

ITEM 12-D

(5 PAGES)

**POTOMAC AND RAPPAHANNOCK
TRANSPORTATION COMMISSION**

RESOLUTION

MOTION: _____

**RESOLUTION NO. 07-02-____
OFFICIAL COMMISSION MEETING
FEBRUARY 7, 2007**

SECOND: _____

RE: FY2008 STATE GRANT APPLICATIONS

WHEREAS, applications for FY2008 state assistance were due by February 1, 2007; and

WHEREAS, it is timely to seek the Potomac and Rappahannock Transportation Commission's (hereafter referred to as the Commission) authorization to apply for such assistance at the Commission's February meeting; and

WHEREAS, the Commission has reviewed and supports management's proposals for FY2008 state assistance as described in the accompanying memorandum.

NOW, THEREFORE, BE IT RESOLVED that the Potomac and Rappahannock Transportation Commission does hereby authorize the Executive Director to execute and file an application to the Department of Rail and Public Transportation, Commonwealth of Virginia (hereafter referred to as the Department) for grants of financial assistance in substantially the same form as outlined in management's memorandum accompanying this resolution, to defray eligible costs for public transportation purposes, and to accept from the Department grants in such amount as may be awarded.

BE IT FURTHER RESOLVED that the Commission certifies that funds shall be used in accordance with the requirements of Section 58.1-638.A.4 of the Code of Virginia, that the Commission shall provide matching funds as required, that the records of receipts of expenditures of funds granted to the Commission may be subject to audit by the Department and by the State Auditor of Public Accounts, and that the funds shall be used for such purposes as authorized in the Code of Virginia.

February 7, 2007

TO: Chairman Gibbons and Commissioners
FROM: Alfred H. Harf
Executive Director
RE: FY2008 State Grant Applications

Recommendation:

Authorize the Executive Director to submit the FY2008 state grant applications as proposed.

Background:

Each year PRTC applies for state assistance with the Commission's authorization. The application deadline this year was February 1st. Customarily, the Commission's authorization is sought in the month preceding the submission deadline, but the press of other budget-related staff work (e.g., the FY 2008 proposed operating and capital budget formulation) made this impractical so the Commission's authorization is being sought now.

The applications proposed for FY 2008 are as follows:

- (1) Formula assistance. This is a recurring, state operating assistance-type grant funded by the Commonwealth's Transportation Trust Fund (TTF). By statute, 73.5% of each year's total TTF funding for transit is designated for formula assistance, and TTF funding has amounted to \$100-125 million per year all told in the past few years. VDRPT allocates funds by a percentage based on "formula-eligible" expenses and the amount of funding available. Allocations each year are based on actual expenses from two years earlier (e.g. the FY 2008 allocation will be based on FY 2006 actuals). While the General Assembly has had a long-standing aim of funding 95% of eligible formula-related expenses, overall TTF funding available each year has been a limiting condition and thus the state's share of these eligible expenses has been substantially lower than 95% (e.g., approximately 25% in FY 2007).

- (2) Capital assistance. The principal source of recurring state capital assistance is also the TTF (25% of each year's total TTF funding for transit). As in the case of the formula assistance program, the General Assembly's stated intention is for the Commonwealth to shoulder 95% of eligible capital expenses, but actual awards have amounted to substantially less again because of the overall limitation of TTF funding. VDRPT allocates available TTF funds among applicants based on a proportionate share of their eligible funding requests. Since the sum of the requests is not known until after all the grant applications have been submitted and compiled, the percentage of total eligible assistance borne by the state will also not be known until then.

Management proposes to apply for all the capital assistance projects envisioned in the PRTC proposed FY2008 budget. The specific proposed projects and their total estimated costs follow:

- Buses for Ambient Growth (total cost est. \$ 0.964 million). Management anticipates that two (2) Ride "**replacement**" buses will have to be ordered in FY 2008 (for arrival in FY 2010) to retire two "contingency fleet" buses that management anticipates having to move into the active fleet between now and FY 2009 on account of continuing ridership growth and the Commission's stated policy of adding service on existing routes as required to avert overcrowding.

All of the required \$0.771 million of federal funding is already assured -- \$0.238 million from a FY 2007 SAFETEA-LU earmark and \$0.533 million of Section 5309 formula funds.

- Prince William County Debt Service (\$1.288 million). Recurring line item in the PRTC state capital assistance applications.
- Manassas Park Debt Service (\$0.003 million). Recurring line item in the PRTC state capital assistance applications.
- Manassas Capital Lease for Park & Ride Lot (\$0.047 million). Recurring line item in the PRTC state capital assistance applications.

- City of Manassas Debt Service (\$0.223 million). Debt service for Manassas VRE Station Parking Deck.
 - Construction of Bus Related Facilities (\$0.9 million). Funds the construction of a new commuter lot in the vicinity of the PRTC Transit Center.
 - Preliminary Engineering, Environmental and Land Acquisition of Bus Related Facilities (\$1.5 million). Funds the preliminary engineering, environmental and land acquisition for a PRTC Western Facility. Federal funding in the amount of \$1.2 million from FY2008 CMAQ funds has been pledged via the NVTA regional brokering process.
 - PRTC Administrative Capital (\$0.014 million). Funding for office equipment and furniture, computer hardware and software, and replacement of some of the Nextel units.
 - Transit Center-related Repairs/Construction (\$0.402 million). Funds for computer room fire suppression system, OSHA modifications, additions to the camera surveillance system for the PRTC building and expansion of the dispatch area.
 - Other Capital Projects (\$0.175 million). Funding for bus shelter-related investments resulting from the enhanced bus shelter program and solar lighting for bus shelters / high volume stops. The “enhanced bus shelter program” initiative is a stated objective of the Commission beginning in calendar year 2006.
 - Rehabilitate/Rebuild Buses (\$0.920 million). Funding for the rehabilitation of seven (7) Orion buses in PRTC’s active fleet, funding for seven (7) motors and six (6) transmissions and extended warranties (six (6) of each) for motors and transmissions.
- (3) TDM/Ridesharing (\$120,000). This is a “continuation” program to sustain PRTC’s ridesharing and commuter assistance activities. The funding amounts to 80% of the unfunded eligible project costs.

- (4) Intern Program (\$38,500). Management proposes to seek state assistance for a transit intern (as much as 95% of eligible project costs). State assistance has been awarded for this purpose in the past, most recently in FY2006.
- (5) TEIF (\$70,000). A one-time or limited duration program for innovative initiatives (again providing up to 80% of eligible project costs). PRTC has received funding periodically from this source, most recently in FY2003 for the development of an educational campaign to acquaint pre-school and early elementary school-age children to transit. In FY2008, management proposes to seek 80% state assistance for Phase II of the Youth Outreach Program to fund the development of take-home piece for elementary grades and the initiation of a Youth Summer Transit Pass Program for middle and high school grades. A campaign like this can be an effective strategy for introducing entire households to the value and availability of transit.

Fiscal Impact:

Local matching funds for Formula Assistance, Capital Assistance, Intern, TEIF and TDM/Ridesharing Programs have been incorporated in the proposed FY2008 PRTC budget.