

BEFORE THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF FINALIZING)
THE WESTSIDE LRT FUNDING)
PACKAGE)

RESOLUTION NO. 92-1598 A
Introduced by
Councilor Richard Devlin

WHEREAS, By Resolution No. 89-1035, an overall funding approach for the Westside Corridor project was established based upon 75 percent federal share and one-half the local match from the region and one-half from the state; and

WHEREAS, By Resolution No. 90-1300, the region's share of the local match was identified through Tri-Met General Obligation bonds and Regional Compact funds; and

WHEREAS, The Intermodal Surface Transportation Efficiency Act (ISTEA) of 1991 provided a \$515 million commitment toward a Full-Funding Grant Agreement during the next six-year period; and

WHEREAS, Tri-Met has determined the most effective method for providing LRT accessibility to the disabled is through the use of low-floor cars; and

WHEREAS, It is necessary to finalize the Westside LRT funding package in order to execute the Full-Funding Grant Agreement between Tri-Met and the Federal Transit Administration; now, therefore,

BE IT RESOLVED,

That the Council of the Metropolitan Service District:

1. Endorsed an overall Westside LRT funding package with the following elements:

- a. 75 percent Federal Transit Administration (FTA) Section 3 funding for the segment from downtown Portland to 185th Avenue.

- b. One-third FTA Section 3 funding for the segment from 185th Avenue to downtown Hillsboro.
- c. \$110 million in Tri-Met General Obligation bonds.
- d. \$115 million in state funding (from the lottery) \$21 million in Regional Compact funds, including:
 - . \$7 million from Tri-Met.
 - . \$7 million from Portland.
 - . \$5 million from Washington County.
 - . \$2 million from Metro (for the zoo station).
- f. \$22 million from Regional "Surface Transportation Program" funds.
- g. \$22 million from ODOT "Surface Transportation Program" funds.
- h. \$22 million from Tri-Met Section 9 funds.
- i. \$33.9 FTA Section 3 funds (or other Discretionary FTA funding) @ 90 percent for inclusion of low-floor, handicapped accessible cars for the Westside Hillsboro extension and added cars for the Banfield.
- j. \$13.5 million FTA Section 3 funds for Eastside costs required to through route trains with the Westside.

2. That \$22 million of regional Surface Transportation Program (STP) funds is allocated for the Westside project and the Transportation Improvement Program (TIP) is amended accordingly, subject to Resolves 3 and 4 below.

3. That ODOT is requested to commit \$22 million of state Surface Transportation Program funds and the TIP is amended accordingly.

4. That Tri-Met is requested to commit \$22 million of FTA Section 9 funds and the TIP is amended accordingly.

5. That Tri-Met is encouraged to seek 90 percent FTA funds for the incremental cost of low-floor cars and the TIP is amended accordingly.

6. That the TIP is amended to authorize \$13.5 million of FTA Section 3 funds for Eastside costs required to through route trains to the Westside.

7. That funding for the 185th to Hillsboro segment is subject to selection and approval of the preferred alternative consistent with the National Environmental Policy Act (NEPA).

8. That Tri-Met work with the City of Gresham to define alternatives and recommend a strategy for keeping the project "Break-even" parcel intact as a transit-supportive site.

ADOPTED by the Council of the Metropolitan Service District
this 9th day of April, 1992.


Jim Gardner, Presiding Officer

TRANSPORTATION AND PLANNING COMMITTEE REPORT

CONSIDERATION OF RESOLUTION NO. 92-1598 FOR THE PURPOSE OF FINALIZING THE WESTSIDE LRT FUNDING PROGRAM

Date: April 2, 1992

Presented by: Councilor McLain

Committee Recommendation: At the April 1 meeting, the Transportation and Planning Committee voted unanimously to recommend Council adoption of Resolution No. 92-1598. Voting in favor: Councilors Devlin, McLain, Bauer, Buchanan, and Washington.

Committee Issues/Discussion: Andrew Cotugno, Transportation Director, presented the staff report. He explained that even though all pieces of the Westside Light Rail Transit project have not been secured, passage of this resolution will move the process forward one more step toward securing federal funding.

He explained the basic commitment needed for the project from downtown to 185th Avenue to be 75% Federal Transit Administration Section 3 funding. Several Congressional actions, the most recent of which is the Surface Transportation Act, indicate that this will occur at the 75% range. The total amount necessary for the project will be needed over a seven to eight year period, while the Act covers only a six year period. So the entire 75% is not available from this Surface Transportation Act, some will have to come from the next.

He pointed out that the Urban Mass Transit Administration (UMTA) is extremely limited in their ability to fund; only fifteen grant recipients have been approved nationwide to receive 85% of the federal allowance. The Portland region is one of the fifteen. However, competition for a portion of the remaining fifteen percent of discretionary funds available is extremely steep.

The resolution's second point would reduce the expected funding needed for the Hillsboro extension from 185th to Hillsboro to one-third FTA Section 3 funding. Out of the \$515 million earmarked for this project, \$15 million is for this extension. We will need to apply for additional moneys from the fifteen percent discretionary funds or from the next Surface Transportation Act. He recommends we go for the one-third designation because to do so removes many of the federal obstacles, effectively streamlining the process. The 75% designation involves many more decision points. This is more risky even with strong Congressional support.

So it is the intent to include the segment from downtown Portland to 185th Avenue at 75%, including \$33.9 million FTA Section 3 funds at 90% for inclusion of low-floor, handicapped accessible cars, and \$13.5 million for double tracking on the Eastside to through route trains with the Westside.

This resolution is also important because it requests new funds that are at the discretion of this region, the state and Tri-Met. It is recommended that \$22 million be allocated from the Regional Surface Transportation Program and an additional \$22 million from the ODOT Surface Transportation Program. Tri-Met will also be asked for \$22 million from their Section 9 funds. This makes the project a partnership. Each entity must, however, agree to this funding level. He then reviewed the local match availability and closed his comments stating that all funding sources have been stretched as far as possible.

Following approval of the motion to support the resolution, the committee listened to testimony regarding whether it was prudent at this point in time to issue a request for proposal (RFP) regarding a Tri-Met/Metro merger because of the potential jeopardy it may place on federal funding. No final decision was made on this matter, pending further information.

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STAFF REPORT

CONSIDERATION OF RESOLUTION NO. 92-1598 FOR THE PURPOSE
OF FINALIZING THE WESTSIDE LRT FUNDING PROGRAM

Date: March 16, 1992

Presented by: Andrew Cotugno

PROPOSED ACTION

Adoption of this Resolution would finalize the Westside LRT funding package for the project from downtown Portland to downtown Hillsboro with the following elements:

1. 75 percent Federal Transit Administration (FTA) Section 3 funding for the segment from downtown Portland to 185th Avenue.
2. One-third FTA Section 3 funding for the segment from 185th Avenue to downtown Hillsboro.
3. \$110 million in Tri-Met General Obligation bonds.
4. \$115 million in state funding (from the lottery).
5. \$21 million in Regional Compact funds, including:
 - a. \$7 million from Tri-Met.
 - b. \$7 million from Portland.
 - c. \$5 million from Washington County.
 - d. \$2 million from Metro (for the zoo station).
6. \$22 million from Regional "Surface Transportation Program" funds.
7. \$22 million from ODOT "Surface Transportation Program" funds.
8. \$22 million from Tri-Met Section 9 funds.
9. \$33.9 FTA Section 3 funds (or other Discretionary FTA funding) @ 90 percent for inclusion of low-floor, handicapped accessible cars for the Westside, Hillsboro extension and added cars for the Banfield.
10. \$13.5 million FTA Section 3 funds for Eastside costs required to through route trains with the Westside.

Adoption of this resolution was recommended by the Westside Project Management Group and by TPAC at its meeting on March 27, 1992. The action also recognizes that TPAC recommends that Tri-Met work with the City of Gresham to define alternatives and recommend a strategy for keeping the project "Break-even" parcel intact as a transit-supportive site.

FACTUAL BACKGROUND AND ANALYSIS

By Resolution No. 90-1300, Metro endorsed seeking \$110 million in Tri-Met General Obligation bonds and \$21 million in Regional Compact funds for the Westside LRT project from downtown Portland to downtown Hillsboro. This action was predicated on seeking half of the local match requirement from the '91 Oregon Legislature (which was subsequently approved) and 75 percent federal share from the Urban Mass Transportation Administration (now the Federal Transit Administration). Subsequently, the Intermodal Surface Transportation Efficiency Act (ISTEA) of 1991 was adopted by Congress which included:

1. A directive to FTA to execute a Full-Funding Grant Amendment (FFGA) for the Westside Corridor project from downtown Portland to 185th Avenue at a 75 percent federal share.
2. A directive to include in the FFGA a clause allowing for amendment at a future date to include the Hillsboro extension on the same terms, subject to satisfactory completion of the environmental process.
3. A commitment of \$500 million for the Westside project to 185th Avenue and \$15 million for the Hillsboro extension during this six-year ISTEA time period (funding in the FFGA in excess of this amount would be subject to availability from the next ISTEA).

During the past several years, it has become readily apparent that FTA will not cooperate in advancing the Hillsboro extension through the environmental process. In addition, until the environmental process is complete, the FTA "one-corridor-at-a-time" policy prohibits initiation of the next regional priority corridor into the environmental process. As a result, considerable delay in both projects are likely.

Finally, Tri-Met's Committee on Accessible Transportation has completed an assessment of methods of providing handicapped accessibility and has identified low-floor cars as the preferred method.

The final funding package must address the source of funds required to complete the project and a method for bridging to the next ISTEA for Section 3 funding in excess of the committed \$515 million with a corresponding project schedule to match the federal cash flow and/or commercial borrowing to advance the schedule with repayment from the next ISTEA.

In general, the policy options available to deal with these various circumstances are as follows:

1. Status Quo -- This option would maintain the present intent to seek 75 percent FTA funding for the full project. This would involve delays in the project schedule to match the federal cash flow or significant borrowing in anticipation

of funding from the next ISTEA. In addition, it would result in a protracted environmental process for the Hillsboro extension and resulting delays for the next priority corridor.

2. Separate 185th from Hillsboro -- In recognition of the difficulties facing the Hillsboro extension, an FFGA could be executed for the 185th project, thereby reducing uncertainty and the potential for slippage. The Hillsboro extension would then proceed as an independent project.
3. Accelerate the Hillsboro project -- The recommended option would take advantage of a new provision in the ISTEA allowing projects having no greater than one-third FTA Section 3 funds to advance independent of the "one-corridor-at-a-time" policy. Although completion of the environmental process would still be required, the FTA process would be simplified. In addition, the next priority could advance into the environmental process at such time as the region specifically defines the corridor and alternatives to advance.

In order to accomplish this alternative, it is necessary to reduce the expected FTA Section 3 share for the Hillsboro extension from 75 percent to no more than one-third. To accomplish this, an allocation of \$22 million each from regional STP funds, state STP funds and Tri-Met Section 9 funds is recommended. The regional STP funds would be allocated from the new flexible funding category created by the ISTEA. Over this six-year period, \$60 to \$70 million is expected to be available. State STP funds would require the commitment of ODOT through their current Six-Year Program update process. Commitment of Section 9 funds would require the concurrence of the Tri-Met Board of Directors. All three actions must be approved by Metro through inclusion in the Transportation Improvement Program.

EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer recommends approval of Resolution No. 92-1598.

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7. That funding for the 185th to Hillsboro segment is subject to selection and approval of the preferred alternative consistent with the National Environmental Policy Act (NEPA).

ADOPTED by the Council of the Metropolitan Service District
this _____ day of _____, 1992.

Jim Gardner, Presiding Officer

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STAFF REPORT

CONSIDERATION OF RESOLUTION NO. 92-1598 FOR THE PURPOSE
OF FINALIZING THE WESTSIDE LRT FUNDING PROGRAM

Date: March 16, 1992

Presented by: Andrew Cotugno

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Adoption of this resolution was recommended by the Westside Project Management Group.

FACTUAL BACKGROUND AND ANALYSIS

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Compact funds for the Westside LRT project from downtown Portland to downtown Hillsboro. This action was predicated on seeking half of the local match requirement from the '91 Oregon Legislature (which was subsequently approved) and 75 percent federal share from the Urban Mass Transportation Administration (now the Federal Transit Administration). Subsequently, the Intermodal Surface Transportation Efficiency Act (ISTEA) of 1991 was adopted by Congress which included:

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Finally, Tri-Met has completed an assessment of methods of providing handicapped accessibility and has identified low-floor cars as the preferred method.

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2. Separate 185th from Hillsboro -- In recognition of the difficulties facing the Hillsboro extension, an FFGA could be executed for the 185th project, thereby reducing uncertainty and the potential for slippage. The Hillsboro extension would then proceed as an independent project.
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In order to accomplish this alternative, it is necessary to reduce the expected FTA Section 3 share for the Hillsboro extension from 75 percent to no more than one-third. To accomplish this, an allocation of \$22 million each from regional STP funds, state STP funds and Tri-Met Section 9 funds is recommended. The regional STP funds would be allocated from the new flexible funding category created by the ISTEA. Over this six-year period, \$60 to \$70 million is expected to be available. State STP funds would require the commitment of ODOT through their current Six-Year Program update process. Commitment of Section 9 funds would require the concurrence of the Tri-Met Board of Directors. All three actions must be approved by Metro through inclusion in the Transportation Improvement Program.

EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer recommends approval of Resolution No. 92-1598.