

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ADOPTING THE POLICY	)	RESOLUTION NO. 02-3206
DIRECTION, PROGRAM OBJECTIVES,	)	
PROCEDURES AND CRITERIA FOR THE	)	
PRIORITIES 2003 METROPOLITAN	)	Introduced by
TRANSPORTATION IMPROVEMENT PROGRAM	)	Councilor Rod Monroe
(MTIP) AND ALLOCATION OF REGIONAL	)	JPACT Chair
FLEXIBLE FUNDS.	)	

WHEREAS, JPACT and the Metro Council are identified in federal regulations as the Portland Area Metropolitan Planning Organization responsible for the allocation of federal highway and transit funding; and

WHEREAS, federal regulations identify preparation of a metropolitan transportation improvement program (MTIP) as the means for making the allocation of such funds; and

WHEREAS, federal regulations require that the MTIP be included without change in the State TIP by incorporation or by reference; and

WHEREAS, JPACT and the Metro Council have directed Metro staff to perform an assessment of whether the allocation process and criteria support transportation and land use goals and objectives of the Region 2040 Growth Concept; and

WHEREAS, transportation funding and public opinion research was performed, and elected officials, agency staff, public interest groups and other stakeholders were interviewed and invited to respond to a questionnaire concerning MTIP issues; and

WHEREAS, new MTIP policy direction, program development and evaluation criteria have been developed as described in Exhibit A to address the issues identified through the outreach process; and

WHEREAS, the Regional Transportation Plan was adopted in August 2000 and represents the transportation implementation component to the Region 2040 Growth Concept; and

WHEREAS, new funding for transportation projects is limited to about \$52 million, split between federal fiscal years 2006 and 2007; and

WHEREAS, approximately half of these funds cannot be used to design or construct general purpose automobile travel lanes; and

WHEREAS, JPACT and the Metro Council Transportation Planning Committee propose the Priorities 2002 MTIP Update policy direction, program development and evaluation criteria as defined in Exhibit A; and

WHEREAS, all projects selected for funding in the MTIP must also either be included in, or amended into, a Financially Constrained Network of the Regional Transportation Plan which is shown to conform with the State (Air Quality) Implementation Plan; and

WHEREAS, Metro staff will coordinate with staff at ODOT Region 1 and Tri-Met regarding prioritization of projects and allocation of funds primarily subject to their discretion, that must however, also be reflected in the MTIP and the financially constrained RTP system; and

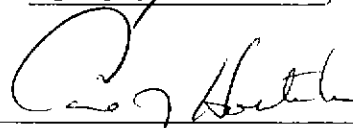
WHEREAS, further opportunity for agency and public input to the project evaluation and selection process will be provided in spring 2003, before final approval of an FY 2003-04 MTIP; now, therefore,

BE IT RESOLVED,

1. The Priorities 2003 MTIP Update policy direction, program development and evaluation criteria stated in Exhibit A are approved; and

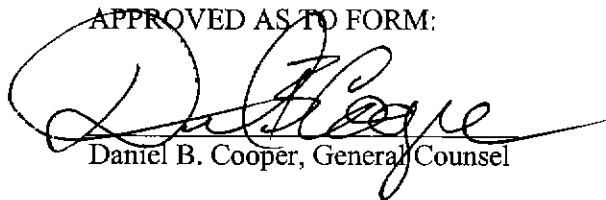
2. The list of proposed projects shall be submitted based on a review by the governing body of the jurisdiction at a meeting that is open to the public. Submitting the list of projects by adopted resolution will meet this intent.

ADOPTED by the Metro Council this 25<sup>th</sup> day of July, 2002.



Carl Hosticka, Presiding Officer

APPROVED AS TO FORM:



Daniel B. Cooper, General Counsel

**Exhibit A**  
**To Metro Resolution 02-3206**

**Metropolitan Transportation Improvement Program  
Refinement and Policy Report**

TPAC Recommendation to JPACT  
June 28, 2002

## **I. Introduction and Charge**

Metro Council and the Joint Policy Advisory Committee on Transportation (JPACT) have directed Metro staff to review and refine the Metropolitan Transportation Improvement Program (MTIP) prior to the next round of allocation of regional flexible funds (Metro Resolution 01-3025B). The next allocation is currently scheduled to begin in August.

The review and refinement process is to examine the objectives of the program in the context of other transportation spending in the region and the process by which projects are solicited, prioritized and selected for funding.

## **II. Related Policies**

To assess whether the MTIP process supports transportation and land use goals and objectives of the Region 2040 Growth Concept and the Regional Transportation Plan (RTP), policies related to the concept and plan are listed below.

The transportation funding policies of the RTP are relevant to all transportation funding in the region, not just the allocation of regional flexible funds. An evaluation of how all of the other transportation spending in the region addresses the RTP policies, however, will provide valuable information to where funding deficiencies exist in addressing regional policies and where it may be advantageous to allocate regional flexible funds to address those deficiencies.

### RTP Section 1.3.7; Policy 20.0 - Transportation Funding

Ensure that the allocation of fiscal resources is driven by both land use and transportation benefits.

- a. Objective: Maintain and preserve the existing transportation infrastructure.
- b. Objective: Improve the efficiency of the existing transportation system.
- c. Objective: Consider a full range of costs and benefits in the allocation of transportation funds.
- d. Objective: Use funding flexibility to the degree necessary to implement the adopted Regional Transportation Plan.
- e. Objective: Establish a set of criteria for project selection based on the full range of policies in this plan and fund projects in accordance with those selection criteria.
- f. Objective: Develop a transportation system necessary to implement planned land uses, consistent with the regional performance measures.

The following 2040 Fundamentals were adopted by MPAC and the Metro Council as the fundamental elements of the 2040 Growth Concept. The MTIP program and allocation of regional flexible transportation funds should analyze projects based on their ability to implement or address these fundamentals.

2040 Fundamentals

- Focus development in mixed-use centers and corridors
- Protect and restore the natural environment
- Provide a multi-modal transportation system
- Enable community identity and physical sense of place
- Maintain separation from neighboring communities
- Ensure diverse housing options in every jurisdiction
- Create vibrant places to live and work
- Encourage a strong local economy

**III. Tools to Evaluate Public and Stakeholder Opinion**

Davis - Hibbitts survey summary

Metro Growth Conference results summary

MTIP Questionnaire

*Elected Officials*

All of the elected officials and agency director members of JPACT and the Metro Council members were provided a questionnaire and were interviewed by Metro staff regarding their concerns and issues with the MTIP process.

*Other Stakeholders*

All members of the following Metro committees were given presentations by Metro staff and asked to complete a questionnaire:

- TPAC
- MTAC
- GTAC
- WRPAC
- MPAC

Metro staff also met with the Washington Square regional center funding implementation work team to receive their verbal comments and distribute the questionnaire.

*Community Interest Groups*

A series of meetings were held to solicit input from specific community interest groups; business and freight, neighborhood activists, development, architect and real estate professionals, and the Coalition for a Livable Future transportation subcommittee.

Many of the stakeholders supplemented the questionnaire with a cover letter outlining their overall concerns and issues.

#### IV. MTIP and Regional Flexible Fund Allocation Policy Direction

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

- Leverage economic development in priority 2040 land-use areas through investment to support
  - centers,
  - industrial areas and
  - UGB expansion areas with completed concept plans

Other policy objectives include:

- Emphasize modes that do not have other sources of revenue
- Complete gaps in modal systems
- Develop a multi-modal transportation system

#### V. Allocation Process and Program Development Options

Several methods of allocating the regional flexible funds and developing the emphasis of the program were suggested during stakeholder interviews and in response to the questionnaire. The suggestions are summarized by the five options outlined below.

1. Existing Program
  - a. Coordinating committees submit applications within 200% target cost ceiling.
  - b. Projects divided into project categories for technical ranking.
  - c. Staff, TPAC recommend, JPACT/Metro Council adopts 150% cut list. (consider technical ranking, administrative criteria and balance modes).
  - d. Staff, TPAC recommend, JPACT/Metro Council adopts final project list.
2. Local Allocation Approach
  - a. Sub-allocation to regional categories (Planning, TDM, TOD, LRT match).
  - b. Sub-allocation of cost targets by geography.
  - c. Coordinating committees decide projects to submit at 110% of total cost target and submit findings on how projects meet regional program objectives.
  - d. Staff, TPAC recommend, JPACT/Metro Council adopt final project list, balancing allocations through reduction of 10% extra cost from each committee.
3. 2040 Rating
  - a. Coordinating committees submit applications within 200% target cost ceiling.
  - b. Projects divided into project categories for technical ranking (no 2040 criteria/measure).
  - c. All projects ranked relative to one another based on measures of implementing 2040 land use objectives.
  - d. Staff, TPAC recommend, JPACT/Metro Council adopts 150% cut list (consider technical ranking within categories, 2040 ranking, and administrative criteria).
  - e. Staff, TPAC recommend, JPACT/Metro Council adopts final project list.

4. Mode Emphasis
  - a. Limit project applications to a set of project categories that best meet a set of policy directions and program objectives.
  - b. Follow any of the other allocation process steps identified.
  
5. 2040 Match Advantage
  - a. Coordinating committees submit applications within 200% target cost ceiling.
  - b. Projects divided into project categories for technical ranking.
  - c. Priority emphasis (places or modes) eligible for an 89.73% regional match of funding. Non-priority emphasis (places or modes) eligible for a 70% match of funding.
  - d. Staff, TPAC recommend, JPACT/Metro Council adopts 150% cut list (consider technical ranking and administrative criteria).
  - e. Staff, TPAC recommend, JPACT/Metro Council adopts final project list.

## **VI. Description of Existing Transportation Funding and Policy Implementation**

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 \$430 million is spent 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, TPAC is recommending against using regional flexible funds for these purposes. Exceptions are recommended for 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 recommended for expenditures on transit capital that allow expansion of transit service. This exception is recommended to be limited to situations where the transit provider can demonstrate the ability to fund the increased transit service in the subsequent MTIP funding cycle.

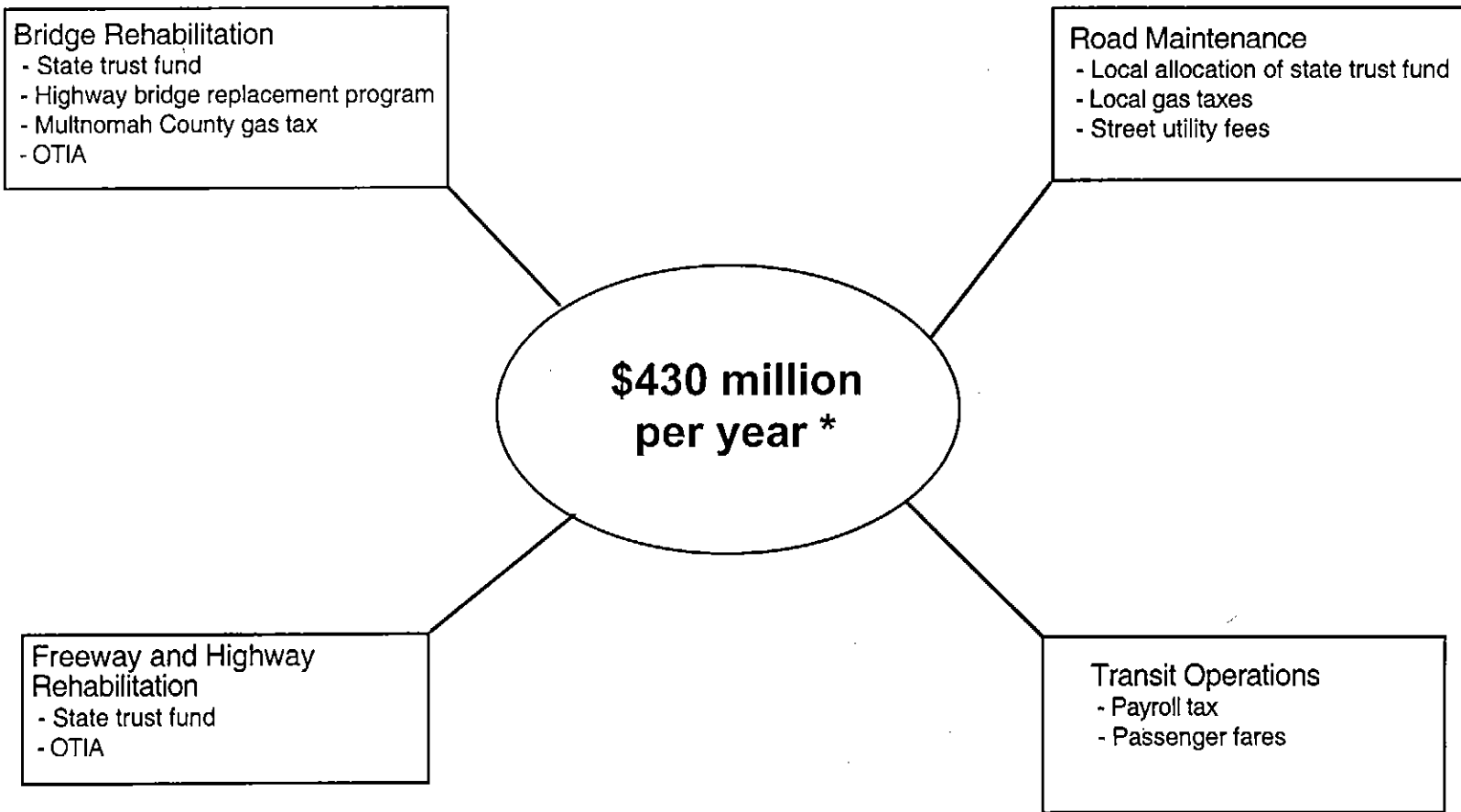
Capital spending in the region for new capital transportation projects outside of regional flexible funding is approximately \$180 million per year. This includes funding for state highways, new transit capital projects, port landside facilities and local spending.

Approximately \$26 million of regional flexible funds are spent each year in the Metro region. Given the relative size of the regional flexible funds relative to the other capital spending in the region, Metro staff recommends that it is appropriate to focus these monies on transportation projects and programs that leverage development of the 2040 growth concept.

The cost categories and the sources of their funding are summarized on Figures 1 through 3.

Figure 1

## Operations and Maintenance Spending Metro Region (All Roads and Transit)

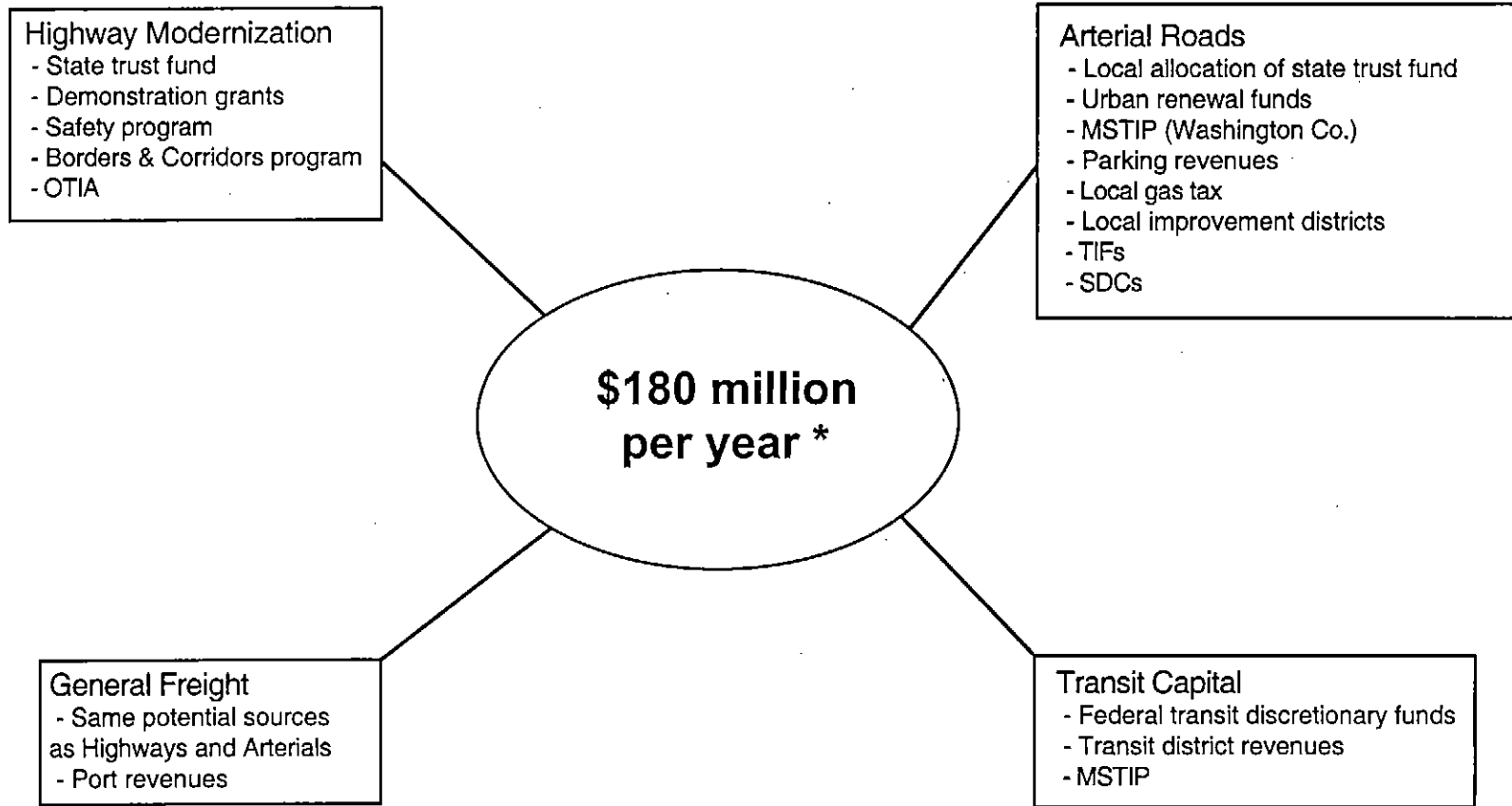


Source: Metro (1998) and 1/20 of portion of OTIA 20 year bond program used for O&M purposes.



Figure 2

## Other Capital Spending Metro Region (All Roads and Transit)

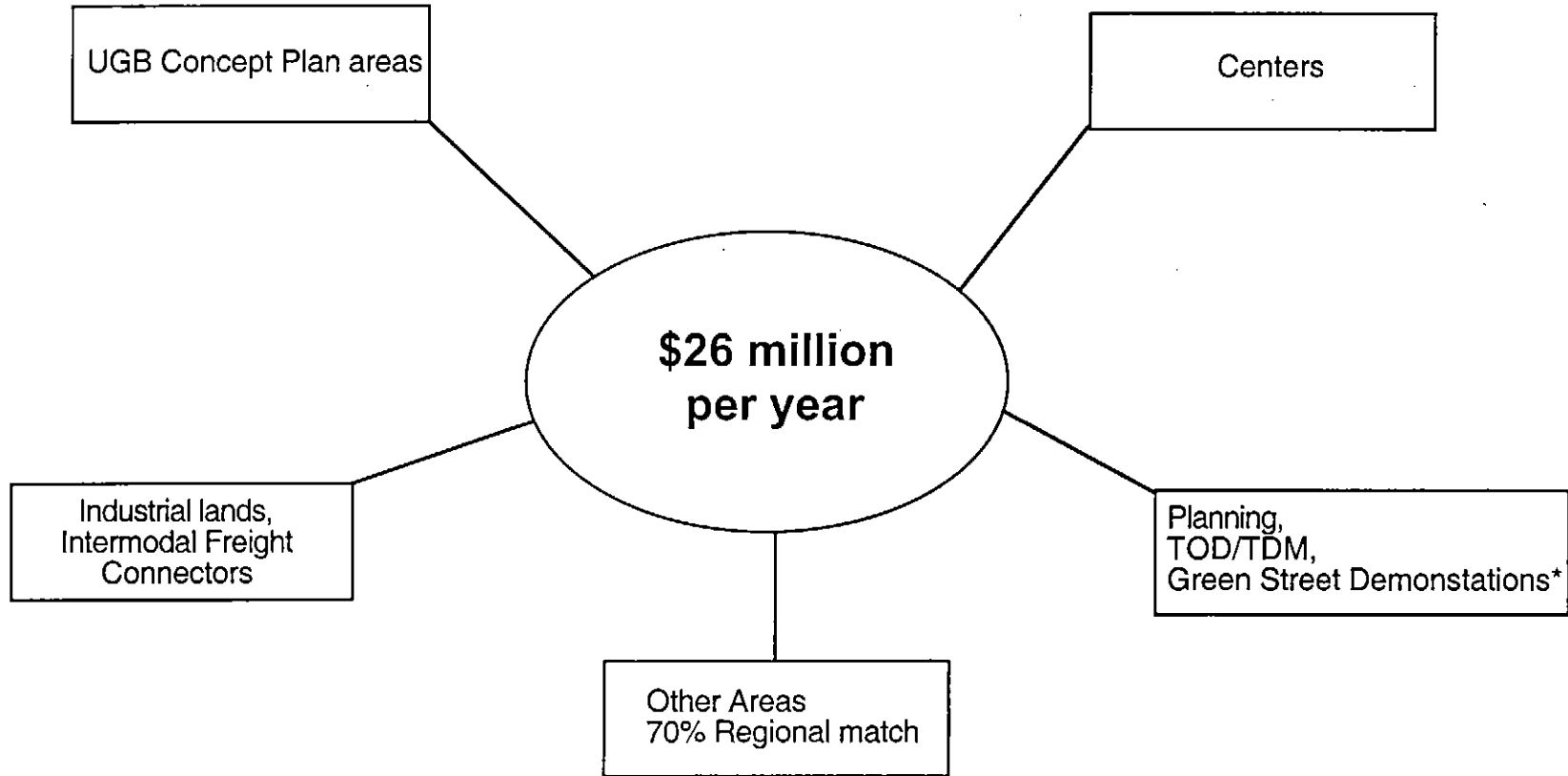


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\* Source: Metro (1998) and 1/20 of OTIA 20 year bond program used for capital projects. Arterial road modernization projects typically replace or provide new bicycle and pedestrian facilities. One percent of state trust fund money must be spent on bicycle or pedestrian projects or maintenance.

Figure 3

### Regional Flexible Funds Metro Region (STP and CMAQ)



\* May include culvert repair to enhance passage of endangered fish species.

## VII. Recommended Allocation Process and Program Development

TPAC is recommending an allocation process and program that is a specific version of option 5 outlined in Section V. This option best implements the policy objectives listed in Section IV by not only retaining a technical rating of 2040 land use criteria but also by creating a monetary incentive to applying agencies to nominate projects that best leverage development of 2040 priority land-use areas. While further advancing this program objective, this option retains flexibility to fund projects that do not directly benefit a regional priority land-use area but that are deemed to be important and effective transportation projects due to other considerations.

The recommended option is summarized below.

### Modified Regional 2040 Match Advantage

- a. Projects that highly benefit:
  - i. Industrial areas and inter-modal freight connectors
  - ii. Centers, main streets, and station communities
  - iii. UGB concept plan areas
 are eligible for up to 89.73% match of regional funds.
- b. Planning, TOD, TDM and Green Street Demonstration projects are also eligible for up to an 89.73% match of regional funds.
- b. Projects determined to not provide a direct, significant benefit to a priority land-use area would be eligible for up to a 70% match of regional funds.
- c. No funding for operations or maintenance, except for TDM programs and start-up transit operations that demonstrate capacity for future operation funds to replace regional flexible funds by the next MTIP funding cycle.
- d. The technical measures of the 2040 land use criteria will be modified and the method for determining which projects qualify for a regional match of up to 89.73% will be developed using lessons learned from current centers and industrial lands research and the Pleasant Valley concept plan and implementation study. Technical measures will attempt to rate the direct benefit (or negative effect) of a project to the priority land-use area, not simply assess whether a project is located in or near the priority area.

In conjunction with this approach, TPAC is recommending consideration of a smaller cost target to limit the number of applications that may be submitted to Metro through the Coordinating Committee process. The current cost target is 200% of a potential share of funds based on rough geographic equity of fund distribution. TPAC would like consideration of a 150% cost target of the potential share of funds. Such a limit may allow elimination of a step in the allocation process that screens the project list down to a 150% cut list.

## VIII. Screening and Evaluation Criteria

### Screening Criteria for all projects

- Highway, road and boulevard projects must be consistent with regional street design guidelines (no change)
- Project designs must be consistent with the Functional Classification System of the 2000 RTP (no change)
- Project on RTP Financially Constrained list (no change)
- Project has received support of 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.  
(clarification, no change)

- Statement that project is deliverable within funding time frame and brief summary of anticipated project development schedule (new)

### Evaluation Criteria

General support was expressed in the questionnaire and during interviews for keeping the technical measures of the criteria by existing modal category. Several issues were identified by program stakeholders, however, regarding the evaluation and measuring of criteria.

#### 1. 2040 Criteria

There were several comments about the lack of clarity of how the 2040 criteria were measured and how effectively it was being applied to projects.

**Recommendation:** Review the work of the current centers research and industrial lands studies to clarify how transportation funding can most effectively leverage successful development of these priority land-use areas. This includes developing methods to distinguish between the readiness of different mixed-use areas and industrial areas to develop and methods to evaluate and measure the positive and negative impacts of a project or program on leveraging development of a priority land use area other than simply the location of the facility. Applicants will be asked to elaborate on how the project contributes to the most critical objectives a center plan or industrial area needs to achieve to become a successful area in terms of 2040 development objectives and describe what actions the local jurisdiction is taking to address its most critical needs.

#### 2. Multi-modal Road Projects

A request for a finer consideration of the multi-modal benefits of road projects has been requested by some Washington County jurisdictions.

**Recommendation:** The provision of pedestrian and bicycle improvements within priority 2040 priority land-use areas as a part of a road modernization or reconstruction project qualify a project for additional technical points over a multi-modal road project outside of these priority areas. The creation of new pedestrian and bicycle improvements qualify a road project for additional technical points over a road project that is simply moving or replacing pedestrian and/or bicycle facilities.

Similarly, the TIP Subcommittee will be asked to review potential methods for awarding additional technical points to road projects that provide a significant freight or transit benefit, particularly benefits supporting priority land-use areas over road projects that do not provide this multi-modal benefit.

#### 3. Administrative Criteria

While a few stakeholders objected to the use of administrative criteria, there was general support for their use to adjust the raw technical ranking of projects. However, many people expressed interest in a tight limit on the degree to which administrative criteria could be used to elevate a low technically ranked project above better technically ranked projects to receive funding.

**Recommendation:** Use the following administrative criteria and limitation on their ability to elevate a project to receive funding over other higher technically ranked projects within their

project categories. No administrative consideration will be listed if there is already technical scoring consideration for the project.

#### Administrative 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 may receive a recommendation from TPAC for funding based on these administrative 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 administrative 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, Metro does not guarantee a future financial commitment for construction of these projects.

#### 4. Green Streets Design Elements

Many stakeholders interviewed expressed strong support of developing Green Street infrastructure improvements and using the MTIP program to implement those improvements. Several jurisdictional technical staff, however, expressed caution that implementation of these design elements needed to move slowly and may only be appropriate in site-specific conditions.

To further develop understanding of these design elements, pilot project funding is recommended to be available with regional flexible funds. A pilot project approach will allow interested jurisdictions to test local application of these design concepts.

TPAC has also recommended reviewing how “proven” Green street design concepts, such as providing adequate space for and planting large, broad canopied, long-lived tree species, could be incorporated into the technical scoring of project categories. This issue will be brought to the TIP Subcommittee.

#### 5. Measurement of Safety Criteria

Several stakeholders commented that measuring project safety solely by measurement of accident data does not provide a comprehensive consideration of safety issues.

Recommendation: An “expert analysis” approach using general guidelines of safety considerations, including but not limited to Safety Priority Indexing System (SPIS) data, will be developed for all relevant project categories as a means of providing a comprehensive method for considering safety issues. This approach will utilize a panel of project professionals to review each project relative to a list of quantitative and qualitative safety considerations and score each project accordingly.

#### 6. Multi-Use Paths

Many stakeholders expressed interest in providing full possible match allocations (89.73%) to multi-use paths as these projects generally address the stated program objectives of not having other dedicated sources of funding and completing gaps in modal systems. TPAC recommends that equal to other modes, these projects should receive full potential match of 89.73% only when they provide a direct benefit to a priority 2040 land-use area.

#### 7. Other Specific Measures

There were several requests to modify the specific measures used to score each criteria. Local transportation staff will be consulted through the TIP Subcommittee in refinement of measures for the criteria adopted within the program policy process.

#### 8. Multi-modal and Geographic Equity Analysis

In previous allocation processes, a summary of the distribution of funding between modes and between geographic regions of the draft recommended project list has been completed. There is no policy direction for equity of allocations between modes or geographic areas; the summary is prepared for informational purposes only. No change is recommended in providing this information.

### IX. Solicitation, Allocation and Follow-up Process Issues

There were many requests for modification of the process used to solicit and allocate regional flexible funds. Metro staff is also interested in performing new follow-up activities to the allocation process.

#### Recommendations:

1. Additional Time for Application Process; A third month will be added to the project solicitation phase of the process. This will allow more time to for coordination among jurisdictional staff and for completing the applications with more complete information.
2. Public Kick-off Notice; To address concerns about the ability for community interest groups and jurisdictional staff from outside of transportation agencies to influence project applications, Metro will provide public announcements of the kick-off of the application process and provide stakeholders with a list of local agency contacts
3. Regional Objectives; In order to provide better information about regional objectives, successful project examples and assistance on completing project applications, Metro staff will provide presentations to jurisdictional staff early in the solicitation period.
4. STIP Coordination; Metro and ODOT will identify areas for coordination related to STIP projects that could be supplemented for 2040 implementation and coordination of public outreach opportunities.
5. Other Funding; Other significant transportation funding will be identified for potential of coordination with regional flexible funds.

6. **MTIP Subcommittee;** The MTIP Subcommittee of TPAC will be used to review the draft technical scoring by project staff. This could include the use of field trips to review potential projects on the 150% cut list.
7. **Public Outreach;** Metro will utilize a similar public involvement program as the previous allocation process, consistent with Metro's policies on public involvement. This included early notification of process kick-off and key decision points and opportunities for comment and a response to those comments. Key components will include a review of the technical ranking and draft 150% list and formal hearings on the recommended allocation package.
8. **Public Information;** Metro will be increasing public understanding of the MTIP and regional flexible funding program. This will be done through the inclusion of Metro information, including signage, on funded project or program materials, participation in public events and new informational materials, such as a website highlighting funded projects.
9. **Allocation Follow-up Activities;** Metro staff will also be improving project monitoring to ensure project development that is consistent with application materials post-construction data collection (particularly with demonstration projects) and awards or other recognition for quality project implementation.

**Issues to be Addressed Prior to Solicitation For Projects and Outside of Policy Report Adoption**

1. Refinement of Criteria

The TIP Subcommittee of TPAC will be convened in July to make a recommendation to TPAC concerning:

- a. Technical scoring of 2040 centers, main streets and station communities. May involve qualitative descriptions or meeting a check list of issues based on lessons learned from the centers study currently underway.
  - b. Review technical scoring of 2040 industrial areas. Develop a better understanding of job growth in trade sectors.
  - c. Developing technical scoring or administrative considerations for projects in UGB expansion areas and tie to relevant UGB expansion policies.
  - d. Incorporate qualitative evaluation considerations for safety criteria within each project category.
  - e. Review model inputs and model driven outputs used to measure criteria for effectiveness as a technical measure and propose improvements.
2. Develop Application Materials
- a. Forms that reflect updated criteria and technical measures.
  - b. Letters that provide clear instructions.
  - c. Project examples that demonstrate project elements that will score well under new criteria and technical measures.
3. Develop criteria and measures and feedback process for determination on qualifications for project match eligibility based on direct benefits to a priority 2040 land-use area.



**Draft**  
**2004-07 MTIP Allocation Schedule**

August 2002; Project Solicitation

November 2002; Project Applications Due

January 2003; Release Technical Rankings, Public Hearings

February/March 2003; 150% Cut List Recommendations/Adoption

March/April 2003; Public Hearings, Adoption of Project Allocation

May/June 2003; Air Quality Conformity, STIP Reporting, Documentation

July 2003; Full MTIP Adoption

October 2003; Obligation of Funding Begins

## **TRANSPORTATION COMMITTEE REPORT**

CONSIDERATION OF RESOLUTION NO. 02-3206, FOR THE PURPOSE OF ADOPTING POLICY DIRECTION, PROGRAM DEVELOPMENT AND EVALUATION CRITERIA FOR THE PRIORITIES 2003 METROPOLITAN TRANSPORTATION IMPROVEMENT PROGRAM (MTIP) UPDATE

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Date: July 23, 2002

Presented by: Councilor Burkholder

**Committee Action:** At its July 18, 2002 meeting, the Transportation Committee voted 2-0 to recommend Council adoption of Resolution 02-3206. Voting in favor: Councilors Monroe and Burkholder.

**Background:** Metro and the Oregon Department of Transportation (ODOT) update the MTIP/STIP every two years to schedule funding for the following four-year period. The priorities 2003 MTIP update encompasses the four-year period of federal fiscal years 2004-2007. This update will therefore adjust, as necessary, funds already allocated to projects in FY '04 and FY '05 in the current approved MTIP. It will also allocate funds to new projects in the last two years of the new MTIP (FY '06 and FY '07).

Subsequent to the last MTIP allocation, JPACT and the Metro Council directed staff via Resolution 01-3025B, to perform an assessment of whether the allocation process and criteria support transportation and land use goals and objectives of the Region 2040 Growth Concept. Staff undertook that assessment via public opinion research, surveys, questionnaires and interviews. Exhibit A lays out the results of those activities which are recommended to be applied to the next round of allocation, beginning in roughly August of this year.

### **Committee Issues/Discussion:**

Mike Hogland made the staff presentation and reviewed the background leading up to the policy review. The resulting recommendations were unanimously approved by TPAC and JPACT. Of particular note is the revised policy direction as detailed in section IV of Exhibit A. The primary policy objective of the MTIP program and allocation of regional flexible funds is to: "Leverage economic development in priority land-use areas through investment to support centers, industrial areas and UGB expansion areas with completed concept plans." He went on to explain that projects that meet those objectives, and other criteria, will be eligible for 90% funding. Other projects may receive funding, but at a lesser—70%--level.

A public hearing was opened. No testimony was received.

Councilor Monroe clarified that there was some discussion of allowing submission of projects by local jurisdictions at 150% of available funding. It was decided to retain the

past practice of submitting projects at twice the level of available funds in order to allow the Council greater flexibility during the allocation phase.

- Existing Law: Federal planning regulations designate JPACT and the Metro Council as the Portland Area Metropolitan Planning Organization responsible for allocating federal highway and transit funds. Preparation and implementation of the MTIP is the means for allocation of those funds.
- Budget Impact: There is no budget impact.
- Known opposition: No opposition has been registered.

## STAFF REPORT

### CONSIDERATION OF RESOLUTION NO. 02-3206 FOR THE PURPOSE OF ADOPTING THE POLICY DIRECTION, PROGRAM OBJECTIVES, PROCEDURES AND CRITERIA FOR THE PRIORITIES 2003 METROPOLITAN TRANSPORTATION IMPROVEMENT PROGRAM (MTIP) AND ALLOCATION OF REGIONAL FLEXIBLE FUNDS.

July 11, 2002

Presented by: Michael Hoglund

## PROPOSED ACTION

This resolution would approve a report outlining the policy direction, program objectives, procedures, and the basic technical and administrative criteria that will be used during the Priorities 2003 MTIP update to nominate, evaluate, and select projects to receive federal transportation funds in the fiscal year 2006-07 biennium.

## BACKGROUND

The Metro Council and the Executive 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 allocation process is referred to as the Priorities 2003 MTIP update.

Metro and ODOT update the MTIP/STIP every two years to schedule funding for the following four-year period. The Priorities 2003 MTIP update encompasses the four-year period of federal fiscal year's 2004 through 2007 (FY 04 - FY 07). This update will therefore adjust, as necessary, funds already allocated to projects in FY 04 and FY 05 in the current approved MTIP. It will also allocate funds to new projects in the last two years of the new MTIP (i.e., FY 06 and FY 07).

The regional flexible funds available for allocation in the Priorities 2003 MTIP update 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 region can allocate about \$33 million of STP funds to new projects in FY 06 – 07.

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. The region can allocate about \$19 million of CMAQ funds to new projects.

The Oregon Transportation Commission (OTC) decided not to allocate Transportation Enhancement (TE) funds in the previous MTIP update. TE funds support non-automotive transportation projects, including bike and pedestrian paths and historic and environmental mitigation improvements. The OTC suspended allocation of this class of federal funds in order to focus resources on significant maintenance and rehabilitation needs of the state's existing roads and bridges. There is no indication that the OTC intends to resume allocation of TE funds at the local level. Again though, STP funds can also be used to fund many of these types of projects.

## ANALYSIS/INFORMATION

1. **Known Opposition** Metro staff is unaware of any opposition at this time.
2. **Legal Antecedents** Federal planning regulations designate JPACT and the Metro Council as the Portland Area Metropolitan Planning Organization responsible for allocating federal highway and transit funds to projects in the metropolitan area. Preparation of an MTIP is the means prescribed for doing this. JPACT and the Metro Council have directed staff in Metro Resolution 01-3025B to assess whether the existing MTIP process and criteria support transportation and land use goals and objectives of the Region 2040 Growth Concept prior to initiating the next project solicitation and selection process. Projects approved for inclusion in the MTIP must come from a conforming, financially constrained transportation plan. The 2000 RTP is the current conforming plan.
3. **Anticipated Effects** Adoption of this resolution will provide policy guidance to the process of allocating regional flexible transportation funds. This new policy guidance will refine how Metro staff solicits projects for funding, how project applications will be technically ranked for policy implementation, the public outreach and decision making process to select projects for funding and the ability to analyze and provide public information concerning the effectiveness of the MTIP program in addressing program policies.
4. **Budget Impacts** none.

## RECOMMENDED ACTION

Council approve Resolution No. 02-3206.

TL:MH: RC