



600 NE Grand Ave.
Portland, OR 97232-2736
oregonmetro.gov

Council President Lynn Peterson

July 9, 2020

Dear Andrew,

Thank you for your letter and for the many conversations with Portland Business Alliance members and leaders, as well as others in the region's business community, over the last two years – in particular in the last few months.

I want you to know that the Metro Council sincerely values the input of PBA and business leaders in considering how our region invests in critical transportation needs. From the very beginning of this work it was important to us that business, community and elected leaders sit down together to develop a package of transportation investments to help our region get moving again. PBA members and other business leaders were valued participants on the Task Force, sharing perspectives with leaders from across the region – and achieving a remarkable consensus about the importance of a balanced, broad package of investments to simultaneously help people and the economy.

I think we all understand the need to fund these transformative investments. Together, we have crafted a package that will:

- Address immediate pedestrian and traffic safety and critical seismic deficiencies;
- Help transform 17 key corridors that connect 62% of all commercial activity and 60% of all employment in the region;
- Create more than 37,500 family wage jobs at a time when we desperately need job creation and stimulus;
- Focus on specific projects and programs to advance racial justice through transportation investments, including targeted investments in historically underserved communities, workforce development, and affordable transit for youth;
- Prepare for the expected population growth in our region that will strain our transportation system overall;
- Reduce pollution and climate change through electric bus conversion, transit, and congestion relief projects.

These investments are not free. In the interest of partnership, we have closely engaged PBA and other business organizations for more than six months beyond the engagement of their representation on the Task Force to identify a fair and appropriate funding mechanism to meet the project and program needs of \$4.2 billion, in order to build the investments the region has prioritized, and to leverage an additional \$2.6 billion in federal funding that otherwise will be invested elsewhere in the United States.

Reflecting this important dialogue, I was heartened to receive your letter in February, as the Metro Council was being asked to consider approving a supportive housing services measure, stating that PBA supported using a payroll tax mechanism to fund Get Moving 2020.

Please also know that I and the Metro Council hear your concerns about the pandemic, and its impact on our region's economy. We also understand that we are indeed in unprecedented times and facing challenges and uncertainty about the future. We believe that in order to chart a course in this moment of economic uncertainty we need to help rebuild our transportation system while rebuilding our economy. Economists and history tell us that the best way to minimize and shorten the impacts of a recession is public investment in infrastructure and jobs. We have an opportunity to invest in hundreds of critical transportation projects and programs that will create tens of thousands of jobs starting next year, while simultaneously preparing our region for future growth. We would like to find a way to move forward with the urgency these transportation investments and future jobs demand, while finding ways to mitigate possible negative impacts on the region's larger employers.

After conversations with Council colleagues, we are able to propose the following adjustments to our revenue collection schedule:

1. Delaying the imposition of taxes for Get Moving until 2022 to provide additional time for economic recovery to begin and stabilize.
2. Creating jobs and immediate activity by quickly infusing \$1.5 billion of transportation project investment, beginning in 2021, into our recovering economy before we even begin collecting tax revenues. By using Metro's strong credit rating to issue revenue bonds – and bringing more than \$1 billion in federal matching funds into our region – we can help offset the loss of family wage jobs and help generate economic activity, reducing impacts on stretched government services in the process.
3. In establishing the initial 2022 tax rate, consider setting the initial rate at a lower level and scaling the rate up over time, again allowing more time for economic recovery and growth.
4. Exempting small businesses (using state defined threshold of 25 or fewer employees) entirely from the tax, to help support longtime and emerging small businesses and eliminate the impact on most businesses owned and operated by Black, Indigenous and People of Color (BIPOC).

We believe these changes in policy address many of the concerns expressed in your letter. We are prepared to take action on these items, and would invite immediate dialogue to determine the best path forward.

We also want to dispute one point in your letter: We believe the federal government is not coming to the rescue. For the past 30 years, the federal government has consistently disinvested in state and local communities, and the Portland region has suffered an unacceptable lack of transportation and transit investment precisely because we have failed to develop the kind of package that attracts federal investment. We have seen this in housing, in sewer and water infrastructure and, yes, in transportation – all issues where local funding has had to fill the gap created by federal disinvestment.

While we would welcome a “no strings attached” influx of federal funding, this would be without precedent, especially at a time when the federal government is at best unreliable.

We need this package to be able to compete for possible federal funds; federal dollars do not come to us without a plan, and the local commitment to complete that plan.

Community leaders, businesses and residents across the region have been clear with us: It's time for action. Broad stakeholder coalitions including the Getting There Together, unions and construction trades, workforce development leaders, the Coalition of Communities of Color, and more have urged Metro Council to act quickly to help save lives, connect our communities, and put people back to work. Over the last week, leaders throughout the region have testified to the need for planned roadway and freight improvements, creating better access to fast transit and investing in safe routes to schools for young people who currently have to walk in unpaved roadside culverts. They praised the 18 months of intentional, deep engagement with BIPOC communities, transportation advocates, and elected and economic leaders alike. They asked us to move forward with this package of proposed investments.

It's clear why many in this region feel a sense of urgency. Get Moving 2020 invests in key corridors and communities across the greater Portland region, and specifically focuses on long neglected commute and transit routes like the Tualatin Valley Highway, 82nd Avenue, and McLoughlin Boulevard. Get Moving 2020 will create smoother, more reliable commutes and goods movement on corridors responsible for more than 60% of the region's jobs and commercial activity. The package will save lives; investing in 86 miles of our region's most dangerous corridors to build sidewalks and crosswalks, resurrect streetlights, and help people move around their community. These corridors are disproportionately in places where people of color live and work, putting them at a greater risk of being hit or killed on our roads. This package will demonstrably increase opportunity, safety and community stability in the places where most of the region's communities of color live, work and travel.

With a broad consensus around the need to invest in projects that advance reliability, transit access, and safety, this is our time to combine long-needed investment with economic recovery to benefit the residents of our region.

Leaders are ready. Communities are ready. It's time to get moving.

I hope we can find a path for PBA and other business associations and leaders to join me in supporting advancing the Get Moving 2020 proposal and investing in the future our region deserves.

Sincerely,

A handwritten signature in black ink, appearing to read "Lynn Peterson". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Lynn Peterson
Metro Council President