

ATTACHMENT A

CET Funding Sub-Committee

NOTES

November 15, 2013

9a-11a, 716 SW Evergreen Redmond, OR 97756

Members:

Gary Farnsworth (ODOT), Jason Carr (City of Prineville/COIC Board), Alan Unger (Deschutes County/COIC Board), Karen Friend (COIC/CET), Victor Chudowsky (City of Bend), Matt McCoy (COCC), Ken Fahlgren (Crook County), Wendy Holzman (City of Sisters), Jeff Monson (Commute Options), Mike Riley (The Environmental Center), Matt Shinderman (OSU-Cascades)

Guests:

Jim Bryant (ODOT), Joni Bramlett (ODOT), Keith Witcosky (City of Redmond), Bill Duerden (City of Redmond)

Staff:

Scott Aycock (COIC), Andrew Spreadborough (COIC), Tami Geiger (COIC)

Action Items:

- Add each city's current local contribution to the cost estimate table.
- Change final 'Principle' bullet point about the voter-approved measure to an 'Assumption.'
- Email draft recommendations to the committee within the week for review.
- Add "continued engagement and outreach with Councils and Commissions" to the Outreach plan.
- COIC to develop potential 'Action Items' for development code revisions.

Welcome and Introductions

Jason Carr opened the meeting and welcomed the committee. They proceeded with introductions.

Committee Business and Updates

a. Meeting Minutes – November 1

Andrew Spreadborough directed the committee to the meeting minutes from November 1. He explained they would be primarily discussing Dedicated Local Funding tools and Outreach and Engagement. He reminded the committee they added a December 13th meeting to the calendar and that between now and December 13th the committee (and other partners) would have a chance to review draft recommendations.

b. ORS 190.083 Legislative Fix Update

Alan Unger explained the 190.038 legislative 'fix' was to clarify the law that governs COIC and other Councils of Government, specifically their ability to levy a tax for transportation "facilities". He stated that the goal was to introduce a bill in the next session to ensure that the provision would allow COIC to collect property taxes to manage the transit system. He explained that he had taken the change to the Association of Oregon Counties who had been unable to find a Committee willing to make it one of their

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three bills. He also asked Representative Tobias Reed why the legislative change would not be a priority. He requested ODOT to ask for an assessment of current statute and their opinion was that COIC did not need a legislative change to levy a tax for transit operations. He intended to meet with ODOT today for clarification. Andrew explained that the response from ODOT meant they were facing contradictory legal opinions (contradicts Bend counsel) on the meaning of ORS 190.083. He explained that they did not want to assume they had the authority to tax and then face a legal challenge. Alan explained that only a body of the state could address the Attorney General's office for a formal opinion and that he would be encouraging ODOT or a legislator to ask.

Andrew added that the memo and proposed mark-up to the statute were included in the meeting materials.

c. Review Service Cost Estimates by Community

The committee reviewed the handout. Andrew explained that the cost estimates were high level (there were additional variables that could affect actual costs) and they were formulated for Scenario B level of service.

Scott Aycock added that while Scenario B included capital replacement, it was not included in the estimate provided. The estimate was only for operations cost. He added that there were different opportunities for match for capital costs than for operations. Jim Bryant asked if the cost for Redmond included fixed route. Karen Friend responded that it included the operational transition but not the associated capital costs (stop infrastructure, etc).

Andrew explained a high level estimate would be 50% of the far right 'Total Cost' column would need to be provided by local funding sources (federal contribution covers 40-50% and fares cover 10%).

Action Item: Add each city's current local contribution to the cost estimate table.

Victor Chudowsky asked for confirmation that Bend would need to increase their contribution to \$1.25 million in order to reach Scenario B. Karen confirmed.

Develop Dedicated Local Funding Source Recommendations

Scott stated that the Committee had discussed dedicated local public funding during the November 1 meeting, but did not leave with an emerging consensus. Since the November 1 meeting, COIC developed a series of decision-making principles to help guide the conversation.

Scott reviewed the 'Assumptions' (as described in Attachment C):

1. Partnerships would help augment service, but required a base level of service to develop.
2. Fares would never recoup 100% of transit cost (that would be a taxi service). However, they could set a target farebox recovery rate, and fares are a good source of flexible money.
3. COIC needs a dedicated local revenue base in order to provide viable transit service.

Scott next reviewed the draft 'Principles' to guide the group and asked for questions and/or concerns.

1. Transit should be provided across the region (service intensity would vary by community).
2. Funding mechanisms should be consistent with ongoing regional governance of transit.

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3. Entities that most benefit need to participate (pay in). For instance, if transit was funded via a property tax, large non-profits (St Charles, COCC/OSU) wouldn't be contributing because they do not pay property taxes. Their contribution would need to be collected via a different mechanism.
4. A public funding mechanism (tax) is unlikely to pass in the short-term.

Jim commented that it was important to recognize fares as a component of funding. Scott explained that COIC recognized fares as an input, but needed to emphasize the fact that transit is not a for-profit business, and farebox recovery will never be 100%. Karen added that current farebox recovery was 11.6%. The Regional Public Transit Advisory Committee (RPTAC) had proposed a new fare structure to the COIC Board to reach 25% farebox recovery, but the Board was uncomfortable with increasing fares so quickly. The RPTAC would be working on an incremental, conservative fare increase. Mike Riley suggested including fares as a part of the funding, since he doubted that Central Oregon would elect to have a fare-less system. Scott stated that the only assumption was fares would not be the solution to the local funding deficit.

Victor explained his opposition to imposing a utility fee in Bend. When transit started, the City of Bend thought there may be enough public interest for funding transit (i.e. willingness to pass a property tax) to free up General Fund money for the fire department. In the interim, they considered imposing a utility fee for the fire department. However, the reaction was extremely negative. He reiterated the unpopularity of a utility fee, especially as the City would have water and sewer fee increases in the near future. He continued to explain that Bend was pursuing a local option levy in May 2014 to fund the fire department that would significantly free up the General Fund. The City was also collecting additional property tax as a result of economic recovery. He thought it was likely the City of Bend would be able to provide additional funding for transit through the General Fund.

Referring to the first draft principle, Matt McCoy asked Scott to clarify how a "modest" contribution from each City would be determined. Mike added that they should include a rational basis for each local contribution. Scott explained that he used terminology like "modest" because they were seeking a high level funding strategy for short term vs. long term. He added that it was likely that each community's funding tool would be different, and he wanted to keep the principles general. Jeff Monson suggested removing the "modest amount" and rephrase to read: "all parts of the region should contribute to achieve base service." Alan commented that each City would have to discuss their priorities and realize the benefits of transit to commit to a General Fund contribution on par with the City of Bend.

Victor added that Bend had been funding transit for 10 years and it was embedded in their budget. He explained that they would like to have the extra \$1 million from the General Fund but their contribution was not on shaky ground - even during the severe economic downturn they continued to contribute (as they were required to). Matt added that the community recognized that they didn't lose any services because the City was paying for transit. Victor added that they were getting the best deal possible, with nearly 50% of the cost of service paid by contributions from the federal government.

Jim asked why "maintaining regional governance" was included in the principles. Scott explained that the committee's desire to maintain regional governance would affect the funding tools available. For example, a payroll tax could only be levied by a Mass Transit District (only Deschutes County qualified). This would confuse a regional system. Members then discussed the need for equity (Principle 3), and

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Scott explained that different funding tools could leave some entities out even if they were heavily dependent on transit service (ex. St. Charles wouldn't pay property tax).

Scott continued to Table 1. He explained that the two short-term options - General Fund and Utility Fee - were a reflection of the current reality. Joni Bramlett asked if a utility fee could be in place without voter approval. Scott explained yes, but it appears that it is politically unpopular. He continued that there was a general consensus that each community should have a base level of service, and any additional service beyond "base" should carry an extra price tag. Keith Witcosky asked if "base" service was the same as current service. Scott explained that the "base" service they were considering was Scenario B from previous presentations (enhanced current service, adds capital replacement, marketing, etc).

Joni asked how "equitable" service would be determined. She compared La Pine, Sisters and Crooked River Ranch and their contributions. Scott explained that Sisters did not prioritize local transit service, Crooked River Ranch did not contribute any funding and did not have service, and La Pine had identified transit as a community priority (funded by contributions from the Citizens Action Group and Deschutes County). Joni responded that "equitability" would need a standard measure. Scott agreed and explained that there were two general determinants for level of service: expression of need and resource availability. Karen added that there were a lot of communities where CET didn't provide service, and that service within City limits had been prioritized. She added that in the case of La Pine and Sisters, La Pine had been more vocal about their need and CET had responded with increased service. Their service is partially "subsidized" with regional funds. She continued that any other community that wanted service would need to contribute. Joni expressed a desire to see some service for Crooked River Ranch.

Jason Carr suggested that COIC get in front of the local Councils and Commissions as frequently as possible. With so many priorities, it may take some time to convince them that transit is a priority. He suggested explaining the level of service and associated cost, then putting it on local backs to figure out a way to maintain their service (if that's what they want).

Matt suggested that each community should buy their portion of the system per the cost of service provided them. He added that each community's definition of "equal" or "equitable" would be different and that COIC needed a clear mechanism for determining local contribution based on proportionality. Andrew explained that they have the Scenario B cost estimate, and know that federal grant money covers about half of the total. With just this information, they can start assigning local service cost amounts to each community. Karen added that the cost was based on service hours provided to each community, and so is a proportional distribution of the costs.

Scott added that the Community Connector shuttles cause some confusion since it was hard to identify which community was the primary beneficiary of each shuttle. Bill Duerden asked if each community had equal access to grant funds. Scott explained that Bend had separate grant funding, but all of the rural funding was lumped. Karen added that there were a couple of differences:

- Madras-Redmond and La Pine-Bend shuttles were the only routes eligible for specific intercity grant funds because of the distance of the shuttle.
- 5311 rural funds were distributed based on number of rides and miles; therefore, Redmond brought in more 5311 funding because of the high number of rides.

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Jim asked if they had discussed the difference in needs between urban (Bend/Redmond) and rural areas. Scott explained the basic consensus was each City should have a minimum level of service (about equal to the current level because they couldn't provide less without eroding the system). Jason added that the outlying communities should not continue to expect COIC to pay for their service. Keith added that Bend/Redmond could provide a structure for the smaller communities to plug into as they grow.

Keith asked about the interest in a Metro (Portland) version of government that was regional and encouraged regional collaboration. Scott explained that while COIC is careful to not be Metro, it is an established regional governance entity. He added that the thought of adding another government entity might be unpopular.

The group confirmed that the base level of service pursued by COIC was Scenario B. Scenario B included enhanced local service, and funding for planning, marketing and outreach. Karen added that they would need to add capital improvement and replacement costs to the cost estimate table. Scott commented that the capital cost would be about \$1 million annually. Jason clarified that communities currently contributed only to operations costs. Karen confirmed and stated that capital acquisition to date had been from grants.

Jeff Monson returned to the Principles section of the document and suggested deleting the last bullet. He did not believe the results from one survey should be a guiding principle. Andrew explained that the purpose was to be clear that they needed a multi-phase funding approach, distinguishing the short term from the long term. They agreed to change the bullet to an assumption.

Action Item: Change final 'Principle' bullet point about the voter-approved measure to an 'Assumption.'

Scott explained that the COIC Board wanted a short term plan and a long term aspiration (that could be revisited and updated in the intervening years). Joni added that the desire for regional governance, a regional system and the requirement for local, individual match presented a disconnect. Andrew returned to the timeline of the approach. He suggested that in the short term, COIC would pursue a proportional approach with each City partnering with COIC to address their local funding deficit. Outreach and engagement would be critical to move toward any long term funding option. Jason clarified that the COIC Board would make the final decision on how the plan would look.

Matt addressed the question of proportionality, asking what would happen in communities that could not cover their share. For example, La Pine was in its infancy and the financial burden would be unattainable. Andrew clarified that they would pursue partnerships with the Cities rather than expecting them to pony up. Wendy Holzman added that proportionally, smaller communities had to pay more because they had fewer riders and therefore a higher cost of service per ride. Scott added that COIC would try to identify some proportionality that would be modified based on need and ability to achieve a base level of service. Andrew added that they hoped to have a revised full set of recommendations by end of next week (November 22nd).

Action Item: Email out draft recommendations within the week for committee review.

Victor suggested that there would be two phases for Bend. In the next 0-5 years, they would contribute their current amount (plus some) out of the General Fund in order to reach Scenario B. In about 5 years

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he felt a taxing district could be revisited. He added that his own preference would be for COIC to continue running the system rather than creating a new entity.

Keith agreed with Victor's approach adding that his Council would like to see the annual cost per year and a demonstration of the value of being a partner and investing in transit. Also, COIC should explain that the proposed services would meet a community need. Scott commented that COIC had the cost of service for Redmond in the draft Redmond Transit Master Plan, including cost for additional service. Keith asked whether the service recommendation was based on user demand. Scott explained that COIC held public and stakeholder meetings in each community and conducted a rider survey and general public survey. The proposition of fixed route in Redmond was based on requests for more convenience and flexibility. The system was designed to serve transit activity centers and other current destinations.

Gary Farnsworth added that TRIP97 could bring some financing options to transit. Keith agreed that they should coordinate the two efforts. Keith and Gary agreed that there was an opportunity for transit to contribute to the goals of TRIP97, like decreasing congestion. Keith added that there may be some unlikely partners that could help support transit on a political level, like the Oregon Trucking Association.

Jason summarized that COIC would outline a short term and long term plan in the next week. Victor asked when they would be approaching the Councils. Andrew explained that he would address as many as possible before the next funding committee meeting on December 13th and try to visit more by the COIC Board meeting on January 9th.

Review/Refine Draft Committee Recommendations

Scott reviewed the changes to date (see document).

a. Outreach/Engagement and Marketing

Scott explained that COIC was pursuing funding opportunities for transit outreach and marketing through ODOT, foundations (like Meyer Memorial Trust) and the Regional Solutions Team. Victor commented that a problem in Bend was minimal public support and awareness of transit. He added that he never received emails about transit, and it didn't have any institutionalized support. Scott agreed that there hadn't been a coalition built or a transit message.

Jason suggested adding continued engagement with Councils and Commissions to the document. Matt suggested engaging the private sector and Bend Parks and Recreation.

Action Item: Add continual engagement and outreach with Councils and Commissions to the Outreach plan.

Scott commented that they needed to distinguish between the very short-term Outreach and Engagement plan and ongoing Outreach and Engagement goals. Gary commented that it should be clear that the goal of marketing was to raise additional funds. Scott responded that marketing would hopefully increase ridership but agreed that the overarching goal was to entice people to fund the system and create a more sustainable transit service.

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Jeff commented that there may be funds available through statewide Drive Less Connect, parking fees (currently collected in Bend), and that three new ODOT plans (Transit, Bike/Ped and Transportation Options) may have some implications.

Jim suggested adding an action item for developing local funding tools that involve changes to local land use regulations/development code. (ex. developers could provide transit infrastructure in lieu of roadway improvements).

Action Item: COIC to develop potential ‘Action Items’ for development code revisions.

b. Revised Governance, Level of Service, Partnerships Recommendations

Next Steps/Actions

Revised recommendations to be emailed to the committee by November 22.

Adjourn

Meeting adjourned at 10:55

CET Local Dedicated Public Funding Subcommittee

DRAFT Recommendations

December 13, 2013

Background and Purpose

At their June 7 2013 meeting, the COIC Board developed a six-member Subcommittee charged with developing recommendations on local public funding options for Cascades East Transit. The Subcommittee decided to expand to include a variety of regional leaders and to provide recommendations regarding the following four questions:

- Governance: Should transit continue to be operated at the regional scale by COIC, and/or should a transit district or districts be formed?
- Funding Geography: Should there be a single tri-county local funding solution, or a combination of funding solutions tailored to the service needs/priorities and willingness to pay of individual communities?
- Local Funding Tool: Considering the broad array of dedicated funding tools in use in Oregon, what/which are appropriate for CET? If a fee or tax is recommended, what should the rate be?
- Level of Service: Should the funding solution(s) be aimed at maintaining the current level of service, a highly expanded level of service, or somewhere in between?

The Subcommittee met seven times from August through November 2013, and produced these draft recommendations. See Appendix A for the full Committee meeting process/timeline and roster.

Assumptions

During the course of their work the CET Subcommittee developed a variety of Assumptions upon which to guide their work:

- Central Oregon's local governments – cities and counties – and COIC are the key partners for transit service delivery for two reasons:
 1. Local governments are the only organizations that have a stake in the broad suite of values served by transit – including addressing congestion and other community mobility issues, meeting the needs of underserved populations, and promoting community economic development and quality of life. Also, they are the best positioned to understand the balance of community needs and priorities.
 2. Central Oregon's cities and counties formed COIC in part to provide services to meet needs that are shared across the region in an integrated and efficient manner. COIC and local governments should build on this foundation to work cooperatively and proactively to identify transit service needs and funding opportunities. Once base level service is achieved, additional focused partnerships can be developed to bolster service.

- “Focused partnership funding¹ is not sufficient to fund “backbone” or “base-level” transit service because partners will desire to fund service elements that provide direct benefits to them and not the system as a whole. These types of partnerships are therefore most useful in developing additional services over and above base service in specific areas and/or for individual clientele. However, partnerships will enhance support for any future funding measures because they a) demonstrate support for transit and b) represent funding participation by entities that may not directly contribute to public funding tools like a property tax (e.g. entities such as schools, government agencies and hospitals that do not pay property taxes).
- Fare increases will help pay for transit and are a potential policy choice, but will not provide a basis for transit funding because transit provides public goods above and beyond the benefits to individual riders, most of whom cannot afford the full cost of a ride.
- Due to the Assumptions listed above, for transit to be viable now and into the future will require a new source of dedicated local public revenue. In Oregon, options include passage of a property tax, payroll tax, local sales tax, or city utility fee.
- The results of the September 2013 survey (see Appendix B for a summary of the survey findings), indicate that voters are unlikely to approve a new transit taxing measure in the next 1 to 3 or 5 years. The CET local public funding strategy requires a multi-phased approach, with short-term and long-term elements. Short-term elements will, in part, be aimed at developing greater public awareness of the benefits and value of transit in order to improve voter willingness to pay for it.

Recommendation Highlights

The Funding Committee has developed recommendations related to the original four questions as well as additional recommendations regarding Partnerships and Outreach and Engagement. The full list of recommendations, organized into Goals and Actions, are provided in the following section.

Multi-phased Approach

The survey results demonstrate that voters have yet to be convinced of the value of funding transit through a taxing measure. Therefore, the Funding Committee has recommended that COIC and its partners pursue a multi-phased approach to public funding including short-term (0 to 3 years) and long-term (3-5+ years) elements.

Phase One (short term) elements:

- Develop agreements with cities and counties to define needed service levels and long-term funding methods that are tied to the actual cost of providing a base level of service (Scenario B) in each community and across the region.²
- Build COIC’s outreach and engagement capacity to increase public awareness of and support for the CET system and to develop focused partnerships with partner organizations and agencies .

¹ “Focused partnership funding” is defined as contractual funding from individual businesses, state or federal agencies, or other organizations to improve service in specific areas or for specific interests or groups of clients.

² “Scenario B” is defined as the current number of service hours provided in each community plus a) conversion to fixed route in Redmond and flex routes in Madras and Prineville; and b) additional necessary components (that aren’t currently funded) such as planning, outreach, and capital replacement. This service level is also referred to as “base level” and is defined in Appendix C.

Phase Two (long term) elements:

- Develop a dedicated, local, publicly-funded tool to achieve “Scenario B” service levels across the region.
- The funding tool will replace existing funding sources in areas that desire Scenario B service levels. In areas that desire Scenario C (see Appendix C) services, any new revenue would augment existing funding in order to provide this higher level of service.

Governance and Geography

In Oregon, certain funding tools are only available to specific governance approaches (e.g. property taxes are only available for transportation districts). The Committee recommends the following:

- Maintain a regionally-based transit system with regional governance.
- Pursue legislative changes to allow COIC to levy a property tax (subject to voter approval) for transit operations.
- Short-term, maintain governance and operations with COIC.
- Long-term, maintain regional governance and ensure that the governance model supports the chosen funding tool(s).

Service Level

A key question for the Committee has been the vision for transit service - specifically, should transit be very modest and designed to only meet the needs of transit-dependent riders, or should it be more robust and meet broader community goals? The Committee considered various service levels (see Appendix C), and recommends the following:

- At a minimum, provide a base level of service (Scenario B) across the region within the short-term time frame.
- Aspire to a robust (Scenario C) service level across the region over the long-term.

Partnerships

Partnerships are viewed as a key means to stabilize funding for base level of service, improve transit service over base levels, demonstrate support, and to ensure that all beneficiaries of transit are contributing. As stated above, there is a distinction between core local government partners and focused partnerships with other entities. The Committee recommends the following:

- COIC will develop formal partnerships with cities and counties for local funding to provide base level of service (scenario B) in communities throughout the region.
- COIC will pursue focused partnerships to meet the organizations and agencies’ specific transportation needs, augment base levels of service, and demonstrate the value of transit. Key partnership opportunities include education, tourism, social service, and health care sectors.
- Partnerships should span multiple years, be stable, and involve extensive outreach/ communication and the option for modifications to ensure that services are meeting needs.

Outreach and Engagement

A lack of marketing and outreach/engagement was identified as a key weakness for Cascades East Transit's ability to develop public support for transit and partnerships. The Committee recommends the following:

- Significantly bolster COIC/CET's outreach/engagement and marketing capacity to raise community awareness of transit, engage key partners, leverage resources, and build support for transit service and funding.
- Build a strong, diverse coalition of transit supporters with a coordinated message.

Local Dedicated Public Funding Tool

The key to transit sustainability in Central Oregon is the eventual development of a dedicated local public funding tool.

Principles with which to analyze local public funding options:

- The local dedicated public funding tool should support Scenario B service levels (see footnote 3 and Appendix C) throughout the region.
- Individual communities and partner organizations can "buy up" service over Scenario B with increased contributions.
- All parts of the region should contribute to transit service.
- The local dedicated public funding tool(s) should be consistent with the desire to maintain ongoing regional governance.
- The local dedicated public funding plan should be equitable in that those organizations that particularly benefit from transit should help pay for it.

The Committee recommends the following:

- Over the short-term, develop partnerships with local governments to collectively develop local funding to achieve a sustainable base level of service ("Scenario B") throughout the region. These partnerships could be formalized in the form of Agreements specifying important issues such as funding, service levels, route and hub locations, decision-making roles, and monitoring and performance expectations.
- Focus short-term goals and actions towards the passage of a dedicated local public funding tool(s) in the long term. See Appendix D for a list and analysis of the available tools.

Full Funding Committee Recommendations

	Short Term (1 to 5 Years)	Long Term (5 Years +)
Governance and Geography	<p><u>Goals</u></p> <ul style="list-style-type: none"> Maintain a regionally-based system due to value of regional coordination, economies of scale, benefits to smaller communities, and collaboration/partnership. <ul style="list-style-type: none"> Work with local communities and partners to ensure accountability of service and consistent communication Develop tools for local as well as region-scale funding. <p><u>Actions</u></p> <ul style="list-style-type: none"> Maintain governance at COIC. Pursue ORS 190.083 legislative changes to allow transit funding in 2014 or 2015 Session. <ul style="list-style-type: none"> Alan Unger/AOC leading, OR Transit Association is engaged. Consider combining Trip 97 governance with transit governance to meet broader regional multimodal goals <ul style="list-style-type: none"> Monitor Trip 97 through 2014-15 	<p><u>Goals</u></p> <ul style="list-style-type: none"> Maintain regionally-based governance <p><u>Actions</u></p> <ul style="list-style-type: none"> Assure governance model is appropriate for the region and supports the chosen funding mechanism
Level of Service	<p><u>Goals</u></p> <ul style="list-style-type: none"> Provide a basic level of service (“Scenario B”, defined in Appendix C) to every community³ in the region, with actual service tailored to community needs. Improve level of service above the base level to attract choice riders and enable partnerships where possible. Focus service on areas with highest demand and need. Ensure maintenance of regional system of community connector shuttles. Customize services to meet demand; utilize appropriate mobility options (i.e. not just buses, but van pools and other tools). 	<p><u>Goals</u></p> <ul style="list-style-type: none"> Increase service levels to attract choice riders and partnerships. Develop a robust regional system (e.g. “Scenario C”, defined in Appendix C). <p><u>Actions</u></p> <ul style="list-style-type: none"> See Dedicated Public Funding Tools and Partnerships section

³ “Community” is defined primarily as the incorporated Cities in the region. Unincorporated areas that can demonstrate need and mobilize local funding would also be eligible for service, assuming that expansions into new areas could be effected without causing services to fall below “Scenario B” levels elsewhere.

	Short Term (1 to 5 Years)	Long Term (5 Years +)
	<p><u>Actions</u></p> <ul style="list-style-type: none"> • ID opportunities to expand service in Bend in the near term. Consider more robust service than contemplated in the Bend Transit Plan to better serve needs in relevant growth areas (e.g. OSU, COCC, St. Charles, Central District, etc.) <ul style="list-style-type: none"> ○ Work with the City of Bend and partners on the Central District MMA and OSU-CC TGM projects to ID transit needs/opportunities ○ Engage OSU-CC on the Transportation Task Force to ID transit needs/opportunities. • Work closely with partners to ID service needs and opportunities (see Partnerships section below) in both local and intercommunity services. • Work with cities to develop overarching agreements for service level, funding, etc. (see Dedicated Local Public Funding Tools Section). <ul style="list-style-type: none"> ○ Work with Redmond, Prineville, and Madras to develop enhanced local funding to support conversion from DAR to fixed or flex route service. If unsuccessful, do not convert. • Better ID needs of key sectors: education, tourism, social services, health care, and business in general. 	
“Focused” Partnerships	<p><u>Goals</u></p> <ul style="list-style-type: none"> • Develop “win-win” partnerships with agencies, organizations, and businesses to stabilize transit funding and expand service delivery where possible. • Partnerships should span multiple years, be stable, and involve ongoing communication and the option for modifications to ensure that services are meeting needs. • Develop partnerships to leverage greater public support. • Leverage partnership “early adopters” to bring in new partners. Build a broad vision of partnerships and resulting transit services. • Exhibit voluntary contribution or investment in the system by those who through normal taxing methodologies might be exempt from 	<p><u>Goals</u></p> <ul style="list-style-type: none"> • Partnerships are used to support local dedicated funding efforts and to improve service levels over what local dedicated public funding can provide. <p><u>Actions</u></p>

	Short Term (1 to 5 Years)	Long Term (5 Years +)
	<p>direct contribution.</p> <p><u>Actions</u></p> <ul style="list-style-type: none"> • Fund raise with foundations, state agencies, and other partners for COIC to establish a partnership/outreach and engagement position • Work with relevant key partners to support partnership discussions – ad hoc Partnership and Outreach Strategic Team • Pursue immediate partnership priorities/potential: COCC, OSU-CC, Tourism/USFS, and St. Charles/CCO/health care. • Pursue the following to develop partnerships: <ul style="list-style-type: none"> ○ Work with cities with fixed route service to provide credits to impact fee agreements and requirements (e.g. parking requirements) in exchange for helping to fund service operations and/or infrastructure in lieu of other transportation improvements. <ul style="list-style-type: none"> ▪ Utilize transit trip estimator tool to estimate impacts ○ COCC and OSU-CC student association fees (student pass program). ○ ID opportunities to reduce existing transportation costs (e.g. mileage reimbursement for employees) or new costs (e.g. new parking structures). ○ Consider development of Transportation Management Associations to frame and pool local partnerships. ○ Leverage need for regional transit system to support Central OR resiliency in face of Cascadia Subduction Zone earthquake 	
Outreach/Engagement and Marketing	<p><u>Goals</u></p> <ul style="list-style-type: none"> • Significantly bolster COIC/CET’s outreach/engagement and marketing capacity to raise community awareness of transit, engage key partners, leverage resources, and build support for transit service and funding. • Build a strong, diverse coalition of transit supporters • Empower natural partners to speak on behalf of transit with 	<p><u>Goals</u></p> <ul style="list-style-type: none"> • Continued high level of outreach/engagement and marketing • Build PAC funding campaign <p><u>Actions</u></p>

	Short Term (1 to 5 Years)	Long Term (5 Years +)
	<p>coordinated messaging.</p> <ul style="list-style-type: none"> • Ensure that riders and other users (e.g. agencies that rely on transit) know about potential system changes and are involved in service decisions and priorities. • Create a shared Vision of transit service in Central Oregon. <p><u>Actions</u></p> <ul style="list-style-type: none"> • Work with the Bend MPO to build a transit Vision based on the Transit Plans and additional work with stakeholders. • Work with key partners to steer outreach and engagement and messaging – Partnership and Outreach Strategic Team • Develop a dedicated outreach/engagement and marketing position at COIC/CET (in tandem with partnership position above) • Work with Commute Options to develop and implement an integrated outreach plan. • Approach the Regional Solutions Team about providing support for outreach/engagement and marketing efforts via state agencies, foundations, and potentially other sources. • Approach the Coordinated Care Organization about funding to promote transit as active transportation and access to health care. • Research opportunities for Meyer Memorial Trust and Oregon Community Foundation funding • Engage grassroots partners (e.g. REALMS students, senior citizens, drivers, etc.) to help tell the story of transit. • Build a marketing campaign that focuses on the values most appreciated by Central Oregonians – helps the economy, helps people in need, supports goals such as OSU-CC. • Bring outcomes of Funding Committee to local governments to engage them more deeply in funding and supporting transit; engage in ongoing outreach/engagement with cities and counties. • Bring to AdFed next year. • Expand social media presence significantly • Have transit “be everywhere” (piggyback on meetings, etc.) 	

	Short Term (1 to 5 Years)	Long Term (5 Years +)
<p>Dedicated Local Public Funding Tools</p>	<p><u>Goals</u></p> <ul style="list-style-type: none"> • Achieve reliable public funding to achieve Scenario B service levels across the region. • Achieve Scenario C service levels in communities that wish to buy up service and/or in specific areas within communities with higher needs and resource availability (e.g. service to OSU-CC and COCC and/or other areas) • Engage local Cities and Counties in transit funding and funding partnerships. <p><u>Actions</u></p> <ul style="list-style-type: none"> • Immediately begin a process to develop partnerships with local cities to collectively develop local funding to achieve a sustainable base level of service (“Scenario B”) throughout the region. Community-level funding will be based upon actual costs for Scenario B and local match needs. These partnerships could be formalized in the form of Agreements specifying important issues such as funding, service levels, route and hub locations, decision-making roles, and monitoring and performance expectations. <ul style="list-style-type: none"> ○ Start with Bend and Redmond, as these are the communities with the greatest need for transit services, are the most-desired destinations for riders, and the greatest resource availability ○ Broker agreements that include other sources of funding, including existing local funding sources and new partnerships 	<p><u>Goals</u></p> <ul style="list-style-type: none"> • Develop a dedicated, local, publicly-funded tool(s) to achieve “Scenario B” service levels across the region by 2018/19. • The funding tool will replace existing funding sources in areas that desire Scenario B service levels. In areas that desire Scenario C services, it would augment existing funding to “buy up” to the desired service level. <p><u>Actions</u></p> <p>Note: All Actions listed elsewhere in this table are oriented towards the above goal.</p> <ul style="list-style-type: none"> • Based on future survey findings and other outreach, ID the preferred public funding tool(s) for the region and each community (property tax, payroll tax, sales tax, and/or utility fee). • Build a campaign and develop public funding tool.

APPENDICES

Appendices

- A. CET Funding Committee Roster and Meeting Process/Timeline
- B. Summary September 2013 Transit Survey Findings
- C. Transit Service Level Scenarios and High-Level Costs
- D. Available Dedicated Local Public Funding Tools for Transit
- E. Transit Funding Governance Options

APPENDIX A

CET Funding Committee Process and Timeline

Updated: December 13, 2013

Committee Purpose: To develop recommendations for the COIC Board on four primary questions:

- Governance: Should transit continue to be operated at the regional scale by COIC, and/or should a transit district or districts be formed?
- Funding Geography: Should there be a single tri-county local funding solution, or a combination of funding solutions tailored to the service needs/priorities and willingness to pay of individual communities?
- Local Funding Tool: Considering the broad array of dedicated funding tools in use in Oregon, what/which are appropriate for CET? If a fee or tax is recommended, what should the rate be?
- Level of Service: Should the funding solution(s) be aimed at maintaining the current level of service, a highly expanded level of service, or somewhere in between?

Meeting Date	Meeting Discussion Topics/Goals
Meeting #1 – August 16 Committee Orientation and CET Overview	<ul style="list-style-type: none"> • Discuss committee goals, process and timeline • Orient participants to CET funding framework; Work to date on system vision, planning, and sustainable system funding concepts • High level review of governance options • High level review of funding mechanism options • Determine CET Committee need for additional information, data, research
Meeting #2 – September 6 Data and Info on Budget and Funding Mechanisms	<ul style="list-style-type: none"> • Review of CET service level/cost scenarios • Detailed review range of transit system funding mechanism options • Determine CET Committee need for additional information, data, research, etc.
Meeting #3 – September 20 Data and Info on Governance	<ul style="list-style-type: none"> • Detailed review range of options for transit system governance • Review preliminary outcomes of regional public phone survey • Determine CET Committee need for additional information, data, research, etc.
Meeting #4 – October 4 Regional Options	<ul style="list-style-type: none"> • Discussion of geographic governance options • Review final survey outcomes and findings/meet with consultant firm • Determine CET Committee need for additional information, data, research, etc.
Meeting #5 – October 18 Facilitated Discussion – CET Sustainability Concepts	<ul style="list-style-type: none"> • Facilitated Committee discussion regarding options for a sustainable funding approach. Preliminary identification of recommendations. • Determine CET Committee need for additional information, data, research, etc.
Meeting #6 – November 1 Develop Draft/Preliminary Recommendations	<ul style="list-style-type: none"> • Develop draft recommendations on sustainable funding approach
Meeting #7 – November 15 Develop Draft/Preliminary Recommendations	<ul style="list-style-type: none"> • Develop draft recommendations on sustainable funding approach • Achieve concurrence on recommendations to COIC Board
November 15 – January 2014 Outreach	<ul style="list-style-type: none"> • Provide draft recommendations to COIC Board, city councils, County boards of commissioners, and stakeholders; solicit comment and feedback.
Meeting #8 – TBD Develop Revised/Final Recommendations	<ul style="list-style-type: none"> • Based on COIC Board questions and feedback, revise/refine recommendations • Discuss implementation concepts and next steps • Achieve concurrence on revised recommendations to COIC Board
COIC Board Meeting – February 6, 2014 Acceptance of Recommendations	<ul style="list-style-type: none"> • COIC Board accepts final recommendations • COIC Board approves sustainable funding plan for CET system

APPENDIX A

COIC – CET Funding Committee Roster

COIC Board Member Appointees	
Alan Unger, Deschutes County Commissioner 541-388-6569 Alan.Unger@deschutes.org	Richard Ladeby, Madras City Council 503-930-7093 rladeby@ci.madras.or.us
Jason Carr, Prineville City Council 541-233-9692 jcarr@cityofprineville.com	Chris Bellusci, Private Sector 541-550-0745 cbellusci@geoengineers.com
Victor Chudowsky, Bend City Council 541-749-0085 vchudowsky@ci.bend.or.us	Jim Wilson, Private Sector 541-410-7746 brassrng@gmail.com
Regional Appointees	
Scott Cooper, Executive Director NeighborImpact 541-548-2380 ext102 scottc@neighborimpact.org	Jeff Monson, Executive Director Commute Options 541-330-2647 jeff@commuteoptions.org
George Endicott, Mayor City of Redmond 541-504-2000 George.Endicott@ci.redmond.or.us	Pamela Norr, Executive Director Central Oregon Council on Aging 541-678-5483 pnorr@councilonaging.org
Ken Fahlgren, Commissioner Crook County 541-447-6555 ken.fahlgren@co.crook.or.us	Ron Parsons, Program Manager Oregon Department of Human Services 541-504-1320 ext 438 Ron.Parsons@state.or.us
Gary Farnsworth, Area Manager Oregon Dept. of Transportation 541-388-6071 Gary.C.FARNSWORTH@odot.state.or.us	Dave Rathbun, President and General Manager Mt. Bachelor 541-382-4224 drathbun@mtbachelor.com
Wendy Holzman, Councilor City of Sisters 541-549-8558 WHolzman@ci.sisters.or.us	Mike Riley, Executive Director Environmental Center 541-385-6908 x 19 mike@envirocenter.org
Eric King, City Manager City of Bend 541-388-5505 eking@bendoregon.gov	Kirk Schueler, Chief Administrative Officer St. Charles Health System 541-706-6958 keschueler@stcharleshealthcare.org
Matt McCoy, Vice President for Administration Central Oregon Community College 541-383-7704 mmccoy@coicc.edu	Matt Shinderman, Natural Resources OSU Cascades 541-322-3159 Matt.Shinderman@osucascades.edu
COIC Staff	
Andrew Spreadborough, Executive Director (541) 504-3306 aspreadborough@coic.org	Karen Friend, Deputy Director/CET Manager (541) 548-9543 kfriend@coic.org
Scott Aycock, Community Development Mgr. (541) 548-9523 scotta@coic.org	Tamara Geiger, Program Assistant (541) 548-9527 tgeiger@coic.org



MOORE INFORMATION

OPINION RESEARCH • STRATEGIC ANALYSIS

September 27, 2013 TO: Scott Aycock and Karen

Friend, COIC FROM: Robin Kreger, Moore Information

RE: Central Oregon Voters and Transportation Issues

Methodology

A total of 1,150 live telephone interviews were conducted among representative samples of voters in four Central Oregon cities, including: N=400 interviews in Bend; N=400 in Redmond; N=200 in Prineville and N=150 in Madras.

The region-wide N=1,150 interviews were weighted to actual voter population of the four city area. Landline and cell phone interviews were conducted September 12-17, 2013.

The sampling error associated with each survey follows: Plus

or minus 3% at the 95% confidence level for N=1,150.

Plus or minus 5% at the 95% confidence level for N=400.

Plus or minus 7% at the 95% confidence level for N=200. Plus

or minus 8% at the 95% confidence level for N=150.

Summary and Highlights

Overview

The transportation funding measures tested in these surveys are unlikely to pass in the Central Oregon region, or in any of the four individual cities, as economic factors weigh heavily on voters' minds and lack of public transportation is not a salient issue.

- Overall, the current issue priority region-wide is "creating jobs" (the top issue for 54%), distantly followed by "improving public education" (20%). "Improving public transportation" is the most important issue for just 7% of respondents in the region.
- It is important to note that a significant percentage of voters don't know how to rate their area's public transportation system, with 30% having no opinion region-wide (28% no opinion in Bend, 36% Redmond, 34% Prineville and 31% Madras).
- Further, lack of public transportation is not a leading issue for respondents region-wide, nor is it in any of the four cities.
- The fact that most voters are not concerned about "lack of public transportation" in their transportation routines as well as the high percentage of voters who currently have no opinion about public transportation in their own community is reflected in the lack of enthusiasm for the funding measures tested in the survey.

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428 4th St., Ste. 8
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Missoula, MT 59801

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Funding Options

When given the chance to choose a preferred funding option for public transportation expansion and improvements, fully 52% of the region's voters prefer no tax or fee increases (this includes 33% who prefer "re-allocation of funds from programs and services" paid for by their city's general fund and 18% who prefer no increase).

Looking specifically at a potential property tax increase, the survey tested two funding levels; a 35-cent per thousand/assessed value and a 20-cent option. Neither property tax option would be approved in an election held today, and the less expensive option would also face an uphill battle to pass in the near future, at least while economic issues are foremost on voters' minds and public transportation is not perceived as a major problem.

The survey also explored a potential utility fee option to fund transportation, described to respondents as a "\$2.75 per month utility fee, totaling \$33 per year." This funding option is unpopular and generates majority opposition region-wide and among voters in all cities.

Messaging and Moving Forward

The most effective message in generating support for a property tax increase for public transportation overall is:

"Improving public transit in [CITY] will provide services for area residents who are disabled or elderly or are lower income who depend on transit service."

This message is rated "very" important in transit funding voting decisions by more than 50% of all voters, region-wide and by city. This message has potential to be leveraged in future COIC communications, including potential marketing and outreach efforts.

Further, region-wide, voters are more likely to agree that public transportation should be "substantial," rather than "minimal."

"Public transportation in the [CITY] area should be substantial. Public transportation is an important element for encouraging the area's economic growth, and plays an important part in reducing traffic congestion and our area's environmental impact."

COIC communications should leverage the following groups' support for "substantial" public transportation into willingness to vote for funding measures for public transit: Bend residents, women, voters age 18-64, Democrats, Independents, voters who have voted in three or fewer of the last four elections and public transit supporters.

More survey details follow.

Most Important Issue

Overall, the current issue priority region-wide is "creating jobs" (the top issue for 54%), distantly followed by "improving public education" (20%). "Improving public transportation" is the most important issue for just 7% of respondents in the region. Additional responses include "reducing crime" (6%) and "protecting the environment" (5%). Another 5% say "something else" is the most important issue and 3% have no opinion. Creating jobs is the current issue priority among all subgroups region-wide.

- "Creating jobs" is the most important issue among voters in all four cities and "improving public transportation" is not a top priority anywhere (7% say improving public transportation is most important in Bend, 7% in Redmond, 2% in Prineville and 6% in Madras).

Transportation Issues

Fully 79% of voters believe that their area’s public transportation system (identified primarily as Cascades East Transit bus system) is important, including 47% who say it is “very” important. Another 13% say it is “not very important.” Just 5% say it is “not important at all” and 3% have no opinion. There is majority agreement among all voter subgroups in the region that the area’s public transportation system is important.

- These results are consistent across all cities, with wide majorities considering the public transportation system important (81% important in Bend, 70% Redmond, 78% Prineville, 82% Madras).

When it comes to rating their area’s public transportation system on a scale from excellent to poor, voters in the region are not impressed, with just 14% giving an “excellent/above average” rating, 33% saying “average” and 23% “below average/poor.” Importantly, a significant percentage of voters don’t know enough to rate their area’s public transportation system, with 30% having no opinion region-wide. Subgroups least likely to know enough about the transportation system to have an opinion include: seniors, Redmond residents, voters who say public transportation is not important and voters who are undecided on a potential property tax increase and potential utility fee.

- Sentiment is consistent across all cities, with no more than 16% giving a combined “excellent/above average” rating (15% excellent/above average in Bend, 11% Redmond, 12% Prineville, 16% Madras). And similarly, significant percentages of voters in each city don’t know enough about the system to have an opinion (28% no opinion in Bend, 36% Redmond, 34% Prineville and 31% Madras).

From a personal standpoint, the two biggest problems voters have when traveling from one place to another in the region are “road construction” (23%) and “condition of roads/potholes/dangerous roads” (20%), followed by “congestion” (17%). Other perceived problems include “don’t drive or have access to a car” (6%), “lack of public transportation” (5%) and “lack of certainty about the time it will take to get there by car” (2%). Another 15% give an unspecified response and 13% have no opinion.

The biggest perceived problem(s) differ by city, but lack of public transportation is not a top concern anywhere. Bend voters are most concerned about construction and condition of roads, Redmond voters are most concerned with construction, Prineville voters say congestion and Madras voters are concerned with condition of roads. The following table illustrates these results.

Biggest Transportation Problem

Region- wide		Bend	Redmond	Prineville	Madras
Road construction	23%	20%	42%	4%	3%
Condition of roads, potholes, and dangerous roads	20%	22%	12%	8%	26%
Congestion	17%	19%	8%	19%	18%
Don’t drive/have access to a car	6%	6%	2%	6%	7%
Lack of public transportation	5%	5%	6%	8%	7%
Lack of certainty about time	2%	2%	1%	2%	2%
Something else	15%	13%	14%	25%	21%
Don’t know	13%	12%	15%	27%	15%

Funding Proposals

When given the chance to choose a preferred funding option for public transportation expansion and improvements, fully 52% of the region's voters prefer no tax or fee increases. This includes one-in-three (33%) who prefer "re-allocation of funds from programs and services" paid for by their city's general fund and 18% who prefer no increase (this was a volunteered response to this question). Among those who would be open to some type of funding option, 14% prefer a city-wide sales tax on prepared food and beverages, followed by a property tax increase for homeowners (9%), increased payroll taxes for businesses (6%) and a utility fee for homeowners and businesses (5%). All voter subgroups prefer re-allocation/no increases over any of the funding options.

- Similarly, re-allocation/no increases is the leading preference among voters in all cities. Redmond and Prineville residents are most likely to share this sentiment (63% Redmond, 63% Prineville), but a plurality of voters in Madras and Bend are also opposed to any type of increase (49% Bend, 47% Madras).

In a follow-up question, voters were asked why they preferred the option they chose. The leading response for choosing re-allocation of the existing general fund dollars was "too many taxes/can't afford taxes." There is less consensus for preferring the other options:

- Those who prefer a property tax increase say they are "in favor of property taxes," "it's fair," "it's the "best option" and "transportation is necessary."
- Those who prefer a utility fee say "everyone should be taxed equally," "it's fair," "homeowners shouldn't have to shoulder the whole load" and it's the "best option."
- Those who prefer a sales tax on prepared food/beverages say "tourists should/will also contribute," "in favor of food/sales tax," it's the "best option" and "everyone should be taxed equally."
- Those who prefer an increase in payroll taxes say "transportation is necessary," "businesses should pay for it," "funds are not spent properly," "oppose a property tax," "don't want them taking money from schools" and "too many taxes, can't afford taxes."

Looking specifically at a potential property tax increase, the survey tested two funding levels; a 35-cent per thousand/assessed home value and a 20-cent option. Survey results reveal that neither property tax option would be approved in an election held today and the lower option would also face an uphill battle to pass in the near future, at least while economic issues are foremost on voters' minds and lack of public transportation is not perceived as a major problem.

APPENDIX B

35-Cent Option

Region-wide, two-in-three voters (67%) would vote no on the 35-cent option, including more than half (54%) who would “definitely” vote no. Just 27% would vote yes on this option, presented as follows:

“Would you vote ‘yes’ to support or ‘no’ to oppose a property tax increase of an additional 35 cents per thousand dollars of assessed home value, or

*BEND= \$88 per year on a \$250,000 home REDMOND= \$70 per year on
a \$200,000 home PRINEVILLE= \$61 per year on a \$175,000 home
MADRAS= \$53 per year on a \$150,000 home*

to sustain and improve transit service levels in [CITY]?”

All voter subgroups across the region are opposed to this funding option. The strongest support for this option comes from voters age 18-34, Democrats and “transit supporters.” (“Transit supporters” include voters who say improving public transit is the most important issue in their city, say public transit is “very important,” rate local public transit as “excellent/above average” and voters who say a lack of public transit is their biggest personal transportation problem.) However, support among any of these groups does not reach a majority.

- By city, the 35-cent option faces majority opposition among all four cities (67% opposed in Bend, 68% in Redmond, 71% in Prineville and 57% in Madras).

20-Cent Option

A 20-cent property increase option is also opposed region-wide, with 54% opposed (including 44% who are “definitely” opposed) and 42% in support (just 13% “definitely” support). The language for the lower cost option follows and was asked among voters who said “no” or were undecided on the 35-cent option. Results among these voters were then combined with the “yes” responses on the 35-cent option to get overall results (it is assumed that “yes” voters on the 35-cent option would also support the lower amount).

“Instead of 35 cents, would you vote ‘yes’ to support or ‘no’ to oppose a property tax increase of an additional 20 cents per thousand dollars of assessed home value, or

*BEND= \$50 per year on a \$250,000 home REDMOND= \$40 per year on
a \$200,000 home PRINEVILLE= \$35 per year on a \$175,000 home
MADRAS= \$30 per year on a \$150,000 home*

to sustain transit service levels in [CITY]?”

As with the 35-cent option, the most supportive of the 20-cent option are voters age 18-34, Democrats and “transit supporters.”

- By city, Bend, Redmond and Prineville voters are opposed to the lower amount in majority numbers (54% opposed in Bend, 56% Redmond, 59% Prineville). However, in Madras, voters are divided on the 20-cent option (47% yes, 49% no). Among the most supportive subgroups in Madras are women, younger voters, Democrats and “transit supporters.”

The following table illustrates results for both cost options.

Potential Property Tax Increase

	35-Cent Option			20-Cent Option		
	Yes	Don't know	No	Yes	Don't know	No
Region-wide	27%	6%	67%	42%	4%	54%
Bend	26%	6%	67%	41%	4%	54%
Redmond	26%	6%	68%	41%	3%	56%
Prineville	25%	4%	71%	39%	2%	59%
Madras	35%	8%	57%	47%	4%	49%

After the property tax increase options were tested, the following additional information was presented to respondents:

“Here is some more information about a potential property tax increase, as you may know, the final amount of the proposed property tax has not been determined.

A 35-cent property tax increase would allow for public transportation improvements throughout your area, including increased bus routes, hours and frequency; expanded weekend service and expanded shuttle service between Central Oregon cities.

A 20-cent property tax increase would maintain current public transportation service levels only, with no improvements.

Based on this, do you prefer a 35-cent property tax increase option or a 20-cent property tax increase option?”

Based on this additional information, there is no consensus among voters overall; 28% prefer the 35-cent option, 31% the 20-cent option and 36% prefer no increase (a volunteered option). Region-wide, among voters open to an increase, subgroups most likely to support the 35-cent option over the 20-cent options are voters age 18-34, Democrats and “transit supporters.”

After hearing this additional information, results by city follow:

- Bend voters are divided between the options, but 37% still want no increase.
- Redmond voters prefer the 20-cent option 31-22%, but 41% still want no increase.
- Prineville voters are divided, but 35% still want no increase.
- Madras voters are divided, but 28% still want no increase.

The survey also explored a potential utility fee option to fund transportation, described to respondents as a “\$2.75 per month utility fee, totaling \$33 per year.” This funding option is unpopular and generates majority opposition region-wide (55%). Further, 41% “strongly” oppose (vs. 38% total support, 14% “strongly” support). Similar to the potential property tax increase, the most supportive subgroups for a utility fee are younger voters, Democrats and “transit supporters.”

- Looking at city results, majorities of voters in all cities oppose a utility fee.

The following table illustrates results for the utility fee.

Potential Utility Fee

	Support utility fee	Don't know	Oppose utility fee
Region-wide	38%	8%	55%
Bend	39%	8%	54%
Redmond	35%	8%	58%
Prineville	31%	6%	62%
Madras	39%	9%	52%

Messaging

The survey also tested four messages about public transit and asked voters to rate the importance of each when it comes to voting on a potential property tax increase.

The most effective message overall focuses on providing services for transit-dependent residents; more than eight-in-ten (84%) say this is important in their voting decision for a property tax increase.

“Improving public transit in [CITY] will provide services for area residents who are disabled or elderly or are lower income who depend on transit service.”

This message is rated “very” important by more than 50% of all voters, region-wide and by city, among all key voter subgroups.

The three additional messages tested are not nearly as effective. Although each receives combined “total important” ratings above 50%, fewer voters say these messages are “very” important in their voting decisions and the messages’ total “not important” scores are higher.

A table illustrating these results follows.

Public Transit Messages

	Very imp.	Somewhat imp.	Total imp.	Total not imp.
Improving public transit in [CITY] will provide services for area residents who are disabled or elderly or are lower income who depend on transit service.				
Region-wide	54%	30%	84%	13%
Bend	55%	31%	86%	12%
Redmond	51%	30%	81%	15%
Prineville	53%	29%	81%	15%
Madras	57%	23%	80%	14%
Public transit is an affordable way to travel and transit riders save thousands of dollars when they forego owning a car and rely on transit for most trips. Improving public transit in [CITY] would allow area riders to realize these savings.				
Region-wide	29%	37%	65%	31%
Bend	28%	37%	65%	31%
Redmond	29%	35%	64%	29%
Prineville	22%	40%	62%	35%
Madras	35%	39%	74%	21%
Public transit is an important tool in responding to environmental concerns about air quality and greenhouse gases.				
Region-wide	34%	33%	66%	31%
Bend	36%	32%	69%	29%
Redmond	29%	32%	61%	34%
Prineville	20%	33%	52%	44%
Madras	37%	34%	71%	25%
Public transit is essential to the economy of the region. Improving public transit in [CITY] will do more than provide basic services – it will encourage and support economic development.				
Region-wide	28%	38%	66%	29%
Bend	29%	38%	67%	29%
Redmond	27%	34%	60%	33%
Prineville	19%	38%	57%	36%
Madras	32%	36%	67%	25%

The survey also tested two schools of thought on public transportation and asked if respondents agreed or disagreed with each.

“Public transportation in the [CITY] area should be minimal, and primarily provide transportation for people who have no other options, such as low-income residents, the disabled and the elderly.”

“Public transportation in the [CITY] area should be substantial. Public transportation is an important element for encouraging the area’s economic growth, and plays an important part in reducing traffic congestion and our area’s environmental impact.”

APPENDIX B

Region-wide, voters are more likely to agree that public transportation should be substantial (66% agree, 32% strongly agree) rather than minimal (51% agree, 25% strongly agree).

Looking at subgroup responses region-wide, subgroups among the most likely to believe transportation should be substantial include:

- Bend residents
- Women
- Voters age 18-64
- Democrats and Independents
- Voters who have voted in three or fewer of the last four elections
- "Transit supporters"
- Voters willing to pay a fee/tax increase for public transit

COIC communications should leverage the above subgroups' support for "substantial" public transportation into willingness to vote for funding measures for public transit.

Conversely, among the most likely to believe transportation should be minimal are:

- Prineville residents
- Republicans
- Fee/tax increase opponents

Transit Service Level Scenarios and High-Level Costs

December 13, 2013

The CET Funding Committee considered four service levels in their discussions. With the exception of Scenario A, which is the current budget, the costs for each service level are high-level estimates.

Scenarios	Description	Total Cost	Estimated Local Portion
Scenario A – Current Service	Current service levels – no budget for contingencies, planning, outreach/engagement, or capital replacement.	\$5.2 Million	\$1.9 Million
Scenario B – Current, Sustainable and Convenient	Current service levels PLUS <ul style="list-style-type: none"> • Conversion to fixed route in Redmond • Conversion to flex routes in Madras/Prineville • Budget for planning and outreach • Budget for capital replacement and contingencies 	\$6.1 Million ⁴	\$2.3 Million
Scenario C – Mid-term Buildout	Full Mid-term Buildout as Proposed in Bend and Regional Transit Master Plans: <ul style="list-style-type: none"> • Additional local fixed routes in Bend and Redmond • Later evening hours • Saturday service in rural areas • Additional Community Connector shuttle runs • Limited Sunday service 	\$9.2 Million ⁵	\$4.9 Million
Scenario D – Urban Services	Conceptual Urban Transit Service with significantly reduced headways and extensive expansion in service hours (early morning and late evening), days, and CC shuttle runs.	\$16.3 Million	\$11.8 Million

⁴ Year 1 of Scenario B also includes a total capital expansion cost of \$372,500. Local match will depend on the grant program, but would typically be in the 10-50% range (\$37,000-\$186,000).

⁵ Year 1 of Scenario C would include \$656,000 in capital expansion costs in Bend. Local match is estimated at 20% of this total, or \$131,200.

APPENDIX D

DRAFT CET Funding Tools and Rates

Original September 19, 2013

Cost Figures and Rates Updated December 13, 2013

The following table provides estimated rates to achieve needed local funding to support different transit service scenarios.

	Total cost	Local Funding Required	Property Tax Rate	Payroll Tax Rate	Utility Fee Rate
Scenario B – Sustain current service, including capital replacement and expansion. Conversion to fixed route in Redmond, flex routes in Madras and Prineville.	\$6,141,322	\$2,296,092	\$0.115/\$1,000	0.00087	103% of the revenue generated by Corvallis
Scenario C – Expand service to levels contemplated in Regional and Bend Transit Master Plans: new routes and increased frequency in Bend; later hours; added Saturday and Sunday service; additional Community Connector shuttles	\$9,151,487	\$4,892,233	\$0.24/\$1,000	0.00185	215% of the revenue generated by Corvallis
Scenario D – Significant service expansion to true “urban transit” service levels. Very frequent buses; fixed route in Bend, Redmond, Madras, and Prineville; expanded hours.	\$16,372,197	\$11,783,076	\$0.575/\$1,000	0.00444	520% of the revenue generated by Corvallis
Comparison to Other Community Rates					
		Basin Transit	\$0.4822/\$1,000		
		Salem-Keizer	\$0.76/\$1,000		
		Hood River	\$0.0723/\$1,000		
		Rogue Valley Transit District	\$0.1772/\$1,000		
		Lincoln County Transit	\$0.0974/\$1000		
		Lane Transit District		0.0069	
		Tri-Met		0.007137	
		City of Canby		0.006	
		City of Corvallis			SF homes: \$2.75/mo. MF: \$1.90/mo. Businesses: variable

Assumptions/Notes:

- “Local funding required” includes existing local funding sources, including City/County general fund, state STF dollars (administered by Counties), and contract income, some of which may remain available to CET.
- A local sales tax was not analyzed in this exercise due to low political feasibility

APPENDIX D

- Federal funding is assumed to be constant.
- Total cost is an estimate – more detailed costs will be generated as desired service scenarios become more refined.
- Property tax and payroll tax calculations are on a county-wide basis; utility fees are calculated for Bend, Redmond, Prineville, Madras city limits only.
- Currently, Confederated Tribes of Warm Springs payroll is included in the total payroll for Jefferson County. This will need to be backed out to generate more-accurate payroll tax rates.
- Utility fee income is extrapolated from Corvallis community-wide generated income in FY 2012 (\$1,037,410). While it is easy to estimate fee income from housing based on the rates, businesses pay a variable rate, depending on trip generation estimates in the Institute of Traffic Engineers Trip Generation Manual. **More detailed analysis is required.**
- Total local funding includes modest cost increases over time plus contingencies. Major increases in costs such as gas and health care are currently not accounted for.
- All of the Scenarios will have a Year One capital expansion cost and an associated local match amount. These costs are not included in this analysis.

CET Funding Committee – Outreach Report
January 23, 2014

Overview: COIC staff conducted two rounds of outreach – at the beginning of the CET Funding Committee process, and after the Committee produced draft recommendations. Outreach goals included informing partner organizations and local governments about the Funding Committee purpose/goals, and to review the draft recommendations. Feedback and input was solicited during these outreach meetings.

Common Feedback Themes:

- General support for the “phase 1” concept of formalizing partnerships with cities and counties to agree on service levels and to collectively secure local funding. However, before committing cities and counties want more detail on costs to achieve “scenario B” levels of service, and detail on the local funding needs/gaps.
- General support for scenario B levels of service. Stabilized funding will allow us to build on and grow system.
- Need to do a better job telling the values, need for transit system. A regional system approach provides synergies, keeps costs down.
- Elected officials lack understanding of CET service levels, ride purposes, and ridership numbers. Staff must do a better job informing cities and counties on CET services.
- Riders, partners and transit advocates should help inform elected officials about the importance of the CET system. There is a specific value of having large regional institutions (e.g. St. Charles, COCC) in support of scenario B and the CET funding plan.
- Partnerships with organizations should be explored, as a means to expand services and stabilize the budget. Education institutions, businesses, tourism industry, and health care providers were cited as examples of partnership opportunities that should be explored.
- Service levels and specific service needs will vary by community – flexibility is good (being able to set a baseline and “buy up” for more services).
- Concern that rural communities are being asked to pay more to cover costs for the Bend system. Need to better explain the differences and firewalls between rural and urban systems.
- Efforts should be made to align long term CET funding plan with the TRIP 97 funding plan.

Outreach Summary:

Organization	Date(s)	Notes/Comments
Bend Chamber of Commerce Tim Casey, Director	9/18/13	<ul style="list-style-type: none"> • Possibly a chamber priority for 2014 • Need to be strategic on when proposing for a vote; many bonds/tax measures lining up for possible vote
Madras Chamber of Commerce Joe Krenowicz, Director	9/24/13	<ul style="list-style-type: none"> • Can assist in outreach to business • Not sure sufficient support for a voter tax measure
Prineville Chamber of Commerce Holli Van Wert, Director	10/28/13	<ul style="list-style-type: none"> • Can assist in outreach to business • Discussed partnership opportunities
Redmond Chamber of Commerce Eric Sande, Director	11/4/13	<ul style="list-style-type: none"> • Can assist in outreach to businesses
Economic Development for Central Oregon EDCO Staff; Business Oregon	1/21/14	<ul style="list-style-type: none"> • Important for business community to have transit; important infrastructure for business recruitment
Crook County Court Judge and Commissioners	10/2/13 1/14/14	<ul style="list-style-type: none"> • Veteran transport is very important • More detail needed on partnership agreement and structure

Deschutes County Commissioners, Administrator	12/30/13 1/8/14	<ul style="list-style-type: none"> • Interest in understanding ridership numbers, services outside of cities • Consider broader approach to mobility; not just transit but other options • Need to look at overlap with economic development, health care/CCOs • Communities may be able to help leverage foundation funding for outreach, marketing and planning
Jefferson County Commissioners, Administrator	10/9/13 12/30/13 1/8/14	<ul style="list-style-type: none"> • Need data on Jefferson County riders, intercommunity ridership
City of Bend Council, City Manager	10/23/13	<ul style="list-style-type: none"> • Enhanced levels of service necessary to accomplish city goals • Need to explore new tools to fund transit • Partnership with OSU Cascades very important to transit system
City of La Pine Mayor, City Manager	1/15/14	<ul style="list-style-type: none"> • Support for scenario B, restoration of service cuts
City of Madras Council, City Manager	12/20/13 1/14/14	<ul style="list-style-type: none"> • Need to provide information on ridership numbers, service levels • Need to provide info on local funding needed for scenario B
City of Prineville Council, City Manager	10/8/13 1/15/14	<ul style="list-style-type: none"> • Need more detail on service levels, ridership, and local funding needs to achieve scenario B
City of Redmond City Manager	1/21/14	<ul style="list-style-type: none"> • Need to demonstrate need for increased services in Redmond • More detail on local funding gap needed
City of Sisters Council, City Manager	9/26/13 1/3/14	<ul style="list-style-type: none"> • Interest in exploring partnerships with tourism based businesses • Intercommunity route to Bend is valuable • Look into providing school bus routes for the longer routes (e.g. Tumalo)
Central Oregon Area Commission on Transportation (COACT)	1/9/14	
Regional Solutions Advisory Committee	1/14/14	<ul style="list-style-type: none"> • Effort needs to not be a 'government thing' – need business, chambers involved • Need to tie to economic development • Will attempt to leverage state agency funding for outreach and engagement.

Long-term Dedicated Local Public Funding Options for Transit

Summary of Considerations

CET Funding Committee Final Meeting: January 24, 2014

Dedicated Public Funding Tool	Considerations
Gas Tax	<ul style="list-style-type: none"> • Transit is not an eligible use per OR Constitution.
Local Sales Tax	<ul style="list-style-type: none"> • Provides a means for visitors to pay. • Unpopular in Oregon.
Property Tax – COIC/ORS190	<ul style="list-style-type: none"> • Can be made permanent upon establishment. • Does not require development of new public entity. • May require changes to allow transit operations (analysis under way). • User Pay - some key transit trip generators (e.g. schools, hospitals, Mt. Bachelor) would need to participate in other ways (in lieu of taxes). • Most common tool to locally fund transit in Oregon
Property Tax – Transportation District	<ul style="list-style-type: none"> • Can be made permanent upon establishment of District. • Requires development of new public entity. • May or may not cover entire region (could result in fragmentation of system governance/operation). • User Pay - some key transit trip generators (e.g. schools, hospitals, Mt. Bachelor) would need to participate in other ways (in lieu of taxes). • Most common tool to locally fund transit in Oregon.
Payroll Tax	<ul style="list-style-type: none"> • Currently only available to Mass Transit District, which in turn may only be developed in the Bend MSA (Deschutes County), (voters must vote to approve establishment). • Extension to rest of region would require legislative authority. • Can be unpopular with business community. • User Pay: All employers pay and can be indexed to estimated transit trip generation. • Used by TriMet and Lane Transit District.
Transient Room Tax	<ul style="list-style-type: none"> • Provides a means for visitors to pay • Transit may be able to get a slice, but likely to be insufficient alone.
Utility Fees	<ul style="list-style-type: none"> • Polled as unpopular • Only need to convince a small number of people (city councilors) • User Pay: Indexed to estimated transit trip generation. • Used by Corvallis

CET Funding Committee – Implementation of CET Funding Recommendations
January 23, 2014

Finalization of Recommendations:

- Final CET Funding Committee Meeting, approval of recommendations – January 24
- COIC Board reviews and acts on recommendations – February 6

Scenario B Service Levels:

- Determine detailed community level costs to implement scenario B funding levels region-wide.
- Identify range of options for sharing costs regionally.

Phase 1 - City/County Partnerships:

- Provide data on pre-service cutback levels of service, ridership numbers, trends.
- Demonstrate demand/need for scenario B levels of service based on ridership trends, needs of key partners and organizations.
- Provide scenario B budget numbers, including local funding gap.
- Engage in discussions with city/county staff and elected officials to determine appropriate level of service and approach to securing local funding.
- Develop IGA or MOU to establish and formalize partnership.

Phase 1 - Outreach and Marketing:

- Finalize the scope of work for a COIC/contracted outreach and marketing specialist.
- Develop and implement funding plan to employ specialist for 24 to 36 months.
- Goal: To increase public awareness of CET services, value of transit, and need for sustained, dedicated local funding.
- Goal: To develop partnerships with businesses and key institutions, to develop agreements for enhanced services.

Phase 2 - Long Term Funding:

- Continue to work to address ORS 190 statute to allow COIC to establish voter-approved property tax for transit operations.
- Build plan to secure dedicated local funding within 3-5 years.

Ongoing Regional Engagement:

- Coordinate with COIC Board to develop ongoing regional partner and leadership engagement and steering.