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September 7, 2005

To: Metropolitan Policy Committee

From: Paul Thompson

Subject: Item 4.b: Applications for FY07-09 STP-U Funds

Action Recommended: Review TPC recommendations for FY07 STP-U Modernization/Project Development and FY07-09 TDM funding and recommend modifications (if any). Open public comment period on draft STP-U funding recommendations.

Background

At the July 14, 2005 joint meeting of the MPC and the Metropolitan Planning Organization's (MPO) Citizen Advisory Committee (CAC) staff presented an ambitious schedule for prioritizing and programming FY07-09 STP-U funds and updating the current FY05-07 Metropolitan Transportation Improvement Program (MTIP) to a new FY06-09 MTIP. MPC provided direction on the schedule and process which can be summarized as follows:

- At a minimum, program twenty percent of anticipated FY07 STP-U funds for FY07 Modernization projects with MPC action no later than November 10, 2005.
- Recommend revisions to the STP-U evaluation criteria and process, with particular focus on achieving more equitable scoring of different types of preservation projects across modes.
- If possible, attempt to achieve all of the goals outlined in the schedule, resulting in the programming of all FY07-09 STP-U funds in an updated FY06-09 MTIP with MPC action no later than November 10, 2005.

At the August 11, 2005 MPC meeting staff reported the following recommendations of the Transportation Planning Committee (TPC):

- Program 20 percent of available STP-U funds for Modernization and Project Development projects in FY07 with MPC action no later than November 10, 2005.
- For all three fiscal years (FY07-09), program 10 percent of available STP-U funds for Transportation Demand Management (TDM) and related activities through the Transportation Options (TO) program and 20 percent of available

STP-U funds for Planning activities with MPC action no later than November 10, 2005. Funding for TDM/TO activities will not require a competitive application. The Commuter Solutions program shall submit a plan detailing the activities that will be funded with the annual programming of STP-U funds. Both the TPC and the MPC shall review and provide direction on that plan.

- Review and recommend revisions to the STP-U prioritization evaluation criteria and process, focusing first on the criteria for evaluating Preservation projects. Recommendations for revisions will be presented in a timely manner in order to allow for the programming of STP-U funds for FY07-09 Preservation projects and FY08-09 Modernization and Project Development projects in spring 2006.
- Applications for STP-U funding for Project Development activities shall be considered in the Modernization category instead of the Planning category. The Planning category shall continue to fund work in support of the federally-required MPO's regional planning activities.
- Aside from the schedule for programming specific STP-U funds, the FY06-09 update of the MTIP shall proceed with MPC adopting action no later than November 10, 2005. The MTIP currently programs projects through FY07. This update will program all federally funded and regionally significant projects within the MPO through FY09. One result will be to synchronize the MTIP with the draft FY06-09 STIP scheduled for adoption in August, 2005.

Issue Summary

From August 11 through August 22, 2005 the MPO accepted applications from partner jurisdictions for STP-U funding in the Modernization/Project Development and Planning categories. During that period, four applications were received for funding in the Modernization category and six applications were received for funding in the Planning category. Attachment 1 provides copies of the four Modernization applications.

MPO staff reviewed the ten funding applications and engaged the TPC Technical Advisory Subcommittee (TASC) in that review. On August 29, 2005 TPC conducted an extensive discussion regarding the Modernization and Planning applications and arrived at the set of recommendations presented in the remainder of this memo.

Programming Modernization/Project Development Funds

In recognition of time constraints imposed by the air quality conformity determination process and the potentially lengthy process to contract for and access STP-U funds for Modernization activities, MPC has directed that STP-U funds should be programmed for FY07 Modernization projects during the fall of 2005 at a level equal to 20 percent of the MPO's anticipated total STP-U allocation for FY07, or approximately \$700,000. The four applications for FY07 STP-U Modernization funding total \$1,719,000.

The four applications achieved similar scores through the MPO's evaluation process. MPO, TASC and TPC review and discussion of the applications recognized the difficulty in programming limited funds for identified priority needs totaling approximately 2.5 times the available funding. Although the MPO could choose to increase the

Modernization funding to more than the current 20 percent target, based on the MPC motion at the July 14, 2005 meeting directing that 20 percent of the FY07 STP-U funds be programmed for Modernization, TPC did not feel it was prudent to recommend modifying the funding target prior to receiving and reviewing applications for all of the FY07-09 Modernization *and* Preservation (and Planning) needs. At that time (over the next six to eight months), the MPO's review of all of the needs across fiscal years and funding categories can lead to an informed decision as to the priorities for the use of the limited STP-U funds.

In order to move forward with programming approximately 20 percent of the MPO's FY07 STP-U funds in a timely manner, TPC on August 29, 2005 considered several options for funding mixes related to the four applications. The single applications submitted by Eugene and Springfield were considered to be the most time-sensitive for funding in FY07, while the two LTD applications were less so. As a result, LTD volunteered to set aside their two applications for the time being and support funding for the two Modernization applications from the cities. Eugene's application for \$319,000 for the Game Farm Road project would fully fund a project that would, in turn, fill the final gap in a multi-jurisdictional effort to complete improvements to that road. Springfield's application for \$1,150,000 for right-of-way acquisition for planned improvements in the Beltline/Gateway area represents the anticipated STP-U funding support needed to advance with right-of-way acquisitions during FY07.

The result of TPC's thorough discussion of options for funding FY05 Modernization projects was a near-unanimous (one abstention) recommendation to fully fund the \$319,000 City of Eugene application and fund the City of Springfield application in the amount of \$410,000 at this time. TPC further recommended by consensus that as the MPO moves forward with revising the STP-U evaluation criteria and process and programs STP-U funds for FY08-09 Modernization, FY07-09 Preservation and FY07-09 Planning activities, the MPO should revisit the funding for FY07 Modernization activities and consider additional funding for the Springfield right-of-way project and the two LTD Modernization projects. As the MPO reviews applications for funding for all three years across all project categories, consideration should be given to the option to adjust the funding targets for the categories, for one or more fiscal year(s), in order to fund the MPO's highest regional priorities across all categories.

Programming Planning Funds

STP-U funding for planning activities is intended to support the MPO's and partner jurisdictions' staff participation in carrying out the federally-required and locally prioritized MPO planning activities. The six applications for STP-U funding for planning activities represent a significant increase in the request for those funds over the applications submitted in 2003.

The increased requests for funding – both an increase in the dollar amount requested by jurisdictions already receiving STP-U funds for MPO Planning activities, as well as new requests for this funding from additional jurisdictions – also reflect an expansion of the type and scope of Planning activities which are described in the applications. MPO staff are consulting with the Federal Highway Administration (FHWA) to clarify the planning activities that are and are not eligible for federal STP-U funding. In all, the

applications total a request for MPO Planning funding of \$812,000 in FY07, \$844,000 in FY08 and \$876,000 in FY09, compared to the approximately \$700,000 available per year under current estimates.

At the August 29th TPC meeting, staff discussed the need to prioritize the MPO's planning activities across all of the partner jurisdictions so that the coordinated, cooperative and MPO-supported Planning activities best fulfill the MPO's Unified Planning Work Program (UPWP) and advance the implementation of the MPO's Regional Transportation Plan (RTP) goals, policies and projects. To this end, TPC reached a consensus recommendation to delay programming FY07-09 STP-U funds for MPO Planning activities until MPO and partner jurisdiction staff can work together to establish priorities for the use of these funds. This effort will lead to a uniform understanding of the planning activities that are necessary in the MPO to fulfill federal requirements of the MPO, as well as planning activities that are necessary to carry out the work established in the UPWP. TPC will return to MPC with a recommendation for FY07-09 STP-U funding of Planning activities in the spring of 2006, at the same time as recommendations are established for the future funding of Modernization and Preservation activities.

Programming Transportation Demand Management/Transportation Options Funds

As noted in the previous months' recommendations, the STP-U funding process for TDM/TO activities does not involve a competitive application process. Attachment 2 provides the *Commuter Solutions 2007 -2009 STP-U Funding Summary Report* in support of the ten percent STP-U funding level for TDM/TO activities.

The target of funding TDM/TO activities at a level equal to ten percent of the MPO's annual allocation of STP-U funds is equal to approximately \$350,000 for FY07, given the latest state estimates of STP-U funding. Commuter Solutions has indicated in the Report included as Attachment 2 an anticipated level of funding of \$350,000 for each of the three fiscal years under consideration – FY07, FY08 and FY09. On August 29, 2005, TPC unanimously recommended programming \$350,000 per year at this time over the three year period for TDM/TO activities. Over that time period, review of the MPO's actual STP-U allocations in the second and third years could lead to adjustments to those amounts.

Attachments:

- Attachment 1 – Applications for FY07 STP-U Modernization/Project Development Funding
- Attachment 2 – Commuter Solutions FY07-09 STP-U Funding Report