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Metro

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Date: Wednesday, June 18, 2025
To: Joint Policy Advisory Committee on Transportation and Interested Parties
From: Grace Cho, Principal Transportation Planner
Jean Senechal Biggs, Resource Development Section Manager
Subject: 2028-2030 Regional Flexible Fund Step 2 – Draft Allocation Package and Draft Legislative Materials

Purpose: To gather feedback on a draft 28-30 Regional Flexible Fund Step 2 allocation package and gather direction to develop a staff recommendation for committee action in July.

Getting to a Step 2 Staff Recommendation and Allocation Decision

The 28-30 Regional Flexible Fund Step 2 allocation process is nearing completion. Metro staff are developing a Step 2 staff recommended allocation package for JPACT consideration and action on July 17, 2025. Following JPACT action in July, the Metro Council is anticipated to act on JPACT's recommendation at the July 31, 2025, Council meeting.

At the upcoming JPACT meeting on June 26th, Metro staff seek feedback on a draft Step 2 package and the accompanying draft legislative materials. To help inform the discussion, Metro staff will also share updates on the Regional Flexible Fund revenue forecast, which now projects approximately \$49 million available for the Step 2 allocation.

Developing the 28-30 Regional Flexible Fund Step 2 Draft Allocation Package:

Metro staff applied five components to inform the development of the draft package:

1. Meeting the 2028-30 RFFA Program Direction objectives, including advancing RTP goals, investing across the region, and honoring prior commitments of Regional Flexible Funds, and funding leverage
2. Project technical scores, based on the results of the Outcomes Evaluation
3. Public support, based on the results of the public comment project ratings
4. Input from TPAC and JPACT on the illustrative concepts, along with additional considerations shared in their May 2025 meetings
5. Identified priorities from each of the county coordinating committees and the City of Portland

Following presentations to the County coordinating committees and the TPAC meeting on June 6, 2025, Metro staff developed a draft Step 2 allocation package for JPACT input totaling \$49,335,800. (see Table 1) The draft package includes ten projects that individually meet a majority of the five components, including several that are the top performer in individual components.

At their full funding requests, the projects would exceed the \$49 million available by several million dollars. In response, Metro staff coordinated with two applicants to scale down their requests:

- Oregon City's scaled down project development request removes a scope element while maintaining the intent to enhance pedestrian access and connectivity between the downtown area and the tumwata village site. (Original request \$3,832,341; Revised request \$2,232,341)
- Tualatin Hills Parks and Recreation District (THPRD) scaled their request for the Westside Trail Pedestrian and Bicycle Bridge over Highway 26 to help achieve a \$49 million dollar Step 2 allocation package while also allowing for three investments to be made on the westside of the region. The reduced award would not require a reduction of scope as the

Regional Flexible Funds is part of a funding strategy to leverage and secure additional grant funding to construct the \$30 million dollar project. (Original request: \$6 million; Revised request: \$5 million)

Table 1. 28-30 Regional Flexible Fund Step 2 Draft Allocation Package

Project Name	Applicant	Proposed Regional Flexible Funds Award
NE 223rd Ave: NE Glisan to NE Marine Dr Safety Corridor Planning	Multnomah County	\$897,300
NE Glisan St: 82nd Avenue Multimodal Safety and Access	Portland	\$7,577,698
NW Division Street Complete Street: Gresham-Fairview Trail - Birdsdale Avenue	Gresham	\$4,067,495
NE MLK Jr Blvd Safety and Access to Transit	Portland	\$4,879,517
Cedar Mill Better Bus and Access to Transit Enhancements	Washington County	\$5,252,300
Westside Trail Pedestrian and Bicycle Bridge Over Highway 26	Tualatin Hills Parks & Recreation District	\$5,000,000
Gladstone Historic Trolley Trail Bridge Construction	Gladstone	\$8,721,932
North Dakota Street (Fanno Creek) Bridge Replacement	Tigard	\$8,000,000
Railroad Avenue Multiuse Path: 37th Avenue to Linwood Avenue	Milwaukie	\$2,707,217
OR99E (McLoughlin Boulevard) 10 th Street to tumwata village: Streetscapes Enhancements Project Development	Oregon City	\$2,232,341
	TOTAL	\$49,335,800

Revised Revenue Forecast and Total Step 2 Funds Available

As part of the competitive Step 2 allocation process, Metro staff develops a revenue estimate of available Regional Flexible Funds at two different points of the process. The first estimate of Regional Flexible Funds precedes the Call for Projects to give potential applicants an idea of the amount of funding available. The second estimate arrives ahead of the development of the Step 2 allocation package to inform the staff recommended package.

This spring, Metro staff reviewed the Regional Flexible Fund revenue forecast according to the most recent annual federal appropriations. The updated forecast shows a total estimate of approximately \$161 million available for federal fiscal years 2028 – 2030. This is an increase of \$8 to \$11 million over earlier estimates.

With the change in forecasted funds Metro staff propose a \$49 million allocation in the Step 2 competitive process, up from the \$42 million initially estimated.

Draft Legislative Materials: To prepare for the July committee actions, **Attachment 1** shares a preview of the legislative package with a draft Resolution and draft Conditions of Approval.

The adopting Resolution establishes policy and expresses intent on the Step 2 Regional Flexible Fund Allocation to projects. It identifies the awarded projects and the total amount awarded. The Resolution also includes the allocation of funds to Step 1A and Step 1B for payment towards debt service and regional planning and program investments. Approval of the Step 1A.1 new project bond will occur through action on a separate resolution.

Conditions of approval are mechanisms to ensure Regional Flexible Fund projects are planned, designed and built consistent with the project applications approved by JPACT and the Metro Council, meet federal regulations, and with regional program policies.

Discussion Items

1. Does JPACT support the draft Step 2 allocation package with the ten (10) projects shown in Table 1?
 2. Are there questions regarding the Step 2 allocation draft legislative materials?
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Background & Steps Completed Ahead of June:

The 28-30 Regional Flexible Fund Step 2 allocation process began in Fall 2024 with a call for projects. Metro received 24 applications requesting a total of just over \$140 million in Regional Flexible Funds.

Metro conducted two technical evaluations of the proposed projects. The Outcomes Evaluation assessed how well each project advances the 2023 Regional Transportation Plan goals. The Project Risk Assessment identified the potential project delivery challenges each project may encounter as a federal aid project. Metro issued the final results of the technical evaluations on April 15, 2025.

Metro conducted a five-week public comment period from March 26th through April 30th. Participants navigated to individual projects in an interactive online map and once the project of interest selected, prompted to participate in a survey rated the project on a scale of 1 (no support) to 5 (high support). Participants also had the option to provide written comments. Participation in the online survey and comments received through testimony and email demonstrated community members are invested in the outcomes of the Step 2 process. At the end of the comment period, Metro received around 1,700 online ratings, emailed comments, and testimony combined, making this a significant turnout. Metro issued the Step 2 public comment report on May 16, 2025.

At the May meetings of TPAC and JPACT, Metro staff requested input as to whether there are any other considerations or existing components to prioritize in developing Step 2 allocation package options for discussion. Input from the regional committees were incorporated into an assessment rubric which helped develop initial Step 2 allocation package options shared with TPAC and coordinating committees in early June 2025. **Attachment 2** provides an overview of the assessment rubric and Step 2 allocation package options as well as the responses to the options from committees.

Next Steps

Table 5. outlines the next steps in the 28-30 Regional Flexible Fund Step 2 allocation process.

Table 5. 2028-2030 Regional Flexible Funds Step 2 – Next Steps and Key Dates

Activity	Date
JPACT: 28-30 Regional Flexible Funds Step 2 draft allocation package <ul style="list-style-type: none"> - Opportunity to provide input on the draft Step 2 allocation package to inform a Metro staff recommendation. - Draft Step 2 legislation 	June 26, 2025
TPAC: Staff recommendation on 28-30 RFFA Step 2 allocation package. Request recommendations to JPACT.	July 11, 2025
JPACT: Carry forward TPAC recommendation. Request action on 2028-2030 RFFA Step 2 and recommendation to Metro Council adoption	July 17, 2025
Metro Council: Adoption of 2028-2030 Regional Flexible Fund Step 2 Allocation	July 31, 2025

Attachments

1. Draft 28-30 Regional Flexible Fund Step 2 Legislative Materials
 - a. Resolution
 - b. Exhibit A: 2028-2030 Regional Flexible Funds Allocation (Step 1A, 1B, and Step 2)
 - c. Exhibit B: Conditions of Approval
 - d. Exhibit C & D: 28-30 Regional Flexible Fund Step 2 Public Comment Report and Appendices
2. 28-30 Regional Flexible Fund Step 2 Allocation Package Options Overview & Responses
 - a. Attachment 2.1: Coordinating Committee and City of Portland Identified Step 2 Priorities
 - b. Attachment 2.2: Step 2 Allocation Package Options Assessment Rubric and Results by Application