



Metro

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Memo

Date: Thursday, July 11, 2024
To: Joint Policy Advisory Committee on Transportation and Interested Parties
From: Grace Cho, Senior Transportation Planner
Subject: 2028-2030 Regional Flexible Fund Allocation – Next Steps

Purpose: To JPACT an overview of the next steps in the new project bond development process for the 2028-2030 Regional Flexible Fund Allocation.

Background

The Regional Flexible Funds are one source of the region's transportation funding, though they represent a small (~5%) percentage of the total funding spent on transportation across the region. Comprised of federal surface transportation funds provided by the federal government, the allocation of the Regional Flexible funds is one of Metro's requirements as a federally designated metropolitan planning organization (MPO) to carry out the metropolitan planning process. In February 2024, Metro kicked off the 2028-2030 RFFA process with the development of the Program Direction to establish the key objectives and framework for the allocation process. After significant input from regional partners, in June 2024 TPAC and JPACT took action to approve the 2028-2030 RFFA Program Direction. As part of that action, Metro staff enters the next phase of the 2028-2030 RFFA process, which includes the development of a new project bond and beginning the Step 2 allocation process.

2028-2030 RFFA – New Project Bond Development Process

This memorandum focuses on the next steps for the new project bond development. For information regarding the next steps for the Regional Flexible Funds Step 2 allocation, please refer to the July 12th TPAC memorandum of next steps.

JPACT Role

As briefly mentioned at the June 20th meeting, JPACT will play a key role in New Project Bond at two key points in the development. These key points are:

- February-March 2025 – Approval to release the New Project Bond proposal for public comment
- July 2025 – Approval of the 2028-2030 Regional Flexible Fund Allocation – including the New Project Bond (Step 1A.1) and Step 2.

Members of JPACT, as leadership of local jurisdictions or agencies, may further play a role in the New Project Bond by nominating candidate projects for consideration for bond proceeds. Metro staff will continue to keep JPACT informed over the course of the next 8-9 months as the New Project Bond development activities progress.

Development Activities

Illustrated in the At-A-Glance work plan summary, the New Project Bond development will take place over a handful of phases over the course of the next 12 months. Short descriptions of the phases are provided in the following sections and Table 1 summarizes the key dates for the development of the new project bond. For a further in-depth description of the New Project Bond development, please refer to the July 12th TPAC memorandum.

Candidate Nominations

The candidate nomination process for the New Project Bond will begin towards the end of July. The nomination process will differ for the individual project categories identified in the Program

Direction. To the extent possible the nomination process for the New Project Bond will coordinate and stagger activities with the Step 2 Call for Projects process.

Project nominations will initially be screened for consistency with the purpose and principles that are described in the 2028-30 RFFA Program Direction. Sponsors of nominated projects which are not consistent with the Program Direction will be notified and Metro staff may recommend other potential funding opportunities to pursue, some of which may be timely (i.e., Step 2 allocation, ODOT's Community Paths funding program).

Project Evaluation and Bond Scenarios Assessment

Following the screening, candidate projects remaining will undergo a three part project evaluation assessing: 1) how well the project meets the New Project Bond purpose and principles; 2) how well the project demonstrably the RTP goals; and 3) the readiness and likelihood of implementation.

In parallel to the project nomination process, Metro staff will conduct more detailed financial analysis of options for generation of bond revenues. This analysis will be utilized to develop options for the size of bond revenues and their associated debt repayment schedule while adhering to the bond principles in the Program Direction.

Metro staff will engage with community members on potential bond scenarios. Once the bond scenario analysis is complete, the bond scenario assessment results will be shared with TPAC, JPACT, and Metro Council. The committees will have the opportunity to provide input and/or recommendations as they deliberate composing the preferred bond scenario/proposal.

Preferred Bond Scenario/Proposal Selection and Public Comment

The results of the bond scenarios assessment will be presented at TPAC and JPACT, possibly with or without a Metro staff recommendation. At the committee meetings regional partners will have the opportunity to express their preferred bond scenario and/or components of different scenarios to create a preferred bond scenario/proposal. The preferred bond scenario must be assessed one last time in efforts to assure the size, schedule of repayment, and funding availability meet the bond principles. At the following meeting, Metro staff will request TPAC and JPACT to consider releasing the preferred bond scenario/proposal for public comment.

The New Project Bond and Step 2 will converge together at the public comment period, where the public comment will solicit whether there is general support for the overarching bond proposal package. Following the public comment period, a summary and public comment report with responses and, as appropriate, recommendations in response to comments will be available for TPAC and JPACT for the deliberations.

Adoption

Following the public comment period and public comment report, the regional committees will have until July to deliberate on the preferred bond scenario/proposal (with or without recommendations). Any additions or significant changes via an amendment at this stage will result or be subject to re-evaluate the preferred bond scenario for policy objectives and financial analysis. Metro staff will request TPAC and JPACT for recommendation to approve the full 2028-2030 Regional Flexible Fund Allocation at their July 2025 meetings.

Table 1. 2028-2030 RFFA – New Project Bond Development – Key Dates

| Activity | Date |
|---|------------------------------|
| Process communication | July 12 & 18, 2024 |
| One-on-one discussions on large transit capital leverage projects | Late July – September 2024 |
| Nominations open for access to transit/safe access and transit vehicle priority projects | July 26, 2024 |
| Nominations due for access to transit/safe access and transit vehicle priority projects | September 6, 2024 |
| Summary of screening assessment and results | October 4, 2024 |
| Notification for projects remaining in contention to move forward | October 4, 2024 |
| Deadline for candidate projects to submit necessary project information for evaluation | October 18, 2024 |
| Candidate project evaluation | October – November 2024 |
| Candidate project evaluation results and summary | December 6, 2024 (tentative) |
| Bond scenarios development and assessment | December 2024 – January 2025 |
| Bond scenarios results and TPAC input on preferred bond scenario | February 7, 2025 |
| Bond scenario results and JPACT input on a preferred bond scenario | February 20, 2025 |
| Request TPAC action to release recommended preferred bond scenario/proposal | March 7, 2025 |
| Request JPACT action to release recommended preferred bond scenario/proposal | March 20, 2025 |
| 2028-2030 RFFA public comment opens | March 24, 2025 (tentative) |
| 2028-2030 RFFA public hearing/testimony | April 17, 2025 (tentative) |
| 2028-2030 RFFA public comment closes | April 28, 2025 (tentative) |
| Summary of 2028-2030 RFFA public comments with responses and draft/tentative staff recommendations for refinements to TPAC | May 2, 2025 (tentative) |
| Summary of 2028-2030 RFFA public comments with responses and staff recommendations for refinements to JPACT | May 15, 2025 (tentative) |
| TPAC and JPACT opportunity to deliberate input received on preferred bond scenario and finalize the preferred bond proposal | June 2025 |
| TPAC and JPACT action on 2028-2030 RFFA including the preferred bond proposal (Step 1A.1) and Step 2 | July 2025 |

Questions

1. What questions does JPACT have in regard to the new project bond development activities?