

BEFORE THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF REVISING THE)
PROCESS OF AUTHORIZING FEDERAL)
FUNDS FOR COMMITTED PROJECTS)

RESOLUTION NO. 79-103

)
) Introduced by the
) Joint Policy Advisory
) Committee on Transpor-
) tation

WHEREAS, Through Resolution BD 780905, the Board of Directors of the Columbia Region Association of Governments (CRAG) adopted a management system for responding to cost overruns on committed projects; and

WHEREAS, In accordance with the adopted process Metro staff and local jurisdictions have reviewed the process; and

WHEREAS, A revised management process has been recommended by the Metro staff and endorsed by the Transportation Improvement Program (TIP) Subcommittee and Transportation Policy Alternatives Committee (TPAC); and

WHEREAS, Sufficient funds are reserved for continuing the Tri-Met Rideshare Program at the current level of effort; and

WHEREAS, Tri-Met has identified the need for expanding the Rideshare Program over time; and

WHEREAS, In Resolution No. 79-67, Metro Council established 23 critical problem areas eligible for funding from the Metro Regional Reserve fund; now, therefore,

BE IT RESOLVED,

1. That the Council approves the process as set forth in Exhibit "A".

2. That the funding authorizations set forth in Exhibit

"B" are established for the quarter ending December 31, 1978.

3. That the Council amends Resolution No. 79-67 to add expansion of the Rideshare Program as eligible for the Metro Regional Reserve funding. The Council directs its Executive Officer to work with the City of Portland to explore joint funding of an expansion of the Rideshare Program.

4. That the Council directs its staff to work with affected local jurisdictions and the Oregon Department of Transportation (ODOT) in implementing the revised cost increase process.

ADOPTED By the Council of the Metropolitan Service
District this 20th day of November, 1979.



Presiding Officer

CWO/gl
5776A
0081A

Basic Concepts

The proposed process is built around the following concepts:

1. A mechanism would be established to ensure progress in obligating Interstate Transfer funds by 1986 (the date set by federal law).
2. Metro would continue to specify the amount of federal funds available to support individual committed projects. However, flexibility would be given to sponsoring jurisdictions as laid out in #3 below.
3. An incentive for local governments to scale project costs to available federal funds is provided. Metro funding authorizations will provide overall certainty of federal funding available for projects sponsored by jurisdictions. A sponsoring jurisdiction will be able to fund cost increases on a priority committed project by transferring funds from other committed projects it sponsors. Once notified by the affected jurisdictions, these actions would be accounted for administratively by Metro staff.

Subject to a Metro review process, a sponsoring jurisdiction may transfer funds from one of its committed projects to another committed project in the same county.

Advantages of the Process

- jurisdictions have a certainty as to total dollars available for implementing its projects
- provides incentives to move projects and meet 1986 federal timing requirements
- create incentive for sponsoring jurisdiction to scale projects to authorized dollars
- allows flexibility for jurisdictions to determine which project features should be constructed
- reduces inter-jurisdiction conflicts as to which projects get funded and which do not

Application of Concepts

In applying this process, the following four scenarios are possible:

- Scenario 1. Project cost is within Metro authorization -- Funds are obligated as authorized.
- Scenario 2. Project cost is less than Metro authorization -- Needed funds are obligated. Excess funds are reverted to a Regional Reserve or, at the discretion of the sponsoring jurisdiction, to another committed project in the same county (transfer between jurisdictions subject to Metro review process).
- Scenario 3. Project costs exceed Metro authorization -- (a) sponsor scales back project, or (b) sponsor overmatches project, or (c) sponsor scales back, delays, or drops another project and transfers funds to project, or (d) another jurisdiction in same county scales back, delays, or eliminates some other committed project and transfers funds to sponsor's project (subject to Metro review process).
- Scenario 4. Lag in project schedule -- The TIP Subcommittee will semi-annually compare the status of projects with established development schedules. If it appears that a project is not proceeding as planned, the Subcommittee will recommend corrective action to the sponsoring jurisdiction or the Metro Council.

Fund Transfer Process

Under this process, a sponsoring jurisdiction can transfer funds between committed projects which it sponsors. To do this, notification of official jurisdictional action requesting a fund transfer, along with a technical justification for the transfer (including a statement concerning the viability of the project from which funds are being transferred), would be sent to Metro and ODOT. Metro staff would then proceed to administratively adjust the funding authorization for the involved projects. The next quarterly TIP issued by Metro would reflect these transfers.

The process also allows, subject to Metro review, a jurisdiction to transfer funds from a committed project it sponsors to a project sponsored by a jurisdiction in the same county. To accomplish this, documentation of official action from the involved jurisdictions would be transmitted to Metro and ODOT. Included with this documentation would be a description of the technical justification for the transfer (including a statement of the viability of the project from which funds are being transferred). The Executive Officer of Metro would then proceed to review this technical justification. If he does not flag a problem within a two-week time frame, Metro staff would administratively adjust funding authorizations to correspond with the requested transfer of funds. If the Executive Officer flags a problem, he will notify the affected jurisdictions that the transfer is being held pending Metro Council review and approval. The Executive Officer will then proceed to transmit his recommendations concerning the proposed transfer to the Metro Council. Once

TPAC and Joint Policy Advisory Committee on Transportation (JPACT) have reviewed the transfer, the Council would review the transfer. The Council would have the option of approving or rejecting the transfer.

Implementation Considerations

Several adjustments to existing Metro funding authorizations are necessary to implement the proposed management system.

The Urban Mass Transportation Administration (UMTA) has agreed that \$300,000 per year of Interstate Transfer funds can be used to fund the Metro System Planning Program. Use of these funds for this purpose is acceptable only if the planning effort supports the development and refinement of projects to be funded with Interstate Transfer funds. To respond to UMTA's authorization, a reserve account is proposed to be established under the regional category to support this planning program. Involved are \$300,000 per year for the six years between FY 1981 (beginning July 1, 1980) and FY 1986. Actual expenditures of this reserve would be authorized by the Metro Council on an annual basis at the time the Unified Work Program (UWP) is approved.

Rideshare Program -- Metro has authorized funds to support the Tri-Met Rideshare Program through June, 1981. Additional authorizations are normally considered on an annual basis when the TIP is formulated. In that the proposed management process fully allocates funds expected through FY 1986 to projects and reserves, a reserve account is to be established to support the Rideshare Program. Overall, \$1,250,000 (\$250,000 per year for five years) would be involved. This funding level would support the existing Rideshare Program at the current level of effort. Funding would come from Federal Aid Urban (FAU) Replacement funds. As handled previously, 54 percent (\$675,000) of the support would come from funds available for projects outside of Portland. These funds are proposed to be transferred from the FAU Replacement contingency funds available for projects outside of the City of Portland. According to previous practice, the remaining 46 percent (\$575,000) of the funds supporting the Rideshare Program are to come from funds supporting projects in the City of Portland. These funds are proposed to come from the City Reserve. The City of Portland has agreed to this provided it is understood that this is not an explicit authorization of funds, but rather constitutes a fund reserve. Funding authorizations would be made on an annual basis by the Metro Council when the TIP is approved. The authorization would be contingent on approval by the Portland City Council.

Allocation of Contingency Reserve Accounts. To implement the proposed projects, the use of a number of contingency and reserve accounts needs to be clarified.

Six contingency and reserve accounts previously allocated by Metro to support projects sponsored by the City of Portland would be listed along with Portland projects. This means these funds would

be available to cover that cost increase or committed projects sponsored by Portland. They are:

1. S.E. Portland (Category II) Reserve Account.
2. S.E. Portland (Category II) Contingency
3. Portland (Category III) Contingency
4. N.W. Portland Reserve
5. Portland FAU Contingency
6. City of Portland Reserve

Three contingency and reserve accounts previously allocated by Metro for projects sponsored by Multnomah County and its cities would continue to be shown under a Multnomah County/Multnomah City category. These funds could be used to cover cost increases on committed projects once they are requested by the East County Transportation Committee. These accounts are:

1. Multnomah County (Category III) Contingency
2. East County (Category IV) Contingency
3. East County (Category IV) Reserve

One contingency fund (Clackamas County/Clackamas County Cities (Category III) contingency) is proposed to be prorated (on the basis of unobligated funding balances as of June 30, 1979) to the committed projects eligible for these funds (Hwy. 212 preliminary engineering (PE), Oregon City Bypass, and Boones Ferry Rd.)

Another contingency fund (Washington County/Washington County Cities (Category III) contingency) is proposed to be prorated (on the basis of unobligated funding balances as of June 30, 1979) to the projects eligible for these funds (TV Hwy. at 185th, and Hwy. 217/72nd Ave. Interchange).

The Transportation System Management (TSM) (Category V) Contingency fund is proposed to be distributed on a prorated basis (on the basis of the unobligated funding balances as of June 30, 1979) to the authorized TSM projects. These projects are:

Pacific Hwy. - Bull Mt. Rd./North Tigard Interchange
Canyon/TV Hwy. Corridor
Farmington Rd. Corridor
Hall Blvd. Corridor
Cedar Hills at Walker Rd.
N.W. 18th/19th and N.W. 14th/16th Couplets
Beaverton-Hillsdale Hwy. - Capital to Scholls Ferry Rd.
Sandy Blvd. Corridor
State Street Corridor
Gladstone/Milwaukie Sub-area

The balance of the FAU or FAU Replacement contingency funds available for projects outside of Portland is proposed to be distributed to active projects (on the basis of the unobligated funding balances as of June 30, 1979). These projects are:

Sellwood Bridge PE
122nd and Powell Signal
S.E. Burnside
82nd Drive
Harmony Rd.
Sunnyside Rd. - Stevens to 122nd
Boones Ferry Rd.
Oswego Creek Bridge
Gladstone Bridge reconstruction
Greenburg Rd.
Cornell Rd. at Murray Blvd.
N.W. 185th
S.W. Barnes Rd.
S.W. Jenkins/158th
Allen Blvd.
S.W. 65th/Nyberg Rd.
S.W. Nyberg Rd.
Powell Blvd. Improvements
Oswego Hwy. at Cedar Oaks
Scholls at Allen Signal
Hall Blvd. left turn refuge
Progress Interchange
Fanno Creek Bridge Widening

Ongoing Responsibilities of Metro

Metro will continue to monitor funding authorizations. Transfer between projects will be accounted for in Metro records. Funds authorized for projects will be identified separately by federal funding source.

In addition, records of the type of activity (preliminary engineering, right-of-way acquisition, and construction) and the anticipated year of funding obligation will be kept up-to-date. On a quarterly basis, Metro will produce a document showing current funding authorization by funding source adjusted to account for changes in the national construction cost index. As in the past, Interstate Transfer funds will be adjusted according to this index. However, in that anticipated FAU and FAU Replacement funds are fully allocated through FY 1986, those funding sources will not be adjusted for inflation.

BP/gl
5776A
0081A