

Memo



Metro

600 NE Grand Ave.
Portland, OR 97232-2736

Date: June 24, 2024
To: Metro Council and Interested Parties
From: Ken Lobeck, Funding Programs Lead
Subject: June #1 FFY 2024 MTIP Formal Amendment & Resolution 24-5422 Approval Request – JN24-09-JUN1

FORMAL MTIP AMENDMENT STAFF REPORT

Amendment Purpose Statement

FOR THE PURPOSE AMENDING OR ADDING A TOTAL OF FOUR PROJECTS IN THE 2024-27 MTIP TO MEET FEDERAL TRANSPORTATION PROJECT DELIVERY REQUIREMENTS

BACKGROUND

What This Is - Amendment Summary:

The June #1 2024-27 Formal Metropolitan Transportation Improvement Program (MTIP) Formal/Full Amendment is one of two MTIP formal amendments moving forward through the Metro approval process. The June #1 bundle is under amendment number JUN24-09-Jun1. The new Portland Broadway Main Street and Supporting Connections project has been pulled from the June 2024 MTIP Formal Amendment bundle and will proceed to JPACT as part of the July Rose Quarter MTIP Formal Amendment bundle. TPAC has provided their approval recommendation for the project to proceed to JPACT this way. This reduces the June formal amendment bundle to four projects: One new project and three existing projects require cost changes and phase cancelations.

The new project is the following:

- **Key 23656 – ODOT Hayden Island Building Demolition project:**
The project is considered a child-type project to the full I-5 IBR project and will proceed independently from I-5 IBR project under its own STIP Key number. To reduce costs, ODOT will complete the demolition of two unused ODOT owned buildings located on North Center Ave in Portland.

What is the requested action?

JPACT approved Resolution 24-5422 on June 20, 2024, and requests Metro Council provide the final approval now for the four-project bundle within Resolution 24-5422 to amend the 2024-27 MTIP with the four projects.

Additional details about each new project are included on the next pages after the meeting summary updates.

MEETING SUMMARY UPDATES:

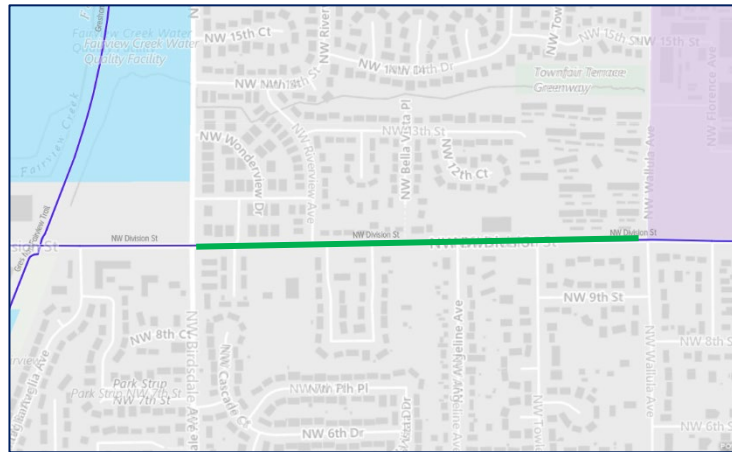
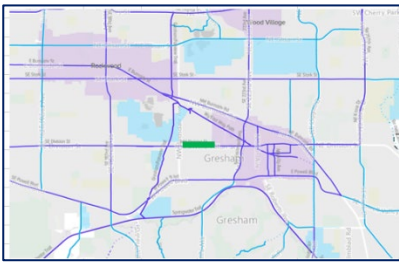
- TPAC June 7, 2024 Meeting Summary:
 - TPAC Met on June 7, 2024 and received their official notification and overview of the June 2024 Formal Amendment bundle under Resolution 24-5422. Ken Lobeck, Metro Funding Programs Lead provide the amendment overview. He discussed each project, what changes were occurring and why they were occurring. He also included a reminder to TPAC members that virtually federal funded projects progressing through the federal transportation delivery process are experiencing significant cost increases. He cited multiple reasons for the ongoing cost increases from lack of scoping to inflation updates. He asked TPAC member to consider maintaining additional contingency funds for their projects. He reminded committee members that project phase normally cannot move forward and be obligated and expended unless the phase is fully funded. The phase funding shortfalls not only result in a cost issue for the lead agency but can significantly delay the project until the funding shortfall is resolved.
 - Ken also identified a needed processing change that the city of Portland requested for their new Portland Broadway Main Street and Supporting Connections which received a USDOT \$38 million dollar grant to provide complete street/active transportation upgrades on Broadway and Weidler Streets. The project has been assigned an ODOT Key 23646. The project has a connection to ODOT's Rose Quarter Improvement project in Key 19071. This also received a \$450 million from the same USDOT discretionary grant program. ODOT will submit the required amendment updates for Key 19071 as part of the July 2024 MTIP Formal Amendment cycle. ODOT will also provide a project presentation to JPACT at their July 2024 meeting.
 - Portland's new Broadway Main Street and Supporting Connections project has a connection with the Rose Quarter Improvement Project. Since ODOT will be presenting an overview of the programming changes to JPACT in July, and a connection exists with the Project, Portland has requested that their new project be incorporated into the July 2024 Rose Quarter Improvement Project Formal Amendment bundle for JPACT and Metro Council approval. This way if questions emerge about project at JPACT, Portland staff will be present to address them as well.
 - The TPAC agenda had already been posted and consensus was not reached for the processing adjustment until a day before TPAC met. Rather than try to adjust the June 2024 MTIP Amendment bundle with a revised approval recommendation, Ken requested TPAC approve the bundle as submitted which included the new Portland project. He would then split the bundle and remove Portland new Broadway St project and add it into the Rose Quarter Improvement Project July 2024 formal amendment bundle under the logic of a public comment requested adjustment.

- TPAC members discuss the programming adjustment and did not raise any issues with the proposed change. The final approval recommendation TPAC unanimously passed provided the approval recommendation to JPACT for Resolution 24-5422 as submitted (includes all five projects), and includes the understanding that Portland's new Broadway Main Street and Supporting Connections will be split off the June 2024 Formal amendment bundle and incorporated into the July 2024 Rose Quarter MTIP Formal Amendment bundle which is expected now to contain a total of five projects.
- As a result of this action, the June 2024 MTIP Formal Amendment bundle under Resolution 24-2422 will be reduced to four projects and proceed on schedule to the June 20, 2024 JPACT meeting for their approval consideration. Assuming JPACT approves Resolution 24-5422 will then move for final Metro approval at the July 11, 2024 Metro Council Meeting.
- Portland's new Broadway Main Street and Supporting Connections will progress to JPACT on July 18, 2024 with the Rose Quarter MTIP Formal Amendment bundle as an action item. Assuming JPACT provides approval for the amendment resolution, the formal amendment will move on for final Metro approval at the August 1, 2024 Metro Council meeting.
- JPACT June 20, 2024, Meeting Summary:
 - JPACT met on Thursday, June 20, 2024. The June #1 MTIP Formal Amendment bundle with four projects was included on the Consent Agenda. The new Portland Broadway Main Street and Supporting Connections project has been removed from being a component of Resolution 24-5422 and will proceed as part of the Rose Quarter MTIP Formal Amendment in July as noted previously.
 - JPACT approved the Consent Calendar including Resolution 24-5422 without discussion.

A summary of the June 2024 MTIP Formal Amendment bundle under Resolution 24-5422 now follows:

- **Key 22636 – NW Division Complete St Phase I: Wallula Ave – Birdsdale Ave:**
 - Lead Agency: Gresham.
 - Description: The project will complete Phase 1 (of 2 phases) to extend NW Division St between NW Wallula Ave and NW Birdsdale Ave with active transportation improvements to include ADA improvements, sidewalks (gap fills), curbs and ramps, plus bike lanes.

- Funding Summary: The amendment adds local overmatch to the construction phase. Gresham is adding \$3,675,971 to the construction phase. The total project cost increases from \$6,140,589 to \$9,841,550.
- Action: The formal amendment increases the construction phase. The latest construction phase cost estimate increases the construction phase from \$4,170,636 to \$7,846,597. The city of Gresham is committing additional local overmatching funds to address the construction phase funding shortfall. This will ensure the construction phase can obligate the phase funds before the end of FFY 2024 (before 9/30/2024).
- Added Notes: The funding change to the project represents a 60% cost increase to the project. The approved MTIP Amendment Matrix allows for allows for cost changes up to 20% for projects above \$5 million. Cost changes above the administrative threshold are considered an impact to the fiscal constraint finding. This triggers the need to complete the formal/full amendment.



• **Key 22719 - I-5: Capitol Highway - OR217:**

- Lead Agency: ODOT
- Description: The project will install electronic signs to provide advance warning of traffic up ahead on the highway to improve congestion, queuing, and potential collisions.
- Funding Summary: The full project programming of \$15,917,009 decreases to \$4,052,000 as a result of the construction phase being canceled and the funding transferred over to the OR 217 – OR1- to OR99W in Key 18841 to address a funding shortfall.

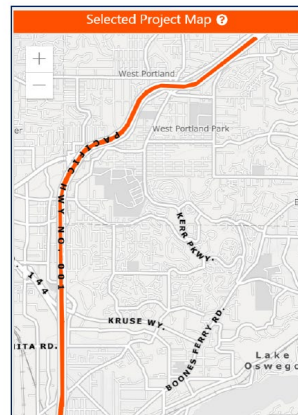
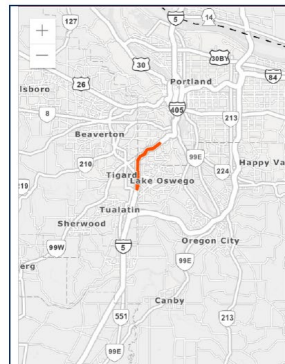
- Action: The formal amendment cancels the construction per OTC action and transfers the funds to Key 18841. OTC approval was required to approve the transfer.
- Added Notes. Two attachments are included with the staff report:
 - Attachment 1 – Key 22719 OTC Staff Report Item
 - Attachment 2 – Key 22719 Project Overview

Project to modify funding:**OR217: OR10 - OR99W (K18841)**

PHASE	YEAR	COST		
		Current Estimate	Proposed	Delta
Preliminary Engineering	2014	\$22,490,267	\$22,490,267	\$0
Right of Way	2020	\$3,000,000	\$3,000,000	\$0
Utility Relocation	N/A	\$0	\$0	\$0
Construction	2021	\$131,693,018	\$147,081,690	\$15,388,672
Other	2019	\$1,600,000	\$1,600,000	\$0
TOTAL		\$158,783,285	\$174,171,957	\$15,388,672

Funding plan:

Source of funding	Funding Program	Funds
Cancel the CN phase of I-5: Capitol Highway - OR217 (K22719)	SW Enhance	\$ 11,865,009
Bridge Program Funds	Fix-It SW Bridge/ HB2017 Bridge Seismic	\$3,523,663
TOTAL		\$15,388,672



- **Key 23656 - Hayden Island Building Demolition (New Project):**

- Lead Agency: ODOT.
- Description: The project will complete preparation for and demolition of two ODOT-owned buildings located on North Center Ave in Portland to reduce operation and maintenance costs for the agency.
- Funding Summary: ODOT has committed \$504,030 of state funds to complete the project.
- Action: The formal amendment adds the new project to the MTIP. The project is related to the larger I-5 Columbia River (Interstate) Bridge replacement

(IBR) project currently progressing through Preliminary Engineering in Key 21570. This project is considered a child-type project to the full I-5 IBR project and will proceed independently from I-5 IBR project under its own STIP Key number upon its final STIP approval. ODOT will complete the demolition of two unused ODOT owned buildings located on North Center Ave in Portland. The overall action is in support of ODOT's cost reduction efforts.

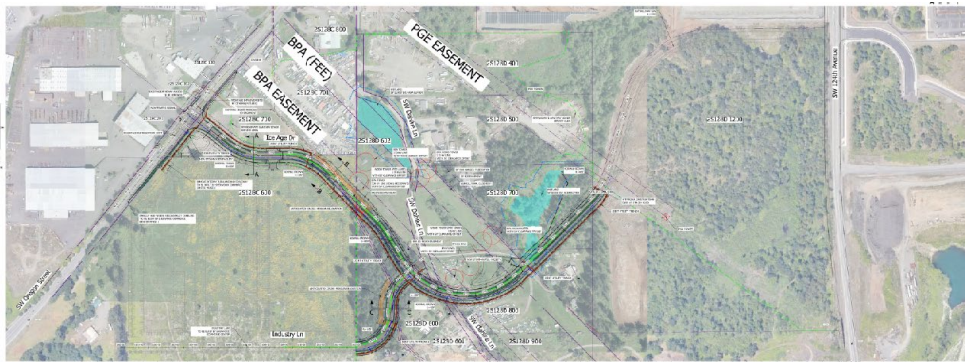
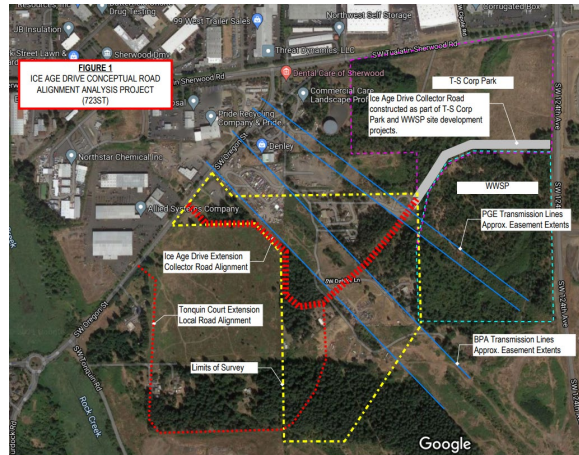


- **Key 23524 - Ice Age Drive: SW Oregon St-SW Dahlke Ln (Tonquin):**

- Lead Agency: Sherwood.
- Description: The project Design and construct new industrial collector, Ice Age Drive between SW Oregon Street and SW Dahlke Ln to ease traffic flow on SW Tualatin-Sherwood Rd, improve I-5 access, and support companies relocation to the Sherwood Tonquin Employment Area.
- Funding Summary: The project includes a \$3,000,000 FFY 2023 Congressionally Directed Spending (CDS) award with local funds representing the remaining funds for the project being local funds. The UR

phase cancellation frees up \$2,340,000 of local funds for the Construction phase with Sherwood adding another \$5,077,900 to cover the revised construction phase estimate of \$18,317,900. The total new total project cost from the amendment is now \$20,645,400.

- Action: The formal amendment cancels the cancels the Utility Relocation phase and transfers the funding forward to the Construction phase. The construction phase receives added local overmatching funds and is being slipped to FFY 2025 based on the revised construction phase estimate.



METRO REQUIRED PROJECT AMENDMENT REVIEWS

In accordance with 23 CFR 450.316-328, Metro is responsible for reviewing and ensuring MTIP amendments comply with all federal programming requirements. Each project and their requested changes are evaluated against multiple MTIP programming review factors that originate from 23 CFR 450.316-328. They primarily are designed to ensure the MTIP is fiscally constrained, consistent with the approved RTP, and provides transparency in their updates, changes, and/or implementation. The programming factors include ensuring that the project amendments:

- Are eligible and required to be programmed in the MTIP.
- Properly demonstrate and fiscal constraint as a result of the required changes.

- Pass the RTP consistency review which requires a confirmation that the project(s) are identified in the current approved constrained RTP either as a stand- alone project or in an approved project grouping bucket.
- Are consistent with RTP project costs when compared with programming amounts in the MTIP.
- If a capacity enhancing project, the project is identified in the approved Metro modeling network and has completed required air conformity analysis and transportation demand modeling.
- Supports RTP goals and strategies consistency: Meets one or more goals or strategies identified in the current RTP.
- Contains applicable project scope elements that can be applied to Metro's performance requirements.
- Verified to be part of the Metro's annual Unified Planning Work Program (UPWP) for planning projects that may not be specifically identified in the RTP.
- Verified that the project location is part of the Metro regional transportation network, and is considered regionally significant, or required to be programmed in the MTIP per USDOT direction.
- Verified that the project and lead agency are eligible to receive, obligate, and expend federal funds.
- Does not violate supplemental directive guidance from FHWA/FTA's approved Amendment Matrix.
- Reviewed and evaluated to determine if Performance Measurements will or will not apply.
- Successfully complete the required 30-day Public Notification/Opportunity to Comment period.
- Meets other MPO responsibility actions including project monitoring, fund obligations, and expenditure of allocated funds in a timely fashion.

APPROVAL STEPS AND TIMING

Metro's approval process for formal amendments includes multiple steps. The required approvals for the June #1 FFY 2024 Formal MTIP amendment (JN24-09-JUN1) will include the following actions:

<u>Action</u>	<u>Target Date</u>
• TPAC Agenda mail-out.....	May 31, 2024
• Initiate the required 30-day public notification process.....	June 4, 2024
• TPAC notification and approval recommendation.....	June 7, 2024
• JPACT approval and recommendation to Council.....	June 20, 2024
• Completion of public notification process.....	July 5, 2024
• Metro Council approval.....	July 11, 2024

Notes:

- * The above dates are estimates. JPACT and Council meeting dates could change.
- ** If any notable comments are received during the public comment period requiring follow-on discussions, they will be addressed by JPACT.

USDOT Approval Steps (The below timeline is an estimation only):

<u>Action</u>	<u>Target Date</u>
• Final amendment package submission to ODOT & USDOT.....	July 16 ,2024
• USDOT clarification and final amendment approval.....	Mid-August 2024

ANALYSIS/INFORMATION

1. **Known Opposition:** None known at this time.
2. **Legal Antecedents:**
 - a. Amends the 2024-27 Metropolitan Transportation Improvement Program adopted by Metro Council Resolution 23-5335 on July 20, 2023 (FOR THE PURPOSE OF ADOPTING THE 2024-2027 METROPOLITAN TRANSPORTATION IMPROVEMENT PROGRAM FOR THE PORTLAND METROPOLITAN AREA)
 - b. Oregon Governor approval of the 2021-24 MTIP on September 13, 2023.
 - c. 2024-2027 Statewide Transportation Improvement Program (STIP) Approval and 2024 Federal Planning Finding on September 25, 2023.
3. **Anticipated Effects:** Enables the new projects to be added into the MTIP and STIP. Follow-on fund obligation and expenditure actions can then occur to meet required federal delivery requirements.
4. **Metro Budget Impacts:** There are no direct or indirect impacts to the approved Metro budget through the actions of this amendment. The identified funding for the new projects does not originate from Metro.

RECOMMENDED ACTION:**What is the requested action?**

JPACT approved Resolution 24-5422 on June 20, 2024, and requests Metro Council provide the final approval now for the four-project bundle within Resolution 24-5422 to amend the 2024-27 MTIP with the four projects.

Two attachments.

- Attachment 1: Key 22719 OTC Staff Report Item
- Attachment 2: Key 22719 Project Overview