

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ADOPTING THE 2021-	)	RESOLUTION NO. 19-4963
2024 METROPOLITAN TRANSPORTATION	)	
IMPROVEMENT PROGRAM POLICY	)	Introduced by Chief Operating Officer Martha
STATEMENT FOR THE PORTLAND	)	Bennett in concurrence with Council
METROPOLITAN AREA	)	President Lynn Peterson
	)	

WHEREAS, the Metropolitan Transportation Improvement Program (MTIP), which reports on the performance and programming of all federal surface transportation funds to be spent in the Portland metropolitan region, must be periodically updated in compliance with federal regulations; and

WHEREAS, the Metro Council and Joint Policy Advisory Committee on Transportation (JPACT) are authorized per Code of Federal Regulations Title 23 Section 450.306 and 450.326 to develop and implement a long-range metropolitan transportation plan and four-year investment program in a cooperative manner with the regions stakeholders; and

WHEREAS, the Metro Council and JPACT have developed a policy statement defining how the region coordinates and cooperatively develops the 2021-2024 MTIP per federal regulations, which is represented by Exhibit A; and

WHEREAS, the Metro Council and JPACT adopted an updated Regional Transportation Plan in December 2018; and

WHEREAS, the three year process to 2018 RTP engaged stakeholders in the region to develop the goals, objectives, and policies for the long-range transportation plan and the associated transportation investment priorities; and

WHEREAS, the adopted 2018 RTP specified four priorities to focus on in the near-term with the region's transportation investments; and

WHEREAS, the updated MTIP policy addresses expectations of the performance and programming of the Portland metropolitan region's transportation investments for federal fiscal years 2021 through 2024; and

WHEREAS, the expectations outlined in 2021-2024 MTIP policy are a continuation of existing policies and practices, but with minor updates and adjustments to reflect current adopted policies and funding programs; and

WHEREAS, the 2021-2024 MTIP policy provides clarity as to the role of 2018 RTP and the 2018 RTP policy priorities will set policy foundation for transportation investment in the 2021-2024 MTIP; and


WHEREAS, the 2018 RTP policy priorities will inform the 2021-2024 MTIP performance-based programming and measuring MTIP progress; and

WHEREAS, input utilized from the extensive engagement as part of the 2018 RTP informed and shaped the 2021-2024 MTIP policy; and

WHEREAS, input has been sought and received from the Transportation Policy Alternatives Committee as well as JPACT on the policy update; now therefore,

BE IT RESOLVED that the Metro Council adopt the 2021-2024 Metropolitan Transportation Improvement Program policy statement.

ADOPTED by the Metro Council this 4th day of April 2019.

  
Lynn Peterson, Council President

DEPUTY PRESIDENT  
SAM CHASE ON  
BEHALF OF

Approved as to Form:

  
Nathan Sykes, Metro Attorney



# 2021 – 2024 Metropolitan Transportation Improvement Program (MTIP) policy direction

April 2019

[oregonmetro.gov/mtip](http://oregonmetro.gov/mtip)

**Public service**

*We are here to serve the public  
with the highest level of  
integrity.*

**Excellence**

*We aspire to achieve exceptional  
results*

**Teamwork**

*We engage others in ways that foster  
respect and trust.*

**Respect**

*We encourage and appreciate  
diversity in people and ideas.*

**Innovation**

*We take pride in coming up with  
innovative solutions.*

**Sustainability**

*We are leaders in demonstrating  
resource use and protection.*

**Metro's values and purpose**

We inspire, engage, teach and invite people to  
preserve and enhance the quality of life and the  
environment for current and future generation

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## INTRODUCTION

The Metropolitan Transportation Improvement Program (MTIP) serves as the federally required schedule of transportation investments administered by Metro, ODOT, TriMet and SMART. The MTIP also monitors implementation of federal and regional policies for the Portland metropolitan region during a four-year cycle.

### Purpose

The purpose of the 2021-2024 MTIP policy report is to provide clarity on the guiding direction for the investments to be included as part of the 2021-2024 MTIP. The 2021-2024 MTIP policy establishes the expectations among regional partners and guides federal and relevant state and local transportation investments proposed for fiscal years 2021 through 2024 in the metropolitan planning area by defining policy priorities and outcomes investments are expected to contribute towards advancing. For those partners with responsibilities to administer federal transportation funds, the 2021-2024 MTIP policy report is a reaffirmation of the common goals and objectives investments are expected to make progress towards while in their stewardship.

### MTIP Basics

*What is the Metropolitan Transportation Improvement Program (MTIP)?*

The federal definition of the Metropolitan Transportation Improvement Program (MTIP) is,

*“a prioritized listing/program of transportation projects covering a period of four years that is developed and formally adopted by an MPO as part of the metropolitan transportation planning process, consistent with the metropolitan transportation plan, and required for projects to be eligible for funding under title 23 U.S.C. and title 49 U.S.C. chapter 53.”<sup>1</sup>*

In practice the MTIP is also a process in addition to a document illustrating a list of transportation investment priorities for the upcoming fiscal years. As part of the process, partners demonstrate how the region works together to achieve the common goal of implementing the most recently adopted Regional Transportation Plan (RTP) and complying with applicable federal regulations to remain eligible for funding. Further responsibilities land on the partners involved in administering federal transportation funding (Metro, ODOT, TriMet, and SMART) in demonstrating how the individual allocation processes worked cooperatively to advance RTP implementation and complying with applicable federal regulations.

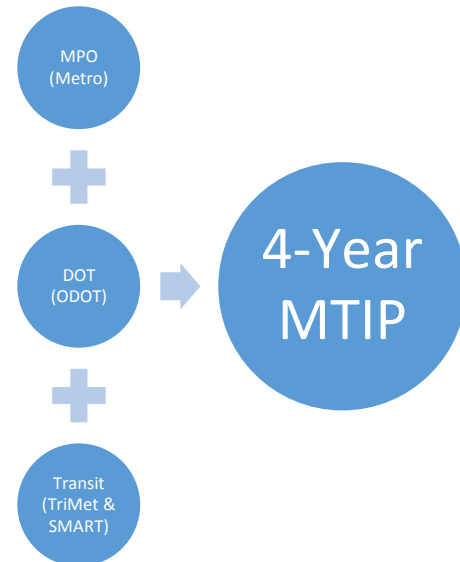
The MTIP also serves as a monitoring tool for implementation of regionally significant and federally funded transportation projects.

<sup>1</sup> 23 CFR 450.104 - Definitions

*What is part of the Metropolitan Transportation Improvement Program?*

The MTIP is comprised of several components, but can be categorized into the following major elements:

1. A list of projects within the metropolitan region for the upcoming four fiscal years and numerous project details;
2. various discussion sections addressing funding allocation processes, MTIP system performance, financial constraint, RTP implementation; and
3. a description of protocols, administrative policies and other related expectations for managing the MTIP.



**Figure 1. Projects which comprise the four year MTIP**

The following bulleted list describes in more detail the typical content and components of the MTIP.<sup>2</sup> Additionally, Figure 1 illustrates the components which go into the project list and the components which go into the MTIP.

**Project List**

- A project list with the year-by-year anticipated expenditure schedule, phasing, and implementation of the projects

**Discussion Sections**

- Discussion by each partner on the policy direction and process as part of identifying and prioritizing investments (also known as projects) for entry in the MTIP
- A programmatic discussion of the MTIP complying with applicable federal regulations
- A discussion of fiscal constraint and monitoring the financial balances to ensure funds are not overspent for the MTIP
- A discussion of the performance of the four-year investment program relative to federal and regional performance goals, objectives, and targets.

**Administration and Monitoring**

- A section discussing the policies, protocols, and expectations in the administration of the MTIP, including change management procedures (e.g. administrative modifications and amendments).

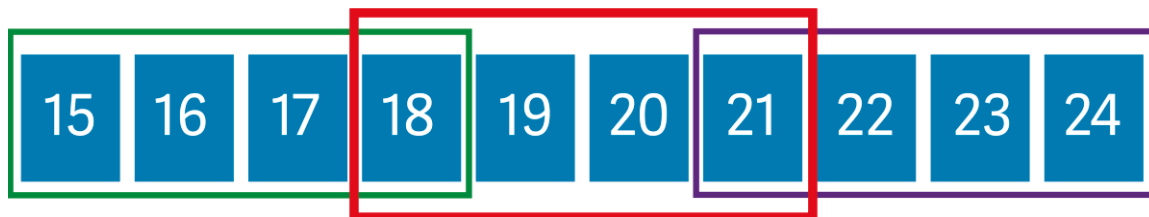
<sup>2</sup> Bulleted list represents standard content, but additional components may be part of the MTIP in response to federal requirements or guidance.



*How does the MTIP get used?*

The primary functions of the MTIP, once adopted and approved, are implementation, monitoring, and federal compliance. As a monitoring tool, the project list component of the MTIP can be considered the “living” portion of the document whereas the discussion sections (e.g. individual funding allocation processes, federal compliance, and system performance and the administrative protocols) and the administrative protocols remain static. The “living” component assists in tracking spending and delivery of transportation projects and to continually ensure compliance with federal regulations, such as fiscal constraint. Since transportation projects can run into numerous unexpected hurdles, amendments are regular to refine transportation projects. This ultimately creates the need for having a living portion of the document to monitor implementation, adjust as necessary, and continue to ensure compliance with federal regulations.

As a result of the MTIP serving in a monitoring function, the standard practice is to always have an effective MTIP, which is the most recently adopted and being implemented while there is a MTIP under development. The MTIP under development plans for the future four-years beyond the effective MTIP. Information from the effective MTIP usually feeds into the development of the next MTIP. Figure 2 illustrates an example of the effective MTIP and the development the next MTIP.

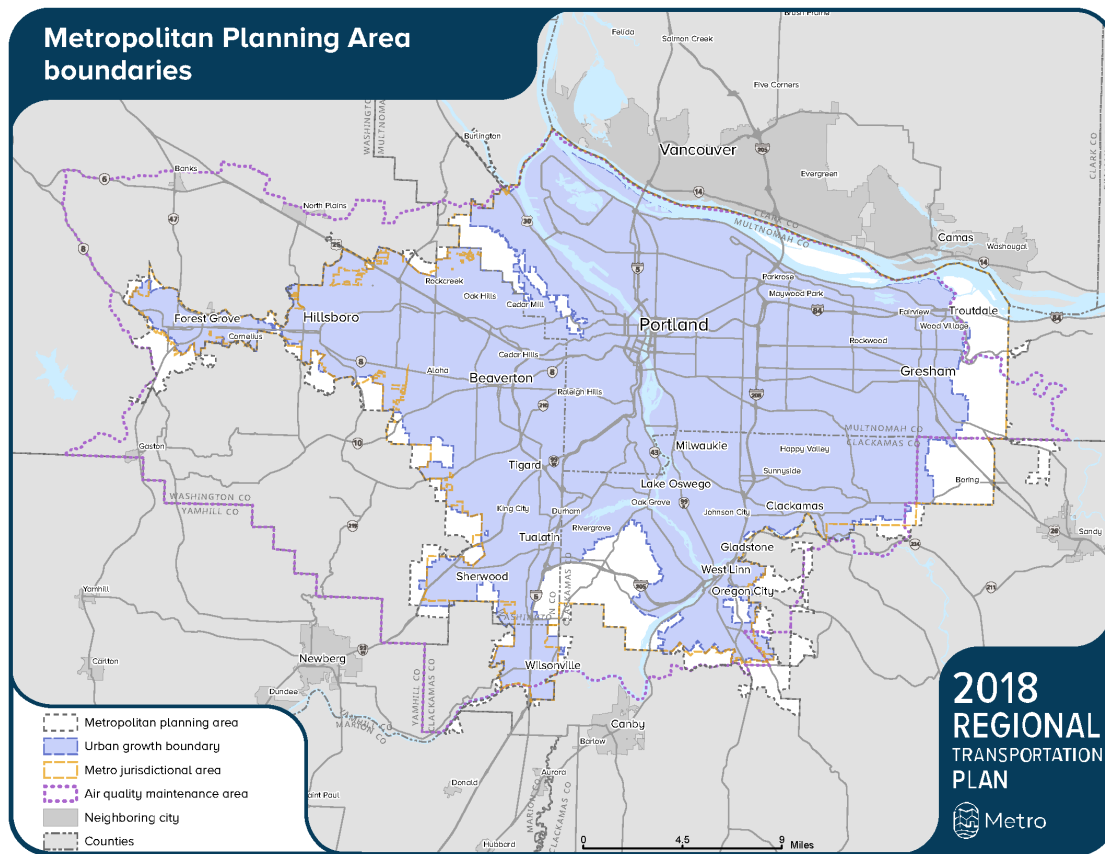


**Figure 2. The overlap of fiscal years between an effective MTIP and a MTIP under development. The red box represents the fiscal years encompassing the effective MTIP and the purple box represents the fiscal years for the MTIP in development**



*What is the relationship between the MTIP and the State Transportation Improvement Program (STIP)?*

The MTIP comprises of the regionally significant, federally funded transportation projects and programs located within a defined metropolitan region for four-fiscal years. For the Portland metropolitan region, the defined area encompasses the urbanized portions of Multnomah, Washington, and Clackamas counties. Figure 3 is a map of the defined Portland metropolitan region. Metro, as the MPO for the region is responsible for development, implementation, and stewardship of the MTIP.

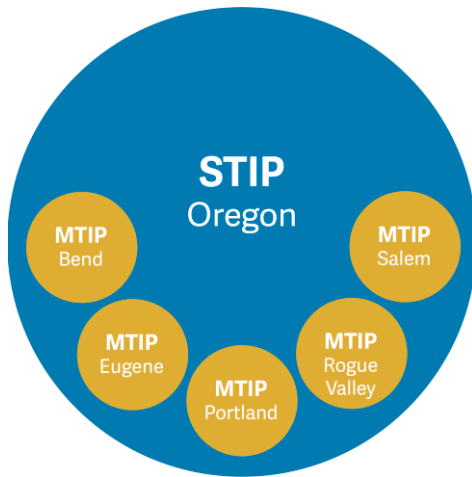


**Figure 3. Federal metropolitan planning area for the Portland (OR) metropolitan region**

The State Transportation Improvement Program (STIP) comprises of the regionally significant, federally funded transportation projects and program which are located outside of a metropolitan region. This includes rural areas and exurbs. The state department of transportation is responsible for the development, implementation, and stewardship of the STIP.

By federal law, the MTIP is required to be included as part of the STIP (in essence, bringing together all the regionally significant and/or federally funded transportation projects in the state) without change. The STIP is then approved by the Governor and submitted to U.S. Department of Transportation for approval. Figure 4 shows the MTIP and STIP relationship.

*Who are the partners and who makes the decisions around the Metropolitan Transportation Improvement Program?*



**Figure 4. MTIP and STIP relationship – MTIPs are not to scale**

The MTIP is a joint effort between regional and state partners. Metro acts as the main author and administrator of the MTIP, but works closely with ODOT, TriMet, and SMART to reflect the expenditure of all federal as well as regionally significant state and local transportation dollars in the urbanized area of Portland. Each agency plays a different role in advancing the region’s transportation system based on enabling legislation and therefore all have authority over expending federal transportation dollars in the Portland metropolitan region. For example, TriMet and SMART’s roles in the regional transportation system is to provide public transit service and utilize funding from the Federal Transit Administration (FTA) to support capital programs to

operate services. Since Metro, ODOT, TriMet, and SMART each have a role, each agency is responsible for providing details of expenditures from year-to-year as well as demonstrating how the transportation expenditures help advance federal, state, and regional priorities. A brief synopsis of each agency’s role is provided below.



**Metro** is a directly elected regional government, serving more than 1.5 million people in Clackamas, Multnomah and Washington counties. The agency’s boundary encompasses Portland, Oregon and 23 other cities.

Metro’s main function is to provide regionwide planning, coordination and services to manage growth, infrastructure, solid waste, and development issues that cross jurisdictional boundaries.

For federal purposes, Metro is the Portland area’s designated Metropolitan Planning Organization (MPO) and the lead agency for developing the regional transportation plan and the schedule of federal transportation spending in the Portland region. Metro also coordinates and develops the region’s transportation goals and policies and identifies the range of road, public transit and bike/pedestrian transportation projects that are needed to implement them.

Metro is led by the Metro Council, which consists of a president and six councilors who are elected by district every four years in nonpartisan races. The Council works with community leaders and constituents across city and county boundaries to shape the future of greater Portland. For purposes of meeting federal regulations pertaining to Metro’s MPO designation, the Council is advised by the Joint Policy Advisory Committee on Transportation (JPACT) specifically related to MPO activities.

The **Joint Policy Advisory Committee on Transportation (JPACT)** makes recommendations to the Metro Council on transportation needs in the region. Comprised of 17 members that are elected officials or transportation representatives from across the region, JPACT recommends priorities, develops plans, and oversees the coordinated implementation of those plans for the region. The Metro Council must adopt the recommendations before they become regional transportation policies.

The **Transportation Policy Alternatives Committee (TPAC)** provides technical input and helps develop policy options for consideration by the Joint Policy Advisory Committee on Transportation on transportation planning and funding priorities for the region. TPAC's membership consists of 21 technical staff from the same governments and agencies as JPACT, plus a representative from the Southwest Washington Regional Transportation Council, and six community members appointed by the Metro Council. In addition, the Federal Highway Administration and C-TRAN have each appointed an associate non-voting member to the committee.

TPAC reviews regional plans and federally funded transportation projects, and advises area leaders on transportation investment priorities and policies related to transportation. Such efforts include curbing greenhouse gas emissions and creating communities with easy access to public transit. The committee also helps identify needs and opportunities for involving the public in transportation matters.



The **Oregon Department of Transportation** is a statewide transportation agency. ODOT is responsible for the state transportation facilities across the state. This includes state highways and the interstate freeway system. The ODOT Region 1 office oversees the state facilities for the Portland metropolitan area. Responsible for administering federal transportation funds, ODOT is a key partner in providing important roadway and highway investment information for the development of the MTIP.

**TRIMET** **Tri-County Metropolitan Transportation District (TriMet)** is the public transportation service provider for the Portland metropolitan region. The agency provides both local and regional public transportation services from neighborhood bus routes to multi-county light rail service. As an entity responsible for administering federal transportation funds, TriMet is a key partner in providing important transit investment information for the development of the MTIP.



The **South Metro Area Regional Transit (SMART)** is a public transportation service provider for the City of Wilsonville. SMART provides local public transportation services and select regional service. As an entity responsible for administering federal transportation funds, SMART is a key partner in providing important transit investment information for the development of the MTIP.

## DESIRED OUTCOMES AND GOALS FOR THE MTIP POLICY

The desired outcomes and goals for the 2021-2024 MTIP policy is for all regional partners to come to a shared understanding of the policy direction guiding the development and implementation of the 2021-2024 MTIP. The major policies guiding the direction of the MTIP are:

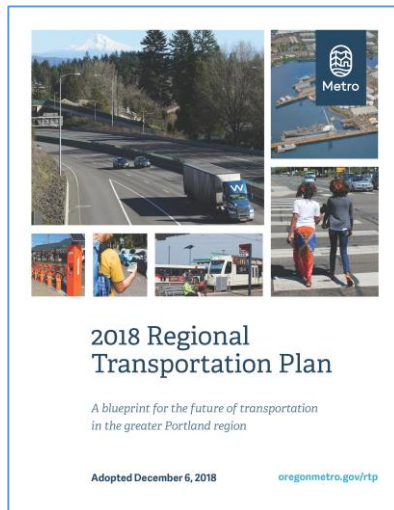
1. Implementing the policy priorities: safety, equity, addressing climate change, and managing congestion through the investments identified in the adopted 2018 Regional Transportation Plan; and
2. Complying with federal regulations pertaining to the development of the transportation improvement program (TIP) as outlined in the Code of Federal Regulations (CFR) 23 CFR 450.300 – 450.340 as well as addressing corrective actions, compliance actions, and recommendations to emerge from Transportation Management Association (TMA) certifications and/or State Transportation Improvement Program (STIP) approvals; and
3. Pursue and implement the regional finance approach; and
4. In looking at opportunities to take advantage of leveraging funding opportunities, do so in an open and coordinated manner.

Several of the policies guiding the development and implementation of the 2021-2024 MTIP are a continuation of previously adopted MTIP policies from earlier cycles. Small refinements and updates have been made to these policies to reflect changes in federal laws, funding programs, as well as the policy direction from the recently adopted 2018 RTP. Additionally, the RTP as the policy foundation for the MTIP has been implied in previous MTIP policies, but not made explicit. Because of the recent adoption of the 2018 RTP and the four priority areas identified for the near-term, the 2021-2024 MTIP policies wants to highlight the role of the RTP. Furthermore, the region has for a number of years practiced coordination on nominating funding priorities for competitive national discretionary grants. By including the practice in the 2021-2024 MTIP policy statement is an effort to formalize this norm.

In developing the 2021-2024 MTIP, partners acknowledge these policies and agree to work in a cooperative fashion as described in “Three C’s: continuous, cooperative, and comprehensive” of federal regulation pertaining to metropolitan planning. The cooperative “Three C’s” process is to achieve the policies outlined and align investments accordingly.

To provide further clarity, a description of each policy guiding the 2021-2024 MTIP is provided.

## MTIP Policy 1 – Regional Policy Direction for Investments



The 2018 Regional Transportation Plan (RTP) is the foundation and guide for investments proposed for the 2021-2024 MTIP. As the policy direction for investments, regional partners agree to implement the policy priorities to emerge from the 2018 RTP.

These policy priorities – , *equity, safety, addressing climate change, and managing congestion* – are described in chapter 6 and identified in the legislation adopting the 2018 RTP as the outcomes to make near-term progress by aligning investments to achieve the outcomes desired from these policy priorities.

In efforts to articulate and provide direction in how to achieve and make progress towards these outcomes, the policies identified in chapter 3 as well as the actions identified in the compendium 2018 RTP strategies (e.g. Regional Transportation Safety Strategy, Regional Transit Strategy) and other regional plans and actions (e.g. Climate Smart Strategy, Strategic Plan to Advance Racial Equity, Diversity, and Inclusion). –

As the 2021-2024 MTIP investments get compiled into a four-year investment program, the package of investments will be evaluated to assess how well the investments make progress towards the 2018 RTP policy priorities. Recognizing the role and function of 2021-2024 MTIP, the policy direction places greater emphasis to demonstrate that individual funding allocations administered by Metro, ODOT, TriMet and SMART considered, balanced, and used the 2018 RTP policy priorities for the prioritization and selection of projects and programs to award funds.

Additionally, investments proposed for the 2021-2024 MTIP are expected to be drawn from the financially constrained 2018 RTP investment strategy. Metro is responsible for demonstrating the programmatic four-year investment package advances implementation of the 2018 RTP policy priorities.

## MTIP Policy 2 – Compliance with Requisite Federal Regulations

As a federal requirement to remain eligible to expend federal transportation funding, the 2021-2024 MTIP and the process by which it is developed is expected to comply with all applicable federal regulations. Applicable regulations at a minimum include:

- 23 CFR 450.300 – 23 CFR 450.340 – Metropolitan Planning
  - with particular emphasis on section 23 CFR 450.326 - Development and content of the transportation improvement program (TIP);
- Civil Rights legislation (e.g. Title VI, Americans with Disabilities Act) and public involvement;
- Performance-based planning and programming;
- Congestion management process;
- Financial constraint (23 CFR 450.326(j))

Additionally, the findings to emerge from the 2017 Transportation Management Area (TMA) Certification and 2018-2021 MTIP and STIP Approval and Statewide Planning Findings are expected to be addressed and guide the development and implementation of the 2021-2024 MTIP.

As part of Metro’s responsibilities, the agency’s evaluation of the programmatic four-year investment package will assess the region’s implementation progress towards federal, state, and regional performance targets and if necessary identify areas for course correction for future MTIPs.

## Regional Transportation Plan

The Regional Transportation Plan is a blueprint to guide investments for all forms of travel throughout the Portland metropolitan region. The plan identifies \$42 billion to be invested in the region’s transportation system over the next 25 years to serve a future population of over 2 million people to address the region’s most urgent transportation needs. Nearly \$27 billion in funding is for maintenance, preservation, and operations and more than \$15 billion is for capital projects that optimize and expand the region’s highway and transit systems, complete gaps in biking and walking connections and provide important access to transit, downtowns, schools, services and other community destinations.

Near-term RTP priorities include – equity, safety, addressing climate change, and congestion – and reflects new policies and strategies for safety, freight, transit, equity, climate leadership and emerging technology that guide planning and investment decisions.



The 2021-2024 MTIP policy direction is intended to provide clarity to regional partners on the federal requirements the 2021-2024 MTIP is obligated to comply with in efforts to inform regional partners to conduct funding allocations and submit projects which complies with federal mandates. This is to ensure the region does not jeopardize its eligibility to expend federal funding and demonstrate to federal partners' stewardship in the planning, programming, and expenditure of federal transportation funds.

### **MTIP Policy 3 – Regional Finance Approach**

In May 2009, JPACT developed a regional finance approach to direct how the transportation needs of the region are to be addressed by existing or potential transportation funding sources. Since 2009, this regional finance approach provides a starting point for the various funding programs or sources that are addressed in the MTIP and State Transportation Improvement Program (STIP).

The approach identifies funding mechanisms agencies use and a regional strategy for sources to be pursued to address unmet needs of the different elements of transportation system in the region. The approach has been utilized in the development of RFFA policies since the 2010-2013 and 2012-2015 MTIP cycle, with the most recent regional finance approach adopted as part of the 2018-2021 MTIP and 2019-2021 Regional Flexible Fund Allocation policy statement.<sup>3</sup>

The most recently adopted regional finance approach is included as Attachment 1. However, since the adoption of the 2018-2021 MTIP and 2019-2021 RFFA policy statement in 2016, new revenue sources (e.g. House Bill 2017) as well as administrative and process changes to certain sources of funds (e.g. consolidation of certain federal fund sources under federal transportation funding reauthorizations MAP-21 and FAST, restructuring of ODOT allocation programs) necessitates administrative updates to the adopted regional finance approach.

Attachment 2 is an updated version of the regional finance approach reflecting these administrative changes for the purposes of outlining a regional financial approach to pursue as part of the development and implementation of the 2021-2024 MTIP policy. As further discussion takes place regarding any of the source funds identified, periodic administrative updates will be made.

### **MTIP Policy 4 – Regional Funding Coordination**

#### **National Discretionary Funding Opportunities - Regional Coordination**

As part of the implementation of the Regional Finance Approach, the region's partners agree to regional coordination and information sharing when competing on the national stage for federal competitive discretionary funding programs. Examples of these programs include, but not limited to: FTA's Capital Investment Grants – New Starts and Small Starts, U.S. DOT's

<sup>3</sup> See Metro Council Resolution 16-4702



Better Utilizing Investment to Leverage Development (BUILD) and Infrastructure for Rebuilding America (INFRA). Regional coordination is to make regional partners aware of what competitive applications are being put forward and ensure any necessary MPO programming or planning requirements have been met to allow access to funds if awarded. Information of these coordinated efforts may also be shared with the region's congressional delegation to inform them of regional funding priorities.

#### **Coordination and Leveraging of Federal Funds Across Funding Allocation Programs**

Recognizing the scarcity of funding resources for the transportation system, the Portland metropolitan region supports leveraging funding opportunities being administered by different agencies within the region. However, the region desires to see leverage opportunities be discussed in a transparent and open manner that allows for partners to provide feedback and also bring awareness to potential funding leveraging opportunities. To facilitate leveraging opportunities, regional partners agree to and are encouraged:

- to identify opportunities to leverage funding early, particularly in the policy direction and program design phase (e.g. policy direction update for the 2022-2024 Regional Flexible Fund or the 2021-2024 STIP) and prior to the solicitation of projects for individual funding programs;
- to identify whether federal funds or a regionally significant project would be involved in the leveraging other funding (whether federal or local) to ensure eligibility requirements and other factors are appropriately met; and
- to begin coordination early between potential administering agencies and determine a pathway for proposals or approvals by appropriate entities, as necessary.

It is expected if regional partners wish to coordinate and leverage opportunities to fund (or partially fund) projects or programs through a funding program administered by a different administering agency, the partner bring the funding proposal to the MPO for information

#### **Currently Agreed Upon Fund Leveraging**

Through previous allocation processes, the region has come to agreement on leveraging funding administered by different partner agencies. In particular a portion of Metro's Regional Flexible Funds have been set aside towards advancing the region's high capacity transit network, planning for certain corridor bottlenecks and active transportation projects. As a result of these funding agreements, the specific projects funded will need to be brought forward to the MPO for engagement and progress updates.

and discussion. Funding proposals, especially with federal funds or for a regionally significant project, will not be considered without discussion and if necessary approval undertaken by the MPO (for federal funds or regionally significant projects). A process for bringing forward funding proposal entails:

1. Initial MPO staff and administering agency staff consultation of proposal;
2. Discussion, recommendation, and approval by the MPO (if necessary);<sup>4</sup>
3. Discussion and approval by the leadership entities of other administering agencies (if necessary).

Administrative funding proposals (e.g. funding swaps, changing the federal fund type) are exempt from this process, but must undergo the procedural MTIP change management process (administrative modification or amendment) depending on the significance of the changes requested.

### **2021-2024 MTIP Policy Implementation Process**

As part of the process for implementing the 2021-2024 MTIP policy direction, Metro, as the MPO, will serve in the lead role for coordinating information sharing and other MTIP-related development activities. The Transportation Policy Alternatives Committee (TPAC) will serve as the main venue for coordination pertaining to the implementation of the 2021-2024 MTIP policy direction. The TPAC work program will be updated to include discussion items pertaining to the development of the 2021-2024 MTIP, including the individual funding allocation processes undertaken by the entities which administer federal transportation funds. TPAC will also be requested to recommend approval of the adoption draft of the 2021-2024 MTIP to JPACT in spring 2020.

In addition to the coordination activities to take place at TPAC in implementing the 2021-2024 MTIP policy direction, the 2021-2024 MTIP charter provides further detail on the protocols and coordination expectations for the four main key partners responsible for the content development of the MTIP. The 2021-2024 MTIP charter is signed among the four partners and outlines the various coordination protocols for project data exchange, MTIP content, schedule, and timelines.

<sup>4</sup> MPO approval may come in the form of adopting policy direction for a specific funding program or through the MTIP change management process. Will be dependent on the context and nature of the leveraging opportunity being proposed.

**Attachment 1: Adopted Regional Finance Approach (June 2016)**

The following table is the 2018-2021 MTIP regional finance approach as adopted in June 2016.

**Table A.1: Regional Transportation Finance Approach – Adopted June 2016**

Transportation Project/ Activity Type	Existing Funding Sources	Strategy for Sources of Additional Funding
Local/Arterial street reconstruction/maintenance	<ul style="list-style-type: none"> <li>• State pass through</li> <li>• Street utility fees</li> </ul>	<ul style="list-style-type: none"> <li>• Increases in state gas tax or VRF</li> <li>• New street utility fees or equivalent</li> </ul>
Active Transportation (includes bicycle, pedestrian, and small on-street transit capital improvements like bus shelters)	<ul style="list-style-type: none"> <li>• <b>Regional Flexible Funds</b></li> <li>• Connect Oregon</li> <li>• ODOT Region 1 competitive allocation – dedicated</li> <li>• Local contributions</li> <li>• Development (Frontage, Impact Fees, SDC’s)</li> </ul>	<ul style="list-style-type: none"> <li>• New federal program</li> <li>• State Urban Trail fund</li> <li>• New local funds</li> </ul>
Highway preservation	<ul style="list-style-type: none"> <li>• Interstate Maintenance</li> <li>• State gas &amp; weight/mile tax</li> <li>• ODOT Region 1 preservation, maintenance, and operations allocation program</li> <li>• NHPP</li> </ul>	<ul style="list-style-type: none"> <li>• Increases in state gas tax or VRF</li> <li>• New street utility fees or equivalent</li> </ul>
Transit Operations	<ul style="list-style-type: none"> <li>• Employer tax</li> <li>• Passenger fares</li> <li>• Section 5307</li> <li>• Section 5310</li> </ul>	<ul style="list-style-type: none"> <li>• Employer tax rate</li> <li>• New funding mechanism</li> <li>• Passenger fare increases</li> </ul>
Arterial Expansion	<ul style="list-style-type: none"> <li>• Development (Frontage, Impact Fees, SDC’s)</li> <li>• Urban Renewal</li> <li>• ODOT Region 1 competitive allocation program</li> <li>• <b>Regional Flexible Funds<sup>5</sup></b></li> <li>• TIGER</li> <li>• Local contributions</li> </ul>	<ul style="list-style-type: none"> <li>• SDC rate increases</li> <li>• Regionally raised revenue</li> <li>• Increase in state gas tax or VRF</li> </ul>

<sup>5</sup> Limited to arterial freight facilities for ITS, small capital projects, and project development.

Transportation Project/ Activity Type	Existing Funding Sources	Strategy for Sources of Additional Funding
Highway expansion	<ul style="list-style-type: none"> <li>• ODOT Region 1 competitive allocation program</li> <li>• NHPP</li> <li>• National Freight Program</li> <li>• Modernization Program</li> <li>• Fed/state earmarks</li> </ul>	<ul style="list-style-type: none"> <li>• More from existing sources</li> <li>• Pricing/tolling</li> <li>• Increase in state gas tax or equivalent</li> <li>• Regionally raised revenue</li> </ul>
HCT expansion	<ul style="list-style-type: none"> <li>• Federal New Starts</li> <li>• Federal Small Starts</li> <li>• State lottery</li> <li>• <b>Regional Flexible Funds</b></li> <li>• TriMet General Fund</li> <li>• Local contributions</li> </ul>	<ul style="list-style-type: none"> <li>• More from existing sources</li> </ul>
TSMO/Travel Options	<ul style="list-style-type: none"> <li>• State operations</li> <li>• <b>Regional Flexible Funds</b></li> <li>• TIGER</li> </ul>	<ul style="list-style-type: none"> <li>• Regional VRF or equivalent</li> </ul>
Land Use – TOD	<ul style="list-style-type: none"> <li>• <b>Regional Flexible Funds</b></li> </ul>	<ul style="list-style-type: none"> <li>• Strategy under development</li> </ul>

**Attachment 2: Updated Regional Finance Approach (December 2018)**

The following table is an updated version of the 2016 adopted regional finance approach. The updates reflect new revenue sources and administrative changes to funding sources and the eligible activities. As policy direction for funds may change, federal transportation reauthorization may change eligibility requirements of existing funds, or through JPACT and the Metro Council direction, the regional finance approach will be updated to reflect the administrative or policy direction changes. The 2021-2024 MTIP policy describes the purpose and function of the regional finance approach.

**Table A.2: Updated Regional Transportation Finance Approach – (As of December 2018)**

Transportation Project/ Activity Type	Existing Funding Sources	Strategy for Sources of Additional Funding
Local/Neighborhood Street Reconstruction and Maintenance	<ul style="list-style-type: none"> <li>• State pass through funds</li> <li>• Street utility fees</li> <li>• Local gas tax</li> </ul>	<ul style="list-style-type: none"> <li>• Increases in state gas tax (e.g. House Bill 2017)</li> <li>• Increases in vehicle registration fees</li> <li>• New street utility fees or equivalent</li> <li>• Additional or new local gas tax</li> </ul>
Active Transportation (includes bicycle, pedestrian, and small on-street transit capital improvements like bus shelters)	<ul style="list-style-type: none"> <li>• Regional Flexible Funds</li> <li>• STBG - Transportation Alternatives Set Aside</li> <li>• Connect Oregon</li> <li>• ODOT Region 1 Fix-It Leverage – Active Transportation &amp; Safety</li> <li>• ODOT Safe Routes to Schools Infrastructure</li> <li>• ODOT 1% gas tax dedication</li> <li>• Privilege tax on bicycle sales</li> <li>• Local gas or property tax, vehicle registration, or street utility</li> </ul>	<ul style="list-style-type: none"> <li>• New federal program</li> <li>• State Urban Trail fund</li> <li>• Increases in state gas tax (e.g. House Bill 2017)</li> <li>• New local or regional funds</li> </ul>
Highway Preservation	<ul style="list-style-type: none"> <li>• Interstate Maintenance</li> <li>• National Highway Preservation Program</li> <li>• State gas tax &amp; weight/mile fees</li> <li>• ODOT Region 1 preservation, maintenance, and operations allocation program (Fix-it)</li> </ul>	<ul style="list-style-type: none"> <li>• Increases in state gas tax</li> <li>• Increases in vehicle registration fees</li> <li>• New street utility fees or equivalent</li> </ul>

Transportation Project/ Activity Type	Existing Funding Sources	Strategy for Sources of Additional Funding
	<ul style="list-style-type: none"> <li>• Other state (e.g. House Bill 2017) earmarks</li> </ul>	
Transit Operations	<ul style="list-style-type: none"> <li>• Employer tax</li> <li>• Employee tax</li> <li>• Passenger fares</li> <li>• Section 5307 urbanized area formula</li> <li>• Section 5310 special transportation</li> <li>• ODOT special transportation fund</li> <li>• Advertising revenue</li> </ul>	<ul style="list-style-type: none"> <li>• Increases in employer and employer tax rate</li> <li>• New funding mechanism</li> <li>• Passenger fare increases</li> </ul>
Arterial Expansion, Improvements, and Reconstruction	<ul style="list-style-type: none"> <li>• Development Fees (e.g. Frontage, Impact Fees, System Development Charges)</li> <li>• Urban Renewal</li> <li>• ODOT Region 1 allocation program – Fix It Leverage – Enhance or Safety</li> <li>• ODOT Region 1 operations allocation program (Fix-it)</li> <li>• Other federal or state (e.g. House Bill 2017) earmarks</li> <li>• Regional Flexible Funds<sup>6</sup></li> <li>• BUILD</li> <li>• National Freight Program</li> </ul>	<ul style="list-style-type: none"> <li>• Development fees rate increases</li> <li>• New local or regional funds</li> <li>• Increase in state gas tax</li> <li>• Increase in vehicle registration fee</li> </ul>
Highway Expansion	<ul style="list-style-type: none"> <li>• ODOT Region 1 competitive allocation – Fix It Leverage – Enhance</li> <li>• ODOT 2021-2024 STIP Strategic Investment Fund</li> <li>• Regional Flexible Funds<sup>7</sup></li> <li>• National Highway Preservation Program</li> </ul>	<ul style="list-style-type: none"> <li>• More from existing sources</li> <li>• Pricing/tolling</li> <li>• Increase in state gas tax or equivalent (e.g. HB 2017)</li> <li>• New local or regional funds</li> </ul>

<sup>6</sup> Limited to arterial freight facilities for ITS, small capital projects, and project development.

<sup>7</sup> Limited to project development with large discretionary funding leverage opportunities to address multiple transportation issues around the mainline facilities, focusing on the multi-modal portions of these projects that are on the regional arterial network adjacent to the freeway interchange.

Transportation Project/ Activity Type	Existing Funding Sources	Strategy for Sources of Additional Funding
	<ul style="list-style-type: none"> <li>• National Freight Program</li> <li>• Other federal or state (e.g. House Bill 2017) earmarks</li> <li>• BUILD</li> <li>• Privilege tax on vehicles</li> </ul>	
High Capacity Transit Expansion	<ul style="list-style-type: none"> <li>• Federal Capital Investment Grants (e.g. New Starts/Small Starts)</li> <li>• State lottery</li> <li>• Regional Flexible Funds</li> <li>• TriMet General Fund</li> <li>• Local contributions</li> </ul>	<ul style="list-style-type: none"> <li>• More from existing sources</li> <li>• New local or regional funds</li> </ul>
TSMO/Travel Options	<ul style="list-style-type: none"> <li>• ODOT Region 1 operations allocation program (Fix-it)</li> <li>• ODOT transportation demand management program allocation to regions</li> <li>• Regional Flexible Funds</li> <li>• Regional Safe Routes to School</li> </ul>	<ul style="list-style-type: none"> <li>• Regional vehicle registration fee or equivalent</li> <li>• Cap and Invest Program</li> <li>• New local or regional funds</li> </ul>
Land Use – TOD	<ul style="list-style-type: none"> <li>• Regional Flexible Funds</li> </ul>	<ul style="list-style-type: none"> <li>• New local or regional funds</li> </ul>



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## **STAFF REPORT**

IN CONSIDERATION OF RESOLUTION NO. 19-4963, FOR THE PURPOSE OF ADOPTING THE 2021-2024 METROPOLITAN TRANSPORTATION IMPROVEMENT PROGRAM (MTIP) POLICY STATEMENT FOR THE PORTLAND METROPOLITAN AREA

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Date: March 21, 2019  
Department: Planning and Development  
Meeting Date: April 4, 2019

Presenter(s) (if applicable): Grace Cho,  
Ted Leybold  
Length: 10 minutes

Prepared by: Grace Cho, x1776,  
grace.cho@oregonmetro.gov

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### **ISSUE STATEMENT**

Update and adopt the 2021-2024 MTIP policy in time to provide direction to the 2021-2024 MTIP development process.

### **ACTION REQUESTED**

Metro staff requests adoption of Resolution No. 19-4963.

### **IDENTIFIED POLICY OUTCOMES**

1. Update the existing 2018-2021 MTIP policy direction to affirm and incorporate the policy direction from 2018 Regional Transportation Plan (RTP). This includes emphasis on the RTP near-term policy priorities: safety, equity, addressing climate change, and managing congestion.
2. Update the existing 2018-2021 MTIP policy to reflect new and applicable federal regulations to maintain the region's eligibility to expend federal surface transportation funding. This includes performance-based programming requirements which set forth a new MPO activities to assess and monitor performance of the MTIP.
3. Update the existing 2018-2021 MTIP policy to reflect other adopted regional policies and policy direction to funding programs.
4. Apply these updates to the development of the 2021-2024 MTIP currently in progress.

### **POLICY QUESTION(S)**

Update the 2021-2024 MTIP policy direction in a manner that allows the region to progress on the following four activities:

- Implement the 2018 RTP and the near-term priorities (safety, equity, climate change, congestion) identified in the 2018 RTP
- Ensure federal requirements are met to remain eligible to expend federal funds
- Pursue the regional finance approach

- Leverage funding opportunities

The policy outcome sought in adopting the 2021-2024 MTIP policy direction is to provide regional partners, namely ODOT, TriMet, and SMART, further direction and expectations as to what investments in the next four fiscal years – 2021 through 2024 – are expected to achieve.

### **POLICY OPTIONS FOR COUNCIL TO CONSIDER**

Are the four proposed policies and their outcomes acceptable for the 2021-2024 MTIP policy direction?

If so, the anticipated results of an adopted 2021-2024 MTIP policy direction are:

- the MPO affirms the 2018 RTP and provides clear direction as to what near-term investments (i.e. fiscal years 2021-2024) should be aiming to achieve and informs partners as investments deliberations are occurring;
- the MPO and the Metro Council have additional policy backing for the proposed 2022-2024 Regional Flexible Fund allocation policy direction; and
- the MPO has clear direction in how to move forward with developing a performance assessment methodology and monitoring measures.

If not, the anticipated risks of forgoing the 2021-2024 MTIP policy direction:

- the MPO is unable to provide clear direction to partners as to what near-term investments (i.e. fiscal years 2021-2024) should be aiming to achieve;
  - As a result, any investment generally consistent with the 2018 RTP would be acceptable and leave room for advancing investment in projects which do not make progress on the region's near-term priorities;
- there is an opportunity for the policy direction for the 2022-2024 Regional Flexible Fund to directed towards other priorities not identified for the near-term; and
- the MPO staff will have challenges in measuring performance and monitoring progress on investment implementation because clear goals and priorities have not been established.

### **STAFF RECOMMENDATIONS**

Metro staff recommends adoption of Resolution No. 19-4963.

### **BACKGROUND**

The Metropolitan Transportation Improvement Program (MTIP) is a federally-required document which identifies a prioritized list of transportation program and projects covering a four year period. The MTIP is developed in a cooperative and coordinated manner among the region's stakeholders, with further coordination among Metro, ODOT, TriMet, and SMART as the four agencies which administer federal funds. The MPO formally adopts the MTIP to make it the effective four-year investment strategy for the region. The three main components of the MTIP are:

- A list of regionally significant projects within the metropolitan region for the upcoming four fiscal years with numerous project details related to the schedule of project delivery and spending.<sup>1</sup>
- A discussion of the transportation funding allocations processes administered by the state department of transportation (ODOT), transit agencies (SMART and TriMet), and the metropolitan planning organization (Metro). The discussion entails how the investment decisions made through these allocation processes advance regional goals and comply with federal regulations.
- A description of administrative procedures, protocols, policies and other related expectations for implementing, administering, and managing the MTIP.

In practice, the MTIP describes how the four agencies in the region prioritize transportation funding through projects and programs in a manner consistent with the regional transportation plan and federal requirements. Additionally, the MTIP demonstrates how the four agencies work together to ensure a coordinated approach to achieve the region’s vision and goals for the transportation system for the upcoming federal fiscal years. The MTIP in development addresses fiscal years 2021 through 2024.

The 2021-2024 MTIP policy report communicates the Joint Policy Advisory Committee on Transportation (JPACT) and the Metro Council’s policy direction for developing of the 2021-2024 MTIP. In adopting the 2021-2024 MTIP policy, the overarching direction commits the region towards aligning investments to advance regional priorities and allows Metro, as the steward of the MTIP, to continually monitor and measure progress.

The adoption of the MTIP policy is a practice completed with each MTIP cycle. In previous cycles of the MTIP (2018-2021 and 2015-2018), the MTIP policy statement was combined with the policy statement for the allocation of the Regional Flexible Funds. In efforts to provide further clarity and transparency as to the role of the MTIP, the policy statement for the development, coordination, and implementation of the 2021-2024 MTIP is being brought forward separately from the policy statement for the upcoming cycle of the Regional Flexible Fund.

## **STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION**

As part of federal requirements, Metro and ODOT update the MTIP every three years to schedule funding for the following four-year period. The process of updating the 2021-2024 MTIP policies was initiated by the adoption of the 2018 Regional Transportation Plan (RTP) in December 2018. The 2018 RTP updated a number of the region’s policies related to transit, freight, and performance management as well as new regional policies related to transportation safety, equity, and emerging technologies. In addition, the ordinance to adopt the 2018 RTP directed the region to make more near-term progress on four policy priorities to emerge from the plan: transportation safety, equity, addressing climate change, and managing congestion. As part of the adoption of the 2018 RTP, a long-range

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<sup>1</sup> Additionally, the MTIP also includes state and local transportation programming which affects the regional transportation system.

investment strategy was also adopted. The RTP plays a significant role in the defining the outcomes transportation investments in the regional system aim to achieve.

In updating the 2021-2024 MTIP policy after the adoption of the 2018 RTP, the 2021-2024 MTIP policy statement adjusts and updates, as necessary, the policy and coordination direction for developing and implementing the 2021-2024 MTIP to support the implementation of the plan. Since the 2018 RTP emphasized equity and implementation of the region's Climate Smart Strategy, the policy statements provides clarity on the outcomes the four year investment program are to advance and make progress towards achieving in light of a newly adopted RTP. In addition to making more explicit the RTP as policy foundation for the MTIP, the updated policies for the 2021-2024 MTIP development continues existing policies and practices adopted as part of previous MTIPs with minor administrative updates, such as complying with all necessary a federal requirements (including new federal requirements) and pursuing the regional finance approach.

The 2021-2024 MTIP will include funds already allocated to projects in fiscal years 2021 (currently in the approved 2018-2021 MTIP). The policy direction is intended to guide the allocation of funds to new projects for fiscal years 2022 through 2024 through the funding allocation processes being administered by Metro, ODOT, TriMet, and SMART. In particular, these policies will greatly shape the policy direction for the regional flexible funds available for the 2022-2024 allocation.

#### Known Opposition/Support/Community Feedback & Explicit list of stakeholder groups and individuals who have been involved in policy development

Recognizing the significant public engagement undertaken as part of the recent 2018 RTP and 2021-2024 MTIP policy continued a number of existing MTIP policies, with minor updates or adjustments, the process for developing the 2021-2024 MTIP policy statement primarily relied on the Transportation Policy Alternatives Committee (TPAC) as the forum to gather feedback. TPAC was provided opportunities in January and February 2019 to comment and help refine the policy document. TPAC deliberated the proposed 2021-2024 MTIP policies thoroughly at the February meeting. The refined 2021-2024 MTIP policy statement taken forward to JPACT was reviewed at its February meeting with minimal discussion. JPACT took action at its March 2019 meeting to approve the 2021-2024 MTIP policy direction and submit to Metro Council for adoption.

#### Legal Antecedents

Updates the 2018-2021 Metropolitan Transportation Improvement Program Policy Statement for the Portland Metropolitan Region, adopted by Metro Council Resolution 16-4702 on June 16, 2016 (for the purpose Adopting the 2018-2021 Metropolitan Transportation Improvement Program and 2019-2021 Regional Flexible Funds Allocation Policy Statement for the Portland Metropolitan Area). As well as the 2018 Regional Transportation Plan, adopted by Metro Council Ordinance 18-1421 on December 6, 2018. (Ordinance No. 18-1421, For the Purpose of Amending the 2014 Regional Transportation Plan to Comply With Federal and State Law and Amending the Regional Framework Plan.)

#### Anticipated Effects

Adoption of this resolution will provide the policy direction, program objectives and procedures that will be used for developing and administering the 2021-2024 MTIP and the 2022-2024 Regional Flexible Fund Allocation.

Financial Implications (current year and ongoing)

There are no impacts for Metro's current budget. This resolution proposes policy for coordination and direction for funding allocation processes and implementation of the 2021-2024 MTIP. This policy direction does set up the framework for the 2022-2024 Regional Flexible Fund allocation policy, which funds a mix of Metro Planning and Development department activities. These activities include the Regional Travel Options Program, the Safe Routes to Schools Program, and supplements MPO-related activities such as travel demand model development.

**ATTACHMENTS**

The full Resolution 19-4963 is attached.

The full 2021-2024 MTIP policy document is attached as Exhibit A.