



February 4, 2009

To: Metropolitan Policy Committee

From: Andrea G. Riner

Subject: Item 4.b: Economic Stimulus: Highway Investment Funding in *American Recovery and Reinvestment Act of 2009*

Actions Recommended:

1. Hold public hearing
2. Provide feedback and direction to staff

Background

The purpose of this memo is to provide MPC members with an overview of local outcomes anticipated as part of the American Recovery and Reinvestment Act of 2009, also known as the Economic Stimulus Package. In addition, regional staffs' draft proposal for funding priorities for the use of anticipated discretionary Federal Highway Administration (FHWA) *Highway Investment Funding* that would be distributed directly to the Metropolitan Planning Organization (MPO) is included for review and comment.

Members of both chambers of the U.S. Congress are currently considering separate versions of the economic stimulus legislation. Funding for transportation has been consistently included in the language of both bills, both for surface transportation and for transit. This memo provides information and recommends a process for considering priorities for local projects eligible for the highway investment funding. The proposed legislation also includes a separate allocation for transit. Lane Transit District (LTD) anticipates receiving approximately \$6 million in a direct suballocation of funds from FTA. More information about the transit funding and priorities will be available at the March MPC meeting after the LTD Board has had their initial conversations on the topic.

Funding in the federal legislation will come through the Federal Highway Administration to the Oregon Department of Transportation (ODOT) following the existing federal highway distribution formula. Under the current draft House and Senate legislation approximately \$347 to \$349 million would be distributed to Oregon. Of that, a portion is suballocated to the three Transportation Management Areas (TMAs) for metropolitan areas exceeding 200,000 population (Portland Metro, Salem-Keizer and the Central Lane MPOs).

There are several requirements that are likely to come with the funding –

- The funding is not intended to replace existing funding on projects;
- Matching funds are not required;
- Roads must be functionally classified as collectors or arterials or above to be eligible for funds;
- Under the House bill, within 75 days of apportionment by FHWA 50 percent of the funds suballocated to the MPO must be obligated; and
- All funds must be obligated either by June 1, 2010 in the House bill, or within 1 year in the Senate version.

Planning Activities To-Date

As of the writing of this memo, the legislation has been passed by the House, and is still in draft form in the Senate. While both versions of the legislation include recommendations to fund surface transportation and transit, there are a number of differences that will affect the final amount the area may receive, as well as timing and other requirements attached to the funds. Due to these differences and the dynamic nature of the ongoing national political debate, MPO staff are conducting the following action items in parallel with developing an overall project list:

- Collecting and analyzing information from applicable state and federal organizations, such as the Federal Highway Administration and the Oregon Department of Transportation, and sharing information with agency partners;
- Tracking changing regulatory requirements relating to eligibility, project readiness, funding distribution methods and application processes;
- Determining public involvement requirements; and
- Developing an estimated timeline to address project review, public involvement, policy board approval and contract administration to maximize local agency chances for success in obtaining stimulus funding.

Anticipated Funding

The amount of funding that each agency might receive will remain in flux until the legislation's final passage by the full congress and until the FHWA completes the final rules and appropriations. The current language of the bill, as interpreted by staff at the Oregon Department of Transportation and the MPO, would result in approximately \$5.8 million for the Central Lane MPO according to the current House version or \$9.1 million as proposed in the current Senate version. For planning purposes, however, staff have prepared a draft proposed project list to meet the more conservative estimate of \$5.8 million.

The projects recommended for consideration have been brought forward by the individual agencies in coordination with ODOT and the MPO. Project considerations included need, construction readiness, completion of key planning activities such as environmental review and public involvement, and consistency with local plans and policies. Due to the extremely limited timeframe given by the legislation as proposed,

the list is entirely infrastructure preservation projects, which reflects another high priority of the MPC, the MPO and the partner agencies.

Project Name	Agency	Request
River Road Area Collectors Overlays	Lane County	\$1,000,000
W. 1 st Avenue (Seneca to Bertelsen) Preservation	City of Eugene	\$1,110,000
Garfield Street (W. 6 th to W. 11 th) Preservation	City of Eugene	\$ 800,000
High Street (E. 3 rd to E. 17 th) Preservation	City of Eugene	\$ 750,000
Crescent Avenue (Game Farm to Shadow View) Preservation	City of Eugene	\$ 340,000
Pioneer Parkway Preservation <i>or</i> Hayden/Harlow Preservation	City of Springfield	\$1,400,000
EWEB Bike Path Resurfacing	City of Springfield	\$ 250,000
Diamond/Locust Streets Preservation	City of Coburg	\$ 150,000
	TOTAL	\$5,800,000

Recommended Actions and Next Steps

One of the most critical components of the proposed legislation is the requirement that funding be spent immediately. The current version of the House legislation requires that 50 percent of any FHWA funds we receive locally will need to be obligated in signed project agreements with ODOT within 75 days of the Federal Highway Administration issuing the funding appropriation. This clock could be started in as little as 24 hours after President Obama signs the legislation. The portion of the 50 percent of the funds not obligated within this time frame would be returned to the State or to FHWA. Prior to the funds being obligated, projects must be amended into the local Metropolitan Transportation Improvement Program (MTIP) and forwarded to and approved by the Oregon Transportation Commission (OTC) for inclusion in the Statewide Transportation Improvement Plan (STIP). This requires that a public comment period and public hearing be held and requires the approval of the MTIP amendments by the MPC.

With the publication of this memo in the February, 2009 MPC packet, as of February 6, 2009 staff will open a public comment period until 5:00 PM on March 9, 2009. The following steps are recommended to ensure that the affected MPO agencies are prepared to move quickly to take advantage of the stimulus funds and to move forward on implementing these important projects.

- Hold a public hearing on the funding and the draft project list at the February 12 MPC meeting.
- Provide feedback and direction to staff on the draft project list and other aspects.
- On February 18, the Citizen Advisory Committee (CAC) will receive information on the stimulus funding and review the draft project list. This will also provide another opportunity for public comment. The CAC may choose to provide formal comments and/or a recommendation to the MPC.
- On February 26, the Transportation Planning Committee (TPC) will consider all input, including public comments received to date and the final signed federal Act

that is anticipated to be available by that date. TPC will then develop a final recommendation to the MPC.

- Assuming final passage of the legislation by the US Congress, and completion of FHWA's appropriation of the funds, action on the MTIP amendments required to program the funding is scheduled at the March 12, 2009 MPC meeting.

Staff will provide a status update regarding the federal stimulus package at the February 12th MPC meeting to reflect any significant changes resulting from Congressional actions after the writing of this memo.

Attachments

- A. Economic Stimulus Legislation and Transportation Funding Fact Sheet prepared by ODOT updated January 28, 2009