

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ADOPTING THE) RESOLUTION NO. 06-3665
POLICY DIRECTION, PROGRAM OBJECTIVES,)
PROCEDURES AND CRITERIA FOR THE) Introduced by Councilor Rex Burkholder
TRANSPORTATION PRIORITIES 2008-11)
ALLOCATION PROCESS AND)
METROPOLITAN TRANSPORTATION)
IMPROVEMENT PROGRAM (MTIP))

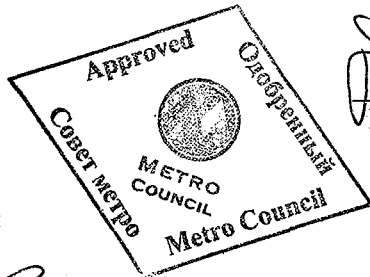
WHEREAS, the Joint Policy Advisory Committee on Transportation (JPACT) and Metro Council will be awarding regional flexible funds to transportation projects in the region through the Transportation Priorities process; and

WHEREAS these funding awards, as well as all other federal transportation spending in the region, will be programmed in the (MTIP); and

WHEREAS, JPACT and the Metro Council wish to provide policy direction on the objectives of the Transportation Priorities funding process and programming of funds in the MTIP; now therefore

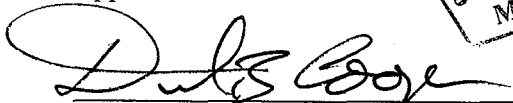
BE IT RESOLVED that the Metro Council hereby adopts the recommendation of JPACT for the policy direction, program objectives, procedures and criteria for the Transportation Priorities 2008-11 allocation process and Metropolitan Transportation Improvement Program as described in Exhibit A attached hereto as to form.

ADOPTED by the Metro Council this 23rd day of March, 2006.




David Bragdon, Council President

Approved as to Form:


Daniel B. Cooper, Metro Attorney



**Exhibit A of
Resolution 06-3665**

**Transportation Priorities
2008-11 Allocation Process
and Metropolitan
Transportation Improvement
Program Update**

Policy Report

March 23, 2006



METRO

PEOPLE PLACES
OPEN SPACES

Regional Transportation Funding and the Transportation Priorities Program

There are several different sources of transportation funding in the region, many of which are dedicated to specific purposes or modes.

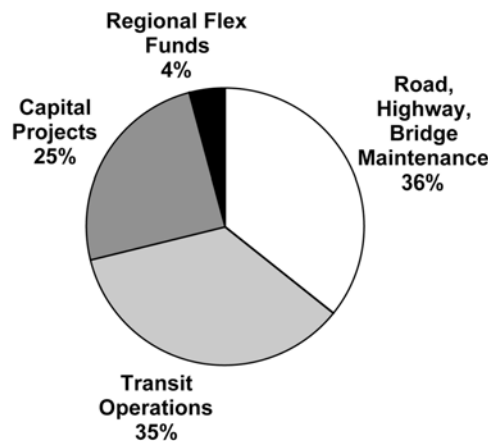
Recent data demonstrates that approximately \$425 million is spent annually in this region on operation and maintenance of the existing transportation system. While there are unmet needs within operations and maintenance, the relatively small potential impact that regional flexible funds would have on these needs and because there are other potential means to address these needs, JPACT and the Metro Council have adopted policy against using regional flexible funds for these purposes. Exceptions include the Transportation Demand Management (TDM) programs as they have demonstrated a high cost-effectiveness at reducing the need for capital projects, because they lack other sources of public funding to leverage private funding and because they directly benefit priority 2040 land-use areas. A second exception is expenditures on the expansion of transit service. This exception has been limited to situations where the transit provider can demonstrate the ability to fund the increased transit service in the subsequent MTIP funding cycle.

Capital spending in the region for new capital transportation projects outside of regional flexible funding is approximately \$180 million per year. This includes funding for state highways, new transit capital projects, port landside facilities and local spending.

Approximately \$26 million of regional flexible funds are spent each year in the Metro Area. This funding is summarized in the following Figure 1.

Figure 1

Annual Regional Transportation Spending \$630 million



Recent acts by the state legislature have provided one-time revenue sources for transportation improvements in the region. This includes \$22 million in road capacity projects in OTIA I & II, a portion of the expected \$31 million for capacity projects in OTIA III and a portion of OTIA III funds targeted for freight mobility, industrial access and job creation (\$100 million statewide). These funds directly supplement the construction of road capacity projects in the region.

Additionally, \$34 million in highway capacity and \$158 million in highway, bridge and road reconstruction funding programmed to this region for expenditure by 2010. These highway funds will be supplemented by highway projects of statewide significance (\$100 million statewide), and match to the Oregon Transportation Commission (OTC)-requested federal earmarks (\$200 million statewide) that will be programmed to this region by OTC.

This increase in state revenue dedicated to highway and road capacity, preservation, and bridge repair and reconstruction represents the first major increase in state resources in more than a decade. Prior to this increase, regional flexible funds were used to fund a number of highway capacity projects, such as the I-5/Highway 217 interchange, capacity improvements on Highway 26, the Tacoma Street over crossing of Highway 99E and the Nyberg Road interchange.

2006-09 Transportation Priorities Allocation Process and Policy Direction

The 2006-09 Transportation Priorities process began with the adoption of the following program policy direction.

The primary policy objective for MTIP and the allocation of region flexible transportation funds is to:

- Leverage economic development in priority 2040 land-use areas through investment to support:
 - 2040 Tier I and II mixed-use areas (central city, regional centers, town centers, main streets and station communities);
 - 2040 Tier I and II industrial areas (regionally significant industrial areas and industrial areas); and
 - 2040 Tier I and II mixed-use and industrial areas within UGB expansion areas with completed concept plans.

Other policy objectives include:

- Emphasize modes that do not have other sources of dedicated revenues;
- Complete gaps in modal systems;
- Develop a multi-modal transportation system with a strong emphasis on funding: bicycle, boulevard, freight, green street demonstration, pedestrian, regional transportation options, transit oriented development and transit projects and programs; and
- Meet the average annual requirements of the State Implementation Plan for air quality for the provision of pedestrian and bicycle facilities.

These policy objectives are implemented through limits on the number and type of applications allowed from the sub-regional transportation coordinating committees, project eligibility and screening criteria, the Region 2040 match advantage incentive, technical evaluation measures, qualitative issues (including public comments), the factors used to develop the narrowing recommendation, and any additional policy direction received from JPACT and the Metro Council during the narrowing process.

Sub-Regional Application Limits

The region has three transportation coordinating committees: Clackamas County, East Multnomah County and Washington County, to coordinate various transportation issues, including the number and type of applications to the Transportation Priorities process. The City of Portland has an internal coordinating process among its transportation, planning, development and parks agencies. Each sub-area may only apply for an amount of regional flexible funds equal

to twice the amount they would receive under a sub-allocation by percentage of regional population. Due to the time and cost involved in preparation, evaluation and selection of projects, this is a means of containing the costs association with this process to those projects of highest priority to the applicants.

Furthermore, each sub-area may only submit road capacity, reconstruction and bridge projects in total project costs of no more than 60% of their target maximum. This ensures a range of CMAQ eligible projects will be eligible from across the region.

Region 2040 Match Advantage

The Region 2040 Match Advantage is summarized as follows:

- A. Bridge, Road Capacity, Road Reconstruction, and Transit Projects located within:
 - i. Tier I or II 2040 land use areas other than corridors;
 - ii. One mile of a Tier I 2040 land use areas if the facility directly serves that area is eligible for up to 89.73% match of regional funds.

- B. Freight projects located within:
 - i. Tier I or II 2040 industrial areas or inter-modal facility,
 - ii. Within 1 mile of a Tier I industrial area or inter-modal facility if the facility directly serves that area or facility is eligible for up to 89.73% match of regional funds.

- C. Boulevard, Pedestrian and TOD projects located within:
 - i. Tier I or II 2040 land use areas other than corridors is eligible for up to an 89.73% match of regional funds.

- D. Planning and Green Street Demonstration projects are eligible for 89.73% match of regional funds.

- E. The RTO program is not subject to the Region 2040 match advantage program as it is programmatic in nature and some RTO programs or projects may be eligible for 100% funding from regional flexible fund sources. The RTO Subcommittee may utilize other incentive criteria for emphasizing projects and programs in Region 2040 priority land use areas.

- F. All other projects would be eligible for up to a 70% match of regional funds.

Project Eligibility and Screening Criteria

Following are the project eligibility and screening criteria.

Eligibility Criteria for All Projects

To be eligible for funding, a project must be a part of the 2004 Regional Transportation Plan's financially constrained system project list. A jurisdiction may apply for a project not currently in the financially constrained project list under the following conditions:

- Jurisdiction assumes risk in requesting approval of amendment to the RTP financially constrained system;

- Jurisdiction identifies a project of similar costs (within 10%) currently in the 2004 RTP financially constrained system that it may request be removed to maintain financial constraint; and
- The project is likely to be determined exempt from air quality impacts based on federal guidance.

Screening Criteria for All Projects

- Highway, road and boulevard projects must be consistent with regional street design guidelines.
- Project designs must be consistent with the Functional Classification System of the 2004 RTP.
- No funding for on-going operations or maintenance, except for the RTO program and start-up transit operations that demonstrate capacity for future operation funds to replace regional flexible funds by the next MTIP funding cycle.
- Applicant jurisdiction must be in compliance with the Metro Urban Growth Management Functional Plan or has received an extension to complete compliance planning activities. If the applicant jurisdiction is not in compliance work has not received an extension, it must provide documentation of good faith effort in making progress toward accomplishment of its compliance work program. The work program documentation must be approved by the governing body of the applicant jurisdiction at a meeting open to the public and submitted to Metro prior to the release of the draft technical evaluation of project applications by Metro staff.
- Project must meet Metro's requirements for public involvement and have received support of the governing body at a public meeting as a local priority for regional flexible funding. Adoption of a resolution at a public meeting would qualify as receiving support of the governing body. Documentation of such support would need to be provided prior to release of a technical evaluation of any project.
- Statement that project is deliverable within funding time frame and brief summary of anticipated project development schedule.
- Intelligent Transportation System (ITS) elements of a project be included in a relevant plan and is consistent, or can be incorporated into, the regional ITS architecture.

Technical Evaluation Measures

Projects are quantitatively evaluated within one of 12 modal categories (planning applications are not quantitatively evaluated). Measures are developed to address the program policy objectives and are generally categorized into project effectiveness (25 points), 2040 land use objectives (40 points), safety (20 points) and cost-effectiveness (15 points). Bonus points are sometimes available to address additional goals such as inclusion of Green Street project elements. The Green Street category, as a demonstration category, does not follow the point allocation distribution described above but rather the point system emphasizes inclusion of Green Street design elements.

Evaluation measures are refined each funding cycle to better address program policy objectives.

Qualitative Criteria

The use of qualitative criteria was limited as a means for technical staff to recommend elevating a project to receive funding over other higher technically ranked projects within their same project categories.

Qualitative Criteria

- Minimum logical project phase
- Linked to another high priority project
- Over-match
- Past regional commitment*
- Includes significant multi-modal benefits
- Affordable housing connection
- Assists the recovery of endangered fish species
- Other factors not reflected by technical criteria

Any project could receive a recommendation from Metro staff or TPAC for funding based on these qualitative criteria only if it is technically ranked no more than 10 technical points lower than the highest technically ranked project not to receive funding in the same project category (e.g., a project with a technical score of 75 could receive funding based on qualitative criteria if the highest technically ranked project in the same project category that did not receive funding had a technical score of 85 or lower).

* Previous funding of Preliminary Engineering (PE) does constitute a past regional commitment to a project and should be listed as a consideration for funding. Projects are typically allocated funding for PE because they are promising projects for future funding. However, funding of PE or other project development work does not guarantee a future financial commitment for construction of these projects.

Factors Used to Develop Narrowing Recommendations

In developing both the first cut and final cut narrowing recommendations, Metro technical staff will consider the following information and policies:

- Honoring previous funding commitments made by JPACT and the Metro Council.
- Program policy direction relating to:
 - Economic development in priority land use areas;
 - Modal emphasis on bicycle, boulevard, green streets demonstration, freight, pedestrian, RTO, TOD and transit;
 - Addressing system gaps;
 - Emphasis on modes without other dedicated sources of revenue; and
 - Meeting SIP air quality requirements for miles of bike and pedestrian projects.
- Funding projects throughout the region.
- Technical rankings and qualitative factors:
 - The top-ranked projects at clear break points in technical scoring in the bicycle, boulevard, freight, green streets, pedestrian, regional travel options, transit and TOD categories (with limited consideration of qualitative issues and public comments).
 - Projects in the road capacity, reconstruction or bridge categories when the project competes well within its modal category for 2040 land use technical score and overall technical score, and the project best addresses (relative to competing candidate projects) one or more of the following criteria:

- Project leverages traded-sector development in Tier I or II mixed-use and industrial areas;
 - Funds are needed for project development and/or match to leverage large sources of discretionary funding from other sources;
 - The project provides new bike, pedestrian, transit or green street elements that would not otherwise be constructed without regional flexible funding (new elements that do not currently exist or elements beyond minimum design standards).
- Recommend additional funding for existing projects when the project scores well and documents legitimate cost increases relative to unanticipated factors. It is expected, however, that projects will be managed to budget. Only in the most extraordinary of circumstances will additional monies to cover these costs be granted.
- When considering nomination of applications to fund project development or match costs, address the following:
 - Strong potential to leverage discretionary (competitive) revenues.
 - Partnering agencies illustrate a financial strategy (not a commitment) to complete construction that does not rely on large, future allocations from Transportation Priorities funding.
 - Partnering agencies demonstrate how dedicated road or bridge revenues are used within their agencies on competing road or bridge priorities.
- As a means of further emphasis on implementation of Green Street principles, staff may propose conditional approval of project funding to further review of the feasibility of including green street elements.

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 06-3665, FOR THE PURPOSE OF ADOPTING THE POLICY DIRECTION, PROGRAM OBJECTIVES, PROCEDURES AND CRITERIA FOR THE TRANSPORTATION PRIORITIES 2008-11 ALLOCATION PROCESS AND METROPOLITAN TRANSPORTATION IMPROVEMENT PROGRAM (MTIP)

Date: March 23, 2006

Prepared by: Ted Leybold

BACKGROUND

This resolution would approve a report outlining the policy direction, program objectives, and procedures that will be used during the Transportation Priorities 2008-11 Allocation Process and MTIP update to nominate, evaluate, and select projects to receive federal transportation funds in the fiscal year 2010-11 biennium.

The Metro Council and the Chief Operating Officer are preparing a request to local jurisdictions to submit projects to Metro for evaluation and award of regional flexible transportation funding. Regional flexible transportation funds are those portion of federal funds accounted for in the MTIP that are allocated through the JPACT/Metro Council decision-making process. This process is referred to as the Transportation Priorities 2006-09 allocation.

Metro and ODOT update the MTIP/STIP every two years to schedule funding for the following four-year period. The Transportation Priorities 2008-11 allocation encompasses the four-year period of federal fiscal years 2008 through 2011. This update will therefore adjust, as necessary, funds already allocated to projects in fiscal years 2008 and 2009 in the current approved MTIP. It will also allocate funds to new projects in the last two years (2010 and 2011) of the new MTIP.

The regional flexible funds available in the Transportation Priorities 2008-11 allocation is composed of two types of federal transportation assistance, which come with differing restrictions. The most flexible funds are surface transportation program (STP) funds that may be used for virtually any transportation purpose, identified in the Financially Constrained RTP, short of building local residential streets.

The second category of money is Congestion Mitigation/Air Quality (CMAQ) funds. CMAQ funds cannot be used to build new lanes for automobile travel. Also, projects that use CMAQ funds must demonstrate that some improvement of air quality will result from building or operating the project.

ANALYSIS/INFORMATION

1. **Known Opposition** None known at this time.
2. **Legal Antecedents** Updates the 2006-09 Transportation Priorities and MTIP policy report, adopted by Metro Council Resolution 04-3431 on March 18, 2004 (FOR THE PURPOSE OF ADOPTING THE POLICY DIRECTION, PROGRAM OBJECTIVES, PROCEDURES AND CRITERIA FOR THE TRANSPORTATION PRIORITIES 2006-09 ALLOCATION PROCESS AND METROPOLITAN TRANSPORTATION IMPROVEMENT PROGRAM (MTIP)).

3. **Anticipated Effects** Adoption of this resolution will provide the policy direction, program objectives, and procedures that will be used during the Transportation Priorities 2008-11 Allocation Process and MTIP update to nominate, evaluate, and select projects to receive federal transportation funds in the fiscal year 2010-11 biennium as described in Exhibit A of Resolution 06-3665.
4. **Budget Impacts** None.

RECOMMENDED ACTION

Metro staff recommends the approval of Resolution No. 06-3665.