

600 Broadway, Suite 200  
Kansas City, Missouri 64105-1659

816/474-4240  
816/421-7758 FAX  
www.marc.org



## OPEN MEETING NOTICE

### MISSOURI STP/BR PRIORITIES COMMITTEE

February 14, 2012

1:30 – 4:00 PM

Board Room, MARC Offices

600 Broadway, Suite 200, Kansas City, Missouri 64105

---

### AGENDA

1. Welcome and Introductions
2. Approve the December 13, 2011 Meeting Summary\*
3. MARC Local Match  
*Discussion of a project fee proposal.*
4. Future STP/BR Programming  
*Discussion regarding the next STP/BR programming cycle.*
5. MoDOT Updates
6. STP/BR Reasonable Progress
7. Other Business
8. Adjournment

\* Action Items

Next Regularly Scheduled Meeting: March 13, 2012

**Getting to MARC:** For information on transportation options to the MARC offices, including directions, parking, transit, carpooling, and bicycling, visit <http://www.marc.org/mapandparking.htm>. If driving, visitors and guests should enter the Rivergate Center parking lot from Broadway and park on the upper level of the garage. An entrance directly into the conference area is available from this level.

**Special Accommodations:** Please notify the Mid-America Regional Council at (816) 474-4240 at least 48 hours in advance if you require special accommodations to attend this meeting (i.e., qualified interpreter, large print, reader, hearing assistance). We will make every effort to meet reasonable requests.

MARC programs that receive federal funding may not discriminate against anyone on the basis of race, color or national origin, according to Title VI of the Civil Rights Act of 1964. For more information or to obtain a Title VI Complaint Form, see [http://www.marc.org/transportation/title\\_vi.htm](http://www.marc.org/transportation/title_vi.htm), or call 816-474-4240.

**Missouri STP/BR Priorities Committee  
February 14, 2012  
Meeting Summary**

**Voting Members:**

Steve Hansen, Chair, City of Liberty  
Patty Hilderbrand, Vice-Chair, City of Kansas City  
Brian Faust, City of Raymore  
Jerry Gibbs, City of Harrisonville  
Steve Hatfield, City of Kansas City  
Mary Hunt, Transit Committee  
Duane Jackson, Clay County  
Lee Ann Kell, MoDOT  
Jeff Fisher, City of Belton  
Chuck McCulloh, Cass County  
Sherri McIntyre, City of Kansas City  
Dena Mezger, City of Lee's Summit  
Andy Noll, City of Raytown  
Chuck Owsley, City of Lee's Summit  
John Powell, City of Independence  
Dennis Randolph, City of Grandview  
Gerry Richardson, City of Parkville  
Chad Thompson, City of Kansas City

**MARC Staff:**

Ron Achelpohl	Darryl Fields
Marc Hansen	Aaron Bartlett
Terry Anderson	

**Other attendees:**

Jon Karst, GBA  
Ron McLinden, Transit Action network  
Michael Park, City of Lee's Summit  
Linda Rottinghaus, Affinis Corp.  
Marisela Ward, MoDOT  
Jackie White, MoDOT

**1. Welcome**

Chairman Steve Hansen welcomed attendees and opened the meeting with introductions.

**2. Approval of the December 13, 2011 Meeting Summary**

Dena Mezger moved and Patty Hilderbrand seconded to approve the meeting summary as presented, the motion carried.

**3. MARC Local Match Discussion**

Ron Achelpohl explained a proposal created by MARC's Executive Committee. During the Federal Highway Administration's certification review of MARC records in 2009, they expressed concern regarding our reliance of in-kind match and recommended that we diversify the portfolio. The proposal is to develop a partial cash match with a target of \$200,000 to \$250,000. The draft proposal document is attached at the end of this meeting summary. The proposal is being discussed with all MARC programming committees and soliciting input to take back to the executive committee's next meeting later this month. Staff researched how other MPOs fund their transportation planning and found higher dues and local transportation taxes. St. Louis charges 1/2% of the federal funds requested on transportation project applications and provides refunds to the projects not programmed for funding. We propose collecting funds from projects that are selected for federal funds at the time the project goes into the Transportation Improvement Program (TIP). After reviewing the draft document, Ron added that the Kansas STP/BR Committee suggested assessing the fee when the projects are obligated. MARC staff plans to consider how that timing might work.

Discussion/comments:

- Since staff time is taken to review and score every application, perhaps consider a minimal fee for all applications and an additional amount for the projects selected for funding.
- Could engineering dollars qualify as match or perhaps a credit? Committee feedback – might create extra paperwork and would need to follow federal engineering guidelines.
- Has there been a review of MARC services for possible reduction if no longer needed? Staff delivers services at 80% of the resources and has for several years.
- Why the partial cash match? We did not want to go to 100% cash. The fee would be non-refundable and would not be asking for additional fees if the project is awarded additional funds.
- Recommended waiting to begin a new fee until the round after this one. Ron shared that the Kansas committee requested the fee be assessed at the time of obligation but we are looking at both state laws.

- Final discussions centered on having an application fee; possibly a minimal fixed fee or a scale to fit the various transportation programs: TE, STP, CMAQ; possibly a higher fee if a large project.
- Consider sending only one invoice per year of all project fees and the annual dues.
- Recommend contacting the smaller jurisdictions for their feedback.

Ron thanked attendees for their input. Staff anticipates the proposal would be finalized in March.

#### **4. Future STP/BR Programming**

Ron Achelpohl began a discussion regarding a Call for FFY 2015/2016 projects in April with a recommended list of project for programming going to TTPC in September or October. Ron shared that discussions in the following committees might impact the scoring of projects: Destination Safe is reviewing safety evaluation points, Technical Forecast Committee is reviewing activity centers, and the Regional Complete Streets work might be adopted in March. The committee will need to review for any impact on STP evaluations or eligibility of projects. The committee agreed not to wait for the new T bill and recommended reviewing the scoring/evaluation process in March.

#### **5. MoDOT Updates**

Lee Ann Kell provided the following information:

An email was distributed to hopefully everyone announcing an FHWA webinar on accelerated bridge construction, 1 – 3 p.m., February 16<sup>th</sup> at the office of Midwest Public Risk in Independence.

An updated District 4 balance sheet was provided to attendees. Through FFY2011 the STP urban balance is \$14M and a negative BRM balance of -\$3.6M. Expecting \$1.6M of STP for FFY 2012 with no carryover funds. There will not be a BRM programming round this year.

Ron Achelpohl asked about the timing of moving eligible BRM projects to STP and she responded there was not an immediate hurry to take that action.

The LPA team is currently working on the update. The draft is expected to be available for public review and comment on March 1<sup>st</sup>.

Jackie White shared dates for upcoming events:

February 28<sup>th</sup> - LPA training class on construction and administration

February 29<sup>th</sup> – Advisory Group meeting

#### **6. STP/BR Reasonable Progress**

Marc Hansen provided the following updated FFY 2012 project list that included changes made during the December meeting adding Kansas City's extended/modified US-169 Tiffany Springs Parkway project and two Pleasant Hill projects that moved from FY 2013. The changes added \$4,014,000 to the federal funds to be obligated. There are no new change requests to discuss today. The list is as follows:

TIP #	Sponsor	Project	\$ to be Obligated
628116	Independence	35 <sup>th</sup> Street Improvements, Noland to Crysler	\$2,600,000
690305	Kansas City, MO	Blue Parkway & Hardesty	\$100,000
690306	Kansas City, MO	E 63 <sup>rd</sup> St & Hardesty	\$100,000
611009	Kansas City, MO	Longview Rd (Sec 2) Spring Valley Drive to Blue Ridge Blvd.	\$5,151,600
510070	Kansas City, MO	Tiffany Springs Parkway, US-169 to Platte Purchase Dr.	\$3,250,000
970041	MARC	Regional Rideshare Program	\$40,000
420003	Parkville	Multi-modal Access Study	\$115,000
738100	Pleasant Hill	M-7 & Country Club Dr. Signal	\$120,000
738104	Pleasant Hill	Business M-7 Highway Improvements	\$544,000
414004	Riverside	Vivion Road over Line Creek	\$1,125,000

#### **7. Other Business**

Ron Achelpohl encouraged attendees to watch Congress' progress on SAFETEA-LU's successor. There are now three bills. MARC recently sent a reauthorization policy to local congressional delegates.

With no further business, the meeting was adjourned at 2:45 p.m.

**Next meeting:** Tuesday, 1:30 p.m., March 13, 2012 at the MARC offices.

MARC Transportation Program  
Local Match Proposal  
January 2012

**Background**

Under current funding levels, MARC's Transportation Program annually requires \$750,000 to \$775,000 in local match for the federal Consolidated Planning Grant (CPG) funds it receives to support MARC's role and responsibilities as the region's metropolitan planning organization. While MARC has typically relied on in-kind services from state and local governments to provide the required match, MARC is now pursuing a broader portfolio of sources to match federal planning funds for the following reasons:

- It is becoming increasingly difficult to find appropriate, allowable and sufficient in-kind match;
- MARC's USDOT partners have formally requested that MARC "seek out other sources of CPG matching funds to mitigate the risk posed by heavy reliance on cost sharing activities;"
- KDOT has implemented a new policy on "Matching Funds for the Consolidated Planning Grant" which discourages the use of in-kind match and includes access to Kansas toll credits on a sliding scale over a 5-year period to transition MPOs away from in-kind match and toward cash match;
- If MARC is unable to match the federal planning funds, it would interrupt the required planning process that establishes the region's eligibility to receive and spend federal funds to construct, maintain and operate the region's transportation network;
- Under current federal rules, Kansas and Missouri could see additional MPOs designated as a result of the 2010 Census, which would likely result in a reduction in funding to existing MPOs; and
- MARC has been highly productive, conducting the planning process on essentially 80% of its intended resources for many years. As the transportation planning process has become increasingly broad and complex, additional resources would help MARC ensure its planning efforts remain sufficient to meet federal requirements and support local government planning and decision-making.

In 2010, MARC staff prepared a Local Match Discussion paper that described a menu of state and local funding options that might be pursued to expand the portfolio of methods MARC uses to meet its local match obligations. As a follow-up to that discussion paper, MARC also engaged in conversations with KDOT and MoDOT staff to assess the viability of the options and their receptivity to addressing local match as a shared responsibility between the region's local jurisdictions and the two state DOTs.

The options examined included:

- **State Funding**
  - In-kind contributions – state work activities
  - In-kind contributions – toll credits
  - Cash Match – exchange for federal funds
  - Cash Match – project specific participation
  - Cash Match – direct contribution
- **Local Funding**
  - In-kind contributions – local work activities
  - Cash match – project specific participation
  - Cash match – local dues increase
  - Cash match – project application/selection fee

**Policy**

Based on the evaluation of the options and discussion with KDOT and MoDOT, MARC staff proposed the following policy:

*MARC's policy for securing local match for the transportation planning program is to view and pursue match as a shared responsibility between the states of Kansas and Missouri and the local governments in the region. Further, the policy is to seek a combination of in-kind services as well as cash receipts to meet the match requirements.*

## **Strategy**

### State Funding

Both states are willing to assist MARC in meeting its local match obligation through the continued use of in-kind contributions of state-funded work activities (MoDOT) and toll credits (KDOT). Their contribution will vary from year to year and will require MARC to secure additional sources of local match. The two states provided 41% of the required match in 2009, 32% in 2010 and 100% in 2011, and are projected to provide 100% of the match in 2012. MARC will also work with both states to identify projects where MARC, the states and local governments can financially partner on projects, which may include the use of state or local cash which MARC could use as match for federal planning funds.

### Local Funding

MARC should continue to identify opportunities where it can financially partner with local governments on specific projects, and use the local financial participation as match for federal planning funds. MARC should also continue to seek out in-kind contributions from local governments to assist in meeting the local match obligation. However, to address the concerns and risks posed by relying solely on in-kind match, MARC should also initiate measures to build a source of local funds to ultimately meet 25% to 33% of the annual match requirement (or roughly \$200,000 to \$250,000 per year). Two methods are proposed to establish this pool of local funds: an allocation from the annual MARC dues, and the establishment of a project fee associated with MARC's project selection and programming activities. The allocation from existing dues will result in each MARC member making a small contribution towards meeting the match requirement. The project fee will result in those receiving transportation project awards through MARC's project selection/programming processes making a larger contribution toward meeting the match requirement.

Allocation from Existing MARC Dues – In the 2011 budget, MARC initiated a Transportation Reserve Fund by setting aside 10% of the MARC dues collected in that year. For 2011, that resulted in an amount of \$40,805, or 10% of the dues collected in 2011 being directed to the Transportation Reserve. This set-aside will continue in future years. A portion of these funds will be used to pay for expenses of MARC's transportation planning program that are not eligible for federal reimbursement (such expenses currently come out of MARC's General Fund).

Project Fee – Beginning in 2012, MARC proposes to collect a percentage-based fee related to the funding programs for which MARC conducts project selection processes. These funding programs include:

- KS and MO Surface Transportation Program (STP)
- KS and MO Congestion Mitigation/Air Quality (CMAQ)
- MO Transportation Enhancements (TE)
- KS and MO Bridge Rehabilitation (BR)
- Job Access/Reverse Commute/New Freedoms (JARC/NF)

Over a two-year period (the way MARC typically programs), approximately \$80,600,000 would be available through these programs combined under current funding levels. A project fee of 0.5% (i.e. \$5,000 for every \$1 million in federal funds) in combination with the allocation from existing dues would be required to meet the target of 25% to 33% of the total match, as shown below.

$$\begin{array}{r} \$80,600,000 \\ \times \quad 0.5\% \\ \hline \$403,000 \\ / \quad 2 \text{ years} \\ \hline \$201,500 \text{ per year} \end{array}$$

To illustrate this fee, two scenarios were created. The first looked back at the last completed rounds of funding for each of the programs above prior to 2010. The second replaced the STP and CMAQ projects with the recommendations finalized in 2010. Due to a number of reasons, (prior year over-programming, transferring projects to Recovery Act funds, projects being turned back by sponsors, etc.) neither of these scenarios was “typical” in terms of the total funds being programmed. However, they did provide information about how the fee might be applied.

Some observations and suggested parameters:

- A similar fee has been successfully implemented in the St. Louis region, and was identified for further consideration in the earlier analysis based on the equity and fairness of its application.
- The fee is not solely the responsibility of local governments. In each of the scenarios, other sponsors (KDOT, MoDOT, KCATA, etc.) would also pay some of the fees (12 to 15% in the two scenarios).
- The list of jurisdictions receiving projects varies each cycle. While some of the larger jurisdictions tend to consistently get projects each cycle and would pay the fee each time, many jurisdictions are more intermittent in the frequency, number and/or size of projects awarded.
- MARC typically conducts the project selection processes for the various funding programs at different times, so the fees would not all be due at the exact same time. It is assumed the fee would be collected for each program after the projects are selected by TTPC but prior to including them in the Transportation Improvement Program (TIP).
- Due to the mix of projects that the funds support, it is anticipated that the fees might come from various departments and sub-budgets (public works, parks, planning, capital, operating, etc.) within a particular local government. However, local governments would need to budget for the fee in the event that one or more of their applications was selected for funding.
- In order to ensure stability in the local match funds, and to minimize ongoing tracking by MARC, the fee would be proposed as non-refundable, suggesting that the fee would not be adjusted should there be changes to the selected project as it moved through final design, engineering and construction stages.

## Feedback

In 2011, MARC staff presented the fee proposal in two separate meetings with MARC’s planning partners (KDOT, MoDOT and KCATA) that administer the federal funds that MARC programs, and with the co-chairs of MARC’s programming committees (limited attendance). Reactions from those two groups included the following:

- Should the fee be set high enough to meet the entire match requirement? *A lower fee would be more reflective of the current economic climate.*
- Will the fee impact the mix of projects that are submitted to MARC for consideration? *Not expected, but MARC will monitor.*
- Will smaller jurisdictions be shut out of the project programming process due to the fee? *No. The fee will be a fraction of the amount jurisdictions will need to match any federal funds they pursue.*
- Should the fee be expanded to other programs where MARC is advising the state DOTs on project selection (i.e. MO 5310 vehicles and KS Transportation Enhancements)? *No. MARC doesn’t select the projects in those other processes.*
- If projects selected for funding and thus triggering a fee are directly tied to a private development, can the local project sponsor require the private entity to pay the fee on their behalf to MARC? *This is a local policy matter at the discretion of the local jurisdiction.*
- Will MARC pay a fee to itself for the projects that it is awarded? *No. MARC will already be contributing 10% of the annual dues to support the transportation program.*
- Would it be easier for jurisdictions to budget a general dues increase (predictable) rather than be prepared to find the funds for the fee if projects are awarded (unpredictable)? Could they consider making an annual supplemental dues payment to MARC in lieu of paying project fees? *This is a local policy matter; MARC could provide credit toward future fees for any such dues payments.*
- For some local governments, it will be a multiple week process to get authorization to process payment of the fee to MARC; if MARC is waiting on collection of the fees to add projects to the TIP, it could slow down the TIP process. *It typically takes 3-4 months from project recommendation to TIP approval. MARC will work with local jurisdictions to initiate the payment process early to minimize such impacts.*

- There is a need to link the value of MARC’s work to the source of the fees (i.e., if the fees come from local public works budgets, will MARC spend it on activities that are of value to public works departments?). *MARC will work with local jurisdictions to ensure its work is relevant to their needs.*
- There is support for using some of the new revenue to MARC to fund planning projects that local governments can compete for (like the new livable communities pilot program) so they have an opportunity to see some of the funds directly support their own work. *MARC will work with local jurisdictions to ensure its work is relevant to their needs.*
- MARC should visit with the membership of the programming committees and TTPC prior to implementing this proposal. *Part of proposed implementation approach below.*

### **Proposed Implementation Approach**

MARC staff proposes to implement the local match policy and strategy in the following manner:

1. MARC will continue to look for opportunities to financially participate with state and local governments on specific planning projects and utilize the state and local participation as match for federal planning funds.
2. As has been the past practice, MARC will annually pursue in-kind match from KDOT, MoDOT and local governments in the region. MARC will continue to seek and use as much in-kind match as is possible.
3. Beginning in 2011, MARC implemented a transfer of 10% of the MARC dues collected to a new Transportation Reserve Fund. For 2011, the transfer is \$40,805. MARC will continue making this transfer in future years.
4. Beginning in 2012, MARC will implement a new project fee of 0.5% of federal funds awarded to any project selected through a MARC transportation project selection/programming process. The non-refundable fee would be charged to the project sponsor, and would be due prior to the project being added to the region’s Transportation Improvement Program. MARC will not pay the project fee for MARC projects, as the fee would come from the Transportation Reserve Fund and would not result in any net increase in funding to MARC.
5. For those local and state governments that provide in-kind match or project-specific cash that is used by MARC as match, MARC will calculate the value of match provided and utilized by MARC over the prior two years. Those entities will be given a “credit” for that prior match by reducing the level of fee they would owe related to a two-year programming cycle. Should a local jurisdiction choose to make supplemental dues payments to MARC for Transportation to have more budget predictability, MARC will also provide “credit” for those supplemental payments against any fees.
6. MARC will seek to use the additional funds in ways that are supportive of the needs of local governments paying the fees. MARC will solicit proposal from local governments as the Unified Planning Work Program is developed each year to identify planning work that MARC could conduct with the funds (i.e. research, data collection/analysis, modeling, tool development, etc.) that would be supportive of local government planning needs. MARC will also look for opportunities to leverage the additional funds to secure additional grants that can be used in support of local jurisdiction priorities. MARC may also use some of the funds to contribute to or otherwise support specific local planning studies that would advance elements of the region’s long-range transportation plan and related goals/policies.
7. MARC will monitor the impacts of the implementation of the project fee to see if there are measurable differences in the mix of projects submitted for consideration for funding or in the sizes of jurisdictions applying for projects.

### **Next Steps**

MARC staff suggests that this proposal be shared with all of MARC’s transportation programming committees and with the Total Transportation Policy Committee. Input gathered from those consultations will be used to craft a final proposal for consideration by the Board Officers and ultimately the MARC Board of Directors.