

To: James L. App, City Manager
From: Mike Compton, Director of Administrative Services
Subject: Annual Transportation Development Act Funding Claim
DATE: October 4, 2005

Needs:

For the City Council to consider approval of the annual Transportation Development Act (TDA) claim for fiscal year 2006.

Facts:

1. The City must file an annual “claim” with the San Luis Obispo Council of Governments in order to receive its allocation of TDA funds.
2. TDA funds may be either used for transit services or for streets & roads (if there is no “unmet transit need”).
3. TDA funds represent $\frac{1}{4}$ of 1% of the sales tax collections statewide. These funds are generally distributed back to local agencies based upon County situs and then agency population. However, the State takes some of the funds for collection and distribution administration and SLOCOG takes a portion “off the top” to fund their budget.
4. In addition to transit fares and TDA, the City now receives Federal Transit 5307 funds for the City’s transit operations. As a result, an additional \$435,000 in TDA funds are recommended for allocation to streets and roads.

Analysis

and

Conclusion:

TDA funds, as noted above, may be used for two purposes; transit operations and/or street & road construction/maintenance. If it is determined that the City has an “unmet transit need” that may be reasonably met, TDA funds must be allocated to meet this “unmet need” before funds may be allocated to streets & roads. The last unmet transit needs hearing process did not identify any “unmet needs” that could be reasonable met.

Allocations for streets and roads generally must adhere to the same restrictions as gas tax funds. In other words, the funds may be used for street maintenance and reconstruction but not for parking lots or alleyways.

The City also receives about \$20,000 annually for “pedestrian & bikeways”. This allocation is applied towards the General Fund cost of the City’s annual stripping program that includes crosswalks and bikeways.

The City as a designated “urban area” is now eligible for Federal Transit funding which lead to the receipt of \$226,000 in Federal 5307 funds. These funds are being used to supplant a portion of TDA funding. The supplanted TDA funds are then being re-directed to street projects. With this claim, \$435,000 is being approved to for street projects.

Included as a portion of the funds being earmarked for transit operations include \$25,000 for the preparation of a Short Range Transit Plan (mandated), \$25,000 to augment the \$26,000 federal grant monies received to develop a transit marketing plan, \$12,000 to rehab four bus stops and \$12,000 for ongoing bus stop shelter maintenance services.

Fiscal
Impact:

Approval of the claim as drafted will provide for the following allocation of funds:

| | |
|-------------------------|------------------|
| Pedestrian & Bikeways | \$ 19,072 |
| Streets & Roads | 435,000 |
| TDA Audit | 2,100 |
| Paso Transit Services | 332,622 |
| SLORTA Transit Services | <u>145,976</u> |
| Total | <u>\$921,473</u> |

The adopted CIP budget provides for \$1.8 million for general road maintenance over the next four years. However, there are no projects (budget allocations) for fiscal year 2006. If the TDA allocation noted above for Streets & Roads is modified, the adopted CIP budget for general road maintenance must be similarly adjusted.

Options:

- a. Adopt Resolution No. 05-xx approving the annual claim for Transportation Development Act funding; or
- b. Amend, modify, or reject the above option.