

IN CONSIDERATION OF RESOLUTION NO. 23-5337, FOR THE PURPOSE OF DISTRIBUTING \$18.8 MILLION OF CARBON REDUCTION PROGRAM TRANSPORTATION FUNDING, PENDING INCORPORATION INTO THE 2024-2027 METROPOLITAN TRANSPORTATION IMPROVEMENT PROGRAM

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ISSUE STATEMENT

The Carbon Reduction Program is a new transportation funding program established by the Bipartisan Infrastructure Law (BIL) and administered through the Federal Highway Administration (FHWA). Oregon is to receive an estimated \$82.5 million in Carbon Reduction Program funding. Metro, as the metropolitan planning organization (MPO) for the Portland region, allocates a portion of these funds, approximately \$18.8 million total, over five federal fiscal years. This resolution proposes the allocation of these funds to transportation projects and programs in the metropolitan region for Metro Council consideration.

ACTION REQUESTED

Approve and adopt Resolution No. 23-5337, allocating funding to regional investments as recommended by the Joint Policy Advisory Committee on Transportation (JPACT), and detailed in Exhibit A.

IDENTIFIED POLICY OUTCOMES

The federal policy direction of the newly created Carbon Reduction Program is “to reduce transportation emissions through the development of State carbon reduction strategies and by funding projects designed to reduce transportation emissions.”

The State of Oregon, with whom Metro is coordinating the investment of Carbon Reduction Program funds, is guided by the Statewide Transportation Strategy: 2050 Greenhouse Gas (GHG) Vision. Through direction outlined as part of CRP federal legislation, ODOT convened a group of stakeholders to provide input on program specific direction for CRP funds. With the Statewide Transportation Strategy as a starting point the stakeholder group further program direction was developed to prioritize efforts and investments related to: vehicle and fuel technology, transportation options (demand management activities), system and agency operations, and system pricing.

Metro is guided on transportation investments for reduction in carbon emissions by the Climate Smart Strategy. There are nine strategies for reducing emissions, several of which are priority types of transportation investments that should be made to meet emission reduction targets. The Regional Transportation Plan also guides transportation investments in the region and priorities the following investment outcomes: Equity, Safety, Climate Smart Strategy implementation, and Mobility.

The package of projects funded through this resolution were recommended by JPACT based foremost on their ability to implement the region's Climate Smart Strategy, with a focus on high carbon emissions reduction and to progress the remaining three transportation investment priorities of equity, safety, and mobility.

In addition to their merit based on advancing the Climate Smart Strategy and regional transportation investment priorities, the package follows additional direction provided by JPACT and Metro Council members to invest in projects throughout the region, to support projects which reduce the disproportionate impact of climate and air pollution on marginalized communities, promote projects which increases safe walking and bicycling access to transit and schools, to support "transformative" projects in reducing emissions, and to use them to leverage additional funding.

Lastly, the package of projects funded through this resolution meet federal eligibility requirements outlined for the Carbon Reduction Program as well as consistency with the state program direction for the Carbon Reduction Program funds.

POLICY QUESTION(S)

Should the Metro Council approve the resolution and direct staff to move forward with programming funding to the selected projects as recommended by JPACT?

POLICY OPTIONS FOR COUNCIL TO CONSIDER

Policy options for Metro Council to consider include:

1. Approve the resolution thereby approving the funding allocations and project funding awards as outlined in Exhibit A, and conditions of approval as outlined in Exhibit B.
2. Remand the resolution back to JPACT with direction on desired changes or conditions.

STAFF RECOMMENDATIONS

Staff recommends Metro Council approval of Resolution 23-5337.

STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION

The recommended allocation of Carbon Reduction Program funds follows transportation policy direction established in the development of the 2018 RTP and the region's Climate Smart Strategy. The investments will advance the priority types of investments recommended by those plans and position the region to leverage significant new funding to make progress toward the priority plan outcomes.

How does this advance Metro's racial equity goals?

While reducing carbon emissions is the primary policy objective of these funds due to federal policy and regulatory direction, the allocation process also incorporates the RTP investment policy priority areas of equity, safety, and mobility. Advancing racial equity goals are demonstrated with this proposed allocation by the inclusion of the three largest investments to projects located in and benefiting Equity Focus Areas. Transit investments in the 82nd Avenue, Tualatin Valley Highway, and McLoughlin corridors were also identified as high priority investments during the extensive outreach process with marginalized communities conducted as a part of the 2020 Transportation Funding Measure process to improve access to jobs and community services by marginalized populations, particularly communities of color, and to improve safety of travel in their communities. Additionally, TPAC further directed Transport, in the allocation carbon reduction programs funds to transportation system management and operations, to select projects which serve marginalized communities disproportionately exposed to the impacts of climate change. Lastly investment in Climate Smart Strategy implementation will provide the tools and resources needed to update strategies, analyze potential investments, and reduce the impacts of emissions on marginalized communities.

How does this advance Metro's climate action goals?

Consistent with the Carbon Reduction Program federal policy objective and regulations, the primary policy objective of this funding allocation is to advance the region's Climate Smart Strategy. Recommended projects were identified based on their consistency with the priority investment types identified by the Climate Smart Strategy that will have the greatest potential to reduce greenhouse gas emissions. The allocations recommended also have the potential to leverage significant additional funding for implementation of projects that will reduce carbon emissions and contribute to meeting Metro's climate action goals.

Known Opposition/Support/Community Feedback

TPAC community representatives voted in opposition or abstained from the supporting the recommended option as they supported a similar option but one that invested \$3 million in active transportation projects rather than transportation system management projects.

Legal Antecedents

This resolution allocates transportation funds in accordance with the federal transportation authorizing legislation (currently known as Bipartisan Infrastructure Law or BIL) as implemented through the Code of Federal Regulations Title 23, Part 450, Subparts A and C and relevant rules issued by the USDOT.

The Regional Transportation Plan, adopted by JPACT and Metro Council in December 2018 (Ordinance 18-1421) provides transportation investment priority areas.

The Climate Smart Strategy, adopted by JPACT and Metro Council in December 2014 (Ordinance 14-1346B), provides priority investment categories to achieve emission reduction goals.

The allocation utilizes relevant portions of the 2025-2027 Regional Flexible Fund Allocation program direction as defined by Metro Resolution No. 21-5194, For the Purpose of Adopting the 2025-2027 Regional Flexible Funds Program Direction for the Portland Metropolitan Area, adopted September 9, 2021, related to direction on allocation of federal transportation funds.

Anticipated Effects

Adoption of this resolution would direct staff to program funding in the amounts specified to the identified transportation programs and projects into the upcoming 2024-2027 MTIP so they may become eligible to receive those federal transportation funds.

Financial Implications (current year and ongoing)

Adoption of the resolution would commit a portion of the funding to Metro Transportation Planning activities. These funds are administered on a cost reimbursement basis, requiring Metro to incur costs associated with the planning activities prior to receiving reimbursement thereby incurring carrying costs. Furthermore, the funds require a minimum match from Metro of 10.27% of total costs incurred. Funding will be available through Federal Fiscal Year 2026.

BACKGROUND

In November 2021, the Bipartisan Infrastructure Law (BIL) was approved. As part of BIL, several new funding programs were created and existing funding programs received increased funding.

The Carbon Reduction Program is a new funding program established by the BIL and administered through the Federal Highway Administration (FHWA). Oregon is to receive an estimated \$82.5 million total in Carbon Reduction Program funding. The Oregon Department of Transportation (ODOT) ODOT will administered approximately \$53.9 million, \$26.8 million of which will be targeted to smaller cities and rural areas and \$29.8 million of which will be allocated across the entire state, including the Metro area.

The three large metropolitan organizations in Oregon – Portland, Eugene, and Salem - receive a direct suballocation of the Carbon Reduction Program funds based on formula. Metro's portion of the Carbon Reduction Program funding is approximately \$18.8 million total for the five federal fiscal years of BIL.

Due to requirements outlined in BIL, the allocation of Carbon Reduction Program funds must be completed and submitted to FHWA no later than November 2023. Due to this compressed timeline Metro will award all five years of funding in one allocation process. Metro staff briefed TPAC, JPACT and the Metro Council in January of 2023 regarding the availability of funding, the federal policy and rules associated with the funds, and to receive guidance on the allocation of these funds to projects.

The federal policy and regulatory direction, regional policies and strategies, and additional input received during the January outreach was summarized in Exhibit B - Policy and Program Factors to Inform Carbon Reduction Program Investment Proposals. This document guided the consideration of investments by TPAC and JPACT in their recommendation to Metro Council.

The process to gather and incorporate stakeholder input into the development of the JPACT recommendation is summarized in Exhibit D.

A final recommendation for the allocation of the funds was made at the May JPACT meeting. At the May JPACT meeting, members asked further questions about how TPAC got to the recommended allocation before JPACT. Upon further understanding about the multiple factors considered, including policy direction from the Climate Smart Strategy, federal eligibility requirements, and potential program start up JPACT supported TPAC's recommended allocation of Carbon Reduction Program funds without any changes.

The adopted funding allocation will be submitted to ODOT for incorporation into the statewide planning and funding allocation submission to the Federal Highway Administration. Individual project allocations will also be amended into the Metropolitan Transportation Improvement Program before they may be spent by the lead agency awarded funding.

ATTACHMENTS

Exhibit A: Project Allocation List and Project Descriptions

Exhibit B: Conditions of Approval to Allocation of Carbon Reduction Program Funds

Exhibit C: Policy and Program Factors Summary to Inform the Carbon Reduction Allocation Recommendation

Exhibit D: Stakeholder Feedback to Inform Final Allocation Recommendations

**Exhibit A to Staff Report of Resolution 23-5337
Project Allocation List and Project Descriptions**

TPAC Recommended Investment Package	
Tualatin Valley Highway Bus Rapid Transit	\$5,000,000
82 nd Avenue Bus Rapid Transit	\$5,000,000
Line 33 McLoughlin Transit Signal Priority	\$4,000,000
Climate Smart Implementation Program	\$1,800,000
Transportation System Management & Operations	\$3,000,000
Subtotal:	\$18,800,000

Description of Package Element Options

Tualatin Valley Highway Bus Rapid Transit (BRT): A \$5 million allocation for BRT project development funding for the TV Highway corridor to be matched by TriMet and with participation by local agencies toward a total of about \$20 million needed to complete the Project Development phase of the Federal Transit Administration’s Capital Investment Grant (FTA CIG) Small Starts program. This work includes design, addressing National Environmental Protection Act (NEPA) requirements, development of FTA rating materials and other activities needed to get to a Small Starts Grant Agreement. The project lead agency will confirm the obligation of these funds or confirm a commitment by JPACT and the Metro Council to pursue an FTA CIG Small Starts application for future spending of these funds, by July 2026. If the region decided to not pursue an FTA CIG Small Starts application, remaining funds could be repurposed to safe access to transit or other transit elements in the corridor.

82nd Avenue Bus Rapid Transit: A \$5 million allocation for BRT project development funding for the 82nd Avenue corridor to be matched by TriMet and with participation by local agencies toward a total of about \$20 million needed to complete the Project Development phase of the Federal Transit Administration’s Capital Investment Grant (FTA CIG) Small Starts program. This work includes design, addressing National Environmental Protection Act (NEPA) requirements, development of FTA rating materials and other activities needed to get to a Small Starts Grant Agreement. The project lead agency will confirm the obligation of these funds or confirm a commitment by JPACT and the Metro Council to pursue an FTA CIG Small Starts application for future spending of these funds, by July 2026. If the region decided to not pursue an FTA CIG Small Starts application, remaining funds could be repurposed to safe access to transit or other transit elements in the corridor.

Line 33 - McLoughlin Corridor Transit Signal Priority (TSP): Expansion of next generation transit signal priority first implemented in the Division Transit corridor to improve reliability of transit service. Expands capability of TriMet to implement TSP with new project partners and independent of a Bus Rapid Transit project in anticipation of implementing additional TSP projects across the region. Any remaining funds may also be used on systemic TSP needs to make the Line 33 elements perform optimally or on small capital stop amenities or safe transit access elements in the corridor. Project scope and funding would be coordinated with, and not displace, funding from other potential sources such as Congressionally directed spending or tolling mitigation funding.

Climate Smart Implementation Program: Resources to support implementation of the Climate Smart Strategy (CSS). This includes elements such as:

- monitoring and evaluation of CSS implementation (including analysis and reporting on progress in reducing emissions to meet federal CRP reporting requirements),
- development of improved emissions and Vehicle Miles Traveled forecasting and monitoring tools, including at the sub-area/corridor and project levels,
- update to the Climate Smart Strategy,
- communicating what the CSS is, how it is being implemented locally, what reductions are being achieving by implementation of the current strategy in public friendly formats to develop understanding, acceptance, and support for continued implementation of the strategy,
- technical support for incorporation of climate emission reduction policy and strategies into development of related transportation plans and policy
 - including regional coordination and support for local agency implementation of the new Climate Friendly & Equitable Communities update to state Transportation Planning Rule requirements

Approximately half of the allocation would be for work for tool development such as improvements to the state required Vision Eval forecasting tool, the regional travel demand model, tools to forecast emissions impacts of project level investments, and a best implementation practices toolkit. The other approximate half of the allocation would support a new Metro staff person to undertake the monitoring and evaluation work, communication of progress and benefits of Climate Smart Strategy implementation, coordination with state and local agencies, meeting federal reporting requirements, support of a Metro team in the update of the Climate Smart Strategy, and to provide local agencies with technical support for local implementation.

Transportation System Management & Operations (TSMO): Transportation system management and operations investments that improve the efficiency and safety of the existing transportation network and infrastructure. The Transport sub-committee of TPAC would be utilized to identify priority projects for funding with direction to prioritize TSMO investments that are eligible for federal carbon reduction program funds, have the greatest potential to reduce carbon emissions, and also reduce the impact of climate change on marginalized communities. TSMO projects that provide safer access to transit and schools are eligible and encouraged for consideration.

Exhibit B to Staff Report of Resolution 23-5337 Conditions of Approval to Allocation of Carbon Reduction Program Funds

RECOMMENDED CARBON REDUCTION PROGRAM AWARDEE CONDITIONS OF APPROVAL

Conditions of approval are mechanisms to ensure that projects are planned, designed, and built consistent with the project scopes as approved by JPACT and Metro Council, with federal regulations and with regional policies. Projects can be reviewed at any point in the process for consistency with the conditions of approval and action taken if they are not adhered to.

There are two sets of conditions which apply to Carbon Reduction Program (CRP) awarded projects: 1) conditions which address all projects; and 2) project-specific conditions.

The conditions for all projects outline expectations pertaining to the use of funds, project delivery, process, etc. The project-specific conditions outline expectations to create the best project possible in accordance to regional program policies and federal regulations. Recognizing that projects are at different stages of development (i.e. some are in planning phases while others are ready for construction), Metro may choose to waive or modify certain conditions for a project based on what is appropriate for the project's stage in development.

Conditions applied to all projects and programs:

1. Funding is awarded to the project as outlined in the JPACT-approved and Metro Council-adopted Carbon Reduction Program award. If any project is determined to be unfeasible or is completed without expending all of the Carbon Reduction Program funds awarded, any remaining Carbon Reduction Program funds for that project shall revert back to Metro for reallocation. Or the project sponsor/local jurisdiction receiving the Carbon Reduction Program funds for the project may request reallocation of the funds per the Metropolitan Transportation Improvement Program (MTIP) amendment process. Requested reallocation must meet federal and state eligibility requirements for the Carbon Reduction Program funds and meet consistency with the Climate Smart Strategy and the Regional Transportation Plan. Reallocation may necessitate JPACT and Metro Council approval.
2. The award amount is the total amount of Carbon Reduction Program funds provided to deliver the awarded project as it is defined in the award scope and as approved by JPACT and Metro Council. The project sponsor/local jurisdiction is expected to resolve any cost overruns or unexpected costs to emerge. It is understood by the project sponsor/local jurisdiction that Metro does not have any further financial commitment/responsibility beyond providing the amount awarded.
3. Project scopes will include what is written in the narrative project description outlined in Exhibit A of Resolution 23-5337 and project refinements in response to comments. Changes in project scopes, schedules, and budget must be requested and made in writing to the MTIP Project Manager utilizing the amendment procedures adopted in the MTIP (Please see 2024-2027 MTIP Administration section.) Changes in project scopes must be approved by Metro to ensure federal eligibility requirements and the original intent of the project is still being delivered.
4. All projects will follow the design approach and decision-making process as defined in the [Designing Livable Streets and Trails Guide](#)¹ (Metro; 3rd edition; October 2019) and any updates in effect at the time a funding intergovernmental agreement is signed. Other street

¹ <https://www.oregonmetro.gov/tools-partners/guides-and-tools/guidelines-designing-livable-streets-and-trails>

and trail design guidelines, including those developed by local jurisdictions, the National Association of City Transportation Officials, the Institute of Transportation Engineers, the Oregon Department of Transportation, the American Association of State Highway and Transportation Officials, and the Federal Highway Administration, may also be referred to as long as the design approach and decision making process used are consistent with Metro's guidelines.

5. All projects will update local network maps and provide relevant network data to Metro. Metro will provide guidelines on network data submissions upon request. Additionally, all bicycle and pedestrian projects will implement sufficient wayfinding signage consistent with Metro sign guidelines (Ex. [Metro's Intertwine Design Guidelines](#).)² and the Manual on Uniform Traffic Control Devices.
6. All projects with ITS elements will be consistent with National ITS Architecture and Standards and Final Rule (23 CFR Section 940) and Regional ITS Architecture. This includes completing a systems engineering process during project development to be documented through the systems engineering form and submitted to Metro for inventory purposes. For further guidance, consult [ODOT's ITS compliance checklist](#).³
7. All projects implementing Transportation System Management and Operations (TSMO) elements will provide information to Metro on the TSMO elements for inventory purposes. Metro will provide guidelines on how to provide TSMO data submissions.
8. All local jurisdiction/project sponsors shall acknowledge Metro as a funding partner. Acknowledgement will attribute credit to Metro on all project materials (print or electronic), such as reports, newsletters, booklets, brochures, web pages, and social media posts. Attribution on materials must read "Made possible with support from Metro." If marketing is done with audio only, spoken attribution language must be "This project is made possible with support from Metro." The local jurisdiction/sponsor delivering the project will include the Metro logo on all print ads, banners, flyers, posters, signage, and videos. Grantee will include the Metro logo on all marketing and advertising materials, both print and online (size permitting). Metro will provide partners with Metro logos and usage guidelines. Lastly, the local jurisdiction/project sponsor will extend invitations to Metro Councilors to attend events or engagements pertaining to the project.
9. All projects will carry out public involvement processes that meet federal Title VI and environmental justice requirements. As appropriate, local data and knowledge shall be used to supplement analysis and inform public involvement. Metro guidelines for public involvement can be found in the [Public Engagement Guide Appendix G: Local Engagement and Non-Discrimination Checklist](#).⁴
10. All projects are expected to measure the progress and performance of the Carbon Reduction Program-funded project. Local jurisdictions/project sponsors will identify a set of indicators for data collection and pre-and post-project monitoring. Metro will provide input and feedback into the indicators and datasets, especially to help respond to regional transportation performance measures. Indicators can be determined during the pre-implementation phase of the project.

² <https://www.oregonmetro.gov/sites/default/files/2018/01/05/2017-Intertwine-Trail-sign-guidelines.pdf>.

³ <https://www.oregon.gov/odot/Maintenance/Documents/ITS-QualityPlan.pdf>

⁴ http://www.oregonmetro.gov/sites/default/files/final_draft_public_engagement_guide_112113.pdf

11. Carbon Reduction Program funds awarded to projects which are not flex transferred to the Federal Transit Administration (FTA) will follow the Federal Highway Administration (FHWA) project delivery process. For non-certified agencies receiving Carbon Reduction Program to deliver a project will be expected to work directly with a certified agency or ODOT to determine the administration and delivery of the project. Such agencies will comply with ODOT Local Agency Liaison (LAL) project pre-implementation requirements (e.g. completion of detailed scope of work, budget, project prospectus, etc.). The ODOT LAL requirements are expected to be in the proper format as part of the federal delivery process to facilitate MTIP & STIP programming, initiate development and execution of the Intergovernmental Agreement (IGA), and obligate and expend awarded federal funds for the project.

The awarded lead agency is required to complete or participate in the following project delivery & monitoring activities:

- Kick-off Meeting Coordination.
- MTIP/STIP programming to a realistic project delivery schedule that accounts for meeting funding obligation targets.
- Participate in project coordination meetings and reviews as called for and scheduled.
- Completing project pre-implementation (Pre-Preliminary Engineering or Planning phase obligation) actions and milestones to ensure project proceeds on schedule, including completing a project scoping document with a thorough scope, schedule and budget with milestones and deliverables.
- Complete and execute a project IGA in time to obligate funds as programmed
- Participation in Project Delivery Actions, including attending Project Development Team (PDT) review meetings, completing and submitting project Milestone Reports and Progress Updates, providing any performance measurement project data, providing project delivery status updates, and addressing questions raised by the Metro advisory committees.
- Providing project close-out/final reports and billings.

Conditions applied to specific projects and programs:

1. Transportation System Management and Operations – TransPort:

- TransPort, a subcommittee of the Transportation Policy Alternatives Committee (TPAC) will lead the allocation of \$3 million in Carbon Reduction Program funds.
- Allocation of Carbon Reduction Program funds must meet federal eligibility requirements pertaining to the Carbon Reduction Program. Due to the nature and intent of the Carbon Reduction Program, certain activities are not eligible, and TransPort cannot allocate funding towards those type of activities, even if they are consistent with the Regional TSMO Strategic Plan.
- The primary direction is to allocate funds to projects that maximize the reduction of carbon emissions.
- Additional direction for the allocation of Carbon Reduction Program funds is outlined as follows:

- i. Fund projects throughout the region or to projects which have clear region-wide benefits.
 - ii. The selection of projects prioritizes those technologies and strategies which reduce the disproportionate impacts of climate change and air pollution on marginalized communities.
 - iii. The selection of projects prioritizes those technologies and strategies which promote or support safe access to schools and transit, by means other than driving and ultimately reduce vehicle miles traveled.
- Additionally, any TSMO-related activities funded with Carbon Reduction Program funds must be consistent with the Oregon Carbon Reduction Strategy.
- 2. **82nd Avenue Bus Rapid Transit (BRT) – TriMet and Metro:**
 - The Carbon Reduction Program awards are to advance project development activities for the 82nd Avenue Bus Rapid Transit project and prepare the project for the Federal Transit Administration (FTA) Capital Investment Grant (CIG) application cycle. As outlined in the project description in Exhibit A, the project lead agency will confirm the obligation of these funds, or commitment by JPACT and the Metro Council to pursue an FTA CIG Small Starts application for future spending of these funds, by July 2026. If the region decides to not pursue an FTA CIG Small Starts application, remaining funds could be repurposed to safe access to transit or other transit elements in the corridor.
- 3. **Tualatin Valley Highway Bus Rapid Transit (BRT)– TriMet and Metro:**
 - The Carbon Reduction Program awards are to advance project development activities for the Tualatin Valley Highway Bus Rapid Transit project and prepare the project for the Federal Transit Administration (FTA) Capital Investment Grant (CIG) application cycle. As outlined in the project description in Exhibit A, the project lead agency will confirm the obligation and spending of these funds, or commitment by JPACT and the Metro Council to pursue an FTA CIG Small Starts application for future spending of these funds, by July 2026. If the region decides to not pursue an FTA CIG Small Starts application, remaining funds could be repurposed to safe access to transit or other transit elements in the corridor.
- 4. **McLoughlin Avenue Transit Signal Priority (TSP) – TriMet and Clackamas County:**
 - As outlined in the project description in Exhibit A, any remaining funds after the delivery of the projects may also be used on systemic TSP needs to make the Line 33 elements perform optimally or on small capital stop amenities or safe transit access elements in the corridor. Additionally, if other potential sources such as Congressionally directed spending or tolling mitigation funding emerge to fund the TSP project, the project scope and funding would be coordinated with, and not displace, funding.
- 5. **Climate Smart Strategy Implementation – Metro**
 - Metro will coordinate the tool development work and implementation work program with other planning activities in the region and state during the development of the annual Unified Planning Work Program (UPWP).

Exhibit C to Staff Report of Resolution 23-5337 Policy and Program Factors to Inform Carbon Reduction Program Investment Proposals

The federal aim of the newly created Carbon Reduction Program is “to reduce transportation emissions through the development of State carbon reduction strategies and fund projects designed to reduce transportation emissions.” Because of the region’s effort to develop and adopt the Climate Smart Strategy in 2014, the region already has a developed action plan to reduce greenhouse gas emissions from light duty trucks and passenger vehicles through a combination of land use and transportation efforts. The development of this strategy was informed by the best technical analysis available regarding transportation investments to reduce carbon emissions from the transportation sector.

The newly created federal Carbon Reduction Program is a limited opportunity to implement the Climate Smart Strategy by investing into one or more of the investment areas identified.⁵ The varied mix of strategies outlined in Climate Smart provides a wide span of options to invest CRP funds on the regional transportation system. Based on regional discussions of priority elements of the Climate Smart Strategy and a review of the federal Carbon Reduction Program funding policy objectives and eligible projects and activities, the following three Climate Smart Strategy elements have been prioritized for the development of the draft packages of projects for CRP funds.

- Make transit convenient, frequent, accessible, and affordable
- Make biking and walking safe and convenient
- Use technology to actively manage the transportation system

In addition, since providing an overview of the Carbon Reduction Program in January, members of TPAC, JPACT, and the Metro Council have weighed in with suggestions and ideas for the CRP allocation. This included identifying and prioritizing projects from the Climate Smart Strategy that could be most impactful and/or transformative in reducing emissions, as well as some specific project proposals. Metro staff has taken these suggestions and ideas into consideration as well as the following factors in identifying the elements of the package options.

Policy Direction

- Priority Climate Smart Strategy investment areas
 - Potential for greenhouse gas emissions reduction
- Opportunity to advance additional Regional Transportation Plan objectives, including Equity, Safety, and Mobility in addition to Climate
- Ability to address Climate Friendly Equitable Communities and other state, regional, or local climate change related objectives
- Consistency with state Carbon Reduction Plan priorities
- Provide funding across multiple areas of the region

Administrative

- Federal funding eligibility requirements
 - Including those specific to the Carbon Reduction Program
- Carbon Reduction Program requirements
 - Submission deadlines, timing of obligation of funding, and other limitations

⁵ After considering federal funding eligibility requirements, state Carbon Reduction Plan priorities, regional opportunities, and other factors

- Program implementation needs
 - Evaluation tools and capacity, reporting, communications, policy refinement

Other

- ODOT's allocation process and priorities for Carbon Reduction Program funds and other investments in reducing carbon emissions
- Funding leverage opportunities
 - Especially funding opportunities presented by the Bipartisan Infrastructure Law
- Implement projects with the potential for a significant or transformative impact on reducing transportation emissions

**Exhibit D to Staff Report of Resolution 23-5337
Stakeholder Feedback to Inform Final Allocation Recommendations
Summary of Stakeholder Input – November 2022 – January 2023**

The following section summarizes the feedback provided during the initial introductions of the Carbon Reduction Program fund and the allocation process through the TPAC recommendation to JPACT.

2023 RTP Workshop

At the November 10 Metro Council and JPACT workshop on the 2023 RTP, Metro staff provided a refresher on the Climate Smart Strategy. Since the Climate Smart Strategy has been integrated into subsequent regional transportation plans (2014 RTP, 2018 RTP) after its adoption, the 2023 RTP presents an opportunity to update related policies in the Plan and develop a long-term transportation investment strategy which will bring the region back on track to meet the greenhouse gas emissions reduction target set forth by the state.

At the workshop, regional leaders participated in a set of exercises ranking the different Climate Smart investment areas for: 1) further implementation; 2) greatest benefit to people living in the Portland metropolitan region; and 3) preference on ambitiousness in pursuing. Under the three different ranking exercises, the following three ranked in the top in each exercise. Across all three exercises, “Making transit convenient, frequent, accessible, and affordable,” was the top ranked Climate Smart investment area in each.

- Make transit convenient, frequent, accessible, and affordable – through increased transit service, including high-capacity transit
- Make biking and walking safe and convenient – through new active transportation connections
- Use technology to actively manage the transportation system – through system management and operations

These non-binding results indicate that the region’s leaders are interested in advancing Climate Smart Strategies/investment areas for implementation.

Metro Council Work Session

Following the 2023 RTP workshop, Metro and ODOT Climate Office staff jointly presented information about the federal Carbon Reduction program at the Metro Council work session. The presentation outlined the new program and provided insight into the priority investment areas for ODOT’s allocation. ODOT emphasized the need for partnerships to achieve Oregon’s greenhouse gas emissions reduction goal and making complementary investments. Metro staff outlined three potential Climate Smart Strategy investment areas to emphasize with CRP funds. These three areas include:

- Transit
 - Capital transit investments
 - Improvements in the right-of-way to increase speed and reliability of buses and MAX
- Active Transportation
 - New biking and walking connections to schools, downtowns, jobs, and other community places

- Completes the regional active transportation network and supports the 2040 growth concept
- System Management and Operations
 - Variable message signs and speed limits
 - Transit signal priority, bus pullouts
 - Signal timing and ramp metering

The Metro Council were asked to provide feedback and direction on the potential Climate Smart Strategy investment areas as well as other wishes the Council would like to see as part of the allocation of CRP funds. Feedback from the Metro Council included:

- Continue to support and leverage the planning work undertaken as part of the Transportation Funding Measure in 2020, in areas that would be eligible for CRP funds
- Invest into our current corridor projects, including Tualatin Valley Highway and 82nd Avenue
- Make a regional investment with the limited dollars presented with CRP, but also be context sensitive to the different counties in the region
- Accelerate implementing community plans that seek to reduce greenhouse gas emissions
- Leverage other funding opportunities presented with the BIL and with other partners
- Support microtransit and transit services which better serve communities not well reached by traditional transit providers.

TPAC

Metro staff in conjunction with ODOT Climate Office staff provided an overview of the Carbon Reduction Program at the January 6, 2023, TPAC meeting. In the presentation, Metro staff outlined the details of the new federal funding program and the staff proposed Climate Smart Strategy investment areas to shape allocation proposals for discussion. The following is feedback from TPAC to help shape and inform the next steps for staff to develop Carbon Reduction Fund allocation proposals for discussion.

- Agree with leveraging the work and consensus building undertaken as part of the transportation funding measure in 2020, but not constrained by what was included in the package which went before voters. Consider some of the corridors/candidate projects which did not make the final package put forward to voters.
- Have the allocation proposal reflect regional balance
- Consider those projects which can meet eligibility requirements from the 25-27 Regional Flexible Fund cycle which were not awarded grant funds
- Consider adding the Climate Smart Strategy - Provide information and incentives to expand the use of travel options – or transportation demand management (TDM) as part of the CRP allocation proposal
- Work actively with local jurisdictions on identifying candidate projects for the allocation proposal developed by Metro staff. Following a process similar to the earmark process would be positive.
- Consider quantifying greenhouse gas emissions reduction for candidate projects and have it inform the final allocation proposal. At a minimum, have allocation efforts be informed by emissions reduction potential.
- Prioritize allocating Carbon Reduction Program funds to projects and programs which do not have other sources of funding. For example, while electric vehicles and infrastructure are an eligible activity for new funding program, there is also another federal funding program exclusively available for electrification.

- Focus on “doable” projects that can show off the success of the Carbon Reduction Program. This can help support the program’s continuation into the future.
- In considering potential transportation system management and operations (TSMO) project candidates, work with the Transport sub-committee of TPAC to identify a project or technology update which would have wide reaching regional or systemic benefit in lieu of smaller site-specific project(s).
- Consider focusing Carbon Reduction Program funds on projects in areas with high vehicle miles traveled and a lack of transportation options.
- Consider adding to the allocation proposal projects which accelerate the transition of transit fleet vehicles to alternative fuels
- While the Carbon Reduction Program funds focus on greenhouse gas emissions reduction, consider candidate projects in the allocation proposal which result in greater safety. In particular, projects which complete the pedestrian and bicycle network in areas of high crashes provide the dual benefit of emissions reduction and safety.
- Use updated information from efforts like the City of Portland’s VisionEval work to help inform which types of projects will be an effective use of Carbon Reduction Program funds and get the most emissions reduction cost-benefit.
 - Consider investing funds to advance the region’s capabilities in understanding, measuring, and advancing how to best reduce carbon emissions.
- Provide additional information/details on use of the \$1.8 million proposed for Climate Smart implementation.
- Have ODOT’s climate office to keep the MPO table (i.e., TPAC, JPACT, Metro Council) and the R1ACT informed on the allocation process for the state Carbon Reduction Program funding as there is interest in knowing more about providing input to the state allocation process.

JPACT

Metro staff in conjunction with ODOT Climate Office staff provided an overview of the Carbon Reduction Program at the January 19, 2023, JPACT meeting. In the presentation, Metro staff outlined the details of the new federal funding program and the staff proposed Climate Smart Strategy investment areas to shape allocation proposals for discussion. The following is feedback from JPACT to help shape and inform the next steps for staff to develop Carbon Reduction Fund allocation proposals for discussion. Feedback included: implement the region’s Climate Smart Strategy priority projects and programs, and investments that could have significant or transformative impacts on reducing transportation emissions.

- Support development of bus capital improvements in the 82nd Avenue and Tualatin Valley highway corridors,
- Support transit signal priority (TSP) for the Line 33 McLoughlin bus,
- Support the advancement of Electric Bikes usage
- Support electrification of the TriMet bus fleet,
- Support for specific active transportation projects unfunded from the previous Regional Flexible Fund Allocation cycle,
- Support for system management and Intelligent Transportation System (ITS) projects, and safe routes to schools projects.

Summary of Stakeholder Input on Allocation Proposal Package Options – April 2023

Since providing TPAC, JPACT, and Metro Council an overview of the Carbon Reduction Program funding at the end of 2022 and in early 2023, Metro staff develop a set of allocation proposal package options which were presented to TPAC and JPACT in April 2023. Feedback on the allocation proposal package options included:

TPAC comments

- Preference for the corridor elements included in Packages A, B, and C, over the funding of Regional Flexible Fund Allocation projects represented by Package D.
- Safe bicycling infrastructure a priority over electric bike program.
- Question the ability to effectively administer and implement Electric Bike, Safe Routes to Schools, or Active Transportation capital projects with small amount of federal funds. Request to investigate the possibility of a fund exchange of federal CRP funds for local funds to make implementation of small capital projects more feasible was made.
- Support for a Transportation System Management and Operations (TSMO) allocation element administered through the Transport sub-committee, with policy direction to prioritize carbon reduction projects such as expansion of Transit Signal Priority (TSP).
- Desire for clarification on what happens to corridor project funding if projects do not proceed or get funded from other sources, with requests for funding to stay in a corridor on other project elements.
- Consideration of not setting a precedent of funding project elements that are identified for potential mitigation of tolling impacts (such as elements of Line 33 TSP).
- Need further description of recommended project elements, including the Metro led Climate Smart Implementation program element.

JPACT comments.

- Washington County Coordinating Committee discussions favored Package Option E that included an \$3 million allocation to System Management and Operations projects to be recommended by the Transport sub-committee of TPAC.
- Safe access to schools be clarified as a potential part of System Management & Operations or Active Transportation options should those options move forward.

Development of TPAC Recommendation on Allocation of Carbon Reduction Program Funds – May 2023

At the May 5th TPAC meeting, Metro staff presented two Carbon Reduction Program allocation options for considerations. The two allocation options were based on the input received from TPAC and JPACT members on the draft investment package options at their April meetings. The allocation options were:

Carbon Reduction Program Allocation Package Descriptions Considered by TPAC

Package C – Transit Corridors and Active Transportation		
	TV Hwy BRT	\$5,000,000
	82 nd Ave BRT	\$5,000,000
	Line 33 McLoughlin Transit Signal Priority	\$4,000,000
	Climate Smart Implementation Program	\$1,800,000
	Active Transportation	\$3,000,000
	Subtotal:	\$18,800,000

Package E - Transit Corridors and Transportation System Management & Operations		
	TV Hwy BRT	\$5,000,000
	82 nd Ave BRT	\$5,000,000
	Line 33 McLoughlin Transit Signal Priority	\$4,000,000
	Climate Smart Implementation Program	\$1,800,000
	Transportation System Management & Ops	\$3,000,000
	Subtotal:	\$18,800,000

Allocation Package Options - Description of Elements

Recommended by TPAC: Tualatin Valley Highway Bus Rapid Transit (BRT): Funding to undertake bus rapid transit project development for the Tualatin Valley Highway BRT corridor. The \$5 million allocation to be matched by TriMet and with participation by local agencies toward a total of about \$20 million needed to complete the Project Development phase of the FTA CIG Small Starts program. This work includes design, NEPA, development of rating materials and other activities needed to get to a Small Starts Grant Agreement. If the region decided to not pursue an FTA CIG Small Starts application, remaining funds could be repurposed to safe access to transit or other transit elements in the corridor.

Recommended by TPAC: 82nd Avenue Bus Rapid Transit (BRT): Funding to undertake bus rapid transit project development for the 82nd Avenue corridor. The \$5 million allocation to be matched by TriMet and with participation by local agencies toward a total of about \$20 million needed to complete the Project Development phase of the FTA CIG Small Starts program. This work includes design, NEPA, development of rating materials and other activities needed to get to a Small Starts Grant Agreement. If the region decided to not pursue an FTA CIG Small Starts application, remaining funds could be repurposed to safe access to transit or other transit elements in the corridor.

Recommended by TPAC: Line 33 - McLoughlin Corridor Transit Signal Priority (TSP): Expansion of next generation transit signal priority first implemented in the Division Transit corridor to improve reliability of transit service. Expands capability of TriMet to implement TSP with new project partners and independent of a Bus Rapid Transit project in anticipation of implementing additional TSP projects across the region. Any remaining funds may also be used on systemic TSP needs to make the Line 33 elements perform optimally or on small capital stop amenities or safe transit access elements in the corridor. Project scope and funding would be coordinated with, and not displace, funding from other potential sources such as Congressionally directed spending or Tolling mitigation funding.

Recommended by TPAC: Climate Smart Implementation Program: Resources to support implementation of the Climate Smart Strategy (CSS). This includes elements such as:

- monitoring and evaluation of CSS implementation (including analysis and reporting on progress in reducing emissions to meet federal CRP reporting requirements),
- development of improved emissions and Vehicle Miles Traveled forecasting and monitoring tools, including at the sub-area/corridor and project levels,
- update to the Climate Smart Strategy,
- communicating what the CSS is, how it is being implemented locally, what reductions are being achieving by implementation of the current strategy in public

friendly formats to develop understanding, acceptance, and support for continued implementation of the strategy,

- technical support for incorporation of climate emission reduction policy and strategies into development of related transportation plans and policy
 - including regional coordination and support for local agency implementation of the new Climate Friendly & Equitable Communities update to state Transportation Planning Rule requirements

Approximately half of the allocation would be for work for tool development such as improvements to the state required Vision Eval forecasting tool, the regional travel demand model, tools to forecast emissions impacts of project level investments, and a best implementation practices toolkit. The other approximate half of the allocation would support a new Metro staff person to undertake the monitoring and evaluation work, communication of progress and benefits of Climate Smart Strategy implementation, coordination with state and local agencies, meeting federal reporting requirements, support of a Metro team in the update of the Climate Smart Strategy, and to provide local agencies with technical support for local implementation.

Recommended by TPAC: Transportation System Management & Operations (TSMO):

Transportation system management and operations investments that improve the efficiency and safety of the existing transportation network and infrastructure. The Transport sub-committee of TPAC would be utilized to identify priority projects for funding with direction to prioritize TSMO investments that have the greatest potential to reduce carbon emissions. TSMO projects that also provide safer access to schools are eligible and encouraged for consideration.

Active Transportation: Pedestrian, bicycle and transit access capital projects. Project scale would be smaller than typical RFFA and state funded projects. Projects that are expected to perform best to increase walk and bike trips would be encouraged as a priority to maximize reductions in carbon emissions. Active transportation projects that also provide safer access to schools are eligible and encouraged for consideration. TriMet has agreed to investigate their capacity to fund exchange CRP funds for local funding to facilitate improved delivery of these projects. It has not yet been determined whether they have an eligible project and local fund capacity, but if ultimately feasible, the exchanged funds could not be made available until late in FY 2025 after TriMet had received equivalent CRP funds. If fund exchange is determined infeasible, projects would need to proceed through the standard federal-aid delivery process

Both package C and E were modified slightly prior to the May 5th TPAC meeting to reflect input provided on the draft packages. Modifications included:

- Language to address the uncertainty for the three corridor candidates to allow for repurposing excess or remaining funds for activities within the corridor including safe access to transit or other transit elements, as long as federal eligibility requirements are met.
- Further project description to outline the activities Metro will undertake for Climate Smart Implementation activities.
- Refinements and clarification to fund projects with the \$3 million going towards either Active Transportation (Package C) or Transportation System Management (Package E) which would support/induce shifting to walking, biking, or transit and have high carbon emissions reduction

At the time of the TPAC meeting, Metro staff had begun an inquiry with TriMet on possible fund exchange of \$3 million dollars with TriMet, in recognizing the interest in the Package C was highly predicated on the ability to defederalize those funds. TriMet was unable to provide a response in time for the May TPAC meeting but expects to have a response about the fund exchange prior to the May 18th JPACT meeting. Information on the fund exchange possibility will be brought forward at the JPACT meeting.

TPAC members voted to recommend Package E: Transit Corridors and System Management and Operations option as the preferred allocation option for carbon reduction program funds. Of the 19 TPAC voting members, ten members voted in favor of package E, six voted against the recommendation of Package E because of their preference for Package C: Transit Corridors and Active Transportation, and there were three abstentions, reflecting the difficult decision TPAC had choosing between the options.

As part of the recommendation of Package E, TPAC recommended the following refinements be reflected in the recommended allocation package for the carbon reduction program funds. These include:

- An obligation date and/or a confirmation decision to pursue the Federal Transit Administration (FTA) Capital Investment Grant (CIG) Small Starts discretionary grant program for the funds allocated to the 82nd Avenue and Tualatin Valley Highway corridor projects.
- Additional guidance to Transport in the allocation of the \$3 million to transportation system management technologies/projects to prioritize in addition to, but secondary to carbon emission reduction benefits:
 - reducing the impact of climate change and air pollution on marginalized communities
 - safe access to transit and schools
 - funding projects around the region and/or that have regionwide benefits

The refinements are incorporated into Exhibits A and C of the staff report to Resolution 23-5337.