

CET Local Dedicated Public Funding Subcommittee

FINAL Recommendations

January 27, 2014

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 committee 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 committee met eight times from August 2013 through January 2014 and produced these 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:

1. Central Oregon's local governments – cities and counties – and COIC are the key partners for transit service delivery for two reasons:
 - 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.
 - 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.

2. Unlike partnerships with cities and counties, “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.
3. 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.
4. 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 1-3 years. Therefore, the CET local public funding strategy requires a multi-phased approach, with short-term and long-term elements.

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 short-term funding methods that are tied to the actual cost of providing a base level of service (Scenario B – see box next page) in each community and across the region.
- Build COIC’s outreach and engagement capacity to increase public awareness of and support for the CET system.
- Where base service is made available, COIC will focus on adding value through “focused partnerships” with partner organizations and agencies.

Phase Two (long term) elements:

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.

- Develop a dedicated, local, publicly-funded tool to achieve sustainable and convenient (“Scenario B”) service levels across the region. The committee reviewed the range of local funding tools available to transportation and transit districts in Oregon and reached the conclusion that based on what we know today the committee’s preferred local dedicated public funding tool is a region-wide property tax. However, the committee noted that conditions may change over the next 1-3 years, so COIC must continue to consider/evaluate other options for dedicated local funding.
- If possible, the property tax would be levied by COIC through the ORS 190.083 provision.
- Focused partnership agreements will be established with entities not subject to property taxes; establishment of ‘in lieu of property tax’ contributions will demonstrate broad support for the system.
- The funding tool will replace existing funding sources in areas that desire Scenario B service levels. In areas that desire Scenario C (see Box this page) 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. payroll taxes are only available for Mass Transit Districts). The committee recommends the following:

- Due to economies of scale and the inter-community nature of essential trips (to access work, school, medical services, etc.) maintain a regionally-based transit system with preference for ongoing governance by COIC.
- Determine if existing ORS 190.083 will allow COIC to levy a property tax for transit operations (subject to voter approval). If not, pursue legislative changes to allow COIC this authority.
- Long-term, maintain regional governance with COIC or, if ORS190.083 provisions are unavailable, 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 Box this page), and recommends the following:

Transit Service Levels

The Committee contemplated various service levels in making its recommendations. Here’s how each were defined:

Scenario A.

Unsustainable/Status Quo:

Current service hours and routes, with no funding for planning, outreach/engagement, or capital replacement. Declining ridership.

Scenario B. Sustainable and More Convenient:

Restoration of service hour cuts made in 2012 on the rural system, plus conversion to fixed route in Redmond, and to flex routes in Prineville and Madras. Budget for planning, outreach/engagement, and capital replacement.

Scenario C. Attract Choice Riders:

Additional local routes in Bend and Redmond; later evening service system-wide; Saturday service in rural areas, Sunday in Bend; additional community connector shuttles.

Scenario D. Urban Transit:

Conceptual urban-level route density and frequency (e.g. Lane or TriMet service levels).

More information on page 22

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

The Scenario B service level corresponds to the short-term service levels developed in the Bend and Regional Transit Master Plans. The Scenario C service level corresponds to the mid-term improvements in each Plan.

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, and business in general.
- 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 Box 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.
- Over the long-term, the committee's preferred local dedicated public funding tool is a region-wide property tax. The committee reviewed the range of local funding tools available to transportation and transit districts in Oregon and reached the conclusion that based on what we know today the committee's preferred local dedicated public funding tool is a region-wide property tax. However, the committee noted that conditions may change over the next 1-3 years, so COIC must continue to consider/evaluate other options for dedicated local funding.
- If possible, the property tax would be levied by COIC through the ORS 190.083 provision.

Detailed Committee Recommendations with Implementation Actions

	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 need for inter-community travel, 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. • Determine ability of COIC to use ORS 190.083 for transit operations. <ul style="list-style-type: none"> ○ ODOT requesting Attorney General opinion – 2014 ○ If changes needed, pursue through legislation in 2015 <ul style="list-style-type: none"> ▪ AOC and OR Transit Association are supportive. • 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, preferably at COIC
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 community² 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 	<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

² “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>options (i.e. not just buses, but van pools, volunteer transportation, and other tools).</p> <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 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, OSU-CC expansion TGM project, and UGB expansion 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. • Better ID needs of key sectors: education, tourism, social services, health care, and business in general. 	
“Focused” Partnerships³	<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. 	<p><u>Goals</u></p> <ul style="list-style-type: none"> • Focused 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>

³ Focused partnerships” are 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.

	Short Term (1 to 5 Years)	Long Term (5 Years +)
	<ul style="list-style-type: none"> • Leverage focused 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 direct contribution. <p><u>Actions</u></p> <ul style="list-style-type: none"> • Fund raise with foundations, state agencies, and other partners for COIC to establish greater capacity to engage in partnership-building. • Work with relevant key partners to support partnership discussions • Pursue immediate partnership priorities/potential: COCC, OSU-CC, Tourism/USFS, and St. Charles/CCO/health care. • Pursue the following potential partnership opportunities: <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, SDCs) 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 – FEMA? 	
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 	<p><u>Goals</u></p> <ul style="list-style-type: none"> • Continued high level of outreach/engagement and

	Short Term (1 to 5 Years)	Long Term (5 Years +)
	<p>key partners, leverage resources, and build support for transit service and funding.</p> <ul style="list-style-type: none"> • Build a strong, diverse coalition of transit supporters • Empower natural partners to speak on behalf of transit with coordinated messaging. • 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. • Develop a dedicated outreach/engagement and marketing position at COIC/CET. • Work with Commute Options to develop and implement an integrated outreach plan. • Use bus, shelter, etc. advertising or consider developing third-party advertising to help pay for outreach/engagement. • 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. 	<p>marketing</p> <ul style="list-style-type: none"> • Build PAC funding campaign <p><u>Actions</u></p>

	Short Term (1 to 5 Years)	Long Term (5 Years +)
	<ul style="list-style-type: none"> • 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 in 2015. • Expand social media presence significantly • Have transit “be everywhere” (piggyback on meetings, etc.) 	
Dedicated Local Public Funding Tools	<p><u>Goals</u></p> <ul style="list-style-type: none"> • Achieve reliable public funding to reach 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 cities and counties 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 will 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 and are the most-desired destinations for riders. ○ 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. <ul style="list-style-type: none"> ○ Preferred option is region-wide property tax through COIC/ORS 190.083 • 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
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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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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 B and C were developed from the recently-completed Bend Transit Plan and Regional Transit Master Plan processes.

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 that is not included in this figure as it is a one-time cost. 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.