

BEFORE METRO COUNCIL

FOR THE PURPOSE ENDORSING A MULTI-YEAR) RESOLUTION NO. 03-3290
COMMITMENT OF METROPOLITAN)
TRANSPORTATION IMPROVEMENT) Introduced by Councilor Rod Park
PROGRAM FUNDS FOR A REGIONAL)
FUNDING PLAN)

WHEREAS, the Metro Council adopted Resolution 96-2442 For the Purpose of Endorsing a Regional Position on Reauthorization of the Intermodal Surface Transportation Efficiency Act (ISTEA), on January 23, 1997, that committed \$55 million of Regional Surface Transportation Program (STP) funds to the South/North Light Rail Project during the period of FY 1999-2009; and

WHEREAS, the Metro Council adopted Resolution 99-2804A For the Purpose of Endorsing the Interstate Max Light Rail Transit Project and South Corridor Financing Strategy and Amending the Metropolitan Transportation Improvement Program, on June 24, 1999, that increased the commitment of STP funds by \$12.5 million during the period of FY 2005-2010 and endorsed using the multi-year commitment of funds for a “North LRT/South Corridor Financing Strategy;” and

WHEREAS, Congress is considering reauthorization of the Transportation Equity Act of the 21st Century (TEA-21) during 2003; and

WHEREAS, reliable local funding commitments for priority projects enhance the region’s ability to advance its transportation agenda through the reauthorization bill; and

WHEREAS, the South Corridor Policy Advisory Group has released a two-phase locally preferred alternative recommendation for the South Corridor premised on local funding for the I-205 Light Rail (LRT) Project coming from contributions of federal, state, regional and local funds by affected local and regional governments and local funding for the Milwaukie LRT Project coming from a regional bond measure; and

WHEREAS, the South Corridor, Commuter Rail and North Macadam projects support 2040 Growth Concept objectives for the Central City and for Regional and Town Centers and have been designated as regional reauthorization priorities, among others; and

WHEREAS, funding deficiencies affecting the South Corridor, Commuter Rail and North Macadam projects can be resolved by establishing an integrated regional funding plan for these projects; and

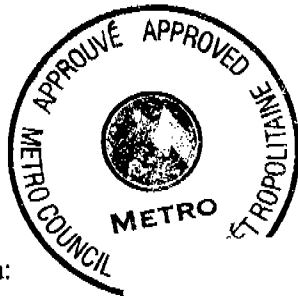
WHEREAS, the integrated regional funding plan requires extending and expanding the existing multi-year commitment of Metropolitan Transportation Improvement Program (MTIP) funds; and

WHEREAS, Joint Policy Advisory Committee on Transportation (JPACT) recommends the attached amendment to the multi-year commitment of MTIP funds and associated *Regional Funding Strategy*; now, therefore,

BE IT RESOLVED that the Metro Council:

1. Endorses the *Regional Funding Strategy for the South Corridor, Commuter Rail, and North Macadam Projects* shown in Exhibit A.
2. Amends the Metropolitan Transportation Improvement Program to reflect the supplemental multi-year commitment of regional federal formula funds as described in the *Regional Funding Strategy*.

ADOPTED by the Metro Council on this 20 day of March, 2003.



David Bragdon, Council President

Approved as to Form:



Daniel B. Cooper, Metro Attorney

Exhibit "A"

Regional Funding Plan for South Corridor, Commuter Rail and North Macadam Projects

1. Metro hereby supplements the multi-year commitment of Metropolitan Transportation Improvement Program (MTIP) funds set forth in Resolution No. 99-2804A 2804A For the Purpose of Endorsing the Interstate Max Light Rail Transit Project and South Corridor Financing Strategy and Amending the Metropolitan Transportation Improvement Program, as follows:

	<u>Allocation of MTIP Funds under Resolution No. 99- 2804A</u>	<u>Supplemental Commitment of MTIP Funds to Regional Funding Plan</u>	<u>Total Multi-Year Commitment of MTIP Funds</u>
FY '99	\$1,500,000		\$1,500,000
FY '00	\$6,000,000		\$6,000,000
FY '01	\$6,000,000		\$6,000,000
FY '02	\$6,000,000		\$6,000,000
FY '03	\$6,000,000		\$6,000,000
FY '04	\$6,000,000		\$6,000,000
FY '05	\$6,000,000		\$6,000,000
FY '06	\$6,000,000	\$2,000,000	\$8,000,000
FY '07	\$6,000,000	\$2,000,000	\$8,000,000
FY '08	\$6,000,000	\$2,000,000	\$8,000,000
FY '09	\$6,000,000	\$2,000,000	\$8,000,000
FY '10	\$6,000,000	\$2,000,000	\$8,000,000
FY '11		\$8,000,000	\$8,000,000
FY '12		\$8,000,000	\$8,000,000
FY '13		\$8,000,000	\$8,000,000
FY '14		\$8,000,000	\$8,000,000
FY '15		\$8,000,000	\$8,000,000
TOTAL	\$67,500,000	\$50,000,000	\$117,500,000

2. This funding commitment will generally be fulfilled through programming of Surface Transportation Program (STP) funds. However, on an annual basis, Metro may determine that it is more advantageous to obligate Congestion Mitigation/Air Quality (CMAQ) funds.
3. From the funds committed under Resolution No. 99-2804A 2804A For the Purpose of Endorsing the Interstate Max Light Rail Transit Project and South Corridor Financing Strategy and Amending the Metropolitan Transportation Improvement Program, \$1.5 million has been expended, as required by Resolution No, 99-2804A, on South Corridor environmental and engineering studies, and \$40 million, net of debt service, on Interstate MAX.

From the remaining funds under Resolution 99-2804A 2804A For the Purpose of Endorsing the Interstate Max Light Rail Transit Project and South Corridor Financing Strategy and Amending the Metropolitan Transportation Improvement Program, \$24 million, net of debt service, will be provided to construct the Phase 1 locally preferred alternative for the South Corridor Project.

4. The *Supplemental Commitment of MTIP Funds* shown in paragraph 1 is committed to meet funding needs, either directly or through a revenue bonding strategy, as follows:

- A. Phase 1 South Corridor Project: \$15 million, net of debt service, will be provided from the supplemental commitment of MTIP funds (making a total of \$39 million available to the Project from the entire multi-year commitment) to construct Phase 1 of the South Corridor Project. These funds will be provided in accordance with the funding plan set forth in the Final Environmental Impact Statement (FEIS) for the Project, as may be revised in the Project's Full Funding Grant Agreement.

To achieve at least a 40% local share of capital cost, additional local funding will come from Clackamas County, City of Portland, TriMet, and state and regional sources in accordance with a detailed funding plan to be set forth in the FEIS. The region will seek up to a 60% federal funding share through the Federal Transit Administration's (FTA) New Starts program or other federal funding. Local funding for the Phase 2 South Corridor Project is anticipated to come from a future regional bond.

If the City of Portland does not commit sufficient funds to incorporate a Mall Light Rail (LRT) alignment in the South Corridor Project, the \$10 million of MTIP funds (or bond proceeds supported by MTIP funds) intended for the North Macadam Project will instead be provided to the South Corridor Project (making the total direct/bond contribution from MTIP funds \$49 million). If these additional funds were provided to the South Corridor Project after FY 2006, the associated debt service costs would be less than anticipated for the North Macadam Project. Under this scenario, the savings in debt service would accrue to the South Corridor Project, increasing the MTIP contribution to the Project.

Final commitment of these MTIP funds is subject to commitment of the other funding sources.

- B. Commuter Rail: \$10 million, net of debt service, will be provided to the Commuter Rail Project in accordance with the funding plan set forth in the *Definitive Agreement* between Washington County and TriMet, as may be revised in the project's Full Funding Grant Agreement. The County will provide sufficient County and State funds to achieve a 50% local share of total capital cost. The region will seek a 50% federal funding share through FTA's New Starts program or other federal funding.
- C. North Macadam Project: Conditioned on the City of Portland committing sufficient funds to the South Corridor Project to incorporate a mall light rail alignment, \$10 million of MTIP funds, net of debt service, will be provided in FY 2006 for infrastructure improvements serving the North Macadam District. These infrastructure improvements are identified in the Portland Transportation

System Plan and the Metro Regional Transportation Plan and include the streetcar extension, the tram to Oregon Health & Science University (OHSU), bike/pedestrian and street improvements. If this condition is not met, these MTIP funds (or bond proceeds supported by these MTIP funds) will be applied instead to the South Corridor Project as discussed in paragraph A, above.

The City will provide the remaining \$50 million needed to complete the funding package for the private/OHSU development proposal in the North Macadam District from City, Portland Development Commission (PDC), OHSU, and private sources. If the federal reauthorization act includes a "*Small Starts*" or "*Streetcar Starts*" program, the region may seek federal funds from such a program for the Streetcar connection to and through the North Macadam District.

Final commitment of these MTIP funds is subject to commitment of the other funding sources.

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 03-3290 FOR THE PURPOSE OF ENDORING A MULTI-YEAR COMMITMENT OF METROPOLITAN TRANSPORTATION IMPROVEMENT PROGRAM FUNDS FOR A REGIONAL FUNDING PLAN

Date: February 24, 2003

Prepared by: Andy Cotugno

BACKGROUND

On January 23, 1997, the Metro Council adopted Resolution 96-2442 For the Purpose of Endorsing a Regional Position on Reauthorization of the Intermodal Surface Transportation Efficiency Act (ISTEA), committing \$55 million of Regional Surface Transportation Program (STP) funds to the South/North Light Rail (LRT) Project during the period of FY 1999-2009. On June 24, 1999, the Metro Council adopted Resolution 99-2804A For the Purpose of Endorsing the Interstate Max Light Rail Transit Project and South Corridor Financing Strategy and Amending the Metropolitan Transportation Improvement Program, increasing the commitment of STP funds by \$12.5 million during the period of FY 2005-2010 and endorsing the *North LRT/South Corridor Financing Strategy* as the blueprint for expending these funds. Based on these resolutions, \$1.5 million was spent on South Corridor environmental and engineering studies and \$40 million, net of debt service, was spent on Interstate MAX construction. From the remaining funds, \$24 million, net of debt service, is available to construct the South Corridor Project.

In February 2003, the South Corridor Policy Advisory Group recommended a two-phase locally preferred strategy. The Policy Advisory Group recommended the I-205 LRT Project as the locally preferred alternative for Phase 1, and proposed to incorporate a mall LRT alignment in the I-205 LRT Project. The Policy Advisory Group recommended the Milwaukie LRT Project for Phase 2. In addition, the Policy Group recommended implementation of the Southgate Transit Center (in Milwaukie) as part of Phase I. These recommendations were premised on local funding for the I-205 LRT Project coming from contributions of federal, state, regional and local funding sources by affected local and regional governments and local funding for the Milwaukie LRT Project coming from a regional bond measure.

Also in February 2003, the Metro Council and the Joint Policy Advisory Committee on Transportation (JPACT) endorsed a regional position regarding the federal FY 2004 Appropriations Bill and reauthorization of the Transportation Equity Act of the 21st Century (TEA-21). The region established the South Corridor Project, Commuter Rail Project, and North Macadam Project as regional priorities, among others. Experience has shown that the region's ability to advance its transportation appropriation and reauthorization agenda is enhanced by demonstrating reliable funding plans for requested projects, including local funding commitments. Currently, the South Corridor, Commuter Rail and North Macadam projects currently have local funding gaps that have been difficult to resolve because their funding plans are particularly intertwined.

Consequently, in February the Transportation Policy Alternatives Committee (TPAC) proposed and JPACT requested that Metro staff work with the affected parties to identify a plan for these projects that (a) reduces their funding gaps through an expanded multi-year commitment of Metropolitan Transportation Improvement Program (MTIP) funds and (b) coordinates the individual funding plans into an integrated funding plan. The *Regional Funding Plan* set forth in Resolution No. 03-3290 is the result of that effort.

The *Regional Funding Plan* supplements the multi-year commitment made in Resolution No. 99-2804A with a \$50 million additional commitment of MTIP funds. These supplemental MTIP funds would be used directly or in a revenue-bonding strategy to provide, net of debt service, \$15 million to the South Corridor Project, \$10 million to the Commuter Rail Project and \$10 million to the North Macadam Project, all in accordance with the finance plans for these projects. It is recommended that if the Commuter Rail project is funded with greater than 50% New Start funding, that the savings be returned to the MTIP for future allocation.

The allocation of these MTIP funds to the North Macadam Project is conditioned on the City's commitment of sufficient funds to incorporate mall light rail alignment in the South Corridor Project. It is necessary for the City of Portland to finalize the funding plans for the North Macadam area and LRT on the transit mall together because of the numerous overlapping funding sources. If this condition that the City of Portland commit funds toward LRT on the transit mall is not met, the \$10 million of MTIP funds intended for the North Macadam Project will be applied instead to the South Corridor Project. The allocation of these MTIP funds to the I-205 LRT project is subject to final local funding commitments from the other governmental entities. This funding allocation to the Commuter Rail project is subject to securing a 50% federal "New Starts" funding commitment for the project (other local sources are already committed).

ANALYSIS/INFORMATION

- 1. Known Opposition** There are no known opponents.
- 2. Legal Antecedents** On January 23, 1997, the Metro Council adopted Resolution 96-2442 For the Purpose of Endorsing a Regional Position on Reauthorization of the Intermodal Surface Transportation Efficiency Act (ISTEA), committing \$55 million of Regional Surface Transportation Program (STP) funds to the South/North Light Rail Project during the period of FY 1999-2009. On June 24, 1999, the Metro Council adopted Resolution 99-2804A 2442 For the Purpose of Endorsing the Interstate Max Light Rail Transit Project and South Corridor Financing Strategy and Amending the Metropolitan Transportation Improvement Program, increasing the commitment of STP funds by \$12.5 million during the period of FY 2005-2010 and endorsing the *North LRT/South Corridor Financing Strategy* as the blueprint for expending these funds
- 3. Anticipated Effects** These added funds would be used to provide, net of debt service, \$15 million to the South Corridor Project, \$10 million to the Commuter Rail Project and \$10 million to the North Macadam Project, all in accordance with the finance plans for these projects.
- 4. Budget Impacts** This resolution would commit an additional \$50 million of regional formula federal funds (i.e. STP and CMAQ funds) during the FY 2006 through FY 2015 period to an existing multi-year commitment of funds for regional transportation priorities.

The \$10 million commitment to the North Macadam is subject to the City of Portland committing sufficient local match for a Mall LRT alignment; otherwise, these funds will be allocated to the South Corridor Project (making a total contribution to the South Corridor Project of \$25 million, net of debt service, from the added funds).

RECOMMENDED ACTION

Approve Resolution No. 03-3290.