

MEMORANDUM

TO: Roger L. Stancil, Town Manager

FROM: K. Stephen Spade, Transit Director
Kenneth C. Pennoyer, Business Management Director

SUBJECT: Authorization to Apply for Federal and State Grants for Public Transportation

DATE: June 22, 2009

The attached resolution would authorize grant applications for federal and State transportation operating assistance, capital and planning funds for 2009-10.

BACKGROUND

The Town has applied for and received federal and State transportation grants since 1974. These funds have been used for capital, operating, and planning programs for the public transit system.

The Town of Carrboro and the University of North Carolina at Chapel Hill also provide financial support for transit services through annual service contracts with the Town.

Service contracts provide the foundation for cooperation, describe the role of each partner, pledge continued support for transit services, set the level of service each year, and assign proportional costs to each jurisdiction.

The Town applies for federal and State grants to offset operating costs each year. The Town and the City of Durham annually re-negotiate the allocation formula used to distribute the federal funds received by the urban area based on passenger miles, ridership and population. The current formula uses the demographic statistics for each city to calculate the appropriation for this operating funding.

DISCUSSION

Operating Assistance

The Federal Transit Administration provides Section 5307 funds for operating, planning and capital activities. The funds are allocated annually through a distribution formula based on community size and various system performance measures.

The State provides operating assistance from its State Maintenance Assistance Program which is a portion of the highway use tax allocation. Distribution is determined based on the amount collected by the State and is then distributed to transit systems based on system performance.

The chart below summarizes operating funds anticipated for FY2009/10.

Funding Source	Funding Type	Amount
American Recovery and Reinvestment Act	Operating	\$500,000
Section 5307 Formula Funds	Operating	\$1,900,000
State Maintenance Assistance Program Funds	Operating	\$2,900,000

American Recovery and Reinvestment Act funds, Section 5307 Formula funds and State Maintenance Assistance Program Funds are matched with the transit operating fund.

Planning Funds

The Federal Transit Administration and North Carolina Department of Transportation makes available certain sources of grant funding for planning tasks each year. The tasks will be undertaken by either transit or planning staff. These tasks will support the following activities:

- monitoring of special services;
- monitoring, evaluation and annual assessment of current services;
- annual update of the Metropolitan Transportation Improvement Program; and
- to collect data on the operation and ridership of the Chapel Hill Transit system
- to update the Chapel Hill Transit Short Range Transit Plan,
- to develop the Chapel Hill Transit Capital Improvement Program
- to collect data on travel behavior of transit riders,
- to administer the development of the Chapel Hill Transit Long Range Plan,
- to participate in implementation of the recommendations of the regional Special Transit Advisory Commission,
- to develop and monitor the annual planning work program,
- to prepare materials for the development of the 2011-2017 TIP and monitor implementation of the 2009-2015 TIP,
- to prepare analysis of feasibility of projects for inclusion in the TIP,
- targeted marketing through collaborative efforts with the University of North Carolina and Triangle Transit,
- development of a customer satisfaction survey,
- website improvement,
- coordination of routing and scheduling with Orange County Public Transportation, and
- participation in and support of regional promotions.

Funding Source	Funding Type	Amount
Surface Transportation Program	Planning	\$388,000
Section 5303	Planning	\$123,009

Federal funds total \$511,009 (80%) for both projects. We will request \$63,876 (10%) in State matching funds from the State of North Carolina. The Town of Chapel Hill will provide a local match of \$63,876 that is currently available in the Transit Department's Capital Reserve Fund.

Capital Funds

- Surface Transportation Program funds will be used for capital activities in FY2009/10. We anticipate that up to seven buses can be purchased with these funds. The federal government will provide 80 percent (\$1,650,000), the State will provide 10 percent (\$206,250) and the local matching share of 10 percent (\$206,250) is anticipated to be available in the Transit Department's Capital Reserve Fund.
- Surface Transportation Program funds will also be available to purchase fleet supplies and computers. The federal portion of this project will provide 80 percent (\$204,332), the State will provide 10 percent (\$25,541) and the local matching share of 10 percent (\$25,542) is available in the Transit Department's Capital Reserve Fund.

The chart below summarizes the projects that have been approved for funding:

Description	Federal Amount
Purchase 40' Replacement Buses	\$1,650,000
Miscellaneous Capital/Bus	\$204,332

The amount of Surface Transportation Program funds to be received from federal and State agreements for capital projects in FY2009-2010 is \$2,086,123.

RECOMMENDATION

That the Council adopt the attached resolution authorizing the Manager to apply for and execute contracts for transportation grants.