

**Agenda**  
**Salem-Keizer Area Transportation Study (SKATS)**

**Technical Advisory Committee (TAC)**

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**Date:** Tuesday, October 10, 2017  
**Time:** 1:30 p.m.  
**Place:** MWVCOG Conference Room B  
100 High St. SE, Suite 200  
Salem, OR 97301  
**Phone:** (503) 588-6177 FAX (503) 588-6094  
**E-mail:** mwvcog@mwvcog.org  
**Website:** www.mwvcog.org

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- A. Call to Order .....Cindy Schmitt
- B. Approval of TAC Minutes September 12, 2017 .....Cindy Schmitt
- C. State Funded Local Projects .....Cole Grisham, ODOT

Background: The State Funded Local Projects (SLFP) is an alternate option for Federal-aid local project delivery to use state funds in place of federal funds. Projects in SKATS that have been selected for federal funding through a selection process, and are under \$1 million in total cost, may be considered for SLFP. Projects that are not selected for SFLP must still be delivered as federal projects. An information sheet and memorandum (which is currently being revised) explaining the process are *attached*.

Action  
Requested: Informational item.

- D. SKATS FY 2018-2021 TIP: Presentation of Applications .....Karen Odenthal

Background: Applications for the SKATS FY 2018-2021 Transportation Improvement Program (TIP) Update are due by **5:00 p.m. on October 13, 2017**. As decided by the TAC earlier this year, applicants are asked to provide a short (2-3 minute) presentation for each of the projects that will be submitted. TAC members are asked to provide feedback for the proposed projects that may help improve the applications.

Action  
Requested: Discuss each project and provide feedback to the applicant.

The Mid-Willamette Valley Council of Governments is pleased to comply with the Americans with Disabilities Act (ADA). If you need special accommodations or translation services to attend this meeting, please contact Lori Moore at (503) 540-1609 or send e-mail to lomoore@mwvcog.org at least 72 hours prior to the meeting. *Hearing impaired please call Oregon Telecommunications Relay Service, 7-1-1.* Thank you.

**E. Update on FY 2021-2024 STIP Process ..... Mike Jaffe, Karen Odenthal**

Background: The Oregon Transportation Commission (OTC) has reached a mid-point in their discussion of program categories for the next State Transportation Improvement Fund (STIP). ODOT developed a new framework for the categories of funding programs. COG staff developed the *attached* table to illustrate the categories. ODOT staff plan to prepare two funding scenarios -- with different funding amounts for the categories -- for discussion at the October OCT/ACT Workshop.

The FY 2021-2024 STIP will be discussed at OMPOC's October 6<sup>th</sup> meeting. Metro has submitted an initial comment letter (*attached*) regarding ODOT's forecasts of federal funds and requesting more direct communication between the OTC and MPO leadership on development of the FY 2021-2024 STIP.

Action

Requested: Information and discussion item.

**F. Other Business..... SKATS Staff**

- FY 2018 -2021 SKATS Metropolitan Transportation Improvement Program (TIP)  
– Applications are due by **5:00 pm October 13, 2017**
- Federal Register published the Greenhouse Gases portion of the System Performance Rule on September 28, 2017, which will be the effective date of that portion of the rule. FHWA will put out a NPRM (Notice of Proposed Rule Making) later this year to repeal the Greenhouse Gases portion of the rule to be finalized in Spring 2018.
- October 6, 2017 OMPOC Meeting Report
- Policy Committee Meeting – October 24, 2017
- Next TAC Meeting – November 14, 2017

**G. Adjournment .....Cindy Schmitt**

# DRAFT

## Minutes

Salem-Keizer Area Transportation Study (SKATS)  
Technical Advisory Committee (TAC)  
September 12, 2017  
100 High St. SE, Suite 200  
Salem, OR  
1:30 p.m.

### **TAC Members Present**

Nate Brown, Keizer Community Development  
Steve Dickey, Cherriots  
Dan Fricke, ODOT  
Austin McGuigan, Polk County Planning  
Brandon Reich, Marion County Planning  
David Sawyer, City of Turner  
Cindy Schmitt, Marion County Public Works, 2017 Chair  
Julie Warncke, Salem Public Works

### **TAC Members Absent**

Lisa Anderson-Ogilvie, Salem Community Development  
Sam Ayash, ODOT System Studies, (non-voting)  
Angela Carnahan, DLCD  
Vacant, DEQ  
Bill Lawyer, Keizer Public Works  
Victor Lippert, Salem-Keizer School District, 2017 Vice Chair  
Rachael Tupica, FHWA, (non-voting)  
Todd Whitaker, Polk County Public Works

### **Others Present**

Chris French, Cherriots  
Ray Jackson, MWVCOG-SKATS  
Mike Jaffe, MWVCOG-SKATS  
Lori Moore, MWVCOG-SKATS  
Karen Odenthal, MWVCOG-SKATS

### **Agenda Item A. Call to Order**

Chair Cindy Schmitt called the meeting to order at 1:34 p.m.

## **Agenda Item B. Minutes of August 8, 2017**

**Motion was made by David Sawyer, seconded by Brandon Reich, to approve the minutes of the August 8, 2017, meeting as submitted.** Those voting in favor of the motion were Dan Fricke, Austin McGuigan, Brandon Reich, David Sawyer, Cindy Schmitt, and Julie Warncke. **The motion passed unanimously.**

Steve Dickey arrived at 1:35 p.m.

## **Agenda Item C. Federal Safety Performance Measures**

Karen Odenthal reminded TAC members that they discussed whether or not SKATS should support ODOT's safety performance measure target, choose their own targets, or do a combination of the two options. Federal guidelines permit MPOs to support state targets for some measures and choose MPO-specific targets for others. In response to Julie Warncke's question, Ms. Odenthal noted that the issues can also be revisited annually and changed, as desired. A fourth option would be to support the state targets and establish and track targets for MPO use only.

Ms. Odenthal reminded the group that only Departments of Transportation (DOTs) are accountable for progress toward achievement of targets. MPOs are not included in the assessment of whether or not the state met, or made, significant progress toward meeting its targets. MPOs are required to integrate performance measures and targets into the planning process including the SKATS 20-year Regional Transportation Systems Plan (RTSP) and the SKATS Transportation Improvement Program (TIP). The MPO will report to ODOT annually on its safety targets.

The five federal safety performance measures are:

- Number of roadway fatalities
- Number of roadway serious injuries
- Roadway fatalities per vehicle miles traveled (VMT) (fatality rate)
- Roadway serious injuries per VMT (serious injury rate)
- Combined number of non-motorized fatalities and serious injuries

These are the minimum that must be addressed. However, MPOs can include additional performance measures, if they so choose.

Nate Brown arrived at 1:44 p.m.

Targets must be realistic, achievable, and based on evidence.

Ms. Odenthal provided detailed local data on the first safety performance measure: number of roadway fatalities. She presented several options on setting targets for that measure including the methodology used by ODOT when setting the state targets. If the SKATS Policy Committee

elects to establish SKATS-specific targets, Ms. Odenthal recommended that a work group be formed to develop a preferred scenario.

TAC members discussed what other MPOs are doing. Most are in the preliminary stages of discussion, but it looks like they will support state targets initially. There is a possibility that some may establish bicycle/pedestrian targets, or some may support state targets but also will choose their own and track them for internal use. Julie Warncke indicated that she is supportive of approving ODOT's targets this year with the opportunity to revisit the issue next year.

Committee members discussed enforcement funding issues. It was noted that using federal funding for very small safety projects such as intersection stop signs is likely not the best use of federal funds. Brandon Reich asked if SKATS' planning efforts can impact a reduction in the causes of accidents. It was noted that policy changes can have an impact on some kinds of accident prevention. Discussion continued related to the Regional Safety Plan. Safety data can be a factor in selecting projects for funding.

**Motion was made by Nate Brown, seconded by Brandon Reich, to recommend that SKATS support the state targets and continue local analysis of safety data to address local safety concerns. Those voting in favor of the motion were Nate Brown, Steve Dickey, Dan Fricke, Austin McGuigan, Brandon Reich, David Sawyer, Cindy Schmitt, and Julie Warncke. The motion passed unanimously.**

Julie Warncke advocated comparing local data with state information. Local and state trends may not match.

#### **Agenda Item D. FY 2021-2024 STIP Process: Goals**

Mike Jaffe reminded TAC members that work has begun on the FY 2021-2024 State Transportation Improvement Program (STIP). Referencing material distributed at the meeting, Mr. Jaffe informed the group that the OTC is reviewing a new set of funding categories beyond the basic "Fix-It" and "Enhance" categories. The OTC most recently discussed a FY21-24 STIP base-case proposal that would provide \$51 million over 3 years for non-highway enhancements (off-road trails, ADA projects, bus replacements, etc.).

Topics discussed by TAC members included discussion by the OTC and ODOT whether there will be a call for projects ("enhance projects") as per the last STIP. Reasons given by ODOT for not having a call for projects is that HB2017 include the many "named projects" that are considered enhancements, plus the fact that HB2017 includes non-highway enhancement in the form of Safe Routes to School infrastructure projects. Staff also said that it is almost certain there will not be a ConnectOregon process this cycle. Members were encouraged to participate in the ODOT online survey (<http://www.oregon.gov/ODOT/STIP/Pages/index.aspx>). It was noted that the local match required for Safe Routes to Schools infrastructure projects is 40 percent but can be 20 percent for smaller-city populations and certain categories of schools.

Discussion continued related to non-highway leveraging issues. TAC members expressed an interest in seeing where these funds could/would be leveraged.

## **Agenda Item E. SKATS Draft Public Participation Plan – Late 2017 Update**

TAC members were reminded that the Public Participation Plan (PPP) was updated earlier this year to be consistent with the TIP amendment process (which itself was revised to align with federal and state requirements). At that time, there was insufficient time to adequately address comments that were received late in the PPP's public review process. In addition, FHWA and FTA findings from the SKATS Planning Certification Review included a corrective action regarding the PPP to be completed by the end of the year. The corrective action and response to public comments are addressed in this update of the PPP.

TAC members discussed the components of the federal corrective action including the merits of focus and citizens advisory groups. Public outreach efforts for the RTSP and TIP in the revised draft PPP are divided by phases, as referenced in the chart beginning on page 15. These phases are Kick-off, Development, Draft Review, and Adoption. Public input opportunities will be available during each phase. The PPP update contains better descriptions of how to involve the public in the transportation planning process.

It was noted that in for future major SKATS documents, SKATS will maintain a record of the comments received related to federal planning documents, the responses to those comments, and ensure that they are readily available. A report on the disposition of comments will be included in the final documents.

**Motion was made by David Sawyer, seconded by Steve Dickey, to recommend that the SKATS Policy Committee release the draft update of the Public Participation Program (PPP) for a 45-day public review and comment period.** Those voting in favor of the motion were Nate Brown, Steve Dickey, Dan Fricke, Austin McGuigan, Brandon Reich, David Sawyer, Cindy Schmitt, and Julie Warneke. **The motion passed unanimously.**

## **Agenda Item F. OR 22W / Doaks Ferry Realignment - Update**

Dan Fricke provided an overview of the OR22W Doaks Ferry Road Realignment project. He explained that the OR22W Safety project is identified in the OR 22W Expressway Management Plan (EMP). The study area is north of the highway between 50<sup>th</sup> Avenue and Doaks Ferry Road.

Mr. Fricke provided historical background information including that Polk County, with ODOT funding assistance, initiated the design and construction for the Doaks Ferry Road realignment project. Options for advancing implementation of the EMP were considered. The NE 1 option was selected as the highest priority and as a logical next phase extending Polk County's project.

It was discovered that existing landslides north of the highway are in motion. It was decided to suspend work on an ODOT safety project in the area. ODOT encouraged Polk County to also suspend their realignment project pending study of the slides. ODOT will collect new traffic counts, do existing and future year (2040) operational analysis at 7 intersections, and update the environmental inventory data to look for red flags. Work will be completed by late spring 2018.

ODOT intends to monitor the slide for at least a year to confirm rate and direction of movement and to determine if there is a need to re-evaluate alternatives in the facility plan.

Austin McGuigan noted that it makes a lot of sense keep projects in the area in a holding pattern before making permanent decisions based on the results of the landslides study.

### **Agenda Item G. Other Business**

- *ConnectOregon Update-no competitive process this cycle/earmark projects*
- *FY 2018 -2021 Transportation Improvement Program (TIP)*
  - *Applications are due **October 13, 2017***
  - *TAC presentations at October 10, 2017 meeting*
- *The next Policy Committee meeting is scheduled for noon on September 26, 2017.*
- *The next TAC meeting is scheduled for 1:30 p.m. on Tuesday, October 10, 2017.*

Chair Cindy Schmitt adjourned the meeting at 3:57 p.m.

## **Agenda Item C.**

### **State Funded Local Projects**

**SKATS Technical Advisory Committee  
(TAC)**

**October 10, 2017**

#### **Action Requested:**

Informational item.

# State Funded Local Projects (SFLP)

An alternate option for Federal-aid local project delivery in Oregon



## Overview

**State Funded Local Projects (SFLP)** is a process for to provide state funds for federal projects selected under ODOT or Transportation Management Area (TMA) funding programs. SFLP was initially launched through 2018 and has been extended through 2024 as part of the 2021-2024 STIP development

**Eligible Projects** are those selected through All Roads Transportation Safety (ARTS), Enhance, Local Bridge, and potentially other STIP-funded programs. A portion of Surface Transportation Program Urban (STP-U) and Transportation Alternatives Program (TAP) funds are also eligible for state funding

**All local agencies are eligible for state funding**, subject to certain limitations. Agencies *outside* of TMAs can state fund projects up to \$5 million in total cost. Agencies *inside* TMAs can state fund projects up to \$1 million in total cost

**Federal-aid projects not eligible for state funding** must be delivered as federal projects by either a certified local agency or by ODOT

**SFLP is similar to the current STP Fund Exchange process** in that ODOT provides 94 cents on the dollar up to the state share of project costs

**SFLP is different from the current STP Fund Exchange** in that:

1. State funding is provided to **a specific project** selected through ODOT or TMA processes instead of a general allocation to agencies
2. State funds are spent first, followed by local agency funds if needed
3. Local agencies must complete a Final Inspection Form with their LAL at project closeout, plus:
  - ARTS Projects: Final Cost and As-Constructed Drawings
  - Bridge Projects: Same as ARTS plus Structural Analysis Information, Foundation Report, Hydraulic Report including Scour Analysis, Pile Records, and Final Load Rating

**SFLP does not change or replace the current STP Fund Exchange.**



**East Fork Silvie River Bridge, Harney County**

*Bridge replacement project selected for state funding*

## Contacts

For project-level questions or to discuss delivery options, contact your region Local Agency Liaison. For questions about the contents of this paper or State Funded Local Projects policy, contact the following ODOT staff:

### **Cole Grisham, AICP**

Local Public Agency Coordinator

503.986.3531 | [nicholas.grisham@odot.state.or.us](mailto:nicholas.grisham@odot.state.or.us)

# State Funded Local Projects (SFLP)

An alternate option for Federal-aid local project delivery in Oregon



SFLP Selection Process	
1	ODOT Program & Funding Services (PFS) determines state funds available for SFLP
2	PFS generates list of eligible projects
3	PFS confirms eligible projects list with Region Local Agency Liaisons (LALs)
4	LALs inform Local Public Agencies (LPAs) of project eligibility
5	LAL and LPA staff execute SFLP project Intergovernmental Agreement (IGA)
6	PFS opens expense account (EA) for SFLP project
7	LPA begins work; submits invoices to LAL for reimbursement
8	LPA informs LAL that work is complete; submits final documentation to LAL
9	LAL conducts closeout inspection; retains final inspection form

## Lincoln City Head to Bay Trail

Constructed using SFLP funds (2016-17)



Project under construction (2016)



Completed project (2017)

To: ODOT Project Delivery Staff  
From: Mac Lynde, Active Transportation Section Manager  
Date: 10 August 2016



**Subject: State Funded Local Projects (SFLP) Delivery Method**

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## Summary

ODOT is implementing a new process called State Funded Local Projects (SFLP), in which state funds are provided in exchange for federal funds on certain local projects. Eligible projects have been selected through Active Transportation Discretionary, All Roads Transportation Safety (ARTS), Enhance, and Local Bridge processes. A portion of local projects funded with Surface Transportation Program Urban (STP-U) and Transportation Alternatives Program (TAP) are also eligible. While similar to the Surface Transportation Program (STP) Fund Exchange process that exists today, SFLP will have different processes, deliverables, and expectations. This brief outlines:

- State Funded Local Projects vs. STP Fund Exchange
- Agency and Project Eligibility
- SFLP Exchange Process and Rationale
- State and Local Agency Deliverables for SFLP
- Local Projects in the 2019-21 STIP and Beyond
- Contacts

## State Funded Local Projects vs. STP Fund Exchange

The [STP Fund Exchange system](#) is an 'allocation-based' program available to some agencies. STP Fund Exchange allows all counties and some cities to exchange each dollar of Federal STP funds they receive for 94 cents in state funds. Local agencies can then design and construct transportation projects as they see fit in compliance with applicable state laws. Agencies in Portland, Salem, and Eugene Transportation Management Areas (TMAs) are not currently eligible for STP Fund Exchange.

SFLP is 'project-based' and potentially available to all agencies. Local agencies apply for project funding under the respective program following the current selection process for each, including preparing a local match. If selected, ODOT will exchange the federal share of eligible projects with state funds internally at 94 cents on the dollar. The local agency will then be reimbursed for project costs as they accrue, up to the state share. The invoiced costs cannot exceed the state share. Any costs over the state share will be the responsibility of the local agency, either through local match or additional local funds. Any project savings will be returned to the respective funding source and redistributed to other projects as needed.

Unlike STP Fund Exchange, which provides local agencies state funds to construct any transportation project they see fit, SFLP is for specific projects selected through ODOT-managed funding programs.

## Agency and Project Eligibility

All cities and counties in Oregon are eligible to use SFLP on ARTS, AT Discretionary, Enhance, and Local Bridge funded projects, with some limitations. The graphic below outlines agency and project eligibility for SFLP projects.

LPAs <i>outside</i> TMAs	LPAs <i>inside</i> TMAs	TMAs
<ul style="list-style-type: none"><li>• Projects up to \$5M in total cost</li><li>• Project must have been selected by ARTS, AT Discretionary, Enhance, or Local Bridge funding program</li></ul>	<ul style="list-style-type: none"><li>• Projects up to \$1M in total cost</li><li>• Project must have been selected by ARTS, AT Discretionary, Enhance, or Local Bridge funding program</li></ul>	<ul style="list-style-type: none"><li>• STP-Urban &amp; TAP Funds only</li><li>• \$12.7M Total (Portland)</li><li>• \$3.3M Total (Salem)</li><li>• \$1.4M Total (Eugene)</li><li>• TMA determines which project to apply state funds</li></ul>

**Figure 1: Agency and Project SFLP Eligibility**

Agencies outside of TMAs can state fund projects under \$5 million. There is no ceiling currently on how many projects outside the TMAs may be exchanged. Agencies located inside of a TMA may exchange projects with a total cost under \$1 million. Projects over \$1 million will be delivered by a certified local agency.

Portland, Salem, and Eugene TMAs<sup>1</sup> can also exchange \$12.7, \$3.3, and \$1.4 million of their STP-Urban and Transportation Alternatives Program (TAP) funds for the 2015-18 STIP cycle, respectively. The TMA has discretion over which projects to exchange. Future availability of SFLP both inside and outside of the TMAs is contingent on the availability of state funds.

### Transition Period: 2015-2018 STIP Projects

All projects in the 2015-18 STIP cycle are potentially eligible. Projects must have been selected by one of the eligible funding programs and be within the cost parameters outlined above. In addition:

- Projects that have not started preliminary engineering may get funds if the project meets eligibility for State gas tax funds (i.e., inside the public right of way) and is not on state right of way
- Projects that have started preliminary engineering will have federal funds reversed if less than 30% plans have been completed and \$100,000 or less in federal funds has been spent.<sup>2</sup>
- Construction-only phases will be state funded on a case-by-case basis.
- All other projects will remain federal.

In some situations, projects that appear to meet the criteria above will not qualify for SFLP. Examples include projects with legacy federal funds that can only be used for a certain purpose, such as Scenic Byways or TIGER grants. Projects with a mixture of funding types other than the four included in

<sup>1</sup> Metro, Salem-Keizer Area Transportation Study, and Central Lane MPO.

<sup>2</sup> If federal environmental commitments have been made in preliminary engineering phase, the project may or may not be eligible for state funding. See ODOT Geo-Environmental Section's memorandum "Environmental Permitting for Fund Exchange Projects" for further guidance in the 2015-18 STIP cycle.

expanded fund exchange will likely not qualify. ODOT will make the final determination of what project and funding types are eligible.

### SFLP Exchange Process and Rationale

Project selection processes will not change under SFLP. ODOT will instead state fund the federal share of eligible projects following the project selection phase. This section describes how state funding will be applied to selected projects. ODOT developed the funding process based on the following assumptions:

- All projects are scoped as federal
- Projects can be delivered more efficiently with state versus federal funds
- State dollars are spent first (up to state share), followed by local funds if needed
- ARTS and Local Bridge are different from Enhance

### ARTS and Local Bridge vs. Enhance

ARTS, Local Bridge, and Enhance all provide federal dollars to build transportation projects but each serves a distinct purpose. The SFLP process is therefore slightly different for ARTS and Local Bridge compared to Enhance.

- ARTS projects mitigate hotspot and systemic crash locations without respect to jurisdiction. Local Bridge provides federal dollars for necessary lifeline and system projects. In other words, ARTS and Local Bridge are not discretionary funding sources.
- In contrast, Enhance shares federal funds while leveraging local funds to build desired projects. Enhance is a competitive and discretionary funding source handled differently under SFLP.

### Applying State Funds to Local Projects

Tables 1-3 below show hypothetical projects with an estimated total project cost of \$2 million selected under current ARTS, Local Bridge, and Enhance processes. In each table, the “Awarded” row shows the total cost, expected federal share, and local share. The “Exchange” row shows the state dollars to be provided and the resulting local contribution under SFLP.<sup>3</sup>

If selected for SFLP, no local match will be collected but the local agency is assumed to be able to pay the local share if needed. Any project savings will be returned to the respective funding source.<sup>4</sup>

Table 1: All Roads Transportation Safety (ARTS) Project					
	Total	Federal Share (100%)	Min. Req. Local Match	Local Overmatch	Total Local \$
<b>Awarded</b>	\$2,000,000	\$2,000,000	\$0	N/A	\$0
		<b>State Share (94% of Federal Share)</b>			
<b>Exchange</b>	\$2,000,000	\$1,880,000	\$0	N/A	\$120,000

<sup>3</sup> ODOT’s will pay 100% of project costs up to the state share and assumes local agencies can deliver more cost-effective projects with state funds. If total project costs exceed the state share, the local agency will pay the difference. If total project costs are at or below the state share, the local agency pays nothing.

<sup>4</sup> Funding project budget overruns will be up to the discretion of the specific funding program. SFLP does not change the management of those funding programs within ODOT.

**Table 1: The ARTS project was selected at \$2 million in total cost with no local match requirement. Under SFLP, the state pays all project costs up to 94% of the federal share. If the local agency delivers the project for \$1.88 million or less, no local funds are used.**

<b>Table 2: Local Bridge Project</b>					
	<b>Total</b>	<b>Federal Share (89.73%)</b>	<b>Min. Req. Local Match</b>	<b>Local Overmatch</b>	<b>Total Local \$</b>
<b>Awarded</b>	\$2,000,000	\$1,794,600	\$205,400	N/A	\$205,400
		<b>State Share (94% of Federal Share)</b>			
<b>Exchange</b>	\$2,000,000	\$1,686,924	\$205,400	\$107,676	\$313,076

**Table 2: The Local Bridge project (Table 2) was selected at \$2 million in total cost. FHWA provides \$1.7 million and the local agency provides \$205,400. Under SFLP, the state pays all project costs up to 94% of the federal share. If the agency delivers the project for \$1.68 million or less, no local funds are used.**

<b>Table 3: Enhance Project</b>					
	<b>Total</b>	<b>Federal Share (89.73%)</b>	<b>Min. Req. Local Match</b>	<b>Local Overmatch</b>	<b>Total Local \$</b>
<b>Awarded</b>	\$2,000,000	\$1,000,000	\$102,700	\$897,300	\$1,000,000
		<b>State Share (94% of Federal Share)</b>			
<b>Exchange</b>	\$2,000,000	\$940,000	\$102,700	\$957,300	\$1,060,000

**Table 3: The Enhance project (Table 3) was selected at \$2 million in total cost with the agency providing an additional match of \$897,000 beyond the 10% required, making the project more competitive in the selection process. This results in a federal-local ratio of 50:50. Under SFLP, since Enhance is discretionary, overmatch is still allowed and the state will reimburse based on the federal-local ratio. In the case above, the state would pay 50 cents for every dollar invoiced, up to the state share. Any additional costs beyond the state share will be the responsibility of the local agency**

### State Funds for TAP and STP Urban Funds

TAP and STP Urban funds in TMAs will follow a different process since ODOT does not manage the selection processes for these funds. Contact ODOT's [Program and Funding Services Unit](#) for further guidance.

### Applying Exchanged Federal Funds to State Projects

When state funds are applied to a project, the federal funds are then returned to the funding program (Bridge) or region (Enhance and ARTS). Returned federal funds are the responsibility of the program or region to obligate according to the funding obligation matrix. Enhance funds return to the Region Enhance Financial Plan, ARTS funds return to the Region financial plan, and Local Bridge funds return to the State Bridge financial plan.

Consider an ARTS project in Region 2 costing \$1,000,000. The project is exchanged and the local agency gets \$940,000 in state funds to complete the project. Region 2 receives the \$1 million in federal funds to

their financial plan and is responsible for its obligation for the year the funds were exchanged. Federal funds returned to the other applicable funding programs should follow the same process.

### State and Local Agency Deliverables for SFLP

Unlike the current STP Fund Exchange system, ODOT manages project selection for SFLP projects. ODOT will therefore provide scoping notes and additional project documentation to local agencies at project initiation.

Local agencies will need to provide ODOT with certain documents at project closeout. Providing final documentation ensures the project built meets program goals and that ODOT has sufficient information for future inspection as applicable. The figure below shows the documents required at project initiation and closeout (also shown in the “Agency Obligations” section of project’s intergovernmental agreement).

Initiation	Closeout
<ul style="list-style-type: none"> <li>• ODOT provides scoping notes</li> <li>• ODOT provides any additional documents from selection process</li> </ul>	<ul style="list-style-type: none"> <li>• Final inspection form with State Project Manager</li> <li>• Final Cost</li> <li>• As-Constructed Drawings</li> <li>• <b>If ARTS:</b> Same as above, plus               <ul style="list-style-type: none"> <li>• Structural Analysis Information (if applicable)</li> </ul> </li> <li>• <b>If Bridge:</b> Same as ARTS, plus               <ul style="list-style-type: none"> <li>• Foundation Report</li> <li>• Hydraulic Report including Scour Analysis</li> <li>• Pile Records</li> <li>• Final Load Rating</li> </ul> </li> <li>• Final Inspection form with State’s Region Senior Structural Designer, or State’s Senior Local Bridge Standards Engineer</li> </ul>

**Figure 2: ODOT and LPA Deliverables for SFLP Projects. Additional documents may be required if project is on a state facility, environmental commitments exist, and/or the project was federally funded in preliminary phase but not construction.**

### Local Projects in the 2019-21 STIP and Beyond

Future project eligibility for SFLP is dependent on success of 2015-18 SFLP projects and funding availability. Again, the STP Fund Exchange program will remain unchanged regardless.

### Contacts

**Cole Grisham, AICP** | Local Public Agency Coordinator  
 Statewide Programs Unit  
 503.410.8463 | [nicholas.grisham@odot.state.or.us](mailto:nicholas.grisham@odot.state.or.us)

## **Agenda Item E.**

### **Update on FY 2021-2024 STIP Process**

**SKATS Technical Advisory Committee  
(TAC)  
October 10, 2017**

#### **Action Requested:**

Information and discussion item.

## 2021-2024 State Transportation Improvement Program (STIP) – Proposed Categories and Programs They Support

To be updated in October, November as OTC refines the STIP Programs

Highway			Local / Non-Highway		Other
Fix-It	Safety	Enhance	Non-Highway	Local Government	Other
Bridge	ARTS program	State-Highway Leverage to add enhancements to Fix-It projects (e.g., add auxiliary lanes in Region 1; add a safety element to a Fix-It project)	Public Transportation (FHWA \$43.5 million)	Transp. Growth Management (Transportation System Plans, studies, etc.) \$9.8 million/biennium	State Planning and Research; other administrative programs
Pavements	HB 2017 adds \$10m/year	Federal Freight funds	State Highway 1% set aside for bike/ped	Safe Routes to School funds in HB2017: \$10m-\$15m/year	Discretionary funds
Seismic <i>(Phase 1; seismic triage approach)</i>		HB 2017 adds \$600+ million to the STIP	Discretionary Non-Highway (at least \$51 million is required for the 3 years) <b>[see below]</b>		Other required state and federal programs
Culverts					
Operations					

Discretionary Non-Highway	Description and/or notes
Non-Highway Leverage	Allows ODOT Regions to add non-highway elements (bicycle, pedestrian, transit) to existing STIP projects, particularly bridge and pavement projects.
Off-Road Trails	State Highway Funds restricted to projects within the right-of-way; federal funds can be used for off-road trails.
Safe Routes to School Education	Has been funded @ \$500,000 per year. OTC Investment Strategy recommends an increase.
Transportation Options	Statewide Transportation Options Program, supporting policies and programs to expand transportation choices.
Americans with Disability Act	Funds to meet commitments of ADA Transition Plan for standalone ramp projects (over and above ramps associated with expanded pavement preservation).
Bus Replacements	2018-2021 included bus replacement funds. HB2017 funding is focused on service improvements rather than vehicle replacements.



September 21, 2017

Dear Chair Baney and Members of the Oregon Transportation Commission:

The members of the Metro Council and the Joint Policy Advisory Committee on Transportation (JPACT) appreciate the opportunity to provide comment on the development of the 2021-2024 State Transportation Improvement Program (STIP) and the thorough approach the Oregon Department of Transportation (ODOT) and the Oregon Transportation Commission (OTC) have taken to the current STIP process.

The decisions you make today and over the next months on how to allocate forecasted revenues to ODOT allocation programs is a significant policy lever that impacts the ability to prioritize implementation of competing statewide and regional goals. Recognizing the OTC and the Portland region's MPO, represented by JPACT and the Metro Council, carry the federal responsibility as stewards of federal transportation funds, the decision of the federal funding scenario from the OTC will set a significant course of direction for the allocation of ODOT administered funds to projects. In developing our metropolitan area portion of the STIP, JPACT and the Metro Council have a keen interest in successful coordination with the OTC, not only to incorporate the OTC priorities into the region's stated goals, but also in the selection of projects within the metropolitan area that will utilize ODOT administered funds, ultimately impacting our MTIP and subsequently the STIP.

While we understand the rationale for having a conservative federal funding forecast, which currently presumes a 10% decrease in federal funding, to allow the OTC to only consider funds within this assumption creates significant obstacles when it comes to directing investment decisions. While the federal Highway Trust Fund has faced insolvency at various points in its history, Congress has repeatedly found ways to stabilize it and federal transportation funding has continued on a moderate growth trajectory. Consequently, an overly conservative forecast at the state level creates an allocation approach based on scarcity with very little flexibility. When actual revenues come in higher than forecasted, there is very little time for the OTC to determine how best to direct those additional funds or have a meaningful process to engage stakeholders on which funding programs to invest in. For the MPO, this often results in a number of projects being put forward as MTIP amendments, for which our region's stakeholders and MPO board have no understanding or input on how or why these priorities have emerged. The result is a lost opportunity to make intentional and strategic decisions about how to best advance state and regional goals.

The MPO understands the OTC will take action on a federal funding scenario for the STIP in November 2017, which will set the basis for allocating funding to the programs statewide and to the regions. Between now and the November decision date, we urge the OTC consider the following actions:

- 1.) Request ODOT staff to develop a supplemental modest federal funding growth scenario for consideration by the OTC as part of the 2021-2024 STIP development process. This modest

growth scenario could reflect the historical moderate growth trend of federal funding for transportation;

- 2.) Provide direction to ODOT staff to develop a process, supported by a policy analysis of options, for allocating any additional increment of funds represented by the modest federal growth forecast or for other unexpected, new, or surplus revenue to the different ODOT funding programs. The process should include stakeholder engagement, allowing for the ACTs, Regional Solutions Groups, and MPOs to provide input on priorities for each funding program; and
- 3.) In the development of the 2021-2024 STIP, we encourage the OTC to engage with MPO leadership. This is to allow for consideration of how ODOT administered funding allocation decisions can account for regional planning objectives and for coordination with MPO, transit and local agency funding allocation processes within metropolitan areas.

We believe this two-part approach provides financial stability and gives OTC the opportunity the shape investment decisions in a thoughtful, transparent way, alleviating any concern that an unlikely and sudden cut in federal funds would leave ODOT with obligations it cannot meet. We will continue to work with the Region 1 ACT and other stakeholders in providing thoughtful analysis and input on the trade-offs these decisions represent.

Again, we appreciate the OTC taking into consideration these requests, knowing the timeline for the 2021-2024 STIP revenue assumptions and scenarios to allocate funds to programs is set for this autumn. Given both of our roles as stewards of federal and state funds, we want to ensure these limited resources are invested strategically according to the OTC's policy direction, and take into account local needs and priorities. We look forward to continuing the discussion with you.

Sincerely,



Tom Hughes  
Metro Council President



Craig Dirksen  
JPACT Chair  
Metro Council District 3