

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF PROPOSING) RESOLUTION NO. 08-3942
ALLOCATION OF REGIONAL FLEXIBLE)
FUNDING TO REGIONAL TRANSPORTATION) Introduced by Councilor Rex Burkholder
PROGRAMS FOR THE YEARS 2012 AND 2013,)
AND TO BOND PAYMENTS FOR)
CONTRIBUTIONS TO THE MILWAUKIE)
LIGHT RAIL TRANSIT AND WILSONVILLE TO)
BEAVERTON COMMUTER RAIL PROJECTS)
FOR THE YEAS 2013 - 2025 PENDING PUBLIC)
COMMENT PERIOD AND AIR QUALITY)
CONFORMITY DETERMINATION)

WHEREAS, approximately \$67.8 million is forecast to be appropriated to the Metro region through the federal Surface Transportation Program (STP) and Congestion Mitigation – Air Quality (CMAQ) transportation grant programs; and

WHEREAS, the Metro Council and Joint Policy Advisory Committee on Transportation (JPACT) are designated by federal legislation as authorized to allocate these funds to projects and programs in the metropolitan region through the Regional Flexible Fund allocation process; and

WHEREAS, the Metro Council and JPACT have provided policy guidance to Metro staff and the Transportation Policy Alternatives Committee (TPAC) on the type and balance of projects and programs that are a priority for these funds through Metro Resolution No. 08-3916A, FOR THE PURPOSE OF ADOPTING THE POLICY DIRECTION AND PROGRAM OBJECTIVES FOR THE 2009 REGIONAL FLEXIBLE FUNDING ALLOCATION PROCESS AND 2010-2013 METROPOLITAN IMPROVEMENT PROGRAM (MTIP), adopted March 20, 2008; and

WHEREAS, the policy guidance report called for the creation of a two-step allocation process with the first step to consider recommendation of funding for regionally administered programs and a second step to consider recommendation of funding for local project applications; and

WHEREAS, TPAC and JPACT have considered funding options for step one of four existing programs administered by Metro, high capacity transit implementation funding, and two potential new programs for regional bridges and pedestrian & bicycle implementation; and

WHEREAS, TPAC has provided recommendations to JPACT and the Metro Council on funding of these programs and guidance for the step two process as shown in Exhibit A, to allocate funding in response to policy direction, technical evaluation, qualitative factors, and public comments; and

WHEREAS, a proposal has been submitted for a supplemental commitment of regional flexible fund contribution to the Milwaukie light rail transit and Beaverton to Wilsonville Commuter rail projects as demonstrated in Exhibit B; and

WHEREAS, the supplemental funding would add \$3.7 million per year to the existing high capacity transit implementation bond payment between 2012 and 2015 and then extend the \$13 million per year commitment from 2016 through 2025; and

WHEREAS, the \$144.8 million of supplemental funding would contribute \$72.5 million net present value contribution to the Milwaukie light rail transit project and \$13.3 million net present value contribution to the Beaverton to Wilsonville Commuter rail project; and

WHEREAS, additional information will be developed and considered for legislation adopting the preferred alternative and finance plan of the Milwaukie light rail project and for the inter-governmental agreement to define the terms and conditions of the supplemental bond agreement; and

WHEREAS, public comment will be solicited on these proposals and an air quality analysis will be conducted on the projects selected for funding for conformity with air quality regulations; now therefore

BE IT RESOLVED that the Metro Council hereby accepts the recommendation of JPACT on the proposed allocation of regional flexible funds to regional transportation programs, as shown in Exhibit A, pending public comment and air quality analysis; and

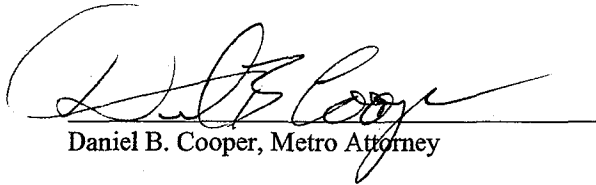
BE IT FURTHER RESOLVED that the Metro Council hereby accepts the recommendation of JPACT to solicit public comment on the proposed multi-year commitment of regional flexible funds to the supplemental bond funding of high capacity transit implementation as shown in Exhibit B.

ADOPTED by the Metro Council this 15th day of May 2008.



David Bragdon, Council President

Approved as to Form:



Daniel B. Cooper, Metro Attorney

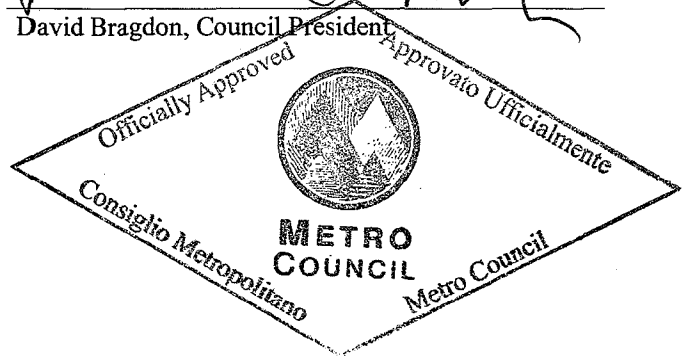


Exhibit A

Regional Flexible Fund Step 1

Revenue Source or Program	Revenues	Potential Allocation
Forecast of Funding Available	\$67.800	
Remaining balance	TBD	

This table will be completed to reflect the TPAC recommendation.

Exhibit B

Exhibit B to Resolution 08-3942 Supplemental Multi-Year Commitment of MTIP Funds

1. Pending approval following a public comment period, Metro proposes to supplement the multi-year commitment of Metropolitan Transportation Improvement Program (MTIP) Funds for the region's high capacity transit program that was last approved by Resolution No. 04-3468 and amend the MTIP as follows:

Fiscal Year [a]	Current Multi-Year MTIP Commitment Under Resolution No. 04-3468	Proposed Supplemental Multi-Year MTIP Commitment	Total Multi-Year MTIP Commitment
2008	\$9,300,000		\$9,300,000
2009	\$9,300,000		\$9,300,000
2010	\$9,300,000		\$9,300,000
2011	\$9,300,000		\$9,300,000
2012	\$9,300,000	\$3,700,000	\$13,000,000
2013	\$9,300,000	\$3,700,000	\$13,000,000
2014	\$9,300,000	\$3,700,000	\$13,000,000
2015	\$9,300,000	\$3,700,000	\$13,000,000
2016		\$13,000,000	\$13,000,000
2017		\$13,000,000	\$13,000,000
2018		\$13,000,000	\$13,000,000
2019		\$13,000,000	\$13,000,000
2020		\$13,000,000	\$13,000,000
2021		\$13,000,000	\$13,000,000
2022		\$13,000,000	\$13,000,000
2023		\$13,000,000	\$13,000,000
2024		\$13,000,000	\$13,000,000
2025		\$13,000,000	\$13,000,000
	\$74,400,000	\$144,800,000	\$219,200,000

[a] Initial multi-year commitment began in FY 1999

As used in this resolution, the term MTIP Funds includes urban Surface Transportation Program (STP) and Congestion Mitigation Air Quality (CMAQ) funds, or any successor or replacement federal funding programs, allocated by formula or agreement to the Portland metropolitan region. These MTIP Funds will be programmed for use by TriMet.

2. TriMet will prepare and implement a financing program to use, through direct federal grants to projects and/or a borrowing strategy, the MTIP Funds committed in Section 1 to provide, net of borrowing costs, \$72.5 million in 2011 dollars to the Milwaukie LRT Project and \$13.3 million in 2008 dollars to the Wilsonville-Beaverton Commuter Rail Project.

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 08-3942, FOR THE PURPOSE OF ALLOCATING REGIONAL FLEXIBLE FUNDING TO REGIONAL TRANSPORTATION PROGRAMS FOR THE YEARS 2012 AND 2013, PENDING AIR QUALITY CONFORMITY DETERMINATION AND TO COMMIT \$144.8 MILLION OF REGIONAL FLEXIBLE FUNDING TO BOND PAYMENTS FOR CONTRIBUTIONS TO THE MILWAUKIE LIGHT RAIL TRANSIT AND WILSONVILLE TO BEAVERTON COMMUTER RAIL PROJECTS

Date: April 29, 2008

Prepared by: Ted Leybold

BACKGROUND

JPACT and the Metro Council recently adopted new policy direction for the Metropolitan Transportation Improvement Program and the allocation of Regional Flexible Funds. One change recommended for the allocation of regional flexible funds was to institute a two-step allocation process; first to regional programs and then to local projects. Resolution 08-3942 is to adopt the first step allocation of regional flexible funds to regional programs. This allocation will be followed with a solicitation, evaluation, public comment period and allocation of remaining regional flexible funds to local projects.

The Metro region is forecasted to receive \$67.8 million from the urban Surface Transportation Program and the Congestion Mitigation Air Quality funding programs in the federal fiscal years of 2012 and 2013. Previous allocations have identified projects and programs to receive funds during the Federal fiscal years of 2010 and 2011.

Seven existing or potential regional programs were considered for proposed funding: high capacity transit implementation, Metro planning, the Regional Travel Options program, the Transit Oriented Development program, the Transportation System Management & Operations program, a potential regional bridge program and a potential pedestrian and bicycle program.

The proposal for a regional Bicycle and Pedestrian program focused on an allocation of \$6.8 to \$7.2 million to be administered with existing regional staff, assisted by a committee of local and state staff from stakeholder agencies. Supporters posited that such a program would provide a consistent source of funds to implement the regional pedestrian and bicycle needs of the region. Transportation Policy Alternatives Committee (TPAC) instead recommended pedestrian and bicycle projects be funded as a part of the Step 2 process at a minimum funding level of \$7.2 million.

TPAC also considered three potential bridge funding proposals, bonding of funds to contribute to a Sellwood Bridge project, a Willamette River bridge program or a regional bridge program. TPAC did not recommend funding for a bridge program but supported individual bridge applications being eligible for funding in Step 2.

TPAC also supported a supplemental allocation to high capacity transit implementation by funding \$4 million for EIS work in the Lake Oswego corridor. Supporters of this recommendation noted that regional flexible funds have traditionally been used to prepare HCT corridors for federal construction funding and that the Lake Oswego corridor should be prepared to immediately follow the Milwaukie corridor light rail

project. Opponents to this recommendation argued to preserve funding for the Step 2 project allocation or to wait for results of the HCT system study to prioritize the region's next HCT corridor.

JPACT has recommended regional flexible funding for regional programs in federal fiscal years 2012-13 in the amounts summarized in Exhibit A to Resolution 08-3942. Additionally, regional flexible funding is proposed to be committed to bond payments from 2012 through 2025 for a regional contribution to the Milwaukie light rail transit and Wilsonville to Beaverton commuter rail projects. This funding proposal is summarized in Exhibit B to the resolution.

ANALYSIS/INFORMATION

1. **Known Opposition**
2. **Legal Antecedents** This resolution allocates transportation funds to regional programs in accordance with the federal transportation authorizing legislation (currently known as the Safe, Accountable, Flexible, Efficient Transportation Equity Act or SAFETEA). The allocation process is intended to implement the Regional Flexible Fund and 2010-13 MTIP program policies as defined by Metro Resolution No. 08-3916A.
3. **Anticipated Effects** Adoption of this resolution would allocate funding to regional transportation programs as defined in Exhibits A and B to the resolution.
4. **Budget Impacts** Adoption of the resolution would begin staff analysis of the air quality impacts of implementing the list of projects and programs as provided for in the Unified Work Program. Grant funds allocated to Metro planning require a match totaling 10.27% of project costs. Current options under consideration would include \$242,186 over the federal fiscal years 2012 and 2013. Metro would also negotiate with other transportation agencies for responsibility of a portion of \$1,019,446 of required local match for other regional planning activities over the course of the 2010 – 2013 time period.

RECOMMENDED ACTION

Staff recommends the adoption of Resolution 08-3942.

Exhibit B

3. TriMet will work with Metro to develop legislation adopting the preferred alternative and finance plan of the Milwaukie light rail project and for the inter-governmental agreement to define the terms and conditions of the supplemental bond agreement.
4. TriMet will enter or amend binding agreements with FTA and/or local governments committing TriMet to provide the amounts shown in Section 2 to the respective projects. To provide such amounts, TriMet will enter loan agreements relying on receipt of the annual amounts shown in Section 1 to help repay such obligations. Accordingly, the annual amounts shown in Section 1 are fully committed to TriMet; subject only to authorization and appropriation of MTIP Funds.
5. A mix corresponding to the needs of TriMet's financing program of Surface Transportation Program (STP) and Congestion Mitigation Air Quality (CMAQ) funds will be used to fulfill the multi-year commitment of MTIP funds. Representatives of Metro and TriMet will cooperatively determine the appropriate mix of CMAQ and STP funds to be used to fulfill the multi-year commitment of MTIP funds.