

Chapter 2

Fund Sources and Program Development

2. FUND SOURCES AND PROGRAM DEVELOPMENT

To develop the TIP for northeastern Illinois, numerous agencies engage in long-range planning, project generation and program integration, review and approval. In addition, changes will occur to an approved TIP. This process, directed by the CATS Policy Committee, involves federal, state and local officials; transportation providers; citizens; and planning organizations in the region.

There are several important features of the TIP development process. It is:

- **Complex.** There are many agencies, tasks, and relationships among the agencies. The work of these agencies must be aggregated into a single program.
- **Lengthy.** The steps from project planning through programming to implementation may take decades.
- **Dynamic.** The TIP development process changes in response to federal regulations and the needs of the region.

The agencies, program elements and steps in the process are outlined below.

A. Agencies in the TIP Development Process

A number of agencies and groups have roles in developing the TIP. The types of groups involved in the process are described below. Specific organizations are shown in Table 2-1, page 2-2.

1. State of Illinois

The state plans, programs, finances and implements major transportation projects throughout Illinois.

2. Regional Agencies

Regional planning agencies help plan, integrate and coordinate policies and programs in the region. In the TIP development process, this means developing a program of transportation improvements, addressing the goals and objectives of the *2030 RTP*, and verifying that project costs do not exceed fiscal constraints imposed by the funding legislation. The Chicago Metropolitan Agency for Planning (CMAP) was established in 2005 by the State of Illinois with support from the region's local elected officials. The central purpose of CMAP is to better integrate planning for land use and transportation. The functions of NIPC and CATS have been consolidated within CMAP.

3. Local Governments

Municipalities and counties plan, design, engineer, construct, operate and maintain local transportation facilities and services.

Municipalities are represented in the TIP process by the Council of Mayors, an organization comprised of the City of Chicago and eleven subregional councils.

The councils allow groups of suburban municipalities to consider projects of mutual and subregional interest. Representatives of each suburban subregional council meet regularly as an Executive Committee. The CATS Council of Mayors is a prime means for early public involvement in various transportation plans and programs developed for northeastern Illinois. Figure 2-1 shows the boundaries of the twelve councils. Additionally, the City of Chicago and each county are represented on the CATS Work Program Committee and the CATS Policy Committee.

TABLE 2-1

AGENCIES IN TIP PLANNING & PREPARATION

State of Illinois

- Illinois DOT District 1 - Division of Highways
- Illinois DOT - Division of Public and Intermodal Transportation (DPIT)
- Illinois DOT - Office of Planning and Programming (OP&P)
- Illinois Environmental Protection Agency (IEPA)
- Illinois Commerce Commission (ICC)
- Illinois State Toll Highway Authority (Illinois Tollway)

Regional Agencies

- Chicago Area Transportation Study (CATS)
- Chicago Metropolitan Agency for Planning (CMAP)
- Northeastern Illinois Planning Commission (NIPC)
- Regional Transportation Authority (RTA)

Local Governments

- County governments
- Municipal and township governments
- City of Chicago - Department of Transportation (CDOT)
- City of Chicago - Department of Planning and Development (CDPD)
- North Shore Council of Mayors
- Northwest Municipal Conference
- North Central Council of Mayors
- West Central Municipal Conference
- Southwest Conference of Mayors
- South Suburban Mayors and Managers Association
- DuPage Mayors and Managers Conference
- Kane/Kendall County Council of Mayors
- Lake County Council of Mayors
- McHenry County Council of Mayors
- Will County Governmental League
- Park and Forest Preserve Districts

Transportation Operators

- Chicago Transit Authority (CTA)
- Metra (Commuter Rail Division of the RTA)
- Pace (Suburban Bus Division of the RTA)
- Illinois State Toll Highway Authority (Tollway)
- Private transportation providers
- Railroad companies
- Mass transit districts

United States

- Federal Highway Administration (FHWA)
- Federal Transit Administration (FTA)
- Environmental Protection Agency (USEPA)

4. Transportation Operators

Operators plan, design, engineer, construct, operate and maintain specific transportation facilities and services. Such operators are often established as governmental authorities or service boards under Illinois statutes.

5. United States Government

The federal government enacts and enforces legislation and is a primary source of funding for many transportation projects. Federal rules govern the development, review and implementation of the TIP .

B. Program Fund Sources

TIP projects receive federal funding through several sources administered by the Federal Transit Administration (FTA) and the Federal Highway Administration (FHWA). Multiple non-federal programs also provide funding for TIP projects. This section reviews the purpose and development of these programs. The funding sources below are sources listed in the current federal transportation funding act, *SAFETEA-LU*. Upon implementation of the next federal act, the funding sources will be modified to accommodate any necessary changes. Sources are federal except where noted.

Chapter 5 describes how to find projects funded by these programs in the TIP.

1. Bridge Discretionary Funds (Highway Bridge Replacement and Rehabilitation Program) (BRD)

States compete for these funds for specific major bridge projects. Criteria to receive funding includes availability of state funds, size of project, bridge closings or weight restrictions, average daily truck and vehicle traffic, and the bridge's sufficiency rating.

2. Bridge Replacement and Rehabilitation Programs (BRR)

This source provides financing for bridge projects on any public road and is allocated to the states on a formula basis. The selection of projects is based primarily on the IDOT Central Office's listing of bridges requiring improvement with input from the IDOT Region 1 Bridge Maintenance Engineer and other Region 1 programming personnel.

3. Congestion Mitigation & Air Quality Improvement Program (CMAQ)

This fund finances projects that will contribute to improving air quality and reducing congestion in regions that do not meet federal air quality standards. It is apportioned to states on a formula basis. The CATS CMAQ Project Selection Committee recommends a proposed program to be implemented from among the submitted proposals. The committee retains the prerogative to select the best projects in each year. The CATS Policy Committee programs the region's CMAQ funds. The four criteria for ranking projects are: reduction in nitrogen oxides (NO_x); reduction in vehicle miles of travel (VMT); trips eliminated; and reduction in volatile organic compounds (VOC). Reducing VOC and NO_x emissions will reduce northeastern Illinois' air pollution problem and is required by the Clean Air Act Amendments of 1990.

4. FTA Section 5307 (FTA)

This program provides financing for capital improvements to transit systems in all urbanized areas of the country on a formula basis. Projects are submitted for MPO review by the CTA, Metra, Pace and the City of Chicago.

5. FTA Section 5309 (New Starts) (FNS)

Projects eligible for New Starts funding include rapid rail, light rail, commuter rail, automated guideway transit, people movers, and facilities for exclusive bus use. New starts must meet three criteria: they must be based on alternatives analysis and preliminary engineering; they must be justified based on mobility improvement, environmental benefits, cost effectiveness and operating efficiency; and they must be supported by a local financial commitment. This program is comprised of projects specifically designated by Congress. Forty percent of Section 5309 funds are reserved for the capital costs of New Starts.

6. FTA Section 5309 (m) (1) (A) (Rail)

This source provides funds for fixed guideway modernization projects that are distributed according to a formula prescribed by Congress. These projects are submitted for MPO review by Metra, the CTA and the City of Chicago. Forty percent of Section 5309 funds are reserved for fixed guideway modernization.

7. FTA Section 5309 (m) (1) (C) (FTA/BUS)

A percent of Section 5309 funds are reserved for bus and other projects. Applications for discretionary bus and bus-related projects are submitted for MPO review by Pace and the CTA. The discretionary bus program is administered by FTA.

8. FTA Section 5310 (FTA/E-H)

These FTA formula-based grants finance the purchase of specially equipped vehicles for the transportation of elderly and mobility-limited persons. Service contracts are eligible for funding under this program. Public agencies are eligible to participate. IDOT's Division of Public and Intermodal Transportation reviews, evaluates and recommends appropriate requests for federal approval, then submits the projects for MPO review.

9. High Priority Projects (HPP)

High Priority Projects are specifically earmarked by Congress and are included in *TEA-21* and *SAFETEA-LU*.

10. Illinois Commerce Commission (ICC)

The ICC finances improvements at highway-railway crossings, including grade separations and safety improvements at crossings. The source of these funds is identified in the TIP as local.

11. Illinois State Toll Highway Authority (TOLL)

The Illinois State Toll Highway Authority finances projects on its toll highway system. Projects are included in the TIP if they are regionally significant. They

are used in the conformity analysis and construction traffic coordination, but are not included in fiscal constraint analysis. They appear in Appendix 4.

12. Intelligent Transportation Systems (ITS)

This program funds projects that integrate operations and management to improve system performance. States compete for these federal funds.

13. Interstate Discretionary Program (I-D)

High-cost projects with high traffic volumes in urban areas and high truck traffic volumes in rural areas receive priority under this federal source. States compete for these funds.

14. Interstate Maintenance Program (I-M)

This formula-based federal program funds projects to rehabilitate, restore and resurface Interstate system roads. High-occupancy vehicle lane and auxiliary lane projects are eligible, as are reconstruction projects that do not add capacity. IDOT prepares this program component for MPO review.

15. Job Access and Reverse Commute Grants (JARC)

Federal Job Access and Reverse Commute grants provide funding for transportation services designed to transport low income individuals to and from jobs. This funding supports development of transportation services between urban centers and suburban employment opportunities.

16. Local Funds (GEN-OP, ILL, MFT-ALL, MFT-LOC, RTA, SB, SCIP)

This funding, including General Revenue funds, State of Illinois funds, allocated motor fuel taxes, locally imposed motor fuel taxes, and RTA's funds, service board and strategic capital improvement program comes from the State of Illinois and local jurisdictions (i.e. these are not federal funds).

17. National Corridor Planning and Border Infrastructure Programs (NCP)

These competitive programs provide federal funds for the coordinated planning, design and construction of corridors of national significance that have the capacity to impact economic growth and international or interregional trade.

18. National Highway System Program (NHS)

This federal program finances projects on the National Highway System, which consists of the Interstate system and other principal arterials. The MPO endorsed a proposed national highway system for northeastern Illinois consisting largely of the expressway system and the Strategic Regional Arterial (SRA) system. IDOT programs these funds for MPO review.

19. New Freedom

This federal program finances new public transportation services and public transportation alternatives beyond those required by the ADA that assist

individuals with disabilities with transportation, including transportation to and from jobs and employment support services.

20. Operation GreenLight - Transit (OGL)

This local program finances comprehensive, innovative efforts to control and reduce urban congestion in the City of Chicago and surrounding suburbs and supplements the ongoing FTA Section 5309 and Section 5307 (capital) programs. Examples of programmed projects include: traffic signal preemption for transit vehicles; improved vehicular and bicycle access to rail stations; expanded parking at commuter rail stations; pedestrian access enhancements; and commuter rail grade crossing improvements.

21. Other Regionally Significant, Non-Federally Funded (OTH)

This includes county programs, which also appear in Appendix 4. These projects are included in the conformity analysis, but not in the fiscal constraint.

22. Safety Funds (STP-S)

Under *TEA-21*, ten percent of the state's Surface Transportation Program (STP) allocation must be used for safety projects. IDOT submits projects for MPO review. While this federal fund source programs projects explicitly aimed at improving safety, safety benefits may be derived from projects funded through other sources. *SAFETEA-LU* includes a specific safety program.

22. Special Assessments, Tax Increment Financing and Private Sources (SPEC, PRV)

Some improvements included in the TIP are partly or wholly funded by special taxing districts designed to finance local governments' infrastructure improvements. Special assessments are taxes over and above the standard property tax rate for the community. Tax Increment Financing districts divert tax revenue growth over time at the standard property tax rate to infrastructure improvements. Private sources typically fund projects that have both public and private benefits.

24. Surface Transportation Program (STP-L, STP-U, STP-R, STP-C)

These federal funds, distributed by formula, may be used for roads not classified as local or rural minor collectors, bridges on a public road, and transit capital projects. The state, counties and the CATS Council of Mayors submit STP programs for CATS review. In response to *ISTEA*, the City of Chicago and the CATS Council of Mayors entered into a memorandum of agreement, subsequently endorsed by the CATS Policy Committee, establishing guidelines for calculating programming marks. This agreement was renegotiated for *TEA-21* and approved by the CATS Policy Committee in December 1999. The agreement is included in Appendix 6. The local officials have established programming guidelines reflecting the requirements of *TEA-21* and the *CAAA*. The new agreement triggered by passage of *SAFETEA-LU* is pending. Kane, Lake, McHenry and Will counties receive a total of \$2,600,000 annually in STP funds. The counties' agreement on STP funds appears in Appendix 6.

25. Surface Transportation Projects (STP-P)

Surface Transportation Projects are specifically earmarked by Congress and are included in annual transportation appropriations legislation.

26. Transportation Enhancement (STP-E)

Ten percent of the state's STP allocation must be used for Enhancement Projects. NIPC and CATS review and evaluate projects before they are submitted to and selected by IDOT, with participation by the Illinois Department of Natural Resources and the Illinois Historic Preservation Agency.

27. Transportation and Community System Preservation (TCSP)

This is a very small federal pilot program with the goal of developing strategies that use transportation investments to build livable communities.

C. TIP Development: The Steps from Plan to Program

Ever-changing regulations and local needs make the development of the TIP a dynamic process. The following description applies to the current TIP development process.

A diagram is provided in Figure 2-2. The diagram highlights opportunities in the process for public participation; participation in the early stages of the process is often very beneficial and effective.

1. Complete a Program of Planning Work

The framework for the planning process in northeastern Illinois is developed in the region's *Unified Work Program for Transportation (UWP)*. The *UWP* identifies and coordinates a program of planning tasks limited by fiscal constraints. The *UWP* includes a range of planning activities, from long-range plan development to project-specific planning to project programming.

The *UWP* coordinates and programs the planning process, while the TIP coordinates and programs the implementation of the plan.

2. Complete a Long-Range Plan

Northeastern Illinois' long-range transportation plan, the *2030 Regional Transportation Plan*, is implemented through the TIP. Therefore, preparing the *2030 RTP* is a major step in developing the region's TIP.¹

The *2030 RTP* encompasses not only specific projects, but also the policies, systems and strategies necessary to serve the region's future travel needs, which are expected to grow significantly between now and 2030.

Many factors were considered in the development of the *2030 RTP*. Public input was central and issues and needs identified by congressional, state and local legislation were examined in the planning process.

¹ The relationship between the *2030 RTP* and the TIP is discussed in Chapter 1.

Additional planning takes place in the context of the *2030 RTP* at a variety of levels. For example, corridor studies may take place to determine the alignment of a new facility. Subarea studies are also undertaken to focus on particular geographical areas in the urban transportation system. Likewise, local governments may conduct local facility plans to prioritize maintenance needs.

3. Project Proposals -- Engineering I, Engineering II, and Construction

Specific project proposals are developed from completed plans by local governments, transportation operators and the State of Illinois. Several factors are central to consideration of these projects. For example, two engineering elements and a construction element are typically included in roadway project proposals. Right-of-way acquisition may also be required.

During phase I engineering, options and alternatives are explored; conditions are determined; preliminary design sketches are completed; and an environmental review is completed, if necessary. Plans and specifications are completed and quantities are estimated in phase II engineering. Right-of-way may also be acquired during phase II. In the final phases, construction and inspection are completed.

Each of these phases may require a year or more, necessitating extensive advance planning on the part of implementers. For major transit projects, an alternatives analysis taking from one to five years or more may be required. Public participation is an integral part of the advanced planning stages of the transportation planning process.

4. Consultation with Subregional, Regional, and State Programming

Before an implementing agency submits a project proposal for inclusion in the TIP, it is programmed by the responsible subregional, regional or state agency. The CATS Councils of Mayors, the City of Chicago, transportation service operators, the State of Illinois, and other programmers are provided estimates of federal funds available. These implementing agencies must then, after prioritizing projects according to preset criteria and local fiscal constraints, allocate these estimated resources to the pool of project proposals and identify in which year(s) the project will take place.

IDOT develops and prioritizes projects for fund sources including interstate, NHS, bridge, local highway; Operation GreenLight and state-programmed STP. The CATS Council of Mayors and the counties develop projects for the locally-programmed STP. The CATS Council of Mayors canvasses county highway departments, divisions of transportation and locally elected officials; analyzes system condition data; solicits public participation; and works with the transit agencies and other groups to identify, evaluate and prioritize potential projects. Transit-related STP projects may be transferred to and administered by the FTA.

Projects included in the CMAQ program are developed by a wide range of implementers and programmed through the CMAQ Project Selection Committee. As with the STP program, funds for transit-related projects may be transferred to and administered by the FTA.

FTA projects are developed by the City of Chicago and the transit agencies, using FTA's process for developing a program of projects. RTA service boards

respond to citizen requests for service and projects within the context of the regional planning process. The RTA also has review hearings to solicit public comment on its service boards' programs.

ITS projects are approved by the GCM (Gary-Chicago-Milwaukee) Executive Committee, which is comprised of the secretaries of transportation for Indiana, Illinois and Wisconsin.

Projects for which funding is not available within the TIP programming horizon may be listed by the implementing agency in a "B list." These projects can be moved into the TIP (as can other projects that are identified during the program year) if funds become available and if the projects meet air quality requirements discussed in the *Conformity Analysis*. "B list" projects are not part of the fiscally constrained TIP and are noted for information only.

The resulting programs are submitted to CATS for inclusion in the TIP. A summary listing of all fund sources is included in Chapter 5 of the TIP.

5. Integrate and Publish the Programs

CATS publishes the project proposals in the *Proposed TIP* after it receives listings of proposed programs from implementing agencies.

6. Conduct Program Review, Revision, and Conformity Analysis

Following program integration, CMAP staff, along with representatives from implementing agencies and subregional bodies, review the *Proposed TIP* for accuracy, fiscal conformity (see Chapter 3), compliance with air quality regulations, and compatibility with regional plans. The *Proposed TIP* and the *Conformity Analysis Documentation* are then reviewed by the regional planning agencies.

The air quality conformity analysis must demonstrate that the projects proposed in the TIP will meet the requirements for achieving clean air goals. Air quality conformity analysis documentation describing the process and findings is available from CMAP.

7. Conduct Public Review and Comment Period

The *Proposed TIP* is released for a formal public comment period of at least 30 days.

Comments regarding the *Proposed TIP* and conformity finding are solicited from interested parties and individuals. A public meeting to discuss the *Proposed TIP* is held during the comment period. Additional discussion of public involvement activities is included in Chapter 4.

The program taken as a whole is the focus of the comments during the comment period. Typically, discussion of individual projects in the program will have taken place during implementing agencies' public involvement processes much earlier in the *TIP* development process.

When the comment period ends, CMAP staff and the implementing agencies review the comments, respond and make any necessary revisions to the *TIP*. If

revisions require a new air quality conformity analysis, CMAP staff incorporate any necessary changes into the *TIP* document, and resubmit the resulting program to public comment.

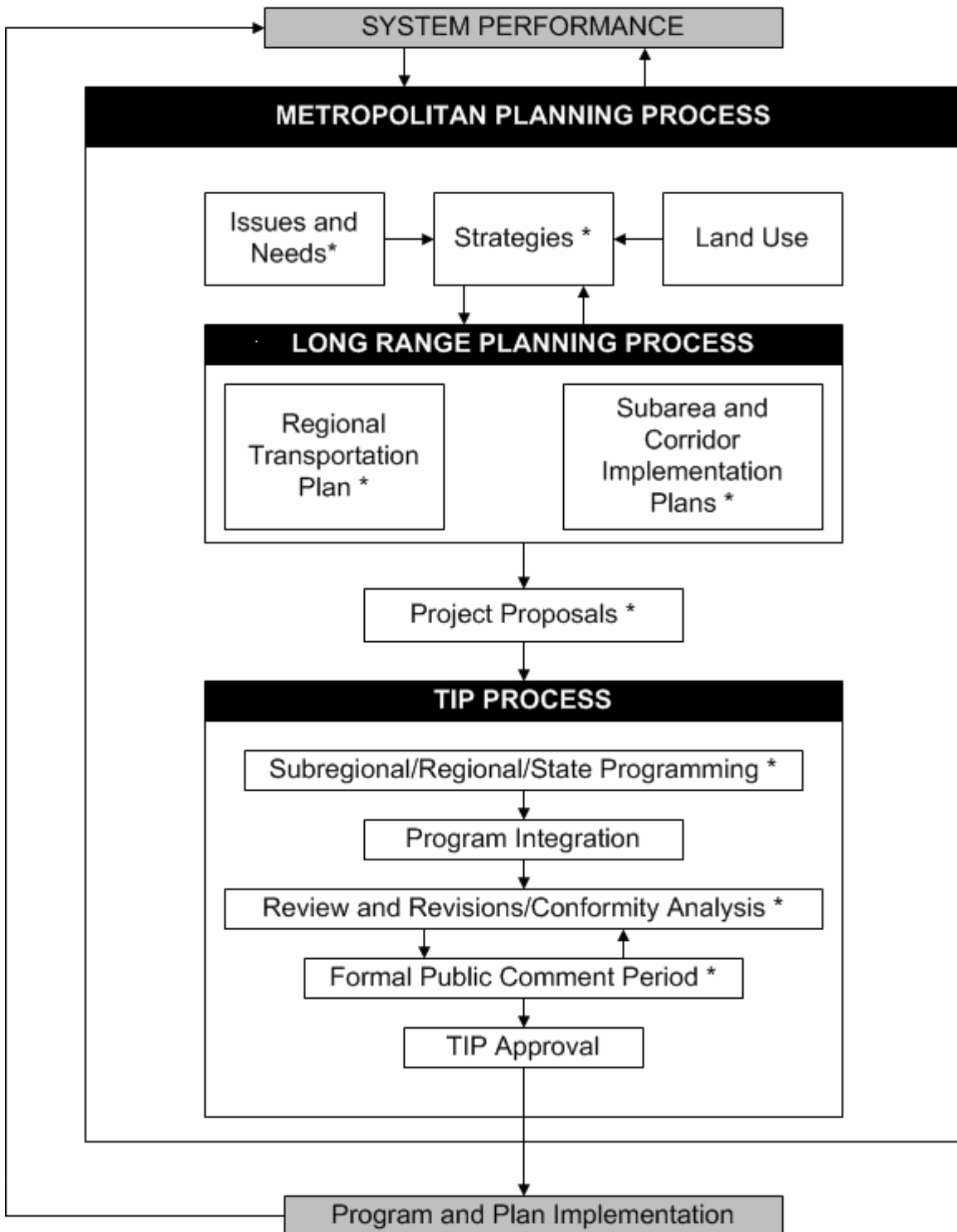
8. TIP Approval

Following the public comment process, the CATS Work Program Committee submits the *Proposed TIP* to the CATS Policy Committee with a recommendation for endorsement. After Policy Committee endorsement, the governor (or a designee) must approve the *TIP*. Finally, the FHWA and FTA must issue a finding of conformity on the *TIP*, in consultation with the United States Environmental Protection Agency. If the finding is positive, projects in the *TIP* may proceed.

9. TIP Changes

The dynamic nature of project programming and the large number of projects in the *TIP* result in numerous *TIP* changes throughout the year. Changes may be made to a project's fund source, cost and/or timing and certain types of projects may be added or dropped. There is a rigorous process for the submittal and approval of *TIP* changes that is detailed in Appendix 3 of the *TIP* document. *TIP* changes are posted at the CATS website, www.catsmpo.com, on a regular basis.

FIGURE 2-1
The TIP Development Process



* Includes opportunities for public participation