

included selectively increasing the fare structure for users and using fund balances to maintain the current levels of service.

The second issue is how public transportation will be administered in the future. During the last several years, public transportation service providers has changed from two independent providers - Kalamazoo County (Care-A-Van) for demand response and Metro Transit for fixed route and ADA transit services - to having all public transportation services provided through a single entity, currently Kalamazoo Metro Transit. The Kalamazoo County Transportation Authority was developed to combine the two transportation systems into one, with work moving forward to have the Authority administer both the demand response and fixed route systems by 2009.

Road Continuing Operations and Maintenance

The road portion of the transportation system in Kalamazoo County is made up of public streets and highways that are maintained by the Michigan Department of Transportation, the Kalamazoo County Road Commission, the cities of Galesburg, Kalamazoo, Parchment, and Portage, and the villages of Augusta, Climax, Richland, Schoolcraft, and Vicksburg. The road system is divided between local or secondary streets and major or primary streets. Some of the streets are eligible for federal funding. Other funding comes from fees, Act 51 revenues, bonds, assessments, etc. The road projects contained in this Transportation Improvement Program are from five of the eleven road agencies in Kalamazoo County.

Funds are available from Act 51 revenues and other local resources to all villages, cities, the Kalamazoo County Road Commission, and MDOT for operation, maintenance, construction, and administration of the road systems. The projects included in this Transportation Improvement Program only cover street preservation and capacity projects from MDOT, the Kalamazoo County Road Commission, and the cities of Portage and Kalamazoo. These projects commit only a portion of the revenues available to all of the governmental units. The road projects in the Transportation Improvement Program are divided 22% in improve/expand projects and 78% in preservation or maintenance of the system projects through resurfacing. In addition, revenues available to the road agencies are dedicated for operations and maintenance of the system through activities such as snow plowing, pothole patching, crack sealing, sign and marking maintenance and installation, sweeping, storm sewer maintenance, chip sealing, and short paving. The average funds projected to be available annually for these activities based on Act 51 reports are \$20,780,242 for the four major Act 51 agencies and \$783,261 for the villages and smaller cities. A total of \$86,254,013 is projected to be available for the operation and maintenance of the system.

New Funding Sources

No project or program is identified in the FY 2008 - 2011 Transportation Improvement Program that uses new funding sources. The Kalamazoo County Transportation Authority with cooperation from Kalamazoo Metro Transit and the Kalamazoo Area Transportation Study is working on a planning group to engage private transportation service providers and human service organizations to define needs and prioritize actions in order to use Job Access Reverse Commute and New Freedom funding for public transportation services.

Local Jobs Today

In 2006, the Local Jobs Today program was announced in the State of Michigan. The program allows the state to issue short-term notes, backed by the Surface Transportation Funds, to accelerate the use of federal transportation dollars by creating a pool of funds local agencies can borrow from to construct federally eligible or designated local projects. These loans will be paid back with expected federal revenues coming to Michigan for local projects over the next three years. Local Jobs Today is administered through the County Road Association of Michigan, the Michigan Municipal League and the Michigan Public Transit Association.

Projects identified in the FY 2008 - 2011 Transportation Improvement Program that were advanced to FY 2007 include:

FY 2008 to FY 2007

- # Crosstown Parkway - Bronson Boulevard to I-94
- # 9th Street - Meridian Avenue to KL Avenue
- # 43rd Street/Q Avenue/44th Street - R Avenue to Village of Climax south limits
- # D Avenue intersection at 14th Street
- # Drake Road intersection at Stonebrook
- # Main Street - South Village of Climax limits to north limits

FY 2009 to FY 2007

- # Mills Street - West Michigan Avenue to Rose Street

FY 2010 to FY 2007

- # 38th Street from MN Avenue to Climax Drive

Because the federal funding for these projects will be “advanced” to an earlier year, the year the federal funds are scheduled will be spent first once the fiscal year begins. The potential impact of this is that construction on federal-aid eligible streets will be limited in future years. More focus will likely occur on local street projects unless additional federal funds are identified in the upcoming years.

Funding Projections for the FY 2008 - 2011 Transportation Improvement Program

A requirement of SAFETEA-LU (23 CFR Sec. 450.324 Part H) states:

Starting December 12, 2007, revenue and cost estimates for the TIP must use an inflation rate(s) to reflect “year of expenditure dollars,” based on reasonable financial principles and information, developed cooperatively by the MPO, State(s), and public transportation operator(s).

The cooperative process for estimating revenues and expenditures used for this Transportation Improvement Program consisted of the MPO receiving current year dollar figures for revenues and construction costs. These current year figures were inflated to represent year of construction revenues and costs using percentages agreed to following consultation with MDOT and the local agencies. The percentages agreed to and used to develop the year of construction expenditures and revenues are shown on the following page.

For the development of the FY 2008 - 2011 Transportation Improvement Program, the following percentage factors were applied to projected construction expenses for road projects and operating and capital expenditures for transit projects.

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|---------------------------------|----|
| Road Construction Projects | 4% |
| Public Transportation Operating | 3% |
| Public Transportation Capital | 3% |

Revenue projections for the TIP were inflated for future years using the following percentage factors:

| | |
|--------------------------------------|----|
| Surface Transportation Program (STU) | 2% |
| Safety | 2% |
| Public Transportation Operating | 3% |
| Public Transportation Capital | 3% |

General program accounts were held constant since projects identified for these accounts will be determined at a future date. Should funding be greater than the general program accounts initial amount as determined at the adoption of the of FY 2008 - 2011 Transportation Improvement Program, justification for the increase will be presented in the amendment to the document.