



TECHNICAL MEMORANDUM #4: FUTURE FUNDING AND PREFERRED PROJECTS

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To: Project Management Team
From: Kittelson & Associates, Inc.
Subject: Future Funding and Preferred Projects (Task 3a)

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Introduction

This memorandum evaluates and prioritizes the future service opportunities from *Technical Memorandum #3: Future Service Opportunities*; discusses funding sources and funding opportunities at the federal, state, and local levels; and presents several scenarios for funding future service opportunities. Forecasted funding and cost assumptions are based on nationwide trends and local costs.

Evaluation Criteria

Table 1 provides the framework used to evaluate transit needs throughout the County. The table also provides notes on how the evaluation criteria are measured or applied. The criteria are categorized by their corresponding goal.

The evaluation criteria are used in this memo to assess the potential costs and tradeoffs of future service alternatives and to categorize and prioritize service opportunities. For example, service alternatives that require additional buses and thus higher capital costs may be cost-prohibitive to implement in the short-term, while service alternatives that do not require additional buses could be implemented with little or no capital costs.

Evaluation criteria can conflict with each other. For example, consolidating stops on a transit route may improve travel time but decrease the general population, employment, or transit-dependent population served within ¼ mile of bus stops. Adding service hours could increase ridership but lower productivity (rides per hour). These tradeoffs will be considered alongside the pros and cons of all the criteria.

Table 1. Evaluation Criteria

Evaluation Criteria	Notes
Goal 1 – Equity: Build a transit system that meets the needs of users of all backgrounds, including a range of age, ability, income, and more.	
Population within ¼ Mile of Transit Route or Service	Provides ridership proxy using population near stops or service
Employees within ¼ Mile of Transit Route or Service	Provides ridership proxy using employment near stops or service
Goal 2 – Health and Safety: Foster public health by increasing use of active travel and improving safe access to the outdoors, health care, healthy food, and similar healthy places.	
Access to Health-Supporting Destinations	Evaluates access to grocery stores, parks, community, spaces, healthcare, and social services
Bus Stop Access & Amenities	Tracks improvements to walking and biking infrastructure and improved amenities at stops
Goal 3 – Mobility, Connectivity, and Convenience: Improve service coverage throughout the County, increase frequency and hours of service, and provide connections within and beyond the county to access the places riders need to go.	
Service Frequency	Can be further distinguished by frequency during peak periods vs. off-peak
Service Span	Number of hours per day that weekday and weekend service is provided
Goal 4 – Sustainability: Foster environmental, economic, and fiscal sustainability through transit investments.	
Fleet Emissions	Tracks conversion of the transit fleet to lower or no-emission vehicles
Capital Investment	Capital needed to start service alternative
Total Annual Operating Costs	Operating costs to maintain service alternative
Goal 5 – Coordination: Collaborate with public and private partners to maximize services.	
Access to Other Routes/Providers	Evaluates how well an alternative is integrated with other routes and mobility services
Goal 6 – Information, Marketing, and Technology: Improve awareness of and ease of access to transit facilities.	
System Ease of Use	Tracks improvements that make traveling between communities and transit providers easier

Evaluation Results

Table 2 summarizes the evaluation for each route alternative. Better performance or improved results relative to an evaluation criterion are shown in green. No change in performance or moderate results are shown in gray. Worse performance or decreased results are shown in red. The project team used Remix, mapping assessments, cost-per-hour calculations, comparisons to similar services in Oregon, and comparisons to Umatilla County's similar existing services to generate data.

In addition to these opportunities, continuing to consider coordination and consolidation opportunities is critical to transit services in Umatilla County.

Coordination and Consolidation

Improving coordination with other providers in the region and between services in Umatilla County can improve the efficiency and effectiveness of transit services. Methods of coordination include:

- » **Pulsing** – Timing transfers so that all buses meet at the same stop at the same time. Advertising pulsed services can assure riders that transferring between local and regional services will be easy, and connections will not be missed. Pulsing requires adequate bus bays for vehicles to arrive simultaneously.
- » **Interlining** – Using the same bus to travel to regional destinations after it completes the local route, and vice versa. Interlining can provide a one-seat ride without requiring additional service or vehicles. Interlining can make fare collection more complex, which should be planned for before implementation. In Umatilla County's case, free services remove this barrier.
- » **Regional Transit Consolidation** – The range of transportation operators in Umatilla County may lead to duplicated efforts or institutional barriers to providing a seamless transit system. The transportation operators could look toward a range of consolidated efforts, including:
 - Shared maintenance agreements - allowing providers to use each others' services. This can be particularly helpful for regional transit services, where vehicle breakdowns may occur far from a providers' maintenance facilities.
 - Coordinated public involvement - allowing the public to provide feedback on any services and increasing the efficiency and reach of engagement. This could also include consolidated marketing efforts.
 - Agency consolidation – Providers in the County could pursue a Regional Transit Authority, combining transportation resources and operations. This governmental formation and process should be explored further to understand impacts to funding sources, staffing structures, taxing authority, etc. A Regional Transit Authority could potentially include neighboring counties, such as Morrow or Union.



Umatilla County Transit Development Plan

Table 2. Route Alternatives Evaluation Results

Criterion	Population within ¼ Mile of Transit Route or Service	Employees within ¼ Mile of Transit Route or Service	Access to Health-Supporting Destinations	Service Frequency (trips/day)	Service Span	Capital Investment	Total Annual Operating Costs	Access to Other Routes/Providers
Pendleton Let'er Bus								
Existing (base condition for comparison)	8,900	5,500	Good; Connection to the Local Umatilla County Health Department, St Anthony Hospital Urgent Care Clinic, St Anthony Hospital General Acute Care, nursing homes, senior homes, and several pharmacies.	22	7AM – 6PM	-	\$561,000	Good; Connection to Hermiston Hopper, Mission Metro, Walla Walla Whistler, Pilot Rocket, Tutuila Tripper, and La Grande Arrow.
Alternative A	7,800	5,600	No change.	22	7AM – 6PM	5 new stops	\$603,075	No change.
Alternative B	5,900	3,700	No change.	22	7AM – 6PM	6 new stops	\$645,150	No change.
Add Saturday Service	8,900	5,500	No change.	22	7AM – 6PM + Saturday Service	No change.	\$621,500	No change.
Add Weekend Service	8,900	5,500	No change.	22	7AM – 6PM + Weekend Service	No change.	\$682,000	No change.
Mission Metro								
Existing (base condition for comparison)	3,900	4,300	Fair; Connection to the Local Umatilla County Health Department, St Anthony Hospital Urgent Care Clinic, St Anthony Hospital General Acute Care, and several pharmacies.	6	5AM – 8:30PM	-	\$306,000	Good; Connection to Pendleton Let'er Bus, Hermiston Hopper, La Grande Arrow, Pilot Rocket, Tutuila Tripper, and Walla Walla Whistler.
Alternative A	2,600	3,000	Poor; Fewer connections limited to the Local Umatilla County Health Department, St Anthony Hospital Urgent Care Clinic, and several pharmacies.	6	5AM – 8:30PM	No change.	\$229,500	No change.
Add Saturday Service	3,900	4,300	No change.	6	5AM – 8:30PM + Saturday Service	No change.	\$372,000	No change.
Add Weekend Service	3,900	4,300	No change.	6	5AM – 8:30PM + Weekend Service	No change.	\$438,000	No change.
Double Frequency (~1 hour headway)	3,900	4,300	No change.	12	5AM – 8:30PM	1 new bus	\$612,000	No change.
Hermiston – Boardman Connector								
Hermiston-Boardman Connector	1,600	2,000	Good; Connection to Umatilla Medical Clinic, Urgent, Health Care, and several pharmacies.	7	7 AM – 7 PM	1 new bus	\$357,000 (shared with Morrow County)	Good; Connection to Hermiston Hopper, Hermiston HART.



Umatilla County Transit Development Plan

Criterion	Population within ¼ Mile of Transit Route or Service	Employees within ¼ Mile of Transit Route or Service	Access to Health-Supporting Destinations	Service Frequency (trips/day)	Service Span	Capital Investment	Total Annual Operating Costs	Access to Other Routes/Providers
Hermiston Hopper								
Existing (base condition for comparison)	3,200	4,800	Fair; Connection to the Good Shephard Medical Center, Gifford Medical Center, Urgent Health Care, some senior homes, and several pharmacies.	4	5AM – 8PM	-	\$485,000	Good; Connection to Pendleton Let'er Bus, Hermiston HART, La Grande Arrow, Mission Metro, Pilot Rocket, Tutuilla Tripper, and Walla Walla Whistler.
Alternative A	2,400	3,400	Poor; Most connections remain, except for facilities in Umatilla.	4	5AM – 8PM	No change.	\$485,000	No change.
Increase Saturday Service	3,200	4,800	No change.	4	8:30AM - 7:10PM + Extended Saturday Hours	No change.	\$562,000	No change.
Add Sunday Service	3,200	4,800	No change.	4	8:30AM – 7:10PM + Weekend Service	No change.	\$716,000	No change.
Double Frequency (~2 hour headway)	3,200	4,800	No change.	8	5AM – 8PM	1 new bus	\$893,000	No change.
Hermiston HART								
Existing (base condition for comparison)	6,500	4,500	Good; Connection to the Good Shephard Medical Center, Gifford Medical Center, Urgent Health Care, most senior homes, and several pharmacies.	5	7AM – 6PM	-	\$255,000	Fair; Connection to Hermiston Hopper.
Alternative A	7,300	4,200	No change.	5	7AM – 6PM	No change.	\$255,000	No change.
Alternative B	3,400	2,600	Fair; Most connections remain, except for some senior homes.	5	7AM – 6PM	No change.	\$255,000	No change.
Add Saturday Service	6,500	4,500	No change.	5	7AM – 6PM + Saturday Service	No change.	\$310,000	No change.
Add Weekend Service	6,500	4,500	No change.	5	7AM – 6PM + Weekend Service	No change.	\$365,000	No change.
Double Frequency (~1 headway)	6,500	4,500	No change.	10	7AM – 6PM	1 new bus	\$510,000	No change.
Tri-Cities								
Tri-Cities	900	900	Good; Connection to Lourdes Medical Center, Kennewick General Hospital Walk-In Clinic, Umatilla Medical Clinic, Urgent, Health Care, and several pharmacies.	2	8 AM – 10:30 AM 4 PM – 6:30 PM	1 new bus	\$127,500	Good; Connection to Hermiston Hopper, Hermiston HART.

Criterion	Population within ¼ Mile of Transit Route or Service	Employees within ¼ Mile of Transit Route or Service	Access to Health-Supporting Destinations	Service Frequency (trips/day)	Service Span	Capital Investment	Total Annual Operating Costs	Access to Other Routes/Providers
City of Milton-Freewater								
Existing (base condition for comparison)	8,500	4,200	Good; Connection to the Walla Walla Clinic at Milton-Freewater, Jonathan M. Wainwright Memorial VA Medical Center, Saint Mary Physician Group, Providence St. Mary Medical Center, Adventist Health Walla Walla General Hospital, Walla Walla Walk-In Clinic, some nursing homes, some senior homes, and several pharmacies.	3	7:30AM – 3:30PM	-	\$153,000	Fair; Connection to Walla Walla Whistler and Valley Transit.
City of Milton-Freewater: Alternative A	3,800	1,400	Fair; Connections in Milton-Freewater remain but direct connections to facilities in Walla Walla are lost.	3	7:30AM – 3:30PM	No change.	\$153,000	Poor; Connection to Walla Walla Whistler.
Add Saturday Service	8,500	4,200	No change.	3	7:30AM – 3:30PM + Saturday Service	No change.	\$186,000	No change.
Add Weekend Service	8,500	4,200	No change.	3	7:30AM – 3:30PM + Weekend Service	No change.	\$219,000	No change.
Walla Walla Whistler								
Existing (base condition for comparison)	4,000	3,800	Poor; Connection to St. Anthony Hospital Urgent Care Clinic and several pharmacies.	4	4:30AM – 8PM	-	\$485,000	Good; Connection to Pendleton Let'er Bus, Hermiston Hopper, La Grande Arrow, Mission Metro, Pilot Rocket, Tutuilla Tripper, and Valley Transit.
Alternative A	9,000	6,100	Good; Connection to the Walla Walla Clinic at Milton-Freewater, Jonathan M. Wainwright Memorial VA Medical Center, Saint Mary Physician Group, Providence St. Mary Medical Center, Adventist Health Walla Walla General Hospital, Walla Walla Walk-In Clinic, some nursing homes, some senior homes, and several pharmacies.	4	4:30AM – 8PM	5 new stops	\$485,000	Good; No change.
Increase Saturday Service	4,000	3,800	No change.	4	4:30AM – 8PM + Extended Hours	No change.	\$562,000	No change.
Add Sunday Service	4,000	3,800	No change.	4	4:30AM – 8PM + Weekend Service	No change.	\$716,000	No change.
Double Frequency (~2-hour headway)	4,000	3,800	No change.	8	4:30AM – 8PM	1 new bus	\$893,000	No change.



Umatilla County Transit Development Plan

Criterion	Population within ¼ Mile of Transit Route or Service	Employees within ¼ Mile of Transit Route or Service	Access to Health-Supporting Destinations	Service Frequency (trips/day)	Service Span	Capital Investment	Total Annual Operating Costs	Access to Other Routes/Providers
La Grande Arrow								
Existing (base condition for comparison)	3,200	3,100	Fair; Connection to Obsidian Urgent Care, Inc., Union County Center of Human Services, Inc., St. Anthony Hospital Urgent Care Clinic, Umatilla County Health Department, and some pharmacies.	3	5:10AM – 7:15PM	-	\$306,000	Good; Connection to Pendleton Let'er Bus, Hermiston Hopper, Mission Metro, Pilot Rocket, Tutuilla Tripper, and Walla Walla Whistler.
Add Saturday Service	3,200	3,100	No change.	3	5:10AM – 7:15PM + Saturday Service	No change.	\$372,000	No change.
Add Weekend Service	3,200	3,100	No change.	3	5:10AM – 7:15PM + Weekend Service	No change.	\$438,000	No change.
Double Frequency (~3-hour headway)	3,200	3,100	No change.	6	5:10AM – 7:15PM	1 new bus	\$612,000	No change.
Pilot Rocket								
Existing (base condition for comparison)	1,700	2,500	Good; Connection to St. Anthony Hospital General Acute Care, St. Anthony Urgent Care Clinic, and several pharmacies.	3	6AM – 6:30PM	-	\$306,000	Good; Connection to Pendleton Let'er Bus, Hermiston Hopper, La Grande Arrow, Mission Metro, Tutuilla Tripper, and Walla Walla Whistler.
Add Saturday Service	1,700	2,500	No change.	3	6AM – 6:30PM + Saturday Service	No change.	\$372,000	No change.
Add Weekend Service	1,700	2,500	No change.	3	6AM – 6:30PM + Weekend Service	No change.	\$438,000	No change.
Double Frequency (~3-hour headway)	1,700	2,500	No change.	6	6AM – 6:30PM	1 new bus	\$612,000	No change.
Tutuilla Tripper								
Existing (base condition for comparison)	1,700	2,500	Good; Connection to Umatilla County Health Department, St. Anthony Urgent Care Clinic, and several pharmacies.	3	7AM – 5PM	-	\$306,000	Good; Connection to Pendleton Let'er Bus, Hermiston Hopper, La Grande Arrow, Mission Metro, Pilot Rocket, and Walla Walla Whistler.
Add Saturday Service	1,700	2,500	No change.	3	7AM – 5PM + Saturday Service	No change.	\$372,000	No change.
Add Weekend Service	1,700	2,500	No change.	3	7AM – 5PM + Weekend Service	No change.	\$438,000	No change.
Double Frequency (~3-hour headway)	1,700	2,500	No change.	6	7AM – 5PM	1 new bus	\$612,000	No change.

Information, Technology, & Facilities Summary

Information and technology services can significantly improve the ridership experience and increase ridership by improving ease of transit use and providing information to Umatilla County. Information and technology improvements and their key considerations are shown in Table 3. These improvements have differing costs, ridership impacts, and potential funding sources.

Table 3. Information, Technology, and Facilities Summary

Alternatives		Bus Stop Access & Amenities	Connections to Other Routes/Providers	Fleet Emissions	Total Capital Costs	Total Annual Operating Costs	Other	System Ease of Use
Real-Time Vehicle Arrival Information and Passenger Counters		No change	Improves	No change	\$60,000 - \$171,000 (\$3,000 - \$8,100 per vehicle)			Improves; helps riders determine waiting time
Online/Mobile Trip Planning Tool		No change	Improves; Provides riders with information on connection opportunities	No change	Schedule and trip-planning apps such as Google Maps are in place; real-time information can be incorporated once available			Improves; helps riders determine waiting time
Cameras		No change	No change	No change	\$4,000 - \$14,000 each; other cost considerations include hardware (servers, equipment to review footage).			No change
Bus Stops	Transit Centers & Major Transit Stops	Improves	Improves	No change	Varies			Improves; increases convenience
	Signage	Improves	Improves	No change	\$300 - \$1,000	Maintenance		Improves; guides riders for a smooth experience
	Shelters	Improves	Improves	No change	\$6,000 + Installation	Maintenance		Improves; increases convenience
	Benches	Improves	Improves	No change	\$500 - \$1,500	Maintenance		Improves; increases convenience
Fleet	Fuel Types - Hybrid-Electric	No change	No change	Improves	\$150k - \$200k more than regular bus; charging facilities	25%-30% fuel cost decrease	Environmental benefits	No change
	Fuel Types - CNG	No change	No change	Improves	\$25k - \$50k more than regular bus; dual-fuel facilities	25%-45% fuel cost decrease	Environmental benefits	No change
	Low-Floor	No change	No change	Improves	No change from regular bus	No change from regular bus		Improves; reduces service time to board vehicle
Bicycle & Pedestrian Amenities		Improves	Improves	No change	Varies		Requires partnerships with cities, county, ODOT, etc.	Improves; increases connections to transit
Park-and-Ride Lots		Improves	Improves	Limited Impact	Varies			No change

Forecasted Funding

This section describes existing funding sources, potential new sources, and different funding scenarios using these sources. Funding sources and opportunities are available to Umatilla County at the federal, state, and local levels.

Federal Funding Opportunities

This section describes several funding opportunities. The primary federal funding sources are the Enhanced Mobility of Seniors & Individuals with Disabilities Formula Grant (Section 5310) and the Rural Area Formula Grant (Section 5311).

Section 5307 – Urbanized Area Formula Grant

The 5307 operating grant provides funding to transit providers in urbanized areas for transit capital and operating assistance. For areas of 50,000 to 199,999 in population, the formula is based on population and population density and is distributed through ODOT. For areas with populations of 200,000 and more, funds are distributed directly to the transit agency and are based on a combination of bus revenue vehicle miles, bus passenger miles, fixed guideway revenue vehicle miles, and fixed guideway route miles as well as population and population density. From the FTA, eligible activities include:

- “Planning, engineering, design and evaluation of transit projects and other technical transportation-related studies; capital investments in bus and bus-related activities such as replacement, overhaul and rebuilding of buses, crime prevention and security equipment and construction of maintenance and passenger facilities; and capital investments in new and existing fixed guideway systems including rolling stock, overhaul and rebuilding of vehicles, track, signals, communications, and computer hardware and software. In addition, associated transit improvements and certain expenses associated with mobility management programs are eligible under the program. All preventive maintenance and some Americans with Disabilities Act complementary paratransit service costs are considered capital costs. For urbanized areas with populations less than 200,000, operating assistance is an eligible expense. Urbanized areas of 200,000 or more may not use funds for operating assistance unless identified by FTA as eligible under the Special Rule.”

Milton-Freewater currently receives this funding (\$229,764 in FY22, though Milton-Freewater doesn't meet the full amount due to local match limitations) as part of the Walla Walla Valley MPO. However, this area is likely to lose MPO status following the 2020 census. At that point, the Milton-Freewater area will revert to Section 5311 – Rural Area Formula Grants.

Section 5310 – Enhanced Mobility of Seniors & Individuals with Disabilities Formula Grant

The 5310 operating grant provides formula funding to states and metropolitan areas for the purpose of meeting the transportation needs of seniors and people with disabilities. Funds are apportioned based on each state's share of the population for these two groups. ODOT receives the portion of the funds set aside for small urban and rural areas and distributes these funds to transit providers through a competitive grant process. For FY21-23, ODOT received

approximately \$24.0 million, of which Umatilla County received \$488,502 and the Confederated Tribes of the Umatilla Indian Reservation (CTUIR) received \$94,165 to support operations.

The purpose of the Section 5310 program is to improve mobility for seniors and people with disabilities by removing barriers to transportation service and expanding transportation mobility options. Eligible projects include both “traditional” capital investment and “nontraditional” investment beyond the requirements for Americans with Disabilities Act (ADA) complementary paratransit services. From the FTA, eligible traditional activities include:

- » Travel training
- » Buses and vans
- » Wheelchair lifts, ramps, and securement devices
- » Transit-related information technology systems, including scheduling/routing/one-call systems
- » Mobility management programs
- » Acquiring transportation services under a contract, lease, or other arrangement

Nontraditional activities include:

- » Volunteer driver programs
- » Building an accessible path to a bus stop, including curb-cuts, sidewalks, accessible pedestrian signals or other accessible features
- » Improving signage or improving wayfinding technology
- » Incremental cost of providing same day service or door-to-door service
- » Purchasing vehicles to support new accessible taxi, rides sharing and/or vanpooling programs

Operations projects require a 50% local match, while other types of projects require a 20% local match.

Section 5311 – Rural Area Formula Grant

The Section 5311 grant program provides funding to small cities and rural areas with populations of less than 50,000 for transit capital, planning, and operations, including job access and reverse commute projects. Funds are apportioned to states based on a formula that includes land area, population, revenue vehicle miles, and low-income individuals in rural areas. Funds are distributed to prequalified Oregon providers through ODOT; these providers can include local and tribal governments and non-profit organizations. To be prequalified, providers must have a Drug and Alcohol Policy compliant with 49 CFR Part 655 and seek qualification through an application to the Public Transportation Advisory Committee (PTAC). Providers receive a \$100,000 base allocation, which is then increased using a formula based on miles of rural service operated (60%) and number of rides provided (40%). For FY21–23, ODOT expects to distribute approximately \$20.1 million statewide, with the City of Pendleton receiving \$302,376 and CTUIR receiving \$674,369 in 2022. The required local match is 43.92% for operations projects and 10.27% for all other project types. Some increase in 5311 funds is expected when the City of Milton-Freewater becomes eligible for this funding.

ODOT combines FTA's intercity funding with Oregon's Statewide Transit Network Program, discussed in the State Funding Opportunities section below.

Section 5311(c)(1)(B) – Tribal Transit Formula Grant

This subsection of the Section 5311 grant program provides funding to federally recognized tribes to provide public transportation services on and around Indian reservations or rural tribal lands. Funds can be used for transit capital, planning, operations, and administrative expenses, including acquiring transportation services from private providers. Funds are apportioned directly to tribal governments from the FTA, with 50% of the available funds based on revenue miles operated (Tier 1), 25% apportioned to tribes providing at least 200,000 annual revenue miles (Tier 2), and 25% apportioned to tribes providing public transportation on tribal lands where more than 1,000 low-income persons reside (Tier 3). CTUIR receives Tier 1 and Tier 2 funds, which totaled \$552,770 in FY22. There is no local match requirement.

Section 5339 – Bus and Bus Facilities

The 5339 grant provides funding for small city and rural transit providers to replace vehicles, expand the vehicle fleet, purchase bus-related equipment, construct or modify bus-related facilities, and install signs and shelters. This program provides funding for major capital improvements to rural transit systems that would not be achievable through formula allocations. Each state receives a base \$1.75 million allocation per year, which is then increased based on population and service factors. ODOT then distributes its share of the funds to transit providers through a competitive grant process; a total of \$10.3 million was available during the FY20–22 biennium. The required local match is 15% for vehicles and 20% for all other types of eligible projects.

Surface Transportation Block Grant (STBG)

The STBG program provides flexible federal funding to best address state and local transportation needs, including Federal-aid highways, bridge and tunnel projects on public roads, pedestrian and bicycle infrastructure, and transit capital projects, such as fleet replacement. ODOT provides a STBG Fund Exchange program in which cities with populations between 5,000 and 200,000, and all counties, can exchange their federal funds for state funds at a rate of 90 cents in state funds for each dollar of federal funds (this rate applies to FY22 and beyond). Recipients can then use the state funds they receive to (1) provide local match for other federal grants or (2) implement their projects without being constrained by federal requirements that would accompany the use of federal funds. ODOT also transfers funds it receives from the STBG program into the state's STP Discretionary Bus Replacement Program, described in the State Funding Opportunities section below.

Infrastructure Investment and Jobs Act

On November 15, 2021, United States President Joe Biden signed a transportation and transportation bill that directs \$1.2 trillion over five years to modernize roads, bridges and transit systems, expand high-speed internet systems, and expand the nation's network of electric vehicle charging stations. The legislation includes \$39 billion of new investment to modernize transit and improve accessibility for the elderly and people with disabilities, in addition to continuing existing transit programs for five years as part of surface transportation reauthorization. In total, the new investments and reauthorization provide \$89.9 billion in guaranteed funding for public transit over the next five years. The bill includes:

- » \$1.75 billion dedicated funding for repairing and upgrading aging infrastructure, modernize bus and rail fleets
- » \$8 billion for Capital Investment Grants to bring transit service to new communities.

- » \$5.75 billion to replace thousands of transit vehicles, including buses, with clean, zero emission vehicles; 5 percent of this amount is dedicated to training the transit workforce to maintain and operate these vehicles.

Other Federal Funding

The FTA periodically releases additional funding opportunities. For example, in FY20, the FTA announced the “Mobility for All” Pilot Program to invest in mobility options for older adults, individuals with disabilities, and people with low incomes, aimed to enable connections to jobs, education, and health services. The FTA also provides Section 5314 Technical Assistance and Workforce Development grants, which support technical assistance and educational activities that enable more effective and efficient delivery of transportation services, foster compliance with federal laws (including the ADA). These types of funding opportunities can help providers invest in innovative and effective practices and partnerships. The U.S. Department of Transportation provides Rebuilding American Infrastructure with Sustainability and Equity (RAISE) grants to modernize and create new American infrastructure. Projects that can demonstrate improvements to racial equity, reduce climate change impacts, and create good-paying jobs are prioritized. Weston, Umatilla, Milton-Freewater, Echo, Ukiah, and other cities in Umatilla County are RAISE areas of persistent poverty that may be eligible for this funding.

State Funding Opportunities

This section describes the various funding opportunities provided by the state of Oregon.

Special Transportation Fund (STF)

The STF was created in 1985 by the Oregon Legislature. Funds are allocated to 42 jurisdictions based on population. The STF is funded by cigarette tax revenue, excess revenue earned from sales of photo ID cards, and other funds from ODOT. The STF Program provides a flexible, coordinated, reliable, and continuing source of revenue to support transportation services for seniors and people with disabilities of any age. The Oregon Legislature intended that STF funds be used to provide transportation services needed to access health, education, work, and social/recreational opportunities so that seniors and people with disabilities may live as independently and productively as possible. The funds may be used for any purpose directly related to transportation services, including transit operations, capital equipment, planning, travel training, and other transit-related purposes. No local match is required.

In 2022, Umatilla County received \$379,295, and CTUIR received \$135,400. The awards for the 2021–2023 biennium will be the final separate STF distribution, as the Oregon Legislature has directed that the STF be merged into the Statewide Transportation Improvement Fund (STIF) by July 1, 2023.

Statewide Transportation Improvement Fund (STIF)

Section 122 of Keep Oregon Moving (Oregon House Bill 2017) established the STIF, a new dedicated funding source for expanding public transportation service, funded through an 0.1 percent employee payroll tax in Oregon. HB 2017’s goals included expanding access to jobs, improving mobility, relieving congestion, and reducing greenhouse gas emissions, while providing a special focus on low-income populations. STIF funds may be used for public transportation purposes that support the operations, planning, and administration of public transportation programs and may also be used as the local match for state and federal grants for public transportation service.

Most (90%) of STIF funds are distributed to Qualified Entities based on a formula. Five percent of STIF funds are available via discretionary grants for flexible funding, while four percent are available via discretionary grants for projects enhancing intercommunity service and the statewide transit network. One percent of the funds are allocated for program administration and a technical resource center.

Table 4 shows the projected growth of STIF formula funding for Umatilla County and the CTUIR. As shown, STIF funding for Umatilla County is projected to grow by 5.09% per year from 2022 to 2023. These amounts do not include discretionary and intercommunity funds. The current STIF funds are based on an 0.1% employee tax. If transit agencies across Oregon meet certain criteria, this may increase to 0.3% in the future.

Table 4. STIF Formula Funding Forecasts for Umatilla County and the CTUIR

STIF	2024	2025	2026	2027	Projected Growth 2025-2026
Umatilla County	\$1,332,978	\$1,399,783	\$1,465,680	\$1,533,408	4.7%
CTUIR	\$100,000	\$100,000	\$102,116	\$102,116	2.1%

Source: <https://www.oregon.gov/odot/RPTD/RPTD%20Committee%20Meeting%20Documents/STIF-Allocation-Estimates-Sep-2022.pdf>

The discretionary element of the STIF awarded over \$10.5 million in grants during the 2019–2021 biennium. Eligible recipients include “Qualified Entities” as defined in OAR 732-040-0005(26) that provide public transportation services, as well as other “Public Transportation Service Providers” as defined in OAR 732-040-0005(24). The local match is typically a minimum of 20%, although certain projects may qualify for a 10% local match (e.g., providing access to rural communities, providing service outside a provider’s geographic jurisdiction, filling significant gaps in the Statewide Transit Network, projects benefitting multiple providers). Eligible projects include capital, planning, management, and transit-adjacent projects (e.g., infrastructure projects to improve transit user safety). Pilot operations projects are also eligible, but discretionary funds are not intended to be a source of ongoing operations funding, and applicants must provide a feasible financial plan for continued operations as part of their application for a pilot project.

STP Discretionary Bus Replacement Program

Oregon transfers federal STBG funds into Section 5310, Section 5311, and Section 5307 (Mass Transit Vehicle Program, used by large urban areas) and allocates funds to transit providers throughout Oregon through a competitive grant process. Funds must be used to replace existing vehicles that were purchased through ODOT and that have ODOT on the vehicle title as the first security interest holder. A local match of 10.27% is required. In the 2020–2022 biennium, ODOT allocated \$5 million to the program; Umatilla County did not receive funding to replace vehicles, but the CTUIR received \$236,761. The Oregon Transportation Commission has committed to continuing this program for at least one more grant cycle.

Statewide Transit Network Program

This program is designed to support intercommunity and intercity transit services. It is funded partially by the STIF Intercommunity Discretionary Fund (\$7.3 million in the 2019–2021 biennium) and partially by federal Section 5311(f) intercity funds (\$1.3 million).

All entities that are eligible for STIF funding and provide intercommunity/intercity service are eligible to apply to the STIF Intercommunity Discretionary Fund. The required local match is the same as for STIF Discretionary grants: 20%, or 10% for specified project types; intercity service typically has characteristics that qualify for the 10% local match.

Eligibility for 5311 (f) funds is broader than for STIF funds, as eligible entities also include non-profit and private for-profit providers of intercity service. However, these funds also require a greater local match: 50% for operations projects and 20% for capital projects and project administration.

Rural Veterans Healthcare Transportation (RVHT)

The RVHT grant program was created in 2019 by Senate Bill 5538. Funding can be used to provide veterans and federally recognized Tribes with access to healthcare and other transit-related needs.

Funding awards range between \$35,000 and \$75,000. No local match is required; RVHT grants may be leveraged as a local match to secure funding for complementary transit funding. The funding cannot be used for individuals who are civilians and not tribal members. RVHT passengers may not be charged a transit fare. Umatilla County was awarded \$20,000 in 2021 to support curbside transportation for veterans.

Highly Rural Transportation Grants (HRTG)

The HRTG is a grant-based federal program, under Veteran Affairs, that provides demand-response services. It transports Veterans in highly rural areas to VA-authorized health care facilities. There is no fee to travel, as long as the program is available in the area the Veteran lives in. Some counties in Oregon are eligible for this program; however, Umatilla is not one of them.

WSDOT Grants

WSDOT administers state and federal funding through the Consolidated Grant Program. These are available to Washington-based transportation providers, such as Valley Transit or Ben Franklin Transit, but may be used to provide service across state lines. A list of these consolidated grants are shown below:

- » Enhanced Mobility of Seniors & Individuals with Disabilities (Section 5310)
- » Formula Grants for Rural Areas (Section 5311)
- » Grants for Buses and Bus Facilities Formula Program (Section 5339a)
- » Paratransit/Special Needs and Rural Mobility Competitive

In addition to the WSDOT Consolidated Grants, the following list shows other WSDOT grants:

- » First/Last Mile Connections
- » Green Transportation Capital
- » Move Ahead Washington
- » Transit Coordination
- » Paratransit/Special Needs and Rural Mobility Formula
- » Regional Mobility
- » Rural Transportation assistance Program
- » Transit Support Grant
- » Transportation Demand Management Grant
- » Travel Washington Intercity Bus

- » Vanpool Investment Program
- » Pedestrian & Bicycle Program and Safe Routes to School

Leveraging Local Funding

Many state and federal funding sources require a 10–20% local match to receive funding. Therefore, small increases in local funding can be leveraged to make substantial increases in state and federal funding.

Local Funding Opportunities

This section describes several local funding opportunities. Umatilla County should consider these funding sources as well as continue to work with employers, local organizations, communities, and stakeholders in the region to identify their travel needs and form partnerships that could aid in securing local funds to develop solutions for services.

City Contributions

The cities of Hermiston, Milton-Freewater, and Pendleton contribute to support Umatilla County's transit services. For FY 2022, the City of Hermiston provided \$59,194, the city of Milton-Freewater provided \$58,581, and the City of Pendleton provided \$20,661. City contributions and potential partnerships are helpful for future transit planning, such as facilitating connections for future developments.

Medical-related and Local Revenue

Umatilla County provides services related to medical care and senior transportation. These services include CAPECO, Foster Grandparents, CareVan, Hermiston Senior Center, Safe T Transport, etc. The revenue from these services includes fare revenue, contract revenue, donations, and local assistance. From June 2021 to June 2022, the total revenue resulted in \$181,694 in funding, not including the city contributions noted above.

Local Taxes

Transit providers in Umatilla County do not currently have direct taxing authority. Should Umatilla County pursue becoming a Transportation Service District in the future under the provisions of ORS 267.510 to 267.650, it would benefit from staffing and resource consolidation that could provide reductions in costs to provide service. Additionally, Transportation Service Districts may pursue property taxes to help fund its operations. Among other things, becoming a Transportation Service District requires the County's governing body (the Board of County Commissioners) to approve a public vote, to which the public must vote in favor of formation. Once the Transportation Service District is formed, property taxes would need to be approved via an additional public ballot. As an example, other districts, such as Lincoln County and Tillamook County, assess property taxes in the range of \$0.10–\$0.20 per \$1000 of assessed land value. In 2020, the county's total net actual value was near \$5 billion.¹ Therefore, a \$0.10 tax rate would result in about \$500,000 in annual revenue.

Other Transit Provider Revenue

Other, usually relatively minor, funding sources include advertising/sponsorships and investment income. Advertising typically provides a consistent, small stream of revenue. Some transit providers sell sponsorships for facility names, individual transit vehicles, etc. Many transit providers receive small amounts of investment income from the Local Government Investment Pool (LGIP) on some of their long-term savings.

¹https://www.co.umatilla.or.us/fileadmin/user_upload/AT/SAL_Reports/2021/CODE_TOTAL_REPO_RT_BY_COUNTY_01.pdf

Funding Scenarios

Future funding scenarios consider relatively stable as well as uncertain funding sources. Although the COVID-19 pandemic has reduced ridership and ridership-associated transit funding, other funding for transit has increased in recent years.

Table 5. Projected Growth Rates for Funding and Costs

Growth Rates	
STIF Formula Employment/Wage Growth	5.00%
STF/5310/5311/Local Match Growth	2.00%
Local Match Growth	2.00%
Service and Capital Cost	3.50%

This memorandum considers the following funding scenarios:

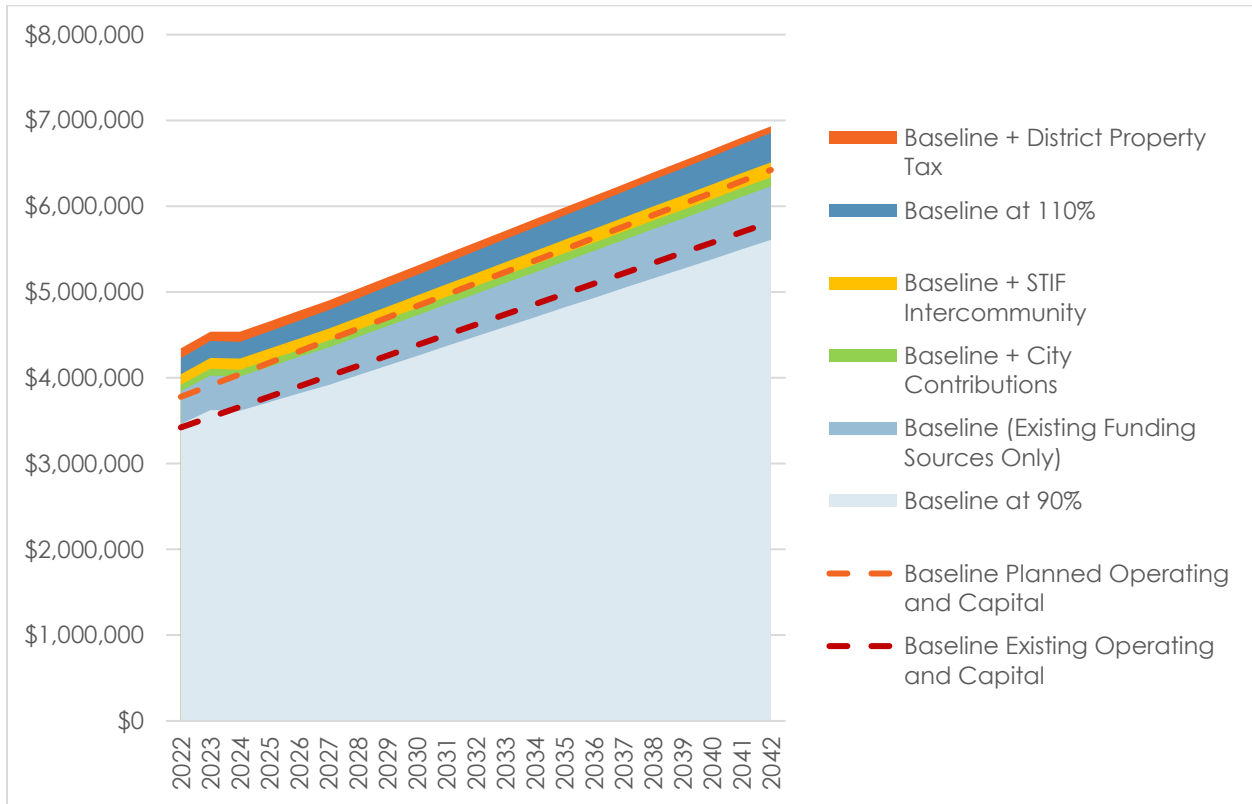
- » **Baseline Funding:** This funding scenario projects existing funding sources at the rates shown in Table 5.
- » **Baseline at 90%:** This funding scenario assumes a 10% reduction in existing funding, projected forward at the historic rate. This scenario provides a proxy estimate of reduced ridership and its impacts on fare and formula fund loss, STIF projections, etc.
- » **Baseline at 110%:** This funding scenario assumes a 10% increase in existing funding, projected forward at the historic rate. This scenario provides a proxy estimate of increased ridership, STIF projections, etc.
- » **Baseline + STIF Intercommunity** – This funding scenario includes existing funding sources plus an additional \$200,000 in STIF Intercommunity. It projects this funding forward at the historic rate. STIF Intercommunity funds could be applied to potential routes. It should be noted that STIF Intercommunity funds are intended to be used for pilots and initial operations. The assumed \$200,000 is a typical operating funding amount for STIF Intercommunity funds; this scenario projects a 2% growth rate.
- » **Baseline + City Contributions** – This scenario reflects several cities each contributing several thousand dollars per year to Umatilla County to about \$10,000 in local match and leveraging these dollars as the 10% for various state and federal funds. The resulting amount is estimated at \$100,000, projected at a 2% growth rate.
- » **Baseline + District Property Tax** – This scenario reflects a possibility of Umatilla County becoming a transportation service district and enacting a property tax rate of \$0.10 per \$1000 of the assessed total tax land value. The forecast property tax is based on an annual increase of 2% of total existing property taxes and the additional property taxes from anticipated housing growth in the county.

Table 6 and Figure 1 shows the funding scenarios and approximate projected funding amounts. Projected funding amounts are shown as shaded areas in Figure 1, while baseline funding costs and baseline plus the planned Hermiston-Boardman Connector costs are identified as dashed lines (detailed cost inputs described further below).

Table 6. Projected Funding Scenarios

Year	2022	2027	2032	2037	2042
Local Match (NEMT, Contract Revenues)	\$320,130	\$352,000	\$384,000	\$416,000	\$448,000
Section 5307 Funds	\$54,000	\$0	\$0	\$0	\$0
Section 5311 Funds	\$674,369	\$742,000	\$809,000	\$877,000	\$944,000
Section 5310 Funds	\$488,502	\$537,000	\$586,000	\$635,000	\$684,000
County STF	\$379,293	\$417,000	\$455,000	\$493,000	\$531,000
Tribal Funds (STF, 5311c)	\$635,400	\$667,000	\$699,000	\$731,000	\$762,000
STIF Formula - CTUIR	\$100,000	\$102,116	\$128,000	\$153,000	\$179,000
STIF Formula - Umatilla County	\$1,190,140	\$1,533,408	\$1,917,000	\$2,300,000	\$2,683,000
Increased City Contributions	\$75,000	\$83,000	\$90,000	\$98,000	\$105,000
STIF Intercommunity	\$200,000	\$220,000	\$240,000	\$260,000	\$280,000
District Property Tax	\$500,000	\$550,000	\$600,000	\$650,000	\$700,000
Combined Funding Scenarios					
Baseline (Existing Funding Sources Only)	\$3,842,000	\$4,351,000	\$4,978,000	\$5,605,000	\$6,231,000
Baseline at 90%	\$3,458,000	\$3,916,000	\$4,480,000	\$5,045,000	\$5,608,000
Baseline at 110%	\$4,226,000	\$4,786,000	\$5,476,000	\$6,166,000	\$6,854,000
Baseline + City Contributions	\$3,917,000	\$4,434,000	\$5,068,000	\$5,703,000	\$6,336,000
Baseline + STIF Intercommunity	\$4,042,000	\$4,571,000	\$5,218,000	\$5,865,000	\$6,511,000
Baseline + District Property Tax	\$4,417,000	\$4,984,000	\$5,668,000	\$6,353,000	\$7,036,000
Baseline + City Contributions + District Property Tax	\$4,342,000	\$4,901,000	\$5,578,000	\$6,255,000	\$6,931,000

Figure 1. Projected Finding Scenarios and Recommendations



Prioritization and Recommendations

Future routing service opportunities were prioritized by timeframe based on their evaluation results, funding availability, and other factors influencing decision-making, including other services and capital purchases. Most notably, transit services in Umatilla County will be financially constrained unless additional funding or reduced operating costs are achieved. Table 7 shows the preliminary prioritization recommendations by timeframe. Note that the planned Hermiston – Boardman Connector is assumed to be implemented in this biennium and is reflected in the “Planned” improvements list.

Short-term recommendations are typically high priorities for community members and stakeholders, have lower implementation costs or dedicated funding in-place, and have higher ridership potential and improved transit access. These recommendations include:

- » Pursuing STIF Intercommunity funds and WSDOT grants (via Ben Franklin Transit) to pilot the proposed **Tri-Cities route**. The new route would operate a morning and evening run on weekdays that would allow riders to make connections from other services and complete a roundtrip in a single day. As the grant sources are often intended for short-term piloting, this route would need other funding in the mid-term and long-term.
- » **Implement passenger counters and monitor stop usage** to assess bus stop amenity needs:
 - In particular, monitor the Milton-Freewater service given the recent minor modifications to local stops. Additional survey feedback indicated that a different Milton-Freewater stop for Grant County People Mover and Walla Walla Whistler is desired by riders as the Fry’s True Value is far from many activity centers and residential areas.
 - Additionally, the implementation of the Hermiston – Boardman Connector and Tri-Cities route will shift transit use in northwest Umatilla County. This area should be monitored for the need for modified stops, vanpool partnerships, local circulators/expanded dial-a-ride areas, or other service enhancements.
- » **Improve amenities** at the **Pendleton Walmart, Hermiston Walmart, Til Taylor Park, 3rd & Orchard** (or alternative Hermiston transit center), and **Nixyaawi Governance Center/Tribal Health Center stops**. These stops are known to have high ridership today.
- » **Pursue real-time vehicle arrival implementation** and associated trip planner updates.

Mid-term recommendations consider public feedback priorities on service enhancements, cost constraints, and service distribution across the county. These recommendations include:

- » **Pursue additional funding** to implement service enhancements and maintain existing operations; consider becoming a transportation district and pursuing property tax revenues and/or increasing city contributions.
- » Becoming a transportation district may result in **provider consolidation** with potential to pool staffing and decrease overhead costs in providing service.

- » Before or alongside this transition, providers could pursue a **centralized transit center in Pendleton**, potentially using and/or expanding the planned storage facility in northwest Pendleton.
- » After a storage facility transition, the **Mission Metro Alternative A** could be implemented to serve as an express connection between Mission and Pendleton. Other routes could be modified to remove the segment between Pendleton and Mission, shifting the travel time savings to increase Mission Metro frequency. These changes would provide more direct access between Pendleton and the transit-connected communities, but would require a transfer for those accessing Mission.
- » Additional revenues could be used to **add one trip per weekday to Hermiston HART, La Grande Arrow, and Pilot Rocket**. Expansion to frequency and evening/morning service were the highest priorities in the first outreach survey, these routes were among the highest-ranked for additional frequency and later evening or earlier morning service hours in the second survey, and these routes have relatively fewer trips per day compared to others (ex. Pendleton Let'er Bus, Hermiston Hopper, etc.).
- » Pursue **lower emission vehicles and infrastructure** to lower operating costs and reduce greenhouse gas emissions.

Long-term recommendations are those that are highly desired by riders, but would require substantial additional funding that may be difficult to obtain in the short- or mid-term. These recommendations include:

- » Pursuing increased funding to implement **increased and new weekend service** on all fixed-routes and demand-response services.

Unconstrained recommendations include increased weekend service and increased frequency for all fixed-routes and demand-response services. This was a high priority for survey respondents, although beyond projected funding availability.

In addition, in all timeframes, Umatilla County should continue to collaborate with other jurisdictions to improve transit access, amenities, and overall service.

Figure 2 shows the recommendations compared to the projected funding scenarios, with estimated costs shown in Table 8. Figure 3 shows the short-term, mid-term, and long-term recommendations compared to the pursuit of both an increased city contribution and district property tax scenario. As noted previously, increased funding would be needed to make the short-term, mid-term, and long-term recommendations considered constrained.

Table 7. Service Opportunity Prioritization

Improvement	Short-Term	Mid-Term	Long-Term	Unconstrained
Routes	<ul style="list-style-type: none"> » Implement Hermiston – Boardman Connector and Boardman – Port of Morrow Circular (included in planned baseline costs/vehicles) » Implement Tri-Cities route » Adjust stops for Milton-Freewater route and connecting stop for regional services 	<ul style="list-style-type: none"> » Add one weekday trip for Hermiston HART, La Grande Arrow, and Pilot Rocket » Implement Mission Metro Alternative A 	<ul style="list-style-type: none"> » Increased weekend service on all fixed-routes and demand-response services 	<ul style="list-style-type: none"> » Increased frequency for weekday and weekend service on all fixed-routes and demand-response services
Information, Technology, & Facilities	<ul style="list-style-type: none"> » Real-time vehicle arrival information and passenger counters » Rider tools and information via website and mobile app » Bus stop improvements, in particular for: <ul style="list-style-type: none"> • Pendleton Walmart • Hermiston Walmart • Til Taylor Park • Hermiston transit center • Nixyaawi Governance Center/Tribal Health Center 	<ul style="list-style-type: none"> » Centralized Pendleton transit center » Pursue low/no-emission vehicles and infrastructure » Continued bus stop improvements 	<ul style="list-style-type: none"> » Continued bus stop improvements 	
Additional Operating Costs	+\$127,500	+\$255,000 (\$383,000 total)	+\$718,000 (\$1,101,000 total)	+\$2.6M (\$3.7M total)
Total New Buses	+2 buses (Tri-Cities Route)	+2 buses (increased frequency)	0 net new (use same fleet as weekday service)	+10 buses (doubled frequency)

Table 8. Service Opportunity Details

Costs	2022	2027	2032	2037	2042
Baseline Existing Service Operating Cost	\$3,404,000	\$4,000,000	\$4,596,000	\$5,192,000	\$5,788,000
Baseline Existing Capital Cost	\$25,000	\$29,000	\$34,000	\$38,000	\$43,000
Baseline Planned Service	\$3,761,000	\$4,420,000	\$5,078,000	\$5,736,000	\$6,394,000
Short-Term Recommendation	\$3,889,000	\$4,570,000	\$5,250,000	\$5,931,000	\$6,611,000
Mid-Term Recommendation	\$4,144,000	\$4,869,000	\$5,594,000	\$6,320,000	\$7,045,000
Long-Term Recommendation	\$4,862,000	\$5,713,000	\$6,564,000	\$7,415,000	\$8,266,000
Unconstrained Recommendation	\$7,443,000	\$8,745,000	\$10,048,000	\$11,350,000	\$12,653,000
Combined Costs					
Baseline Existing Operating and Capital	\$3,429,000	\$4,029,000	\$4,630,000	\$5,230,000	\$5,831,000
Baseline Planned Operating and Capital	\$3,786,000	\$4,449,000	\$5,112,000	\$5,774,000	\$6,437,000
Planned + Short-Term Recommendations	\$3,914,000	\$4,599,000	\$5,284,000	\$5,969,000	\$6,654,000
Planned + Mid-Term Recommendations	\$4,169,000	\$4,898,000	\$5,628,000	\$6,358,000	\$7,088,000
Planned + Long-Term Recommendations	\$4,887,000	\$5,742,000	\$6,598,000	\$7,453,000	\$8,309,000
Planning + Unconstrained Recommendation	\$7,468,000	\$8,774,000	\$10,082,000	\$11,388,000	\$12,696,000

Figure 2. Projected Funding Scenarios and Recommendations

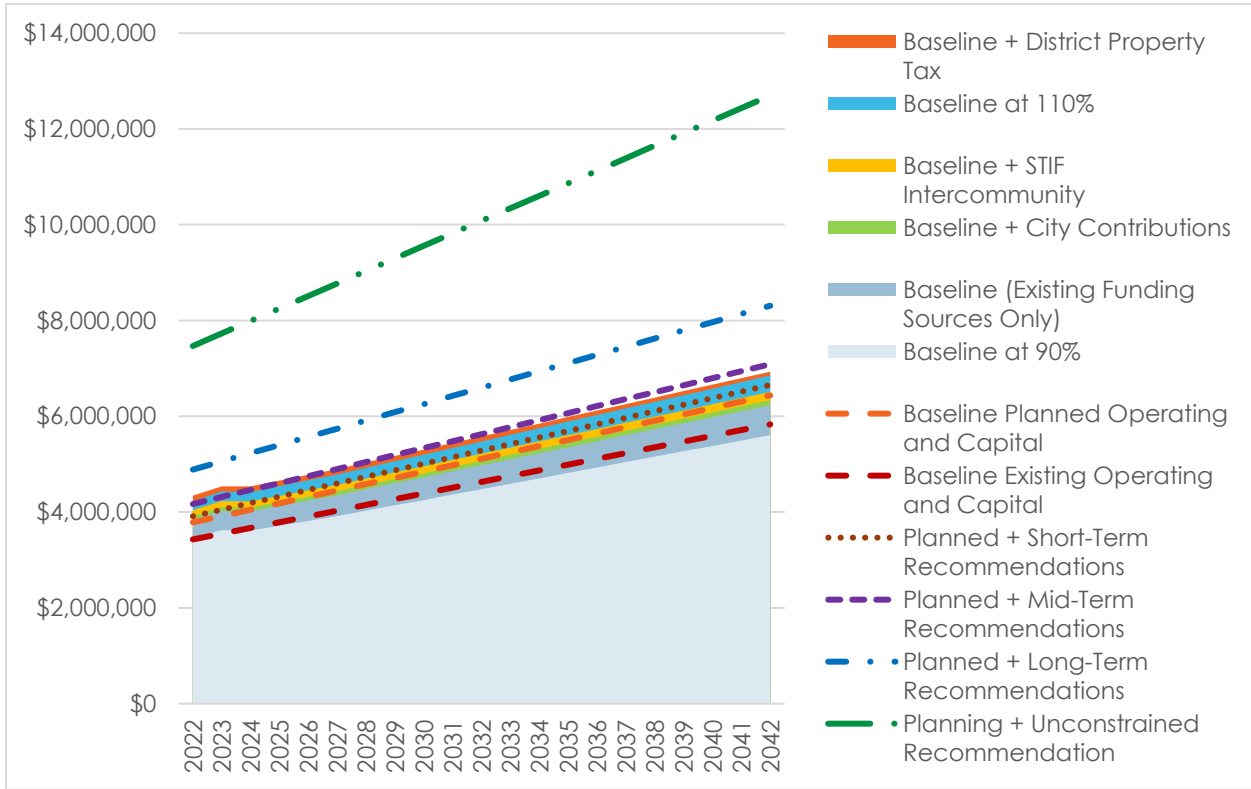
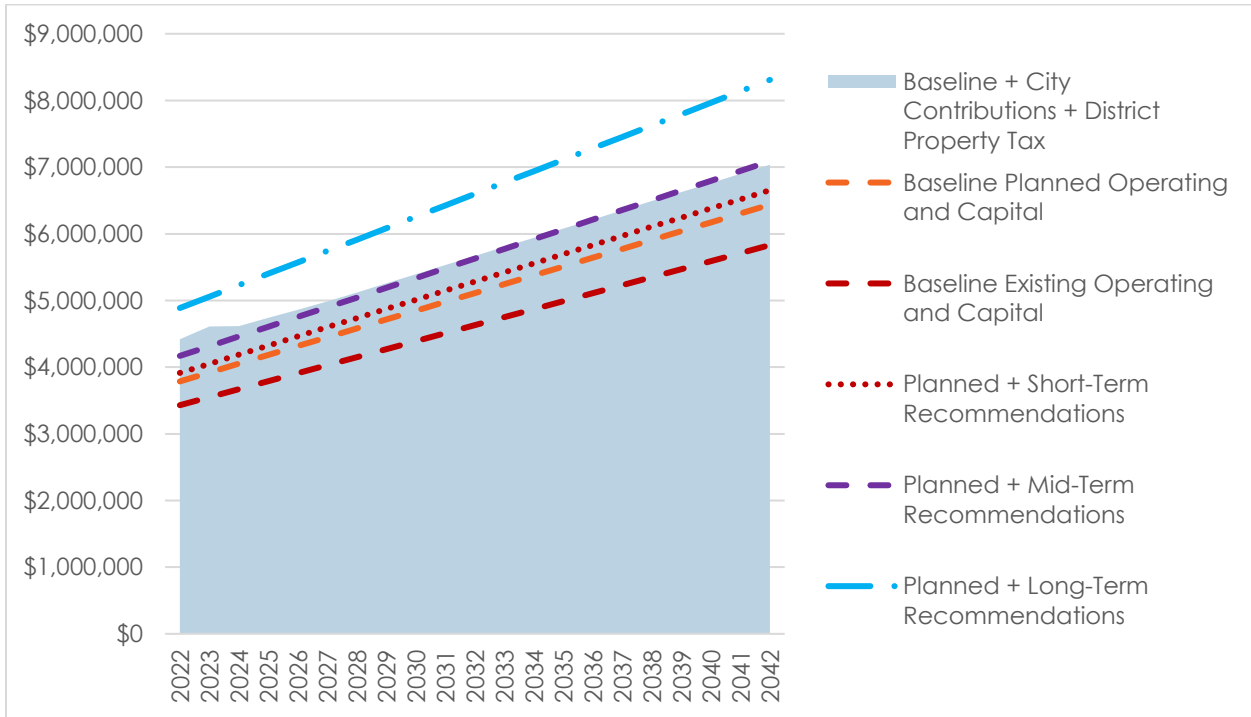


Figure 3. Increased City Contributions, District Property Tax, and Recommendations





Next Steps

These priorities were reviewed with the PMT and TAC, revised, and will be refined in *Technical Memorandum #5: Implementation Plan*.