

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 17-4848, FOR THE PURPOSE OF APPROVING AN INCREASED MULTI-YEAR COMMITMENT OF REGIONAL FLEXIBLE FUNDS FOR THE YEARS 2019-34, FUNDING THE DIVISION TRANSIT PROJECT, THE SOUTHWEST CORRIDOR TRANSIT PROJECT, ARTERIAL BOTTLENECK PROJECTS, ACTIVE TRANSPORTATION PROJECTS, AND ENHANCED TRANSIT PROJECTS, AND AUTHORIZING EXECUTION OF AN AMENDMENT TO INTERGOVERNMENTAL AGREEMENT AMENDMENT WITH TRIMET REGARDING THE INCREASED MULTI-YEAR COMMITMENT OF REGIONAL FLEXIBLE FUNDS

Date: October 19, 2017

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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 MTIP. The financial forecast at that time found that by holding funding levels for existing programs steady at past amounts (adjusting for inflation), there is \$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, including 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.

Upon adoption of the policy, Metro was informed by the Oregon Department of Transportation 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 Resolution 17-4800, allowing initial agreement for bond funding to proceed at a reduced amount until further resolution of the CMAQ sub-allocation by ODOT.

The Oregon Transportation Commission has now provided direction on the future sub-allocation of CMAQ funding to eligible areas of the state for the years 2019 and beyond, stabilizing the forecast that the Metro region can utilize for the Regional Flexible Fund allocation. While the forecast is now less than originally forecast in 2016 for the consideration of the RFFA policy, there is forecasted more funding than was committed to in the first phase of bonding that was authorized to proceed by Resolution 17-4800, while keeping the funding to other RFFA funded programs whole.

Therefore, this resolution authorizes amending the agreement with TriMet providing the initial amount of funding, to a final amount that represents the full amount now forecast to be available for bonding given the reduction to CMAQ funding to the Portland metropolitan area, and updates the forecast of available funding utilized in developing the original policy direction provided in Resolution No 16-4702. Under

this forecast scenario, the other RFFA funded programs will continue to be funded at approximately current levels per the original policy direction provided in Resolution No. 16-4702. The bond program payments and the projects to receive funding are updated to the amounts shown in Tables 1 and 2 of Exhibit A.

This resolution updates the funding amounts from Resolution Nos. 16-4702, and 17-4800 and authorizes the Chief Operating Officer to amend the intergovernmental agreement (IGA) between TriMet and Metro that had provided the initial funding. In this amendment, Metro will provide an increased 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 approved these increased funding commitments and amounts set forth in Table 1 and Table 2 of Exhibit A to the resolution on October 19, 2017.

ANALYSIS/INFORMATION

1. **Known Opposition** None known at this time.
2. **Legal Antecedents** This Resolution would modify the 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, and modify the previous IGA approved in 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, 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”* to implement the modified policy direction.
3. **Anticipated Effects** This resolution would authorize an amended 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.

RECOMMENDED ACTION

Metro Council approve Resolution No. 17-4848.