

MEMORANDUM

TO: Roger L. Stancil, Town Manager

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

SUBJECT: Authorization to Establish a Project Budget for an American Recovery and Reinvestment Act Grant

DATE: June 22, 2009

PURPOSE

The purpose of this memorandum is to recommend the Council enact a project ordinance for funds to be received from the Federal Transit Administration under the American Recovery and Reinvestment Act (ARRA) of 2009.

BACKGROUND

The American Recovery and Reinvestment Act of 2009, published on March 5, 2009 provides for \$8.4 billion for transit capital improvement projects. The Durham Urbanized Area has been allocated a total of \$8,377,719 and Chapel Hill Transit will receive \$2,714,867 based on the agreed upon formula distribution between Chapel Hill Transit, Durham Area Transit and Triangle Transit. The ARRA requires that fifty percent of the funds received be obligated within 180 days of March 5, 2009 (September 1, 2009). The balance of funds must be obligated within one year. Obligation is defined by the Federal Transit Administration as when the grantee has executed the grant agreement.

The timeline for submission of the grant application and the ability to complete the projects within the deadlines provided in the federal register are critical. If we do not complete the projects within the given timeframe, the Federal Transit Administration will reallocate those funds.

DISCUSSION

The ARRA required that applications be received no later than July 1, 2009. The Town of Chapel Hill submitted its application for transit capital improvement projects on April 29, 2009 to allow time for reviews by the Federal Transit administration and the Department of Labor. Currently, the State is waiting for the Governor to complete the 1511 Certification which is a requirement in making grants under the ARRA. Once this is done the Federal Transit Administration estimates grant award between 30-45 days.

Below are milestones and deadlines for American Recovery and Reinvestment Act formula grants.

March 5, 2009	Apportionment and Allocation of formula funds published in the Federal Register
March 29, 2009	Town of Chapel Hill publishes amendment to the 2008-2009 Program of Projects
April 8, 2009	Transportation Advisory Committee approves the Administrative Modification amending the Metropolitan Transportation Improvement Program
May 29, 2009	Requested deadline for the Federal Transit Administration Region IV office to receive all grant applications in order to meet the 180-day obligation requirement
September 1, 2009	Marks 180 days from March 5, 2009 apportionment, triggering reallocation requirements
October 1, 2009	The Durham-Chapel Hill-Carrboro Metropolitan Planning Organization makes a recommendation to the NCDOT to reallocate any funds not obligated in the first round for funding of contingency projects

ARRA Projects

An AARA project priority list has been developed in cooperation with the University of North Carolina and the Town of Carrboro. The projects have been submitted to the Metropolitan Planning Organization for inclusion in the State's Transportation Improvement Program scheduled for on or before June 4, 2009.

The project priority list includes:

• 2 - replacement hybrid buses	1,072,851
• 8 - replacement paratransit vehicles	520,000
• 1 - service truck	45,000
• Bus stop shelters with lighting	27,149
• Computer hardware and software	49,867
• FY 2009 Preventive Maintenance	500,000
• FY2010 Preventive Maintenance	<u>500,000</u>
Total	<u>\$2,714,867</u>

Preventive maintenance funds will also be received through the ARRA. These funds are capital funds that can be used to offset operating costs such as maintenance repairs to the bus fleet. It is important that the FY2009 funds be received before June 30th in order to be utilized in the current fiscal year.

ARRA Contingency Projects

During the summer of 2009 the State will identify projects that have not been obligated by transit agencies and make recommendations to reallocate those funds. If the Town demonstrates the ability to obligate and spend the first round of ARRA funds quickly, we will be in a better position to obtain additional funds in the second round of distribution. These projects have been approved by the Metropolitan Planning Organization and are ready to be implemented.

The priority list for contingency projects is listed below.

• 2 - LD Paratransit Vehicles (Replacements)	\$ 130,000
• 6 - 40' HD Buses	3,300,000
• 15 - Support Vehicles (Replacements)	396,000
• 5 - 60' Hybrid Articulated Buses (Replacements)	4,300,000
• 6 - Portable Hoists	85,000
• Radio System Study and Upgrade	500,000
• Facility and Park & Ride Security System Upgrade	275,000
• Nextbus Google Transit Export and Dispatch Upgrade	75,000
• Website Enhancements	15,000
• Automatic Passenger County System Reporting Upgrade	20,000
• Bus Cameras	150,000
• Bus Storage Expansion and Operator Training Course	1,500,000
• Bus Stop Shelters, Lighting and Other Enhancements	<u>400,000</u>
Total	<u>\$11,146,000</u>

Matching Funds

ARRA projects are funded at 100% and no local match is required.

RECOMMENDATION

That the Council enact the attached project ordinance effective upon grant award by the Federal Transit Administration.