



November 2, 2005

To: Metropolitan Policy Committee  
From: Paul Thompson  
Subject: Item 5.d: Comments on FY08-11 STIP Draft Program Levels/Funding Allocations

**Action Recommended: Discuss and consider comments to the Oregon Transportation Commission on the FY08-11 STIP draft program levels/funding allocations.**

### **Background**

At the October 20, 2005 MPC meeting staff presented the agenda materials for the Oregon Transportation Commission's (OTC) upcoming agenda item regarding *Recommended 2008-2011 STIP Targets and 2006-2011 Agency Funding Allocations*. This material forms the basis for the OTC's deliberations, and eventual direction, on funding allocations for the agency and the STIP. The OTC will begin discussion of this item at its October meeting, with action tentatively scheduled to be taken at the December 2005 OTC meeting. MPOs are among the stakeholders invited to submit comments to the OTC on this topic – comments can be made at any point prior to Commission action. (Please note that in addition to the materials included as Attachment 1 in the October packet, additional materials have been posted on the internet at [ftp://ftp.odot.state.or.us/tdb/planning/STIP\\_Targets\\_and\\_Allocations/](ftp://ftp.odot.state.or.us/tdb/planning/STIP_Targets_and_Allocations/). The additional materials include the agenda for the October 18-19 OTC meeting, as well as an informative 47-slide presentation on the *Recommended 2008-2011 STIP Targets, 2006-2011 Funding Allocations and Related Policy Issues*.)

At the time of the packet mail out for the October 20 MPC meeting, the ODOT material had not yet been reviewed by MPO or regional staff. Since that time, staff has reviewed the materials and TPC has provided general recommendations on potential comments that MPC may wish to submit to the OTC on this topic. The remainder of this memo reports on those recommendations.

### **Issue Summary**

Funding levels in the FY08-11 STIP are primarily under review for the third and fourth year of the STIP cycle (FY2010 and FY2011) since funding levels for FY2008 and FY2009 were set during the FY06-09 STIP cycle.

Materials included in the October 2005 packet described the proposed funding allocations and program levels for numerous STIP program areas and activities. Of most interest to the Central Lane MPO, the following recommendations are noted:

- Rail Passenger Service – \$9.0 million in proposed funding will replace funding from the state’s General Fund to provide stable funding for the second passenger train from Eugene to Portland
- Transit Improvement Projects – Funds in the amount of \$3.0 million are proposed to be available for a variety of transit system operational improvements, including, for example, technology solutions to improve the efficiency of fueling, ticketing, run times, real time bus scheduling and data collection, or intercity Park and Ride connections or the development of new transit solutions in critical congested corridors.
- Transit Vehicle Replacement – \$6.0 million in proposed funding would provide additional funding to transit providers to replace aging and inefficient buses.

A variety of other critical non-highway needs are identified for potential funding in the draft proposal, including:

- ODOT building replacement or repair (\$13.7 million)
- Department of Motor Vehicles (DMV) automated testing devices (\$1.4 million)
- DMV identification imaging equipment (\$1.0 million)
- Motor vehicle transponders to expand the pre-clearance weigh-in-motion program (\$0.5 million)
- Rail crossing safety improvements (\$5.5 million)

While the *Recommended 2008-2011 STIP Targets and 2006-2011 Agency Funding Allocations* contain detailed tables providing information on numerous STIP program areas and activities, the focus is often on the recommended funding level for modernization activities. While there has been an increase in funding for modernization and related activities via the Oregon Transportation Investment Acts (OTIA) over recent years, the level of funding targeted for modernization activities via the STIP funding process has gradually been reduced over the same time period, due, at least in part, to the need to start paying debt service on the OTIA bonds. That trend continues in FY2010 and FY2011 as the debt service requirements for the OTIA III bonds, and, to a lesser extent, OTIA I and II bonds, increases dramatically in those two years.

Modernization funding in the STIP, *statewide*, in FY2010 and FY2011 is proposed at a level of \$23 million per year, down from \$25 million in FY2009, nearly \$27 million in FY2008 and approximately \$35 million in FY2006 and \$61 million in FY2007. Again, while this is a clear downward trend in the level of STIP modernization funding, it is largely due to the increases in debt service for the OTIA bonds, which in themselves have funded a significant level of modernization and bridge (and other) activities.

The draft FY06-09 STIP notes that “ORS 366.507 requires ODOT to dedicate the equivalent of its share of 4¢ of State Highway Fund revenues (roughly \$51 to \$54 million per year) for highway modernization work.” While total modernization expenditures, *including* OTIA bond payments, in the draft FY08-11 STIP may meet the letter of this requirement, the MPO’s Transportation Planning Committee (TPC) noted that one potential comment the MPO may wish to consider submitting to the OTC is a request to restore the level of modernization funding *programmed via the STIP process* to the required minimum of approximately \$51 million per year.

TPC also noted that the MPO may wish to repeat comments that have been submitted during several previous STIP cycles calling for increased local and regional (MPO and ACT) participation in the determination of funding levels and project priorities in the safety, preservation, bicycle and pedestrian and other program areas and activities.

**Next Steps**

Staff is requesting that, based on the materials distributed in the October MPC packet, MPC consider comments to the Oregon Transportation Commission on the FY08-11 STIP draft program levels and funding allocations. At the November 10<sup>th</sup> MPC meeting MPC can direct staff to convey specific comments to the OTC, or to draft a letter conveying comments for review by MPC at its December 8<sup>th</sup> meeting. As noted at the beginning of this memo, action is tentatively scheduled to be taken on these topics at the December 13, 2005 OTC meeting and comments can be made at any point prior to the Commission's action.

**Attachments:** *Please refer to materials included with Item 4.f in the October 20, 2005 MPC packet – those materials are also available on the Internet here <http://www.lcog.org/meetings/mpc.html>*