



January 31, 2007

To: Metropolitan Policy Committee
From: Paul Thompson
Subject: Item 4.b: Surface Transportation Program-Urban Fund Allocation

Action Requested: *Hold public hearing. Review applications for STP-U funding. Review TPC and CAC comments. Provide feedback to staff.*

MPC is being asked to review local preservation, modernization and project development projects submitted to the MPO for FY07, FY08 or FY09 STP-U funding; to hold a public hearing in order to obtain citizen comments concerning the projects and priorities for funding; and to provide staff with feedback.

The public comment period opened on January 26 and will extend through to February 21. As of the date of this memo, no public comments have been received. The Citizen's Advisory Committee is discussing the funding applications at their meeting on February 7. TPC will review all comments received and will reconsider the draft proposal at their meeting on February 22. A final recommendation will be provided to MPC for adoption at their March 8, 2007 meeting.

Source of STP-U Funds

The MPO, an urbanized area of over 200,000 people, receives an annual distribution of flexible funds from the federal Surface Transportation Program. The amount is determined by a formula, applied within the MPO planning area, and is based on the lane-miles of federal-aid highways, total vehicle miles traveled on those highways and estimated contributions from highway users into the Highway Trust Fund. The MPO decides how to use this money. For FFY06 (Federal Fiscal Year), the amount received was \$2.493 million. Funds can only be spent on eligible projects (refer to <http://www.lcog.org/meetings/mpc/0706/MPC4.e-Attachment3-FederalGuidelinesforSTP-U.pdf>).

Past Programming of STP-U Funds

Attachment 1 shows the projects to which STP-U funds have been programmed since FFY04 and the allocation by type of project (modernization, preservation, etc). Attachment 1 also shows the share received by each local partner in the MPO.

In July 2006, MPC instituted a new allocation process: FFY07-09 funds were to be divided into three parts:

1. Approximately 10% for transportation demand management (also known as transportation options or TDM/TO). These funds go to Commuter Solutions for programs and services to reduce auto use and promote use of alternate modes.

2. Approximately 25% for planning, including baseline planning to fund the MPO activities of local transportation staff, and to fund specific planning projects.
3. Approximately 65% for project development, modernization and preservation projects.

Following this decision, TDM/TO and planning funds (categories 1 and 2 above) were allocated for FFY07 and FFY08 in August and October 2006. This left approximately \$5.03 million remaining for project development, modernization and preservation (category 3) for FFY07, 08 & 09. Two FFY07 modernization projects were programmed in 2005, leaving approximately \$4.3 million available in this cycle of programming for category 3 projects.

Available Funds

Because of the failure to pass an FFY07 federal budget, the funding available over the FFY07-09 period is somewhat uncertain. The **\$4.3 million** estimate used here assumes FFY07 funds remain at FFY06 levels, and assumes FFY08 and FFY09 levels as projected by ODOT and MPO staff. In the past, funding has been restored after early cutbacks have been incurred. However, if the final STP-U amount is actually lower than expected, programmed projects will need to have their allocated funds reduced.

Note that TDM/TO and planning funds have not yet been programmed for FFY09, and \$1.14 million in estimated STP-U funds (approximately the targeted amounts for those two categories) have been withheld for consideration of this action later in 2007.

Programming Available Funds for Preservation, Modernization & Project Development for FFY07-09

Applications were submitted in December 2006. These projects were scoped and chosen by each jurisdiction and forwarded to the MPO for consideration. Attachment 2 is a summary of the applications as received, with the requests totaling \$10.72 million. Attachment 3 is a map that shows the location of the submitted projects (excluding the LTD boarding improvements). Each of the full applications is provided in this packet (see Attachment 5).

Clearly, not all projects submitted can be funded: \$10.72 million requested vs. \$4.3 million available. All of the submitted projects are eligible for STP-U funds. All of the submitted projects address one or other of the multiple priorities within the region.

The Transportation Planning Committee (TPC) has examined the projects and weighed the pros and cons of each. Important consideration was given to:

- funding preservation projects to address a backlog in road *maintenance* so that significantly more expensive road *reconstruction* is avoided
- providing funds to ensure that improvements to the local road system connecting to the I5/Beltline interchange can be completed to ensure proper functioning of the interchange
- leveraging the most match for the federal funds from other sources,
- piggy-backing on projects already underway in order to reduce federal and state overhead costs incurred by the local jurisdictions in the use of federal funds

- selecting projects that serve multiple modes of transport, including freight
- addressing road safety problems
- targeting projects with the highest volumes of traffic

As a result, TPC prepared a draft proposal to balance the competing priorities within the region while making progress on all. Attachment 4 lists the projects comprising the draft proposal, and shows the years in which the funds would be programmed. Funding is constrained by year and the draft proposal matches project funds with this constraint. TPC reached consensus on submitting this draft proposal to CAC and MPC for discussion and for public comment. Although the STP-U programming process for the Preservation, Modernization and Project Development applications that was approved by MPC in July, 2006 stated in part that “The goal of both the TPC and CAC recommendations will be to narrow the recommended applications to no more than 150% of the available funding,” TPC was able to develop a consensus draft proposal at the available funding target.

In light of the uncertainty in the amount of STP-U funds that the MPO will ultimately receive for FFY07-09, TPC suggested that several commitments be made for any additional funds received for this period. These are: 1) allocate the first \$200K to LTD for boarding improvements, 2) add funds in excess of \$200K to the modernization/preservation/project development category so that the 65% funding target for this category is achieved, and 3) FFY10 funds for category 3 will make whole any projects programmed in this cycle that have to take cutbacks in funding due to federal rescissions or lower appropriations.

Attachments:

- Attachment 1 – Summary of Projects Funded by STP-U
- Attachment 2 – Applications Received for FFY07-09 STP-U Modernization/
Preservation/ Project Development
- Attachment 3 – Map Showing Location of Proposed Projects
- Attachment 4 – DRAFT TPC Proposal
- Attachment 5 – Applications Received for Funding