funding mechanisms	Identify potential funding mechanisms
	e.g. 50¢ per carbon tax credits; fee based on miles driven

Elements of the draft preferred approach	Implement 2040 Growth Concept
	Implement local zoning, comp plans & transportation system plans
	Provide new schools, services and shopping near homes
	Manage the urban growth boundary
	Make streets and highways more safe and reliable
	Make it easy to walk and bike
	Transition to cleaner & low carbon fleet
	Transition to low emission vehicles
	Promote vehicle insurance parity by the miles driven
	Market approach
	Information and technology approach
	Market responsive parking approach
	Potential funding mechanisms
	TBD

Step 1

MPAC, IPACT and Council confirm local & regional investments & actions to carry forward (Feb.)
Staff will assume adopted land and transportation plans and draft 2014 Regional Transportation Plan Investments

Step 2

MPAC, IPACT and Council confirm state elements to carry forward (Feb.)
Staff will confirm that all state elements are in place and that all state action commitments will be met

Step 3

MPAC, IPACT and Council discuss options for a common approach to each policy area (May)

Community leaders and public provide input on policy areas (June 10 - 12, 2014)
Options for each policy area are identified

Community leaders and public provide input on potential funding mechanisms (June 10 - 12, 2014)

DRAFT
Step 4
MPAC, IPACT and Council discuss potential funding mechanisms (May)