

PHASE ONE FUNDING STRATEGY

An order of magnitude estimate of the cost to implement Phase One is approximately \$7,700,000, of which approximately \$1,300,000 are design, engineering and grant administration costs. These are also known as “soft costs” and are not typically eligible for many state and federal funding opportunities. In addition, most state and federal funding sources require some sort of cash match, typically a minimum of 20%, but often the local match is substantially more in order to be competitive. In some cases, state funds may be used to match federal funds, which decrease the amount of local funding required.

The following information outlines an approach for Phase One, that could be implemented within a six year time frame using primarily federal and state funding sources. It is an aggressive schedule, but one for which ample justification can be made. This approach requires going beyond the usual application for available grants, calling for a coordinated strategy to be developed between the City, Federal Highway Administration, Michigan Department of Transportation, Road Commission for Oakland County and the Southeast Michigan Council of Governments.

KEY FUNDING SOURCES

The following are the cornerstone funding sources that should be utilized to construct Phase One.

FEDERAL TRANSPORTATION SOURCES

These funds are most appropriate for improvements to pedestrian and bicycle infrastructure that serves primarily a transportation function. Most of these will be within the road right-of-way but may also apply to off-road trails that are key transportation links for people that walk or bike.

These sources all fall under the **Fixing America’s Surface Transportation Act (FAST Act)**. These are Federal Highway Administration (FHWA) funds administered by the Michigan Department of Transportation (MDOT). Many of the improvements proposed in the plan fall under the three “[Proven Safety Countermeasures](#)” promoted by FHWA: Pedestrian Crossing Islands, Pedestrian Hybrid Beacons and Road Diets. Eligible agencies, with the exception of the Safe Routes to School program, are road agencies, also known as Act 51 agencies, based on the Michigan law that governs the distribution of federal transportation funds. The following provides more information on the key federal programs:

- **Transportation Alternatives (TA).** In Michigan, most pedestrian and bicycle improvements have been traditionally funded through Transportation Alternatives, or TAP as they were known under the previous federal transportation bill (MAP-21). Southeast Michigan Council of Governments (SEMCOG) and Michigan Department of Transportation (MDOT) have set allocations of funding as part of the FAST Act, however they use the same application process, coordinate on funding and sometimes jointly fund projects. SEMCOG’s application deadline is typically the beginning of May and MDOT has a rolling application and selects projects quarterly. The first step should be setting up a meeting with representatives of both SEMCOG and MDOT to outline the project and discuss a general funding strategy. This is a key funding source, below is more information on the programs:
 - MDOT TAP Program info: http://www.michigan.gov/mdot/0,1607,7-151-9621_17216_18231---,00.html
 - SEMCOG TAP Program info: <http://semcog.org/plans-for-the-region/transportation/transportation-alternatives-program-tap>

- **Highway Safety Improvement Program (HSIP).** Michigan is required under the FAST Act to pursue data-driven, strategic and performance-focused approach to improving safety on all public roads. Eligible pedestrian improvements that are specifically identified include Pedestrian Hybrid Beacons and Pedestrian Crossing Islands. This funding source, administered by MDOT, is for locally controlled roadways regardless of the National Functional Classification. The total statewide budget in 2018 is approximately \$6,000,000. The maximum award cannot exceed \$600,000 and one agency cannot receive more than \$2,000,000. Applications in 2016 are due on September 23. This is potentially a key program that is currently underutilized for pedestrian and bicycle safety projects.

 - More information on FHWA HSIP program may be found at: <http://safety.fhwa.dot.gov/hsip/>
 - Details on MDOT's 2016 program may be found at http://www.michigan.gov/mdot/0,4616,7-151-48661_40552-387642--F,00.html

- **Surface Transportation Block Grant Program (STBGP).** The STBG actually includes the TA program as a specific set-aside, but pedestrian and bicycle projects are eligible for funding under the larger program. This is a very flexible program to address state and local transportation needs. There are specific sub-allocations within Michigan apportionment for areas with a population between 5,000 and 200,000 that would apply to Pontiac. Michigan has approximately \$22,803,173 allocated for communities of that size. MDOT would need to identify projects in Pontiac for funding in cooperation with SEMCOG.

 - FHWA STBG program info: <http://www.fhwa.dot.gov/fastact/factsheets/stbgfs.cfm>

- **Congestion Mitigation and Air Quality (CMAQ).** In Michigan, most CMAQ funds have traditionally gone to traffic signal optimization projects due to the way projects are currently evaluated in the state. But pedestrian and bicycle projects that are not exclusively recreational are specifically mentioned as typically eligible along with bike lanes on existing streets. If there is a safety component of the proposed project (as in the case of most of the proposed Phase One work) this allows a 100 percent federal share of the project. Also, construction engineering costs of up to 15% of the construction costs may be considered. Oakland County's 2015-2020 allocation for CMAQ funds is \$4,679,161. The call for local CMAQ projects corresponds to MDOT and SEMCOG's Transportation Improvement Program (TIP) development schedule and the state call for projects is currently closed. This is an attractive funding source but will require substantial work with the Road Commission for Oakland County (RCOC), SEMCOG and MDOT as this may be breaking some new ground in the state. Following is more information on the program:

 - MDOT CMAQ program info: http://www.michigan.gov/mdot/0,4616,7-151-9621_11041_60661---,00.html

- **Safe Routes to School (SRTS).** In Michigan, the Safe Routes to School program is administered by MDOT in collaboration with the Michigan Fitness Foundation. Total infrastructure grant amounts vary greatly each year, but tend to average a little over \$4 million a year since 2008. The SRTS program uses the same application process as the Transportation Alternatives program and they are accepted on a rolling basis. There are multiple award rounds made each year. Schools or school districts seeking funding are required to develop a safe routes to school plan, which is a fairly involved process.
 - More information on Michigan's Safe Routes to School program may be found at: <http://saferoutesmichigan.org/>

FEDERAL NON-TRANSPORTATION SOURCES

The Centers for Disease Control (CDC) and the Department of Housing and Urban Development (HUD) fund pedestrian and bicycle improvement activities.

- **Community Development Block Grants (CDBG).** CDBG grants originate with the Federal Department of Housing and Urban Development (HUD) and are administered in Oakland County through Oakland County's Economic Development & Community Affairs Department. The program targets activities that benefit low and moderate income individuals and each year many of the transportation projects proposed are eligible. Last Year Pontiac received approximately \$760,000 in CDBG funds all of which went towards demolition of blighted structures.
 - CDBG program in Oakland County info: <https://www.oakgov.com/advantageoakland/residents/Pages/CPHACommunities.aspx>
- **Partnerships to Improve Community Health (PICH).** PICH is a three-year program administered by the Centers for Disease Control that supports the implementation of evidence-based strategies to improve the health of communities and reduce the prevalence of chronic disease. There is a specific program for small cities with a population between 50,000 and 500,000. Eligible recipients that awarded \$14.2 million to 20 communities in 2014. Addressing physical inactivity is one of the four cornerstones of the grants approach to improving health. Most of the grant recipients focus on programing, however some recipients have an infrastructure component.
 - PICH info: <https://www.cdc.gov/nccdphp/dch/programs/partnershipstoimprovecommunityhealth/index.html>
- **Racial and Ethnic Approaches to Community Health (REACH).** REACH is a national program administered through the Centers for Disease Control focused on carrying out local, culturally appropriate programs to address health issues. Funds may be awarded to the City of Pontiac or a non-profit organization. Oakland University received a REACH grant that supports the Healthy Pontiac, We Can partnership. Most of the funding for this grant goes towards programing efforts, but there are limited funds available for infrastructure improvements.
 - REACH grant info: <https://www.cdc.gov/nccdphp/dch/programs/reach/>

STATE RECREATION FUNDING SOURCES

The Michigan Department of Natural Resources (MDNR) administers three recreational grant programs that have been key in many trail projects throughout the state. All of the grants are due on April 1st and require a current parks and recreation master plan. Pontiac's plan expires at the end of 2016 and should be updated to maintain eligibility for the following funding opportunities:

- **The Michigan Natural Resources Trust Fund (MNRTF or Trust Fund).** Funding for the MNRTF is provided by revenue derived from royalties on the sale and lease of state-owned oil, gas, and mineral rights and is used for a variety of outdoor recreational improvements including land acquisition. Recently, the Iron Belle Trail has received a substantial amount of the funding and the MDNR is looking to address this issue by establishing a new fund specifically for the Iron Bell Trail. Funding varies from year to year and has been around \$25 million statewide each year over the past three years. Development project range from \$15,000 to \$300,000 and there are no set limits on acquisition grants. Trust fund grants require a minimum of a 25% match. This will be a key funding source for trail corridor acquisition and some development.
 - MDNR Trust Fund program info: http://www.michigan.gov/dnr/0,4570,7-153-58225_58301---,00.html

- **The MDNR Recreation Passport Grant Program (RP).** The recreation passport program is funded by elective vehicle registration fees and permits. The fund is used for the development of local public recreation facilities, including improvements to nonmotorized trails. Grant amounts range from \$7,500 to \$45,000 and require a minimum of a 25% match. Statewide funding has been averaging about \$1.3 million each year.
 - MDNR Recreation Passport program info: http://www.michigan.gov/dnr/0,4570,7-153-58225_58701---,00.html

- **Land and Water Conservation Fund (LWCF).** The LWCF is actually a federal program administered by the MDNR, but is typically viewed a part of the three key state recreation funds. LWCF grants range between \$30,000 and \$150,000 for development projects. This awards approximately \$1.2 million each year. LWCF require a 50% match.
 - LWCF program info: http://www.michigan.gov/dnr/0,4570,7-153-58225_58672---,00.html

DETERMINING A REASONABLE ASK

Statewide in 2015 about \$833,700,000 of federal aid funding was allocated toward pedestrian and bicycle projects according to the FHWA. For additional information, see the funding summary table at http://www.fhwa.dot.gov/environment/bicycle_pedestrian/funding/bipedfund.cfm. Pontiac's population of about 60,000 accounts for about 0.6% of the state-wide population of just under 10 million. 0.6% of \$844 million (statewide federal funds for pedestrian and bicycle projects) in round numbers comes to \$500,000. So a half million dollars from various federal funding sources should be a reasonable starting point. However, Pontiac is unique in a couple ways. First, it has been under represented in past funding due to its inability to match federal funds. Second, it offers almost an unprecedented opportunity to improve four corridors, three of which are state trunklines, all of which have a history of pedestrian crashes including fatal and incapacitating injury crashes. Thus an ask of \$1 million in federal funds each year for the foreseeable future is not unreasonable.

Statewide, about \$26.5 million in state recreation funding was allocated. Using the same population calculation as with the federal funds, Pontiac's share would be about \$165,000. As with federal funds, Pontiac has historically been under represented due to its inability to provide local match. A reasonable budget would be \$300,000 per year for the next few years. In a broad brush, this would also provide about a 30% match to federal funds.

Other federal non-transportation sources are challenging to determine an appropriate amount. The most reliable funding source is the CDBG. A reasonable portion of that for pedestrian and bicycle improvements are hard to make given the competing needs. For the purpose of this exercise, \$200,000 each year will be used.

Combined a budget of \$1.5 million state and federal funds will be used as a baseline budget when approaching state and federal funding sources.

IMPLEMENTATION TIME FRAME

As noted earlier, the total order of magnitude estimate of the cost to implement Phase One is \$7,700,000, of which approximately \$1,300,000 are design and engineering costs. With a budget of \$1.5 million each year, the project should take just over five years.

GENERAL FUNDING APPROACH

While a five-year, nearly \$8 million dollar budget may seem significant ask, the cost of doing nothing is \$25 million dollars each year ([see analysis](#)). That is the comprehensive economic and social impact of a pedestrian and bicycle fatal crash rate that accounts for 36% of all fatal crashes and is twice the state's average. The current situation is untenable and any arguments against reallocating funds to address this critical safety deficiency are indefensible. The mobility of motorized vehicle travel is coming at the expense of the lives of people who walk and bike in Pontiac. Even from a back of napkin cost benefit analysis, the proposed yearly budget is only 6% of the comprehensive costs of crashes each year. The proposed recommendations are based on proven safety countermeasures. **The way forward is to convene a summit of FHWA, MDOT, RCOC, CDC, MDHHS, MDNR and City representatives and collaboratively develop a strategy. The following tables outline a starting point for those discussions.**

FUNDING SOURCE BUDGET RECOMENDATIONS

The following table outlines a recommended share of the yearly and total project budget for each of the funding sources identified. This amount is based on what should be a reasonable amount from the various funding sources based on their total budget, the population of Pontiac and the severity of the crash history. This should be used as a starting point for discussions with the various funding agencies.

Funding Source	Share	Yearly	Total
Transportation Alternatives	20%	\$ 300,000	\$ 1,560,000
Highway Safety Improvement Program	15%	\$ 225,000	\$ 1,170,000
Surface Transportation Block Grant Program	15%	\$ 225,000	\$ 1,170,000
Congestion Mitigation and Air Quality	10%	\$ 150,000	\$ 780,000
Safe Routes to School	3%	\$ 45,000	\$ 234,000
Community Development Block Grants	10%	\$ 150,000	\$ 780,000
Partnerships to Improve Community Health	1%	\$ 15,000	\$ 78,000
Racial & Ethic Approaches to Community Health	1%	\$ 15,000	\$ 78,000
Michigan Natural Resources Trust Fund	20%	\$ 300,000	\$ 1,560,000
Recreation Passport Grant Program	1%	\$ 15,000	\$ 78,000
Land and Water Conservation Fund	1%	\$ 15,000	\$ 78,000
Local Match	3%	\$ 45,000	\$ 234,000
	100%	\$ 1,500,000	\$ 7,800,000

FUNDING ALLOCATION BY PROJECT TYPE

The project consists of four general construction project types:

- **Critical road crossings.** \$4,600,000 comprising 60 % of the budget
- **Critical sidewalk gaps.** \$1,300,000 comprising 17% of the budget
- **Bicycle corridors.** \$500,000 comprising 6% of the budget
- **Shared use pathways.** \$1,300,000 comprising 17% of the budget

\$5.9 million dollars, comprising 77% of the budget for Phase One, directly addresses pedestrian safety along primary roadways. In many cases, the bicycle corridor improvements also contribute to pedestrian safety by reducing the number of motor vehicle lanes. The shared use pathway improvements complete a critical gap in the cross state Great Lake to Lake Trail.

The table on the following page should be used as starting point for discussions with the various funding agencies. The table attempts to match the recommended funding budget of each funding source to the various project types. It also attempts to match federal funds against state funds to meet the required matching purposed.

Funding Allocation by Project Type

Funding Source	Critical Road		Critical		Bicycle		Shared Use	
	Budget	Crossings	Sidewalk Gap	Corridors	Pathways			
Transportation Alternatives	\$ 1,560,000	60% \$ 4,600,000	17% \$ 1,300,000	6% \$ 500,000	17% \$ 1,300,000	\$ 7,700,000		
Highway Safety Improvement Program	\$ 1,170,000	65% \$ 1,014,000	18% \$ 280,800	8% \$ 124,800	9% \$ 140,400	\$ 1,560,000		
Surface Transportation Block Grant Program	\$ 1,170,000	65% \$ 760,500	18% \$ 210,600	8% \$ 93,600	9% \$ 105,300	\$ 1,170,000		
Congestion Mitigation and Air Quality	\$ 780,000	65% \$ 507,000	18% \$ 210,600	8% \$ 93,600	9% \$ 105,300	\$ 1,170,000		
Safe Routes to School	\$ 234,000	70% \$ 163,800	30% \$ 70,200	0% \$ -	0% \$ -	\$ 234,000		
Community Development Block Grants	\$ 780,000	65% \$ 507,000	11% \$ 85,800	15% \$ 117,000	9% \$ 70,200	\$ 780,000		
Partnerships to Improve Community Health	\$ 78,000	65% \$ 50,700	17% \$ 13,260	9% \$ 7,020	9% \$ 7,020	\$ 78,000		
Racial & Ethnic Approaches to Community Health	\$ 78,000	65% \$ 50,700	17% \$ 13,260	9% \$ 7,020	9% \$ 7,020	\$ 78,000		
Michigan Natural Resources Trust Fund	\$ 1,560,000	43% \$ 670,800	17% \$ 265,200	0% \$ -	40% \$ 624,000	\$ 1,560,000		
Recreation Passport Grant Program	\$ 78,000	0% \$ -	0% \$ -	0% \$ -	100% \$ 78,000	\$ 78,000		
Land and Water Conservation Fund	\$ 78,000	0% \$ -	0% \$ -	0% \$ -	100% \$ 78,000	\$ 78,000		
Local Match	\$ 234,000	60% \$ 140,400	17% \$ 39,780	6% \$ 14,040	17% \$ 39,780	\$ 234,000		
Total	\$ 7,800,000	\$ 4,625,400	\$ 1,329,900	\$ 519,480	\$ 1,325,220	\$ 7,800,000		

Please Note:

The budget of the individual elements totals \$7,700,000 and total budget of the funding sources totals \$7,800,000. This discrepancy of \$100,000 or approximately 1% is to account for rounding when distributing funding sources.