



October 4, 2006

To: Transportation Planning Committee
From: Paul Thompson
Subject: Item 5.d: Programming FY07 & FY08 STP-U Planning and TDM/TO Funds

Action Recommended: Approve Resolution 2006-14 adopting amendments to the FY06-09 MTIP to program STP-U funds for planning and TDM/TO activities in FY07 & FY08.

Background

At the July 13, 2006 MPC meeting, MPC provided direction to proceed with the STP-U programming process which had been under development and review for several months. One of the initial tasks in the approved process was for staff to proceed with the development of recommendations for:

- STP-U funding for baseline planning activities in FY08
- STP-U funding for MPO planning activities in FY08
- STP-U funding for supplemental planning activities in FY07 and FY08
- STP-U funding for Transportation Demand Management/Transportation Options (TDM/TO) activities within the Commuter Solutions program in FY08

Staff has worked over the ensuing months to develop these funding recommendations, culminating with unanimous TPC recommendations in September. This memo contains those recommendations.

Discussion

Attachment 1 illustrates the approved process for developing recommendations for and programming the MPO's STP-U funds for Planning and TDM/TO activities. Funds have already been programmed for FY07 baseline planning and TDM/TO activities. Initially, staffs' intention was to develop recommendations for programming these funds for FY07 supplemental planning activities, and for FY08 and FY09 planning and TDM/TO activities. However, initial staff discussions resulted in an agreement that knowledge about potential planning and TDM/TO activities and funding levels for FY09 was not sufficient at this time to proceed with programming funds for that fiscal year. As a result, the current recommendations are limited to FY07 and FY08.

Table 1 provides STP-U funding information for FY07 and FY08 referenced throughout the remainder of this memo. To establish the current STP-U funding scenario, Table 1 shows:

- The current projection of total STP-U revenue of \$2.7 million for FY07 and \$2.8 million for FY08
- The funding targets for the three funding categories: sixty-five percent for *Preservation, Project Development, and Modernization* (PPDM), twenty-five percent for *Planning*, and ten percent for Commuter Solutions *TDM/TO*, and those funding targets as dollar amounts for each fiscal year
- \$727,160 previously programmed in FY07 for PPDM
- \$145,000 previously programmed in FY07 for Baseline Planning
- \$350,000 previously programmed in FY07 for MPO Planning
- \$350,000 previously programmed in FY07 for TDM/TO

It should be noted that previous projections for STP-U revenue were higher, initially projecting \$3.5 million for FY07. Since that time, federal limitations and other factors have resulted in substantially reduced revenue projections. (Note that all revenue projections are developed by the MPO in coordination with ODOT, FHWA and the other Oregon MPOs.) Federal STP-U funding is cyclical, with federal budget “limitations” set annually based on multiple factors. We are currently at a low point in the cycle, with limitations in the 84-86 percent (of authorization) range. Historically, this is as low as limitations have been set in several decades. On the other end of the cycle, annual limitations can exceed 100 percent (several years ago the limitation was 104 percent), essentially “making up” for the lower limitations. The goal is, over time, to provide all authorized funding.

TDM/TO Activities

As shown in Attachment 1 and Table 1, the funding target for TDM/TO activities is ten percent of the annual STP-U revenues. For FY07, \$350,000 was programmed for TDM/TO at a time when the projection of total FY07 STP-U revenue was \$3.5 million.

Although the current revenue projection and the ten percent funding target would result in a funding target of \$280,000 for TDM/TO activities in FY08, Commuter Solutions staff initially proposed a funding level of \$350,000 in order to maintain the current funding and provide continuity in the program’s activities. The Transportation Planning Committee (TPC) and Technical Advisory Subcommittee (TASC) spent several meetings reviewing the Commuter Solutions *FY06-07 Work Plan, 2005-2010 Strategic Plan, 2007-2009 STP-U Funding Summary Report and Performance Measures*, and an overall summary of Commuter Solutions funding sources and expenditures. Given the wide-spread support for the program and its activities (such as the group and school bus pass programs, Rideshare, carpool/vanpool programs, Smart Ways to School, and more), on September 28, TPC unanimously recommended funding TDM/TO activities at \$340,000 in FY08. Commuter Solutions staff has indicated that this funding level is acceptable.

Planning Activities

Attachment 2 is an updated copy of *Figure 3* from the June, 2006 MPC packet. This figure illustrates in detail the breakdown of the 25 percent planning funding target into three categories: MPO Planning Funding, Baseline Planning Funding and Supplemental Planning Funding. At the June 8, 2006 MPC meeting, the Policy Board unanimously approved the programming of the FY07 MPO Planning and partner jurisdiction Baseline Planning funds shown in Attachment 2 and Table 1.

Baseline Planning Funding

The partner jurisdiction Baseline Planning funds are intended to provide the five local jurisdictions with funding to support staff participation in the ongoing core MPO activities. At the September, 2006 meeting, TPC unanimously recommends continuing this funding at the same level and programming STP-U funds for Baseline Planning activities in FY08 as follows:

- Eugene = \$40,000
- Springfield = \$40,000
- Lane County = \$25,000
- Lane Transit District = \$25,000
- Coburg = \$15,000

MPO Planning Funding

The MPO initially requested \$375,000 in STP-U funding for FY08 MPO Planning/UPWP activities. After consideration of all baseline and supplemental funding applications for FY08, the MPO supported TPC's unanimous recommendation to program \$360,000 for this purpose in FY08, as part of an overall Planning funding package designed to meet the Planning funding target over the two year FY07/08 programming period.

Supplemental Planning Funding

Under the current STP-U revenue projections and Planning funding target, and taking into account the programmed and recommended funding for partner jurisdiction Baseline Planning and MPO Planning, there is \$375,000 available to fund Supplemental Planning activities over the two-year FY07/08 programming period. The MPO received Supplemental Planning funding applications for five projects in FY07 and four projects in FY08. All applications are included as Attachment 3 and are summarized in Table 1.

The applications requested a total of \$500,000 in Supplemental Planning funding over the two years. All of the applications address planning needs of regional significance, and address one or more of the "MPO Planning . . . Priorities" listed in Attachment 1.

TASC and TPC spent several meetings reviewing and discussing the applications, and, as called for in the approved process, have developed a staff recommendation for funding, as shown below and in Table 1. TPC unanimously approved the recommendations at its September 28, 2006 meeting. The recommendations fully fund several applications, while recommended reduced and adjusted funding for several Eugene and Springfield applications in order to meet the overall Planning funding target over the two year period.

At the October 12, 2006 MPC meeting, staff will provide a short presentation summarizing all recommendations in this memo, and will be available to answer any questions.

Staff Recommendations

Note: All recommendations are summarized below, as well as in the attached table and in the draft MTIP amendments included as Exhibit A to Resolution 2006-14 (Attachment 4).

1. Program FY08 Baseline STP-U Planning Funds at the Same Level as FY07 for Regional Transportation Planning.

- Program \$40,000 in STP-U funds in FY08 for the City of Eugene
- Program \$40,000 in STP-U funds in FY08 for the City of Springfield
- Program \$25,000 in STP-U funds in FY08 for Lane County
- Program \$25,000 in STP-U funds in FY08 for the Lane Transit District
- Program \$15,000 in STP-U funds in FY08 for the City of Coburg

2. Program FY08 Central Lane MPO STP-U Planning funding in MTIP.

- The MPO has requested \$375,000 of STP-U funds in FY08 for core MPO activities to be carried out per the UPWP. Recommend funding at \$360,000 as part of funding package (in conjunction with recommendations 3 & 4) to assist in meeting Planning funding target over two-year FY07/08 programming period.

3. Program FY07 & FY08 STP-U Supplemental Planning funds in MTIP – fund to Planning target.

- Recommend funding applications at reduced level for Eugene and Springfield, as shown in Table 1, as part of funding package (in conjunction with recommendations 2 & 4) to assist in meeting planning funding target over two-year FY07/08 programming period.
- Recommend funding applications for FY08 at adjusted levels for Eugene and Springfield, as shown in Table 1, as part of funding package (in conjunction with recommendations 2 & 4) to assist in meeting planning funding target over two-year FY07/08 programming period.

4. Program FY08 STP-U funds for TDM/TO activities.

- Commuter Solutions (CS) has requested \$350,000 of STP-U funds in FY08 for TDM/TO activities to be carried out per the CS work plan, strategic plan and summary funding report. Recommend funding at \$340,000 as part of funding package (in conjunction with recommendations 2 & 3).

Note that the total of all programmed and recommended Planning funding for FY07 and FY08 equals the 25 percent Planning funding target over the two-year period.

Attachments: Attachment 1 – STP-U Process for Planning and TDM/TO
 Attachment 2 – Programming STP-U for Planning
 Attachment 3 – STP-U Supplemental Planning Applications
 Attachment 4 – Resolution 2006-14 and Exhibit A