

ITEM 9-F

(7 PAGES)

**POTOMAC AND RAPPAHANNOCK
TRANSPORTATION COMMISSION**

RESOLUTION

MOTION: _____

**RESOLUTION NO. 08-02-____
OFFICIAL COMMISSION MEETING
FEBRUARY 14, 2008**

SECOND: _____

RE: FY2009 STATE GRANT APPLICATIONS

WHEREAS, applications for FY2009 state assistance were due by February 1, 2008; 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

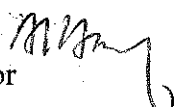
WHEREAS, the Commission has reviewed and supports management's proposals for FY2009 state assistance as described in the accompanying memorandum.

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 14, 2008

TO: Chairman Jones and Commissioners

FROM: Alfred H. Harf 
Executive Director

RE: FY2009 State Grant Applications

Recommendation:

Authorize the Executive Director to submit the FY2009 state grant applications as proposed.

Background:

Each year PRTC applies for state assistance with the Commission's authorization. The application deadline was February 1st. As in years past, because the new fiscal year's budget proposal (in this case, FY 2009) is still in a formative state at the time of the February 1st grant submission deadline, the state grant applications for the new fiscal year must be provisionally submitted with the understanding that: (1) the Commission's authorization is being sought soon thereafter; and (2) the submission is subject to the Commission's authorization.

In the course of early discussions about the prospective FY 2009 budget with member jurisdictional staff (principally Prince William County staff), austerity concerns were highlighted by the jurisdictional staff and PRTC management was urged to prepare two versions of the proposed PRTC budget – one featuring no new or expanded transit services other than those for which commitments have already been made¹ (the so-called “base” budget”) and a second featuring new/expanded services as envisioned by PRTC's Board-adopted service plans (hereinafter referred to as the “enhanced” budget). Because neither the Commission nor its member jurisdictions have acted on the proposed budget

¹ The only new service for which a commitment has already been made is the proposed Haymarket Metro-Direct route, which has been envisioned to start in FY 2009 for some time and which requires new buses that were purchased with Prince William County's assent and financial support using FY 2008 funds. The new buses are slated to arrive in June 2008.

as yet, the prospects for anything more than the base budget are uncertain. Mindful of this, PRTC management contacted DRPT management to seek advice on the approach to be taken for the February 1st submissions, namely:

- Should management size the applications based on the proposed “base” budget and request supplemental funding later on for “enhanced budget” elements that the Commission and its member governments sanction; or
- Should management size the applications based on the proposed “enhanced” budget and inform DRPT later about elements that need to be taken out because they were not ultimately sanctioned.

DRPT management advised that the first of these two courses of action would be preferable, and we have been guided by this advice. To avert the need for a second Commission authorization to supplement the applications with “enhanced budget” elements that are ultimately sanctioned, however, this action item has been drafted to permit the supplemental submission if required, differentiating the “base” budget and the “enhanced” budget.

The applications proposed for PRTC’s FY 2009 base budget are as follows:

- (1) Formula assistance. This is a recurring state grant covering specified, qualifying types of operating expenses, funded by the Commonwealth’s Transportation Trust Fund (TTF). By statute, 73.5% of each year’s 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 2009 allocation is based on FY 2007 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%, though the passage of HB3202 in the last General Assembly session increased the state assistance level.

- (2) Capital assistance. The principal source of recurring, formula-driven state capital assistance continues to be the TTF (25% of each year's transit TTF total), though HB3202 supplements the formula capital funds and introduces a new bond-funded capital program in which bond funds are awarded on a discretionary basis. 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 (as in the case of formula assistance, the passage of HB3202 alters this for the better). 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 has applied for all the capital assistance projects envisioned in the PRTC proposed FY2009 "base" budget. The specific proposed projects and their total estimated costs follow:

- Buses for "ambient growth" (total cost est. \$ 1.088 million). Management anticipates that two (2) Ride "**replacement**" buses will have to be ordered in FY 2009 (for arrival in FY 2011) to retire two "contingency fleet" buses that management anticipates having to move into the active fleet between now and FY 2010 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 \$0.874 million of federal funding is already assured -- \$0.259 million from an FY 2008 SAFETEA-LU earmark, and \$0.615 million of Section 5309 formula funds.

- Prince William County debt service (\$1.285 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 (\$0.050 million). Recurring line item in the PRTC state capital assistance applications.
- City of Manassas debt service (\$0.224 million). Debt service for Manassas VRE Station Parking Deck.
- Construction of bus related facilities (\$0.300 million). Remainder of the funds needed for the construction of a new commuter lot adjacent to the PRTC Transit Center.
- Engineering, environmental analysis, and land acquisition of bus related facilities (\$2.125 million). Funds for engineering and the balance needed for land acquisition for a PRTC Western Bus Maintenance Facility. Federal funding in the amount of \$0.720 million from FY2009 CMAQ funds has been obtained via the NVTA process, supplemented by an FY2008 Bus Discretionary Earmark of \$0.980 million.
- PRTC administrative capital (\$0.108 million). Funding for office equipment and furniture, computer hardware and software, and replacement of some of the Nextel radio phone units.
- Transit Center-related repairs/construction (\$0.045 million). Funds for transfer terminal fascia and replacement of backflow gauges.
- Bus shelter-related capital projects (\$0.308 million). Funding for bus shelter purchase, bus shelter site design and preparation, bus shelter installation and inspection, and bus shelter lighting as envisioned by the enhanced bus shelter program. The "enhanced bus shelter program" initiative has been a stated objective of the Commission since calendar year 2006.
- Rehabilitate/rebuild buses (\$5.609 million). Funding for the rehabilitation of six (6) Orion and nineteen (19) MCI buses in PRTC's active fleet, funding for power-train replacements (i.e., engines and transmissions for those buses that reach 300,000 miles), and extended warranties (engines only) on all buses.

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- Purchase of staff vehicles (\$0.068 million). Funding for to replace two (2) staff vehicles.
 - Purchase communications systems (\$0.150 million). Funding to purchase a replacement communications system for all of the buses.
 - Engineering and design of a park & ride lot (\$0.150 million). Funds for engineering/design of a 100-space park and ride lot in Haymarket (Dominion Valley area) on land proffered to Prince William County. There is an additional \$1.0 million for this project envisioned as an NVTA bond-funded venture assuming that the NVTA bond validation suit is decided in NVTA's favor.
- (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.

The differences between the proposed FY 2009 "base" budget and "enhanced" budget are 100% funded by Prince William County, because the "enhanced" elements are for bus services that Prince William County alone sponsors (i.e., the easterly OmniLink routes). If Prince William County ultimately sanctions these "enhancement" elements, a supplemental request for FY 2009 state capital assistance would be made, to permit the purchase of five additional OmniLink buses in FY 2009 so they can be manufactured and delivered by FY 2011, when the enhanced bus services for which these buses are required would commence.

The five buses have an estimated total cost of \$1.547 million, and they would be used for: a new OmniLink route linking Triangle/Dumfries and Montclair via Dumfries Road (which requires one bus); and increased frequency service on the easterly OmniLink routes (which requires four buses).

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As noted earlier, the authorization management is seeking would permit a supplemental request to the state for those elements of the enhanced budget that is ultimately sanctioned by the Commission and Prince William County.

Fiscal Impact:

Local matching funds for Formula Assistance, Capital Assistance, Intern, and TDM/Ridesharing Programs have been incorporated in the proposed FY2009 PRTC budget.