

## **ACTION TRANSMITTAL 2014-62**

**DATE:** September 17, 2014  
**TO:** Transportation Advisory Board  
**FROM:** Technical Advisory Committee  
**PREPARED BY:** Amy Vennewitz, Deputy Director (651-602-1058)  
**SUBJECT:** TDM Solicitation Delay  
**REQUESTED ACTION:** Approve the TDM application and delay the release of a solicitation for TDM projects to the spring of 2015  
**RECOMMENDED MOTION:** That the Transportation Advisory Board approve the application for TDM projects and delay the release of a solicitation for TDM projects (using 2015-2017 funding) until spring 2015

**BACKGROUND AND PURPOSE OF ACTION:** The past two solicitations (in 2009 and 2011) each included a \$7 M award (\$3.5 M per year) for Transportation Demand Management (TDM) activities which included both base funding for the regional Transportation Management Organizations (TMOs) at \$2.9 M annually and \$600,000 annually (\$1.2 M total) to be competitively awarded to innovative one-time TDM type projects. To date one innovative TDM solicitation was completed in early 2014 and implementation of the selected projects is just getting underway.

As part of the new solicitation for 2018-2019 funds the assumption has been that TDM funding would continue under the Transit category, with \$2.9 M annually taken “off-the-top” of the transit amount and allocated for TMO base activities. The competitive solicitation would then include only innovative one-time TDM type projects. Staff has recently concluded there are a number of potential timing and readiness issues associated with allocating competitive TDM funds as part of the upcoming solicitation as discussed below.

### **2013-2014 Funding**

The first solicitation for innovative TDM projects concluded in early 2014 with the selected projects currently just getting under contract. This solicitation used 2013-2014 funds that had been set aside from the 2009 solicitation to create a total of \$1.2 million (or \$600,000 each year).

### **2015-2016 Funding**

2015-2016 funds were also set aside from the 2011 solicitation with the intention to solicit in the late spring of 2015 for the available \$1.2 million in 2015-2016 funds. Should this solicitation for 2015-2016 TDM funds move forward as planned it would occur *after* the 2014 solicitation for 2018-2019 funds, which would be very confusing and difficult for applicants.

## **2017 Funding**

This past spring a portion of the 2017 CMAQ funds were allocated to transit projects with the remaining approximately \$7.3 M in 2017 CMAQ funds currently appearing in the TIP as unallocated. Under past practice and historic allocations, the remaining amount of 2017 CMAQ funds would be used \$2.9 M for TMO base activities, \$600,000 for competitive TDM projects and approximately \$3.8 M available for Transportation System Management (TSM) projects. The intent had been to include both the innovative TDM and TSM 2017 funds in the 2014 solicitation (though the 2017 TDM funds could also be included spring 2015 TDM solicitation).

## **2018-2019 Funding**

Under the new Regional Solicitation for fall of 2014, the intent has been to include a new category for competitive TDM projects and similar to other project categories, not specify a specific amount available for these types of projects. Conceivably the amount could be higher or lower than the \$600,000 annually which has been available.

A major issue with soliciting for 2018-2019 funds at this time is that the nature of innovative TDM projects does not lend themselves to a four year lead time between project selection and implementation. Entities submitting for innovative TDM projects are likely to be small non-profits without the staffing to plan for projects four years in advance. The projects are much smaller in scope and budget (typically under \$300,000) and do not require four years of preparation before implementation. Additionally, innovative TDM projects are more likely to take advantage of quick changes in the technology landscape which cannot be planned too far in advance. These projects would be best implemented with a shorter lead time. And, as mentioned previously, it would not be logical to solicit for 2018-2019 funds in 2014 and have a solicitation for 2015-2016 funds in spring of 2015.

**RELATIONSHIP TO REGIONAL POLICY:** TAB develops and issues a Regional Solicitation for federal funding that is intended to implement regional policy and address regional and local transportation needs.

**COMMITTEE COMMENTS AND ACTION:** At its September 3, 2014, meeting, the Technical Advisory Committee recommended:

The TDM project application should be removed from the October 2014 solicitation for 2018-2019 funds and instead released in spring of 2015 using \$1.8 M of 2015-2017 funds. The Council will conduct outreach to TDM groups this fall and winter to inform potential applicants of a spring 2015 solicitation. TAB would also set-aside \$1.2 M in 2018-2019 funds (from the Transit category) for potential allocation to innovative TDM in the 2016 solicitation.

In the interim staff would conduct an analysis of past innovative TDM applications, survey potential applicants regarding their innovative TDM project ideas and needs, and engage TAC and TAB members in a discussion to determine a recommendation on the level of funding, if any, that should continue to be set aside for future innovative TDM projects.

The innovative TDM solicitation schedule would then be as follows:

- Spring 2015: solicitation for 2015-2017 funding using \$1.8 M of 2015-2017 CMAQ funds
- Fall 2015/Spring 2016: analysis of past innovative TDM solicitation processes and recommendation on continuing the set-aside
- Summer 2016: TAB decision on use of 2018-2019 funds for innovative TDM
- Fall 2016: next Regional Solicitation incorporates TAB decision on future innovative TDM funding (\$1.2 M of 2018-2019 funds available or the funds would need to be reallocated to another purpose)

Due to timeline concerns, this issue was not brought to the Funding & Programming Committee.

---

**ROUTING**

<b>TO</b>	<b>ACTION REQUESTED</b>	<b>DATE COMPLETED</b>
TAC Funding & Programming	Review & Recommend	
Technical Advisory Committee	Review & Recommend	September 3, 2014
Transportation Advisory Board	Review & Approve	
Metropolitan Council	Concurrence	