

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 17-4800, FOR THE PURPOSE OF APPROVING A MULTI-YEAR COMMITMENT OF REGIONAL FLEXIBLE FUNDS FOR THE YEARS 2019-31, FUNDING THE DIVISION TRANSIT PROJECT, THE SOUTHWEST CORRIDOR TRANSIT PROJECT, ARTERIAL BOTTLENECK PROJECTS, AND ACTIVE TRANSPORTATION PROJECTS, AND AUTHORIZING EXECUTION OF AN INTERGOVERNMENTAL AGREEMENT WITH TRIMET REGARDING THE MULTI-YEAR COMMITMENT OF REGIONAL FLEXIBLE FUNDS

Date: May 5, 2017

Prepared by: Ted Leybold

BACKGROUND

In 2015, the region began discussions to update the policy for the next allocation of regional flexible funds and the creation of the 2018-21 Metropolitan Transportation Improvement Program (MTIP). The financial forecast at that time found that by holding funding levels for existing programs steady at past amounts (adjusting for inflation), there would be \$17.43 million of additional forecasted Regional Flexible Funds for the Portland metropolitan region under the FAST Act legislation. On June 16, 2016, the Metro Council approved Resolution No. 16-4702, establishing policy direction for the allocation of Regional Flexible Funds, with the intent to provide this additional forecasted revenue and a small portion of existing funding capacity to the Division Transit Project and project development work for the Southwest Corridor Transit Project, arterial bottleneck projects, and active transportation projects. Support of these projects was authorized to include a multi-year commitment of funding through 2034, to be bonded by TriMet to provide funding to these projects more immediately.

Metro was informed by the Oregon Department of Transportation (ODOT) that one source of the regional flexible funding, Congestion Mitigation/Air Quality (CMAQ) funds, would likely be reduced due to the new eligibility of the Salem and Eugene areas to receive these funds from the share allocated to the state of Oregon.

To address this uncertainty regarding any potential reduction in available federal transportation funds from the amounts assumed in the adopted RFFA Policy Statement and given the importance of TriMet's timely receipt of funds to keep project work on schedule, on May 18, 2017, the Joint Policy Advisory Committee on Transportation (JPACT) recommended approval of this Resolution 17-4800 and the reduced funding commitments shown in Exhibit A.

The purpose of this resolution is to authorize the Chief Operating Officer to enter into an intergovernmental agreement (IGA) between TriMet and Metro. In this agreement, Metro will provide a multi-year commitment of Regional Flexible Funds consistent with the schedule provided in Table 1 of Exhibit A to this resolution. The bond proceeds will be provided to the projects consistent with Table 2 of Exhibit A to this resolution.

JPACT and the Metro Council may increase the amount of funding dedicated to these regionally important projects in the future up to the amounts included in the RFFA Policy Statement, following ODOT's decision regarding statewide allocation of the CMAQ funds.

ANALYSIS/INFORMATION

1. **Known Opposition** None known at this time.
2. **Legal Antecedents** Metro has the authority to enter into an Intergovernmental agreement (IGA) with TriMet. Metro has previously executed these types of IGAs with TriMet, most recently to Provide Regional Flexible Funds for the Milwaukie Light Rail, Commuter Rail, Portland-Lake Oswego Transit, and Southwest Corridor, February 10, 2011. The IGA would implement policy direction provided in Resolution No. 16-4702, *“For the Purpose of Adopting the 2018-2021 Metropolitan Transportation Improvement Program and 2019-2021 Regional Flexible Funds Allocation Policy Statement for the Portland Metropolitan Area,”* June 16, 2016.
3. **Anticipated Effects** This resolution would authorize an IGA that would provide the mechanism to formalize the transfer of regional flexible fund dollars to TriMet for the funding of transportation projects specified in the agreement.
4. **Budget Impacts** Federal or state funding allocations less than forecasted levels may affect Metro’s ability to allocate regional flexible funds for Metro planning or transportation program activities. Additionally, Metro will be responsible for providing or collecting from partner agencies matching funds of approximately \$105,000 for project development activities for Active Transportation projects.

RECOMMENDED ACTION

Metro Council approve Resolution No. 17-4800.