

DATE: May 2, 2014

TO: Transportation Commission

FROM: Mark Imhoff, Director, Division of Transit & Rail

SUBJECT: Draft Recommendations for revised FASTER Transit Distribution of Funds / Funds Award Process

Purpose

The purpose of this memo is to provide a draft recommendation for the Transportation Commission to consider, in regards to Commission-requested policy and administrative changes to the way \$15 Million/year of FASTER Transit funds are distributed and awarded.

Action Requested

No action is requested in May. Input and feedback is being sought in advance of a request for Transportation Commission approval in June.

Executive Summary

Division of Transit & Rail (DTR) staff has been working to develop scenarios for a redistribution process for distributing the FASTER Transit funds to begin in FY 2016, with emphasis on achieving the PD 14 performance objectives:

- Performance Goal, Infrastructure Condition; Transit Asset Condition.
- Performance Goal, System Performance; Transit Utilization and Transit Connectivity.

DTR has facilitated a process through the Transit & Rail Advisory Committee (TRAC), and including the Region Planners and CASTA, to devise a more effective and performance-based project selection process. Using PD 14 objectives, and four related guiding principles, DTR provides the following draft recommendations to the Transportation Commission:

- FASTER local pool of \$5 M/year should emphasize bus replacements
 - Distributions are guided by performance-based asset management tools
 - DTR should provide an annual pre-call meeting/process to address variances and solicit input from grant partners
 - Large urban areas receiving capital funding directly from FTA are, instead, required to submit a list of eligible capital projects for evaluation and selection
 - RTD to be defined as a “regional/statewide” pool recipient to provide adequate funding in the local pool for all other agencies around the state.



- FASTER statewide pool of \$10 M/year should emphasize projects of regional, inter-regional, and statewide significance.
 - DTR administrative, planning and technical assistance activities, and Interregional Express (IX) services are funded out of the statewide pool.
 - RTD (large urban area) is required to submit a list of eligible capital projects for evaluation and selection.
 - A \$1.0 Million sub-pool is established to provide opportunity for state partnerships in supporting and creating regional and inter-regional services, with a 50% / \$200,000 cap (whichever is lower), criteria to evaluate eligibility, and performance measures to evaluate success.
 - Remaining \$2.0 Million for the statewide competitive capital pool.

Background

In the past, FASTER Local funds were distributed to the Regions by formula, and each Region selected the respective projects following an application process and working in conjunction with the local MPOs and TPRs. FASTER Statewide funds were distributed based on statewide competition, using an application and evaluation process. Both the FASTER Local and Statewide processes followed a two-year planning horizon.

Three large changes have prompted consideration of new ways to distribute FASTER Transit dollars:

1. Changes at the federal level, particularly to the FTA Section 5309/5339 capital funds pools, have meant less federal money available for vehicle replacements in Colorado,
2. Changes at both the federal and state levels are directing transportation funding decisions to become increasingly performance-based and coordinated, and
3. Through the *Intercity and Regional Bus Network Study*, both CDOT and Colorado transit agency partners have identified a narrow class of regional and interregional services that are difficult to create, fund, and deliver at the local level.

In response, guiding principles developed over time, and discussed in January 2014 were:

- Transit Utilization - Fund the highest priority transit projects throughout the state.
- Transit Asset Condition – With a capital & asset inventory of vehicles, equipment, and facilities, identify a replacement schedule for transit vehicles statewide. Three agencies who receive vehicle funding directly from FTA, Mountain Metro Transit (Colorado Springs), TransFort (Fort Collins) and RTD (Denver region) are excluded, but would instead have the opportunity to submit capital projects for consideration and funding. The goal to replace all local transit vehicles over time (subject to funding availability) is an equitable distribution of FASTER Local transit funds.
- Transit Connectivity – The annual allocation of FASTER Statewide Transit funds to the Interregional Express bus program is a key element of the redistribution. With careful eligibility and performance criteria, connectivity may be enhanced even further by regional & interregional service coordination and partnerships with Colorado transit agencies.



- Streamline the FASTER Transit distribution process with the changes above, and with administrative upgrades already under-way within DTR.

Details

In the past FASTER Transit distribution was achieved through a broad-brush competition in two pools, (1) \$5 Million local pool, and (2) \$10 Million statewide pool. These draft recommendations result in a more fine-grained approach of distributing FASTER Transit dollars, aligned with PD14 goals, and supported by performance criteria as follows:

- \$4.1 Million small agency capital (all operators eligible except MMT, Transfort, & RTD)
- \$0.9 Million local urban area capital (MMT & TransFort)

\$5.0 Million Local Pool

- \$1.0 Million for DTR Administration, Planning, Tech. Assistance
- \$3.0 Million for CDOT Interregional Express (IX) Bus Service
- Up to \$1.0 Million for Other Regional / Interregional Bus Service Operating Assistance
- \$3.0 Million for large urban capital (RTD)
- \$2.0 Million Statewide Competitive Capital Pool

\$10.0 Million Statewide Pool

Key Benefits

Beginning in FY2016, achieve a better utilization of the FASTER Transit funds, alignment with the PD 14 performance objectives and coordination with the award of FTA capital funds.

Next Steps

These draft recommendations will be revised, and brought in final form to the Transportation Commission June 2014 for approval.

If approved, CDOT DTR will implement these changes administratively. CDOT DTR will prepare a draft call-for-projects and provide a pre-call input process to seek transit agency review in July/August. After review and revision, the call-for-projects would then be released in August/September. The usual schedule for FASTER Transit evaluation and project selection would be observed through the fall, with draft project award list to the CDOT commission in January, and approval of the award list in February.

