

Date: April 24, 2019**To:** Board of Directors**From:** Doug Kelsey

Subject: RESOLUTION NO. 19-04-29 OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING AN INTERGOVERNMENTAL AGREEMENT (IGA) WITH THE PORT OF PORTLAND FOR THE RED LINE EXTENSION AND RELIABILITY IMPROVEMENTS PROJECT

1. Purpose of Item

This Resolution requests the TriMet Board of Directors (“Board”) to authorize the General Manager to execute an intergovernmental agreement (IGA) with the Port of Portland for the MAX Red Line Extension and Reliability Improvements Project (“Project”). The IGA specifies the financial commitment that TriMet will make to the Project and the respective roles and responsibilities of TriMet and the Port of Portland as the Project proceeds.

2. Type of Agenda Item

- Initial Contract
- Contract Modification
- Other: Intergovernmental Agreement (IGA)

3. Reason for Board Action

Board approval is required for intergovernmental agreements obligating TriMet to pay in excess of \$1,000,000.

4. Type of Action

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

5. Background

TriMet and the Port of Portland have been working in close coordination to develop this Project since fall of 2017. The proposed IGA further develops TriMet’s partnership with the Port of Portland on this Project, and confirms the expectations of both agencies concerning funding for each Project element, and the Port’s commitment of airport land for TriMet use.

The total Project capital cost is estimated at \$200M, and TriMet intends to compete for funding through the Federal Transit Administration’s (FTA’s) Small Starts Capital Investment Grant program to fund the Project. To receive a competitive rating and

enhance the prospects for receipt of an FTA Small Starts grant, the project sponsor generally must demonstrate a commitment of at least 50% of the local share of the project cost. If the FTA's Small Starts Capital Investment Grant is received, the proposed IGA would commit TriMet to spend \$100M towards the Project.

This IGA also commits the Port of Portland to accommodate the Project by removing the Airport Concourse A building, modifying the Airport Concourse B building, relocating NE Airport Way and providing the required right-of-way and staging area as in-kind contributions to the Project at no cost to TriMet, subject to securing approval from the Federal Aviation Administration and obtaining the Small Starts Capital Investment Grant.

6. Financial/Budget Impact

This IGA commits TriMet to an expenditure of \$13.9M toward Project development in Fiscal Year 2020. In addition, this IGA further commits an additional \$86.1M of TriMet bonds supported by general funds, subject to the receipt of the FTA's Small Starts Capital Investment Grant, which is anticipated in approximately February 2021. TriMet's \$100M commitment would be used to leverage \$100M of funding from the FTA's Small Starts Capital Investment Grant program.

7. Impact if Not Approved

If the Board decides not to approve this Resolution, TriMet would not be able to move forward with the in-kind contributions to the Project from the Port and the application for an FTA Small Starts grant. This would result in delays or discontinuation of the Project.

RESOLUTION NO. 19-04-29

**RESOLUTION NO. 19-04-29 OF THE TRI-COUNTY METROPOLITAN
TRANSPORTATION DISTRICT OF OREGON (TRIMET)
AUTHORIZING AN INTERGOVERNMENTAL AGREEMENT (IGA)
WITH THE PORT OF PORTLAND FOR THE MAX RED LINE
EXTENSION AND RELIABILITY IMPROVEMENTS PROJECT**

WHEREAS, TriMet is the Project sponsor of the MAX Red Line Extension and Reliability Improvements Project;

WHEREAS, TriMet recognizes the importance of the partnership with the Port of Portland for this Project and desires to further formalize the partnership and the in-kind, no-cost contributions from the Port of Portland needed to accommodate the Project;

WHEREAS, TriMet intends to seek capital construction funding for the Project through a Federal Transit Administration (FTA) Small Starts Capital Investment Grant;

WHEREAS, the FTA considers a sponsor's readiness to proceed with the Project when rating competing projects for grant awards, including whether the required funding is committed;

WHEREAS, the total amount that TriMet may be obligated to pay under this Intergovernmental Agreement exceeds \$1,000,000;

WHEREAS, this Intergovernmental Agreement commits TriMet to an expenditure of \$13.9M in Fiscal Year 2020 for Project development and another \$86.1M of TriMet bonds supported by general funds, subject to the receipt of \$100M from an FTA Small Starts Capital Investment Grant; and

WHEREAS, the TriMet Board of Directors, by Resolution dated October 25, 2017, adopted a Statement of Policies requiring the Board to approve intergovernmental agreements obligating TriMet to pay in excess of \$1,000,000;

NOW, THEREFORE, BE IT RESOLVED:

1. That the Intergovernmental Agreement shall conform with applicable laws.
2. That the General Manager or his designee is authorized to execute the Intergovernmental Agreement with the Port of Portland.

Dated: April 24, 2019

Attest:

Presiding Officer

Recording Secretary

Approved as to Legal Sufficiency:



Legal Department