

ACTION TRANSMITTAL

DATE: January 10, 2014

TO: TAC Funding and Programming Committee

PREPARED BY: Heidi Schallberg, Senior Planner (651-602-1721)

SUBJECT: Reassignment request for SouthWest Transit bus purchase (SP# TRS-TCMT-11B) with CMAQ Funding

REQUESTED ACTION: SouthWest Transit requests an amendment to modify the project sponsor and description for SP# TRS-TCMT-11B for bus purchases in 2014.

RECOMMENDED MOTION: Recommend that the Transportation Advisory Board approve a reassignment of CMAQ funds for 2014 for SP# TRS-TCMT-11B to modify the project sponsor from SouthWest Transit to Metropolitan Council and the description for bus purchases to include local and arterial bus rapid transit service in addition to express service.

BACKGROUND AND PURPOSE OF ACTION: SouthWest Transit received \$6,600,000 in federal Congestion Mitigation and Air Quality (CMAQ) funds in the 2007 solicitation for bus purchases for expansion. The project was originally programmed in 2011, but MnDOT sought volunteers to defer scheduled CMAQ projects to balance available federal funding in the region. SouthWest Transit voluntarily deferred this project to 2014. The reassignment request would change the project sponsor from SouthWest Transit to the Metropolitan Council and modify the project description to include bus purchases for local and arterial bus rapid transit service in addition to express service. The reassignment request is attached.

RELATIONSHIP TO REGIONAL POLICY; STAFF ANALYSIS: This request does not fit within the current scope change guidelines and is a policy decision. TAB's adopted policy on reallocating federal funds from regionally-selected projects identifies the following priorities in order: Cover overprogramming on regionally-selected projects; advance regionally-selected projects or other MnDOT projects; and then pay back local advance construction balances. Any funds remaining would be made available in the next regional solicitation. However, this policy is from 2002 and with changes in federal legislation with MAP-21, funding has become less flexible and must now be used in the year and program or funds may be lost to the region.

In January 2012, the TAB Programming Committee discussed conditions for making exceptions to these reallocation priorities. The TAB noted it is difficult to develop guidelines on exceptions to policy since exceptions are by definition unique situations

The TAB has previously reallocated federal funds from projects currently programmed in the TIP. In July 2010, TAB reallocated CMAQ funds from two bus purchase projects for planned service expansions to purchase three light rail vehicles for the Hiawatha line.

The transit market had been affected by the recession, and service expansion was no longer viable. The reallocation was approved and was an opportunity to use the funds for a project that provided similar or possibly greater benefits to the regional transit system.

In November 2011, the TAB reallocated CMAQ funds from an I-35W transit service expansion project to cover the operating cost for the new bus rapid transit service on Cedar Avenue. Operating funds for Cedar Avenue were not available at the time due to legislative budget cuts.

This SouthWest Transit and Metropolitan Council reassignment request is similar to these previously-TAB approved reallocations and demonstrates the difficulty transit providers face in forecasting bus service expansion needs several years in advance. The SouthWest Transit project was applied for in the 2007 solicitation. Since that application, the transit market and regional economy changed, transit expansion has been limited due to constrained operating funding, and the need for new SouthWest Transit vehicles declined. With approval of this reassignment, the eight buses needed by SouthWest Transit can be purchased through other grants available to the Council, and the 15 buses in the original project can be used for other regional express, local, or arterial bus rapid transit service expansion.

ROUTING

TO	ACTION REQUESTED	DATE COMPLETED
TAC Funding & Programming Committee	Review & Recommend	
Technical Advisory Committee	Review & Recommend	
Transportation Advisory Board	Review & Approve	

January 8, 2014

Mr. Karl Keel
Funding and Programming Committee
Metropolitan Council
390 Robert Street No.
Saint Paul, MN 55101-1805

RE: Request for Reassignment of CMAQ Funds from SouthWest Transit to the Metropolitan Council and Related TIP Amendment

Dear Mr. Keel,

The purpose of this letter is to request the reassignment of a 2014 SouthWest Transit CMAQ grant for expansion bus purchases from SWT to the Metropolitan Council for regional expansion bus purchases. The total amount of the federal CMAQ funds will remain unchanged at \$6.6 M and the grant will continue to be matched by \$1.65 M in Regional Transit Capital funds for a project total of \$8.25 M. As explained in more detail below, this joint request from SouthWest Transit (SWT) and the Metropolitan Council (Council) will:

- 1) Support SWT's immediate expansion need of eight buses through existing regional grants;
- 2) Support the regional transit system expansion needs by reassigning SWT's CMAQ funding to the Council to purchase expansion buses for services throughout the region; and
- 3) Assure that available bus expansion funds are used in the most timely manner.

Timing of this policy decision is critical to ensure all local, regional, state and federal process steps can be completed in time for the Council to submit a related CMAQ grant application to the Federal Transit Administration by June 15, 2014 (at the latest).

Background

SWT was awarded federal funding for fifteen 57-passenger expansion buses through the 2007 solicitation originally for expenditure in FY2011. The vehicles were projected to supplement express transit service to existing and proposed park-and-ride facilities, increase peak express service, and increase mid-day express service. SWT also proposed to introduce hybrid electric vehicles to their system and intended to purchase such vehicles if cost effective.

In 2011, MnDOT sought volunteers to defer scheduled CMAQ projects to balance available federal funding in the region and SWT voluntarily deferred their project to 2014. SWT's current service planning analysis indicates it immediately requires eight expansion vehicles rather than the 15 vehicles identified in the current grant and that it will not have additional expansion needs for a few years. Simultaneously, the region has identified a number of other bus expansion needs that could move forward more quickly. In addition, if the SWT grant were to move forward as in the original application the full amount of regional matching funds would need to be allocated to the SWT project and would be unavailable for expenditure on other more immediate regional projects. In order to assure that available funds are used in a timely manner, SWT and the Council have partnered to identify a plan that will maximize the use of available bus expansion grants without unduly tying up the regional match funds.



The plan SWT and the Council seeks policy support for has two major components. First, the Council will immediately utilize existing regional bus expansion grants to support SWT's pressing need for eight expansion vehicles. Immediate purchase of these expansion vehicles off existing grants will meet SWT's needs in the most efficient timeline possible. If SWT is required to wait for their pending CMAQ grant application to process, it would delay bus delivery by an estimated 12 months or more.

Second, TAB will reassign SWT's 2014 CMAQ grant to the Council to use to purchase fifteen buses for planned service enhancements throughout the region similar to services proposed in SWT's original CMAQ grant. The reassigned project will offer the region air quality improvements at a level that would have been similarly competitive in the 2007 solicitation.

Detailed Description / Scope Change Request

The following planned service expansions are candidates to use the 15 expansion buses in the following areas:

- Three 38-seat forty-foot buses to operate the new Route 565 express service between the Knox Avenue Park and Ride in Richfield and the Target North Campus in Brooklyn Park. Service will operate on I-494, Hwy 169 and Hwy 610 (anticipated start date 2014);
- Two 38-seat forty-foot buses to operate the new Route 30 serving North Minneapolis, Northeast Minneapolis, and the Midway District in Saint Paul (anticipated start date 2014);
- Three 58-seat articulated buses to provide additional express service capacity to the expanded Hwy 610 and Noble Parkway Park and Ride in Brooklyn Park. Service will operate between downtown Minneapolis and the park and ride via I-94, Hwy 252, and Hwy 610(anticipated start date 2014);
- Four 58-seat articulated buses to expand service on the new Route 376 express service between the Manning Avenue Park and ride in Woodbury and downtown Minneapolis via I-94(anticipated start date 2014); and
- Three 38-seat forty-foot buses to operate the new Route 386 express service between the Manning Avenue Park and Ride in Woodbury and downtown Saint Paul via I-94 (anticipated start date 2014).
- Purchase up to twelve forty-foot buses to operate A Line (Snelling Avenue) BRT service between METRO Blue Line and Rosedale Transit Center (anticipated start date 2015).

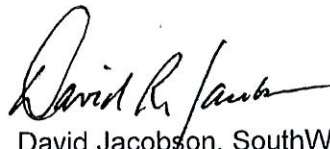
The total project cost as shown in current STIP is \$8,250,000 with \$6,600,000 in federal CMAQ funds and \$1,650,000 in regional matching funds will remain unchanged.

Thank you for your review of this request. We will be available to discuss the requested grant reassignment and TIP amendment with the TAC Funding and Programming Committee.

Sincerely,



Paul Colton, Metropolitan Council



David Jacobson, SouthWest Transit