

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF APPROVING AN) RESOLUTION NO. 17-4848
INCREASED MULTI-YEAR COMMITMENT OF)
REGIONAL FLEXIBLE FUNDS FOR THE) Introduced by Chief Operating Officer Martha
YEARS 2019-34, FUNDING THE DIVISION Bennett in concurrence with Council
TRANSIT PROJECT, THE SOUTHWEST President Tom Hughes
CORRIDOR TRANSIT PROJECT, ARTERIAL
BOTTLENECK PROJECTS, ACTIVE
TRANSPORTATION PROJECTS, AND
ENHANCED TRANSIT PROJECTS, AND
AUTHORIZING EXECUTION OF AN
AMENDMENT TO INTERGOVERNMENTAL
AGREEMENT AMENDMENT WITH TRIMET
REGARDING THE INCREASED MULTI-YEAR
COMMITMENT OF REGIONAL FLEXIBLE
FUNDS

WHEREAS, Metro is the Metropolitan Planning Organization (MPO) for the Portland metropolitan region, authorized by the U.S. Department of Transportation to program federal transportation funds in the Portland region through the Metropolitan Transportation Improvement Program (MTIP);

WHEREAS, Metro is authorized by the Federal Highway Administration (FHWA) to allocate and program Surface Transportation Block Grant (STBG) and Transportation Alternatives Program (TAP) funds and by the Oregon Department of Transportation (ODOT) to sub-allocate and program federal Congestion Mitigation/Air Quality (CMAQ) funds in the MTIP that are allocated to the Portland metropolitan region by ODOT;

WHEREAS, TriMet is the authorized public transportation provider for the Portland region and is an eligible recipient of federal transportation funds through the MTIP;

WHEREAS, on June 16, 2016, as recommended by JPACT, the Metro Council adopted Resolution No. 16-4702, “For the Purpose of Adopting the 2018-2021 Metropolitan Transportation Improvement Program and 2019-2021 Regional Flexible Funds Allocation Policy Statement for the Portland Metropolitan Area,” which resolution and policy statement sets forth how the region will identify and select transportation projects to receive federal transportation funds, including CMAQ funds as a portion of the regional flexible funds (the “RFFA Policy Statement”);

WHEREAS, the RFFA Policy Statement supports committing federal transportation funds over years 2019-21 for the following purposes: (a) high-capacity transit regional bond commitments for the Division Street Project and the Southwest Corridor Project, (b) bond commitments for developing projects to address regional congestion bottlenecks and active transportation/Safe Routes to Schools projects, (c) region-wide programs, such as transit oriented development and corridor and systems planning, and (d) regional freight investments and active transportation/complete streets;

WHEREAS, JPACT has also requested a proposal for its consideration to provide funding for an “Enhanced Transit” program of on-street capital improvements to facilitate better bus service;

WHEREAS, pending resolution of how ODOT would resolve sub-allocation of CMAQ funds throughout the eligible areas of the state with two additional eligible areas established in 2016, a first phase allocation of funds was allowed to proceed through Metro Resolution 17-4800;

WHEREAS, ODOT has agreed to a new sub-allocation formula approach that stabilizes CMAQ funding levels for 2019 and beyond but reduces the amount of funding to the Portland metropolitan region from levels forecast during the original RFFA policy deliberations;

WHEREAS, the payment of RFFA revenues in Table 1 of Exhibit A to this resolution will accommodate the reduced amount of funding from the new CMAQ sub-allocation while providing bond proceeds for the purposes and amounts shown in Table 2 of Exhibit A;


WHEREAS, JPACT approved the revised payment schedule and amounts set forth in Table 1 and Table 2 of Exhibit A to this resolution on October 19, 2017; and

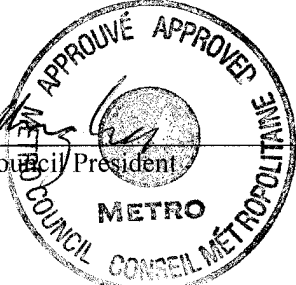
WHEREAS, TriMet anticipates issuing revenue bonds secured by the commitment of federal transportation funds set forth on Exhibit A, and an amended agreement between Metro and TriMet regarding these funds will facilitate borrowing by TriMet that pledge these increased funds; now therefore

BE IT RESOLVED that the Metro Council hereby:


- Approves the revised commitment of federal transportation funds recommended by JPACT and shown in Table 1 of Exhibit A; and
- Authorizes the execution of an amendment to intergovernmental agreement between Metro and TriMet, in a form approved by the Office of Metro Attorney and consistent with this Resolution, that incorporates the increased multi-year commitment of regional flexible funds shown in Table 1 of Exhibit A for the uses and amounts set forth in Table 2 of Exhibit A.

ADOPTED by the Metro Council this 2nd day of November, 2017.


Tom Hughes, Council President



Approved as to Form:


Alison R. Kean, Metro Attorney

Memo



Metro

600 NE Grand Ave.
Portland, OR 97232-2736

Date: October 19, 2017
To: Metro Council
From: Ted Leybold, Tyler Frisbee, Malu Wilkinson, Transportation Planning Managers
Subject: Resolution 17-4848, High Capacity Transit and Project Development bond payment schedule and project funding

The attached draft Resolution No. 17-4848 and Staff Report provide for the payment schedule of regional flexible funds to the High Capacity Transit and Project Development bonds to be executed by TriMet, now that the Congestion Mitigation and Air Quality (CMAQ) funding sub-allocation policy has been set by the Oregon Transportation Commission. The new payment schedule amends the funding forecast and direction provided in Metro Resolution 16-4702 to account for the reduction in CMAQ funding to the Metro area, and amends the Phase I Intergovernmental Agreement payment schedule provided in Metro Resolution 17-4800.

Per direction by JPACT at their December 2016 meeting to develop a proposal to utilize bond proceed revenues to support the funding of an “Enhanced Transit” program, the program funding also proposes a \$5 million allocation for this purpose. As our region grows and congestion increases, the need to connect people to their jobs, homes and daily activities is becoming more and more important. The goal of the Enhanced Transit concept is to develop strong partnerships between service and capital improvements that provides increased transit capacity and reliability, yet is relatively low-cost to construct, context sensitive and could be deployed quickly.

TriMet and the City of Portland have been developing a toolbox of potential improvements that could apply to congested transit corridors throughout the region to increase capacity and reliability with moderate and quickly deployable capital and operational investments. Metro and TriMet are working with the 2018 Regional Transportation Plan Transit Work Group to develop criteria and data sources to identify potential enhanced transit corridors region wide. The Working Group, in conjunction with TPAC, will help develop and finalize criteria to identify priority investment locations for a pilot Enhanced Transit Concept.

The Enhanced Transit work program will develop a policy framework and criteria to identify enhanced transit candidate corridors, as well as identify opportunities for service improvements, capital investments and policy commitments to enhance transit service in the corridors that need it most. Metro, TriMet and the jurisdictional partners will work together to move forward towards implementation and construction.

The new bond payment schedule is included as Table 1 to Exhibit A of Resolution No. 17-4848. The break out of new funds committed by this resolution relative to the total funds committed is provided in the following table:

**Regional Flexible Funds Allocation
High Capacity Transit and Project Development Bond Payment Schedule**

Year	Sub-Total of Funds Committed under Res Nos. 08-3942 and 10-4185	Sub-Total of Phase I Funds Committed under Res. No. 17-4800	Sub-Total of New Funds Committed in Phase II under Res. No. 17-4848	Grand Total of Funds Committed under Res. Nos. 08-3942, 10-4185, 17-4800, and 17-4848
2016	\$16,000,000			\$16,000,000
2017	\$16,000,000			\$16,000,000
2018	\$16,000,000			\$16,000,000
2019	\$16,000,000	\$3,250,000	\$1,130,000	\$20,380,000
2020	\$16,000,000	\$3,250,000	\$2,140,000	\$21,390,000
2021	\$16,000,000	\$3,250,000	\$2,140,000	\$21,390,000
2022	\$16,000,000	\$3,500,000	\$2,340,000	\$21,840,000
2023	\$16,000,000	\$3,500,000	\$2,330,000	\$21,830,000
2024	\$16,000,000	\$3,500,000	\$2,300,000	\$21,800,000
2025	\$16,000,000	\$3,500,000	\$2,280,000	\$21,780,000
2026	\$16,000,000	\$3,500,000	\$2,260,000	\$21,760,000
2027	\$16,000,000	\$3,500,000	\$2,240,000	\$21,740,000
2028		\$12,100,000	\$5,180,000	\$17,280,000
2029		\$12,100,000	\$5,160,000	\$17,260,000
2030		\$12,100,000	\$5,140,000	\$17,240,000
2031		\$12,100,000	\$5,120,000	\$17,220,000
2032			\$17,190,000	\$17,190,000
2033			\$17,170,000	\$17,170,000
2034			\$17,150,000	\$17,150,000

EXHIBIT A to Resolution 17-4848

Table 1: Multi-Year Commitment of MTIP Funds and Regional Flexible Funds to TriMet

Column:	A	B	C
Federal Fiscal Year	Sub-Total of MTIP Funds Committed under Res. Nos. 08-3942 and 10-4185	Sub-Total of Regional Flexible Funds Committed under Res. No. 17-4800 & Res. No. 17-4848	Grand Total of MTIP Funds and Regional Flexible Funds Committed to TriMet under Res. Nos. 08-3942, 10-4185, 17-4800 & Res. No. 17-4848
2016	\$16,000,000		\$16,000,000
2017	\$16,000,000		\$16,000,000
2018	\$16,000,000		\$16,000,000
2019	\$16,000,000	\$4,380,000	\$20,380,000
2020	\$16,000,000	\$5,390,000	\$21,390,000
2021	\$16,000,000	\$5,390,000	\$21,390,000
2022	\$16,000,000	\$5,840,000	\$21,840,000
2023	\$16,000,000	\$5,830,000	\$21,830,000
2024	\$16,000,000	\$5,800,000	\$21,800,000
2025	\$16,000,000	\$5,780,000	\$21,780,000
2026	\$16,000,000	\$5,760,000	\$21,760,000
2027	\$16,000,000	\$5,740,000	\$21,740,000
2028		\$17,280,000	\$17,280,000
2029		\$17,260,000	\$17,260,000
2030		\$17,240,000	\$17,240,000
2031		\$17,220,000	\$17,220,000
2032		\$17,190,000	\$17,190,000
2033		\$17,170,000	\$17,170,000
2034		\$17,150,000	\$17,150,000

(1) The rights and obligations of Metro and TriMet regarding the multi-year commitment of MTIP Funds shown in Column A are set forth in the 2011 RFF IGA. This Amendment sets forth the rights and obligations of Metro and TriMet regarding the multi-year commitment of Regional Flexible Funds shown in Column B, which represents the sub-total of the commitments made in Res. No. 17-4800 & Res. No. 17-4848. Column C shows the sum of Columns A and B, which represents the grand total amount of MTIP Funds and Regional Flexible Funds to be programmed each year by Metro and allocated to TriMet based on both the 2011 RFF IGA and this Amendment.

(2) Amounts shown do not include any adjustments pursuant to Section 4.4. and/or Section 5.4 of the IGA.

(3) MTIP Funds received by TriMet for fiscal years prior to 2016 are not shown.

Table 2: Funded Projects and Net Project Funding

Project Activity	Amount
Southwest Corridor Project	\$60,000,000
Division Transit Project	\$25,000,000
Project Development: Highway/Arterial	\$10,000,000
Active Transportation/Safe Routes to Schools	\$2,000,000
Enhanced Transit	\$5,000,000
Total	\$102,000,000

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 17-4848, FOR THE PURPOSE OF APPROVING AN INCREASED MULTI-YEAR COMMITMENT OF REGIONAL FLEXIBLE FUNDS FOR THE YEARS 2019-34, FUNDING THE DIVISION TRANSIT PROJECT, THE SOUTHWEST CORRIDOR TRANSIT PROJECT, ARTERIAL BOTTLENECK PROJECTS, ACTIVE TRANSPORTATION PROJECTS, AND ENHANCED TRANSIT PROJECTS, AND AUTHORIZING EXECUTION OF AN AMENDMENT TO INTERGOVERNMENTAL AGREEMENT AMENDMENT WITH TRIMET REGARDING THE INCREASED MULTI-YEAR COMMITMENT OF REGIONAL FLEXIBLE FUNDS

Date: October 19, 2017

Prepared by: Ted Leybold

BACKGROUND

In 2015, the region began discussions to update the policy for the next allocation of regional flexible funds and the creation of the 2018-21 MTIP. The financial forecast at that time found that by holding funding levels for existing programs steady at past amounts (adjusting for inflation), there is \$17.43 million of additional forecasted Regional Flexible Funds for the Portland metropolitan region under the FAST Act legislation. On June 16, 2016, the Metro Council approved Resolution No. 16-4702, establishing policy direction for the allocation of regional flexible funds, including the intent to provide this additional forecasted revenue and a small portion of existing funding capacity to the Division Transit Project and project development work for the Southwest Corridor transit project, arterial bottleneck projects, and active transportation projects. Support of these projects was authorized to include a multi-year commitment of funding through 2034, to be bonded by TriMet to provide funding to these projects more immediately.

Upon adoption of the policy, Metro was informed by the Oregon Department of Transportation that one source of the regional flexible funding, Congestion Mitigation/Air Quality (CMAQ) funds, would likely be reduced due to the new eligibility of the Salem and Eugene areas to receive these funds from the share allocated to the state of Oregon. To address this uncertainty regarding any potential reduction in available federal transportation funds from the amounts assumed in the adopted RFFA Policy Statement and given the importance of TriMet's timely receipt of funds to keep project work on schedule, on May 18, 2017, the Joint Policy Advisory Committee on Transportation (JPACT) recommended approval of Resolution 17-4800, allowing initial agreement for bond funding to proceed at a reduced amount until further resolution of the CMAQ sub-allocation by ODOT.

The Oregon Transportation Commission has now provided direction on the future sub-allocation of CMAQ funding to eligible areas of the state for the years 2019 and beyond, stabilizing the forecast that the Metro region can utilize for the Regional Flexible Fund allocation. While the forecast is now less than originally forecast in 2016 for the consideration of the RFFA policy, there is forecasted more funding than was committed to in the first phase of bonding that was authorized to proceed by Resolution 17-4800, while keeping the funding to other RFFA funded programs whole.

Therefore, this resolution authorizes amending the agreement with TriMet providing the initial amount of funding, to a final amount that represents the full amount now forecast to be available for bonding given the reduction to CMAQ funding to the Portland metropolitan area, and updates the forecast of available funding utilized in developing the original policy direction provided in Resolution No 16-4702. Under

this forecast scenario, the other RFFA funded programs will continue to be funded at approximately current levels per the original policy direction provided in Resolution No. 16-4702. The bond program payments and the projects to receive funding are updated to the amounts shown in Tables 1 and 2 of Exhibit A.

This resolution updates the funding amounts from Resolution Nos. 16-4702, and 17-4800 and authorizes the Chief Operating Officer to amend the intergovernmental agreement (IGA) between TriMet and Metro that had provided the initial funding. In this amendment, Metro will provide an increased multi-year commitment of regional flexible funds consistent with the schedule provided in Table 1 of Exhibit A to this resolution. The bond proceeds will be provided to the projects consistent with Table 2 of Exhibit A to this resolution.

JPACT approved these increased funding commitments and amounts set forth in Table 1 and Table 2 of Exhibit A to the resolution on October 19, 2017.

ANALYSIS/INFORMATION

1. **Known Opposition** None known at this time.
2. **Legal Antecedents** This Resolution would modify the policy direction provided in Resolution No. 16-4702, *“For the Purpose of Adopting the 2018-2021 Metropolitan Transportation Improvement Program and 2019-2021 Regional Flexible Funds Allocation Policy Statement for the Portland Metropolitan Area,”* June 16, 2016, and modify the previous IGA approved in Resolution No. 17-4800, *“For the Purpose of Approving a Multi-Year Commitment of Regional Flexible Funds for the Years 2019-31, Funding the Division Transit Project, Arterial Bottleneck Projects, and Active Transportation Projects, and Authorizing Execution of an Intergovernmental Agreement with TriMet Regarding the Multi-Year Commitment of Regional Flexible Funds”* to implement the modified policy direction.
3. **Anticipated Effects** This resolution would authorize an amended IGA that would provide the mechanism to formalize the transfer of regional flexible fund dollars to TriMet for the funding of transportation projects specified in the agreement.
4. **Budget Impacts** Federal or state funding allocations less than forecasted levels may affect Metro’s ability to allocate regional flexible funds for Metro planning or transportation program activities.

RECOMMENDED ACTION

Metro Council approve Resolution No. 17-4848.