

Lane Council of Governments

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May 5, 2005

To: Metropolitan Policy Committee

From: Paul Thompson

Subject: Item 4.c: Allocation of Surface Transportation Program Urban (STP-U)
Funds

Action Recommended: Review and discuss TPC input on programming unallocated FY04-06 STP-U funds. Provide feedback and direction to staff.

Background

At the April 14, 2005 and prior MPC meetings staff presented background information on the allocation of STP-U funds that MPC programmed in October, 2003. On April 14, MPC adopted a set of amendments to the FY05-07 Central Lane Metropolitan Transportation Improvement Program (MTIP) that programmed \$686,000 in STP-U funds to fulfill the adopted funding target for the Planning and Project Development project category in FY06.

At that time, staff indicated that approximately \$1.3 million in STP-U funds over the FY04-06 time frame were still unallocated (see Attachment 1: STP-U Fund Analysis). Since the April MPC meeting, MPO and regional jurisdiction staff have worked together to consider the most appropriate approach for utilizing the remaining \$1.3 million. The remainder of this memo outlines the issues and requests MPC direction.

STP-U History

In October 2003 MPC programmed Surface Transportation Program Urban (STP-U) funds within the Central Lane Metropolitan Planning Organization (MPO) for the first time. As part of that process, MPC established four major project categories and funding targets for the use of STP-U funds. Those four categories, and the targets, are:

- System Preservation 50 percent
 - Roadway
 - Transit
 - Bike/Pedestrian
- System Modernization 20 percent
 - Roadway
 - Transit
 - Bike/Pedestrian
- Planning & Project Development 20 percent
- Transportation Demand Management (TDM) 10 percent

In October 2003 STP-U funds were programmed for FY04, FY05 and FY06. The expected STP-U funding levels for each of the three fiscal years was based on the anticipated funding level for FY04, and held constant through FY05 and FY06. Due to strong competition for the STP-U funds, the MPO decided to fully fund the four project category funding targets in FY04 and FY05, and to fully fund System Preservation, System Modernization and TDM in FY06. At that time, no funding was programmed for Planning & Project Development (P&PD) in FY06, with the understanding that future refinements of forecasts of anticipated STP-U funds for FY06 would likely allow funding of that project category at a future date.

As indicated above, in April 2005 the MPC programmed additional STP-U funds for the P&PD category in FY06.

Discussion

The approximately \$1.3 million in unallocated FY04-06 STP-U funds could be programmed by MPC for any eligible purpose. MPO and partner jurisdiction staff have discussed the possible approaches for programming these funds, and agreed upon the following points:

- Programming the unallocated \$1.3 million in FY06 should occur as soon as possible so that the jurisdictions receiving those funds will be able to complete the STP-U fund utilization process and expend the funds during FY06. Doing so would require timely action by MPC and would not allow for involvement of the Citizen Advisory Committee (CAC) in this process. (Note that the CAC *will* be involved in the pending programming of FY07-09 STP-U funds.)
- Programming the unallocated STP-U funds for the construction of modernization projects in FY06 is probably not reasonable since the timeframe for obtaining and expending the funds in FY06 is too short to allow for their use on construction projects.
- Given the two constraints just mentioned, an alternate approach is to carry over the unallocated FY04-06 STP-U funds and program them as part of the FY07-09 process.

- Another possible approach for programming the funds in FY06 is to simply apply the funding target percentages for the four project categories to the \$1.3 million and fund the next-highest-scoring project(s) from the evaluation of 2003 STP-U fund applications (see Attachment 2).
- Staff is in general agreement, however, that the application process should be reopened to allow jurisdictions to modify existing applications or submit new ones, reflecting shifts in priorities since 2003.
- The City of Eugene has indicated a desire to prioritize STP-U funds for preservation projects.
- The City of Springfield has indicated a desire to prioritize STP-U funds for project-specific planning and project development in support of the MPO's identified priorities in the Regional Transportation Plan (RTP). This could be accomplished either via programming funds in the "Planning and Project Development" category or by programming funds for planning work on modernization projects.
- The Commuter Solutions Program (the recipient of the TDM funding) has indicated that 10 percent (the TDM funding target) of the \$1.3 million would assist in filling a potential shortfall in the program's FY06 budget.
- Lane County, which only submitted one STP-U funding application in 2003, has indicated a desire to submit additional applications.

The general consensus of staff is that the unallocated funds should be programmed in FY06 for a mix of projects that reflects the established funding categories but allows for flexibility to address the regional goals and priorities as expressed above. Staff continues to consider options for the evaluation of STP-U funding applications that would allow for a mix of priorities (preservation, modernization, planning & project development) to be addressed in a way that is consistent with federal guidelines on the use of STP-U funds and the MPO's established goals, objectives and policies.

At the May 12, 2005 MPC meeting staff will provide a short presentation on this topic, followed by questions from, and discussion among, the MPC members. Staff requests feedback and direction from MPC on the programming of the unallocated FY04-06 STP-U funds, and has the goal of recommending the programming of those funds in the MTIP at the July 2005 MPC meeting.

Attachments:

Attachment 1: STP-U Fund Analysis

Attachment 2: Summary of Evaluation of 2003 STP-U Applications