

Date: October 26, 2022

To: Board of Directors

From: Sam Desue, Jr.

Subject: RESOLUTION 22-10-54 OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) APPROVING THE SUBMISSION OF EIGHT (8) GRANT APPLICATIONS TO THE FEDERAL TRANSIT ADMINISTRATION (FTA) FOR FY2023 FEDERAL FORMULA AND DISCRETIONARY FUNDS

1. Purpose of Item

This Resolution requests that the TriMet Board of Directors (Board) approve the submission by the General Manager or his designee of eight (8) grant applications to the Federal Transit Administration (FTA) for FY2023 formula and discretionary funds.

2. Type of Agenda Item

- Initial Contract
- Contract Modification
- Other –Approval of submission of grant applications to the FTA.

3. Reason for Board Action

A Resolution is necessary to approve TriMet’s submission of grant applications to the FTA and to incur the financial obligations that may be associated with the receipt of FTA grant funds.

4. Type of Action

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

5. Background

Each fiscal year, TriMet seeks Board approval of its application for FTA grants during the coming year. Attachment A, which accompanies this memo, summarizes eight (8) TriMet grant applications seeking FTA funding of approximately \$129.4 million during Federal Fiscal Year 2023 (October 1, 2022 – September 30, 2023). For each grant application, Attachment A shows the dollar amount of the federal share TriMet expects to receive, amount of the required local match, total amount of the project, match percentages and source of the FTA funding.

These applications for FTA grant funds are categorized as Rail and/or Bus Preventive Maintenance, or designated for a specific Operating or Capital Project. Details of these eight grant applications follow:

Rail and/or Bus Preventive Maintenance:

1. Estimated \$39.7 million in FTA Section 5337 State of Good Repair (SGR) Formula funds. These funds are available for capital projects that maintain an existing fixed guideway or motorbus system, in a state of good repair. Capital projects can include bus and rail preventive maintenance costs. TriMet's General Funds will pay the 20% local match. The amounts of FTA's FY2023 Formula funding for TriMet are estimated because Congress has not yet appropriated funds to the Portland urbanized area. Therefore, budgeted and actual appropriations will differ.
2. Estimated \$54.2 million in FTA Section 5307 Urbanized Area Formula funds. These funds must be spent on bus and/or rail preventive maintenance costs. TriMet's General Funds will pay the 20% local match. Like the SGR Formula funds, estimated and actual appropriated amounts will differ.
3. Approximately \$3.6 million in Federal Highway Administration (FHWA) Surface Transportation Block Grant Program (STBG) funds to be transferred to FTA under Section 5307. These funds will be used to pay for bus and/or rail preventive maintenance costs. These STBG funds are part of an annual exchange between TriMet's General Funds and Metro's Regional Flexible Funds, as outlined in an intergovernmental agreement with Metro, the Metropolitan Planning Organization (MPO) for the Portland metropolitan region. TriMet's General Funds will pay the 10.27% local match.

Designated for specific Operating and/or Capital projects:

4. \$11.0 million FHWA Congestion Mitigation and Air Quality (CMAQ) funds and \$10.8 million of FHWA STBG funds to be transferred to FTA under Section 5307. These funds are designated for debt service payments on TriMet's 2011, 2015, 2017 and 2018 Capital Grant Receipt Revenue and Refunding bonds. TriMet General Funds will pay the 10.27% local match.

As part of the regional fund package for the construction of various light rail projects, TriMet issued Capital Grant Revenue bonds that are secured by future CMAQ and STBG grants allocated to the region under an intergovernmental agreement with Metro. These funds are pledged to pay the principal and interest on the Capital Grant bonds through FY2034.

5. \$2.0 million FTA Section 5310 Enhanced Mobility for Seniors and Individuals with Disabilities program. These funds will pay selected Ride Connection activities that serve vulnerable populations throughout the TriMet service area and manage network service partners that benefit the community. TriMet also allocates General Funds to pay for additional Ride Connection activities under the same federally assisted contract. A portion of those General Funds will pay the approximate 29% required local match.

TriMet also relies on Section 5310 funds to help pay for LIFT Operations. TriMet's General Funds will pay the 20% required local match.

6. \$514,000 American Rescue Plan (ARP) stimulus funding under Section 5307. These ARP stimulus funds will be used for TriMet's Forward Together 2.0 project. No local match is required with these FTA stimulus funds.

7. \$2.0 million Section 5339 Consolidated Appropriations Act funds. These funds will be used to pay for Phase I of the Willamette Shore Line Rail & Trestle Repair project. TriMet's General Funds will pay the 16.67% local match.
8. \$5.6 million Section 5339(b) Buses and Bus Facilities Competitive Program. These funds will be used for TriMet's Beaverton Transit Center Bus Layover Improvement Project. TriMet will use a portion of the Oregon's Statewide Transportation Improvement Funds (STIF) designated for this project to pay the 20% local match.

FTA Notice & Comment Requirements:

The FTA requires grant applicants like TriMet to provide notice to the public of its Proposed Program of grant-funded Projects (POP), and to provide an opportunity for public comment.

On March 16, 2022, TriMet's FY2023 POP was published on its website at www.trimet.org, and two members of the public requested a Virtual Public Hearing (due to the Covid-19 pandemic). The Virtual Public Hearing was held on April 13, 2022. In addition to comments received at the Virtual Public Hearing, TriMet received two public comments via email.

In general, public comments were both positive (what TriMet is doing well such as maintenance, bond payments and expansion of service) and negative (what TriMet is not doing well such as closing the Transit Mall, rail/bus connections at Hollywood Transit Center, downgrading service at Gateway and building the Red Line Extension). In addition, specific comments requesting TriMet increase ridership for rail and invest more in Commuter Rail and the Portland-Lake Oswego transit project, were made.

TriMet's FY2023 Final Program of Projects (POP), was published on TriMet's website, July 1, 2022.

9. Procurement Process

N/A

10. Diversity

N/A

11. Financial/Budget Impact

Approval of this Resolution constitutes the Board's approval of TriMet's submission of the FTA grant applications discussed above and shown on Attachment A. Receipt of these grant funds are integral to TriMet's FY2023 Adopted Budget, including grants that have been pledged as security for TriMet's bonds.

12. Impact if Not Approved

If the Board were not to approve the submission of these FTA grant applications for FY2023, it could jeopardize TriMet's receipt of \$129.4 million of FTA funds, which are integral to TriMet's FY2023 Budget. Without these FTA grant funds, TriMet might be required to make debt service payments with unbudgeted general fund dollars, and the shortage of funds could curtail or eliminate certain projects for which the grant funds were earmarked, or delay the projects for an undetermined time.

RESOLUTION NO. 22-10-54

**RESOLUTION 22-10-54 OF THE TRI-COUNTY METROPOLITAN
TRANSPORTATION DISTRICT OF OREGON (TRIMET) APPROVING THE
SUBMISSION OF EIGHT (8) GRANT APPLICATIONS TO THE FEDERAL
TRANSIT ADMINISTRATION (FTA) FOR FY2023 FEDERAL FORMULA AND
DISCRETIONARY FUNDS**

WHEREAS, the Federal Transit Administration (FTA) and the U.S. Department of Transportation are authorized to award federal financial assistance in the form of federal formula and discretionary fund grants for transportation projects; and

WHEREAS, such grant awards impose certain obligations upon the applicant or subrecipient, including the obligation to provide the local share of project costs; and

WHEREAS, pursuant to Title VI of the Civil Rights Act of 1964 (Title VI), in connection with the filing of an application for assistance under U.S.C. Title 49, the applicant must provide assurance that it will comply with Title VI and related FTA and U.S. Department of Transportation requirements; and

WHEREAS, it is the policy of TriMet that disadvantaged businesses be provided an equal opportunity to receive and participate in FTA and U.S. Department of Transportation-assisted contracts, and TriMet has established and administers a program to implement this policy; and

WHEREAS, a Resolution by the Board of Directors (Board) is necessary to approve the applications for FTA grant funds and authorize TriMet to incur financial obligations associated with the receipt of FTA formula and discretionary grant fund awards for transportation projects;

NOW, THEREFORE, BE IT RESOLVED:

That the Board hereby authorizes the General Manager or his designee, on behalf of TriMet, to:

1. File and execute eight (8) FY2023 FTA formula and discretionary grant fund applications with the FTA and U.S. Department of Transportation in the total amount of \$129.4 million, listed in Attachment A hereto, and provide the local match or other financial obligations associated with each grant application.
2. File and execute with such applications any assurance or other documents required to effectuate the purpose of Title VI of the Civil Rights Act of 1964.
3. Furnish such additional information as the FTA and U.S. Department of Transportation may require in connection with these applications, agreements or projects.
4. Continue administering TriMet's established disadvantaged business policies in connection with the procurement needs of these applications, agreements or projects.

5. Execute grant amendments, revisions and agreements with the FTA and U.S. Department of Transportation for the financing of these grant applications.
6. Provide that the local match for the grants will be as noted in Attachment A and the Board Memorandum accompanying this Resolution.

Dated: October 26, 2022

Presiding Officer

Attest:

Recording Secretary

Approved as to Legal Sufficiency:

Gregory E. Skillman

Legal Department