

ACTION TRANSMITTAL No. 2014-27

DATE: April 9, 2014
TO: Transportation Advisory Board
FROM: Technical Advisory Committee
PREPARED BY: Heidi Schallberg, Senior Planner (651-602-1721)
SUBJECT: 2014-2017 TIP Amendment for SFY 2014 Local Federal Program
REQUESTED ACTION: Metropolitan Council requests a TIP amendment to modify the scope of project TRS-TCMT-10B to the purchase of 5 buses for regional service (4 for Maple Grove Transit, 1 for Plymouth Metrolink) in 2014 using \$2,722,080 of federal CMAQ funds with \$680,520 of local funds for a total of \$3,402,600.

RECOMMENDED MOTION: Recommend that the Transportation Advisory Board adopt an amendment to the 2014-2017 Transportation Improvement Program (TIP) to modify the scope of project TRS-TCMT-10B to the purchase of 5 buses for regional service (4 for Maple Grove Transit, 1 for Plymouth Metrolink) in 2014 using \$2,722,080 of federal CMAQ funds with \$680,520 of local funds for a total of \$3,402,600.

BACKGROUND AND PURPOSE OF ACTION:

The annual review of the local program for federal highway funds evaluates the status of project delivery in the region. The review for state fiscal year 2014 determined that, in accordance with TAB policy, all Surface Transportation Program (STP) and Transportation Alternatives (TAP) funding can be used by existing projects or by paying back projects programmed using advance construction. The review also identified \$2.7 million of Congestion Mitigation and Air Quality (CMAQ) program funding that needs to be reprogrammed due to a project being withdrawn. A TIP amendment is required to reprogram this funding for other projects in state fiscal year 2014. Payback for advance construction does not require a TIP amendment. Additional information about changes to existing projects is expected to be available from MnDOT at the May TAB meeting.

The need to reprogram federal highway funds in the local program was first encountered for state fiscal year 2013 as a result of the performance requirements created by Moving Ahead for Progress in the 21st Century (MAP-21). A discussion at the March 20, 2013, meeting of the Transportation Advisory Board recommended a process to use SFY 2013 federal funds in that fiscal year:

1. MnDOT Metro District State Aid staff work with project sponsors to identify existing projects that could advance to 2013 from later years.

2. MnDOT Metro District State Aid staff identify projects that were not yet authorized and could accept additional federal funding for 2013. These projects were capped at a maximum federal funding level of 75% or \$2.5 million of additional federal funds, whichever was lower, to distribute the funds to more projects. This distribution also aided in managing risk so that a large amount of federal funding was not on one project.
3. The remaining balance of federal funds in 2013 were all Surface Transportation Program (STP) and were distributed to the seven counties within the region based on the state aid allocation formula. Any new county projects had to be able to move through the federal process quickly to use the 2013 funding; recommended project types included pavement preservation, ADA improvements, or safety enhancements. FHWA stated they could process a small number of existing federalized projects that could accommodate additional federal funds.

Since implementing the reprogramming approach developed for SFY 2013, technical staff have identified a number of issues with the approach. Because MAP-21 performance requirements will likely not change and funds will likely need to be reprogrammed each year within the local program, technical staff strongly recommend developing and adopting updated TAB policy for reprogramming funds within the local federal highway funding program.

RELATIONSHIP TO REGIONAL POLICY: Federal law requires that all transportation projects that will be partially funded with federal funds must be in an approved TIP and meet the following four tests: fiscal constraint; consistency with the adopted regional transportation plan; air quality conformity; and opportunity for public input. It is the TAB's responsibility to adopt and amend the TIP according to these four requirements.

STAFF ANALYSIS: The TIP amendment meets fiscal constraint because the federal and local funds are sufficient to fully fund the project. The amendment is consistent with the Transportation Policy Plan, adopted by the Metropolitan Council on November 10, 2010, with FHWA/FTA conformity determination established on February 23, 2011. The Minnesota Interagency Air Quality and Transportation Planning Committee determined that the project was exempt from air quality conformity analysis. Public input opportunities for this amendment are provided through the TAB's and Council's regular meetings.

COMMITTEE COMMENTS AND ACTION: At its March 20, 2014, meeting, the Funding and Programming Committee discussed \$2.7 million in 2014 CMAQ funding that Metro Transit could not use by the deadline for the original project of bus purchases. Metro Transit clarified in response to a question that it is effectively withdrawing its project programmed for 2014. The committee asked if Metro Transit is talking with all the other transit providers in the development of a proposal for the use of these funds. The discussion also included investigating the possibility of currently programmed CMAQ transit projects that could move forward.

The committee unanimously approved moving a placeholder action forward to TAC with direction to Metro Transit to reach out to the other transit providers to assess options before TAC, including looking at any projects that could move forward. In response to the committee's direction, the transit providers met on March 25, 2014, to discuss

funding options, and additional information about the discussion will be forwarded to TAC before its April meeting.

At its April 2, 2014 meeting, TAC discussed how MAP-21 performance management requirements have resulted in significantly less flexibility in managing the local program for federal highway funds and that TAB's currently adopted funding reallocation policy is now incomplete, unclear, and no longer provides the direction required. The group unanimously agreed that the funding reallocation policy needs to be updated before the state fiscal year 2015 local program review which will start in February 2015. The group agreed that absent TAB policy fully addressing the funding reprogramming issue, the proposal brought forward for discussion is reasonable, the process used to develop it is sound, and the motion passed unanimously.

ROUTING

| TO | ACTION REQUESTED | DATE COMPLETED |
|--|-------------------------|-----------------------|
| TAC Funding & Programming Committee | Review & Recommend | March 20, 2014 |
| Technical Advisory Committee | Review & Recommend | April 2, 2014 |
| Transportation Advisory Board | Review & Adopt | |
| Metropolitan Council Transportation Committee | Concurrence | |
| Metropolitan Council | Concurrence | |

April 3, 2014

Bill Hargis, Chair
Transportation Advisory Board
390 North Robert Street
St. Paul MN 55101

Re: Amendment to the Twin Cities 2014-2017 Transportation Improvement Program (TIP)

Dear Mr. Hargis:

Please amend the 2014-2017 Transportation Improvement Program (TIP) for the Twin Cities Minnesota to modify this program in the program year 2014. This project is being submitted with the following information:

PROJECT IDENTIFICATION

| STATE FISCAL YEAR | ROUTE SYSTEM | PROJECT NUMBER (S.P. #) | AGENCY | DESCRIPTION | MILES |
|-------------------|--------------|-------------------------|------------------|--|-------|
| 2014 | BB | TRS-TCMT-10B | Met Council - MT | Purchase of 5 buses for regional service (4 for Maple Grove Transit; 1 for Plymouth Metrolink) | 0 |

| PROG | TYPE OF WORK | PROP FUNDS | TOTAL \$ | FHWA \$ | AC \$ | FTA \$ | TH \$ | OTHER \$ |
|------|--------------|------------|-------------|-------------|-------|--------|-------|-----------|
| TR | | | \$3,402,600 | \$2,722,080 | \$0 | \$0 | \$0 | \$680,520 |

PROJECT BACKGROUND:

1. Briefly describe why amendment is needed (e.g., project in previous TIP but not completed; illustrative project and funds now available; discretionary funds received; inadvertently not included in TIP).

Rt 673 articulated bus expansion:

- In 2005, Metro Transit was awarded \$2,722,000 of Federal CMAQ for the purchase of six articulated buses to support a growing express service from the County Road 73/I-394 park-ride.
 - This service was planned to support the additional customer demand projected to use the 500 additional park-ride spaces which were built in 2007.
 - At the time of the application, employment in downtown Minneapolis was growing and it was anticipated that park-ride usage at Co 73 would grow from 972 in 2000 to 1,622 in 2030. It was also determined that the existing level of service on express route 673, the principal route serving the Co. 73 park-ride, had, at the time of the application, little to no surplus capacity to handle the anticipated growth and thus needed additional buses to support additional service.
 - Unfortunately, since 2008 downtown Minneapolis employment has decreased and is reflected by a decrease in park-ride usage at County Road 73. Based on the decline in employment and subsequent stagnation of ridership from Co Rd 73 & I-394, Metro Transit requests to defer this project one year while the I-394 to downtown Minneapolis commuter market recovers.
- In 2011, Metro Transit requested, and was granted by TAB, a sunset date extension to 2012
- In 2012, TAB requested project sponsors to consider shifting projects later to better balance federal funding for regional projects that year. Metro Transit agreed to move this project to 2014.
- In 2014, growth in demand on I-394 at CR 73 has not developed as projected and Metro Transit is not able to utilize these funds in 2014.
- At its April meeting, TAC recommended reprogramming these funds for use as follows:
 - \$2,323,200 CMAQ funds to support purchase of four buses for Maple Grove Transit
 - \$398,880 CMAQ funds to support purchase of one bus for Plymouth Metrolink
 The two purchases will be let as one contract, which is why this is shown as a single project.
- This amendment modifies the project description in the TIP from "Purchase 6 articulated buses and related spare parts and equipment for expanded weekday service on Rte 673, Minnetonka & Minneapolis" to the one included in the above-listed table.

2. How is Fiscal Constraint Maintained as required by 23 CFR 450.216 (check all that apply)?

- New Money _____
- Anticipated Advance Construction _____
- ATP or MPO or Mn/DOT Adjustment by deferral of _____
- other projects _____
- Earmark or HPP not affecting fiscal constraint _____
- Other _____X_____

The federal and local funds are currently programmed in the 2014-2017 TIP; this amendment changes the project scope but does not affect the funding, which is sufficient to fully fund the project. The project will be matched with Regional Transit Capital (RTC) funds.

CONSISTENCY WITH MPO LONG RANGE PLAN:

This amendment is consistent with the Metropolitan Council Transportation Policy Plan, adopted by the Metropolitan Council on November 10, 2010, with FHWA/FTA conformity determination established on February 23, 2011.

AIR QUALITY CONFORMITY:

- Subject to conformity determination _____
- Exempt from regional level analysis* X
- N/A (not in a nonattainment or maintenance area)..... _____

The Minnesota Interagency Air Quality and Transportation Planning Committee determined that the project was exempt from air quality conformity analysis [reason T-10 for Purchase of new buses to replace existing vehicles or for minor expansions of the fleet].

If you have any questions, please call me at (612) 349-7797.

Sincerely,

Adam Harrington
Director of Service Development

cc: Colleen Brown, MnDOT
Dan Erickson, MnDOT
Mary Gustafson, Metro Transit