


Date: March 25, 2020

To: Board of Directors

From: Doug Kelsey 

Subject: **RESOLUTION NO. 20-03-19 OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING AN INTERGOVERNMENTAL AGREEMENT (IGA) WITH METRO TO EXCHANGE FUNDS TO BENEFIT REGIONAL TRANSPORTATION PROJECTS AND PROGRAMS**

1. **Purpose of Item**

This Resolution requests that the TriMet Board of Directors (Board) authorize the General Manager or his designee to enter into an Intergovernmental Agreement (IGA) with Metro for the exchange of funds in order to benefit the MAX Red Line Extension and Reliability Improvement Project and the MAX Preventive Maintenance Program, and to facilitate Metro's regional transportation planning and project development activities.

2. **Type of Agenda Item**

- Initial Contract
- Contract Modification
- Other: IGA

3. **Reason for Board Action**

Board action is required for this Intergovernmental Agreement (IGA).

4. **Type of Action**

- Resolution
- Ordinance 1st Reading
- Ordinance 2nd Reading
- Other _____

5. **Background**

The Federal Highway Administration (FHWA) previously awarded Metro \$7,305,682 in Highway Infrastructure Program (HIP) funds, which may only be used for the construction of highways, bridges, and tunnels, and cannot be used for transportation planning. On the other hand, federal Surface Transportation Block Grants (STBG) provide funding for the Regional Flexible Fund program, and may be used for a wide range of projects, including preservation and improvement of functions and conditions of public roads, pedestrian and bicycle infrastructure, and transit capital projects. Because Metro needs additional unrestricted funds for transportation planning and project development activities, Metro and the Oregon Department of Transportation (ODOT) have exchanged Metro's HIP funds for \$7,305,682 of ODOT's STBG funds.

Metro deems TriMet's MAX Redline Extension and Reliability Improvement Project (MAX

Red Line Project) and the MAX Preventive Maintenance Program for the light rail system as superior regional candidates for the award of Metro's STBG funds. The MAX Red Line Project has a mix of speed, reliability, and service extension components, as well as the ability to attract funds from the Federal Transit Administration's (FTA) Capital Improvement Grant (CIG) program. The MAX Preventive Maintenance Program conducts necessary rail maintenance to ensure the safe operation of the system and facilitate system expansion.

Both the MAX Red Line Project and the MAX Preventive Maintenance Program are appropriate recipients of the \$7,305,682 in STBG funds because they are of regional scale, and are developed sufficiently to meet the original HIP funding obligation deadline. Both are consistent with the long-range Statewide Transportation and Metropolitan Transportation Plans.

Under the proposed IGA, TriMet will transfer \$3,305,682 in unrestricted nonfederal funds to Metro in exchange for Metro's programming and transfer of \$7,305,682 of the STBG funds to the MAX Red Line Project and the MAX Preventive Maintenance Program. TriMet's unrestricted nonfederal funds will be used throughout the region at Metro's discretion for regional transportation planning and project development activities.

6. Financial/Budget Impact

The proposed IGA will have the following budget impacts:

- Prior to the end of FY20, TriMet will convey an initial unrestricted funds check for \$1,500,000 to Metro.
- In FY21, Metro will transfer \$7,305,682 in STBG funds to TriMet, and TriMet subsequently will convey a second and final unrestricted funds check for \$1,805,682 to Metro.
- As a result, TriMet will receive a net benefit of \$4,000,000 to the MAX Red Line Project.

7. Impact if Not Approved

The IGA authorized by this Resolution will further TriMet's and Metro's goal of making TriMet's unrestricted funds available for regional transportation planning and project development activities, while ensuring the best and most appropriate use of STBG funding to benefit public transportation development and maintenance programs. Failure to approve this Resolution would cause TriMet and the region to forgo these transportation benefits.

RESOLUTION NO. 20-03-19

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TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING AN
INTERGOVERNMENTAL AGREEMENT (IGA) WITH METRO TO
EXCHANGE FUNDS TO BENEFIT REGIONAL TRANSPORTATION PROJECTS
AND PROGRAMS**

WHEREAS, TriMet has authority under ORS 267.200 and ORS Chapter 190 to enter into an Intergovernmental Agreement (IGA) with Metro to exchange funds for the benefit of regional public transportation; and

WHEREAS, Metro has the authority and desire to fund a wide variety of regional transportation projects, including transit system enhancement and maintenance programs, with Surface Transportation Block Grant (STBG) funds; and

WHEREAS, TriMet's Red Line Extension and Reliability Project and MAX Preventive Maintenance Program are superior regional candidates for the award of Metro STBG funds; and

WHEREAS, TriMet supports Metro's regional transportation planning and transportation development activities and wishes to promote these activities with the transfer of unrestricted nonfederal funds to Metro; and

WHEREAS, TriMet's and Metro's programs and projects will be mutually advanced by an IGA that exchanges \$7,305,682 of Metro's STBG funds for \$3,305,682 of TriMet's unrestricted nonfederal funds; and

WHEREAS, the total amount of the IGA exceeds \$1,000,000; and

WHEREAS, by Resolution No. 17-10-80, dated October 25, 2017, the TriMet Board of Directors (Board) adopted a Statement of Policies requiring it to authorize any IGA obligating TriMet to pay in excess of \$1,000,000; and

NOW, THEREFORE, BE IT RESOLVED:

1. That the IGA shall conform with applicable law.
2. That the General Manager or his designee is authorized to execute an IGA to facilitate Metro's transfer of \$7,305,682 of STBG funds to TriMet, in exchange for TriMet's transfer of \$3,305,682 of unrestricted nonfederal funds to Metro.

Dated: March 25, 2020

Presiding Officer

Attest:

Approved as to Legal Sufficiency:

Recording Secretary

Gregory E. Skillman

Legal Department

