



Item 13. A. 1.

Future of AMBAG Report

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Prepared by

The Staff of the Association of Monterey Bay Area Governments

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Executive Summary

Recently there has been a great deal of discussion around the structure of transportation planning agencies in the tri-county metropolitan planning region. Most of this discussion has centered on the dissolution of AMBAG as the federally-designated regional Metropolitan Planning Organization (MPO), serving 18 cities and 3 counties, in favor of re-designating TAMC and SCCRTC as single-county MPOs. With the associated loss of federal funding, this would necessarily result in the dissolution of AMBAG as it is structured and operates today. The goals of such a restructuring, as written in TAMC memos, “would be to improve cost effectiveness by removing duplication of efforts across agencies and increasing investment in the regional transportation model.” In subsequent Board and Executive Committee memos at TAMC, SCCRTC, and SBtCOG, many statements have been made regarding AMBAG staff performance and lack of regional coordination, financial concerns regarding cash flow at AMBAG, and the effectiveness of and lack of funding for the Regional Travel Demand Model (RTDM).

This discussion must be understood in context of the unique structure of transportation planning in this region.

AMBAG is the only region in California in which the MPO is not also an RTPA. Combined with the MOUs between AMBAG and the region’s RTPAs, under which AMBAG passes through approximately \$500,000 of federal funding annually allocated to support AMBAG’s transportation programs and related activities, this arrangement exacerbates revenue issues for AMBAG. Similarly, this large sum of federal dollars passed through by AMBAG siphons away funding that could otherwise be used to make the much needed investment in model improvements recommended by peer review experts which the RTPAs state has resulted in a less than satisfactory model. Furthermore, if the RTPAs are concerned about funding for the model, then providing additional funds would meet their often stated concern about achieving an improved model. In fact, as can be seen in the main report following this summary, the RTPAs have programmed the vast majority of federal funds passed through AMBAG for work elements that AMBAG is *federally mandated* to carry out in areas that then are cast as “duplication of efforts” and cited as a rationale for AMBAG’s dissolution. In other words, the RTPAs are not investing in the model, as they indicate is important; rather, the RTPAs put federal dollars in elements that there are state funds to use which, in part, may duplicate AMBAG’s existing and mandatory efforts.

The scenario proposed by the RTPAs would eliminate AMBAG as the tri-county regional MPO in favor of smaller, single-county MPOs. Financially, the region would experience a *net loss* of \$215,557 (this amount fluctuates based on annual apportionments) in transportation planning funding, based on the differential between federal funding gained and state funding lost. By shifting transportation planning away from a regional model, the tri-county region would also be taking a step in the opposite direction of both federal and state trends. Draft Surface Transportation Reauthorization bills at the federal level have contained provisions to increase the threshold for populations served by an MPO, and on a state level, SB 375, RHNA, and the Regional Travel Demand Model requirements all strongly imply the need for transportation planning to be done at a regional scale. Local commute patterns in our region very clearly form a tri-county commute shed, and transportation projects implemented in each county directly impact transportation system of each adjacent county. When applying for competitive funds, a collective regional body which aggregates multiple counties is in a better position to obtain these funds than single-county agencies, which would be competing against each other for funding. Significantly, the memoranda advocating single-county MPOs (see Appendix items E and F) spend considerable time explaining all the various approaches that may be necessary to achieve regional coordination under single-county MPOs.

Removing AMBAG as the regional MPO will also not yield the promised savings to taxpayers. Rather, it would result in a net loss in transportation funding for the region while redistributing \$681,000 of flexible state RPA dollars to other regions in California according to Caltrans. In discussions at both TAMC and SCCRTC, this

has been framed as “taxpayer savings”, however it must be understood that if these dollars are not spent in this region, then according to Caltrans officials, they will be spent in *other regions*, as the total funding allocated at the state level does not change based on the number of recipients. Thus, taxpayers in this region would actually see their tax dollars spent in every California region *except* their own. In fact, if the goals are to improve cost effectiveness by removing duplication of efforts across agencies and increasing investment in the regional transportation model, the most efficient way to do this would be to consolidate the region’s transportation planning into one single agency that is both the regional MPO and RTPA (as is the case in nearly every other region in California). This would consolidate not one, but three executive directors and administrative staff, thereby removing the potential for duplication of efforts, and increasing funding for the RTDM while maximizing cost savings to taxpayers.

While there has been some discussion around the savings to individual jurisdictions from no longer paying AMBAG dues, it should be noted that the *annual* cost savings to member jurisdictions, their residents, school districts, and hospitality industries resulting from energy efficiency projects funded by AMBAG’s Energy Watch program alone are greater than five years of member dues. When added to the \$20 million in energy efficiency funding which AMBAG has brought to the region since 2006, one could conclude that just this single program offsets member dues many times over. In addition, other projects, such as, aerial photography, regional housing needs allocations, population and employment forecasting and GIS information have provided measurable benefits to member agencies.

AMBAG is clearly not without room for performance improvement. There have been a number of issues in recent years regarding coordination with regional partners and communication with affected agencies as well as with the AMBAG Board of Directors. While the dissolution of AMBAG as the regional MPO does not actually achieve the goals set out by other regional agencies, it is clear that moving forward in a “business as usual” manner is not acceptable. Through both staff and the Board of Directors, AMBAG will need to redefine and improve its relationships with other transportation agencies and regional stakeholders in order to improve coordination, cooperation, and performance. Through a survey of AMBAG board members as well as managers/administrators (see Appendix B) the agency is identifying areas of improvement and exploring and implementing solutions. It should be the new AMBAG Executive Director’s first and highest priority to reform and reestablish positive working relationships with the RTPAs, other regional agencies and local government jurisdictions in the region to alleviate any duplication of efforts and ensure increased sustainable funding for a robust and greatly improved regional traffic model.

AMBAG has existed for 43 years as a forum for regional collaboration and cooperation. Locally elected representatives have identified AMBAG as the best agency to address regional concerns through programs such as transportation planning, Blueprint Planning, Sustainable Communities Strategy, Regional Housing Needs Allocation, population and economic forecasting, providing support to the Pajaro River Watershed Flood Prevention Authority, facilitating discussion of Monterey Bay Sanctuary programs and issues, the Central Coast Joint Data Committee, Energy Watch, Commute Alternatives, Environmental Clearinghouse, and others. There were and are very good reasons for these programs to be carried out by AMBAG as a regional body. To disband the organization and lose some, if not all, of these programs when there are more effective ways of achieving the goals set out by TAMC and SCCRTC would be contrary to trends towards more, not less, regional coordination and collaboration.

Methodology

AMBAG staff has prepared this report in response to the regional discussion regarding Metropolitan Planning Organization (MPO) re-designation for the Monterey Bay region. Staff collected information from internal and external sources to compile this report.

The RTPAs in the region – TAMC, SCCRTC, and SBtCOG – initiated the regional MPO re-designation discussion. A document presented to the TAMC Board on June 22, 2011 and entitled “AMBAG Role and Opportunities for Realignment” lists the major tasks currently performed by AMBAG. The document divides the tasks into three categories: (1) metropolitan transportation planning activities, (2) travel forecast model and related data gathering (GIS and census data) and technical assistance to jurisdictions, and (3) non-transportation activities, and suggests that the first two types of activities be shifted to the single-county agencies. Each of the RTPAs brought these issues to their respective Boards. They analyzed the work currently performed by AMBAG, identified areas of regional work duplication, pointed out performance weaknesses, and suggested the designation of TAMC and RTC as single-county MPOs and the designation of SBtCOG as a non-MPO rural RTPA as the regional solution.

AMBAG has provided its perspective regarding the issues and approaches of the RTPAs and reviewed and evaluated several MPO designation scenarios to ensure those scenarios are assessed. Main groups of information sources used for the analysis included:

1. Communication with/from other agencies
2. Studies, articles, and other publications
3. Financial documents, transportation plans, and program reports
4. AMBAG Board and manager/administrator survey responses

Information AMBAG staff reviewed included staff reports to Boards of Directors, letters, emails, and meetings with Board members, city managers, agency administrators and state and federal officials. AMBAG collected available information and, in analyzing it, identified the issues the RTPAs specified and the suggestions and, as much as possible, the basis for their recommendations. Staff identified that some of their more prominent concerns were the quality of the data compiled through the Regional Travel Demand Model; the fact that AMBAG runs the rideshare program for Monterey County as a single-county program; the need to increase efficient use of taxpayer dollars by eliminating duplication of efforts, such as reducing the number of transportation program/ plans (OWP, Public Participation MTP and MTIP) and the need for more coordination between AMBAG and other regional/county agencies. AMBAG used financial documents and reports (i.e. the Overall Work Program, AMBAG budget) to evaluate fiscal impacts and to the extent possible budget fiscal information from the RTPA reports.

AMBAG staff reviewed books, studies, articles, and websites to analyze the benefits and challenges of single-county MPOs. Analyzing legislation (Title 23 CFR) was beneficial in defining the roles of the MPO in the region, as well as clarifying the need for and the process of designating and re-designating MPOs.

In addition to collecting the above information, AMBAG surveyed its Board members and managers/administrators of those members and other agencies to collect input regarding, almost exclusively, concerns and areas of performance improvement for AMBAG. We did not focus on how other agencies might improve their performance. Based on available information we developed scenarios for changing current structures and improving performance.

Introduction

The following discussion is a response to regional dialogue regarding the proposed realignment of roles and responsibilities carried out by AMBAG. Specifically, TAMC and SCCRTC have begun to explore the option of becoming single-county Metropolitan Planning Organizations (MPOs) in place of the current tri-county MPO arrangement (AMBAG). While it has been suggested that AMBAG could continue to exist without its MPO status in order to continue non-transportation planning work, it would not be financially possible for AMBAG to exist without federal transportation funds. Therefore, what is currently being discussed by the regional agencies is, in effect, the dissolution of AMBAG as an agency. Regional functions would need to be conducted through a volunteer, policy structure.

The purpose of this report will be to address the points made by other agencies regarding AMBAG and the single-county MPO scenario being proposed by TAMC and SCCRTC. The report seeks to address the issues and concerns about AMBAG's finances, performance, and responsibilities which have been raised over the course of the past 2-3 months in TAMC, SCCRTC, and San Benito COG memoranda, as well as in meetings between and among the aforementioned agencies, AMBAG and Caltrans. Alternative regional governance scenarios are also discussed.

Concerns Regarding AMBAG and Regional Transportation Planning

The major rationales posited for AMBAG's dissolution fall into four broad categories:

1. Financial
2. Duplication of planning activities
3. AMBAG Regional Travel Demand Model
4. AMBAG performance

The following section addresses each category by specific points and provides AMBAG staff responses to each.

Category 1: Financial

There are a number of financial points that have been made for AMBAG's dissolution. These concerns have been expressed in several distinct forms: (1) Without AMBAG, there will be taxpayer savings; (2) AMBAG's internal financial structure is inefficient, with supposedly high overhead costs, (3) structural problems giving rise to cash flow problems; and (4) Without AMBAG's membership dues, local jurisdictions would see savings.

1A. Dissolution of AMBAG will save tax payer dollars

TAMC, SCCRTC, San Benito COG and others have claimed that if AMBAG were dissolved, a significant amount of taxpayer dollars would be saved.

AMBAG Response:

If AMBAG is dissolved and the single-county MPO model is pursued the region will lose a net amount of \$215,557 of Rural Planning Assistance (RPA) funding. This type of funding is the most flexible type of funding received by the RTPAs as there are fewer requirements attached to it. These funds can be used for model improvements and related transportation planning functions as well as required cash/ in-kind matches for federal funds. Federal PL funding would be redistributed to the single-county MPOs in this region, while other MPOs in the State would take a loss on PL funding, as the total funding "pot" does not increase or

decrease based on the total number of MPOs. By dissolving AMBAG, tax payer money is simply redistributed and the region loses out on funding from the State. Taxpayers will still see their transportation agencies continue to have the same planning obligations. It has also been suggested that the State of California would save money, as the local RTPAs would no longer receive RPA funding. Under such a scenario, however, the RPA funding would not go back to the State budget; rather, it would simply be redistributed to the other RTPAs throughout the state, as the total funding “pot” at the state level does not increase or decrease based on the number of agencies receiving RPA funds. Caltrans staff has indicated that “Caltrans allocates 6 million annually in Rural Planning Assistance funding (RPA) that is distributed to 26 rural RTPAs. Each individual RTPA allocation is based on county population.” Caltrans further states that this arrangement where three counties, who are not MPOs receive RPA funds, is “also unique in California”. Changes to a single-county structure would add to the cost of oversight functions of federal and state agencies by increasing the number of MPOs to monitor.

1B. AMBAG overhead is too high, and requires additional funding sources

The RTPAs in the region assert that AMBAG’s overhead rate is too high, and that this has caused AMBAG to require extra sources of funding in order to fill in the gaps.

AMBAG Response:

AMBAG overhead costs are minimal and when comparing labor costs (the major cost component of any organization) → are generally lower than other government agencies in the region based on a cursory review of their staff total compensation costs. In discussions with city managers and a regional government administrator there may be future opportunities to lower overhead costs if AMBAG staff were located in, say, the Air District building or the city-county building in Watsonville. Then some functions currently contracted or staffed by AMBAG could be evaluated on a comparative cost basis to see if those agencies would have the ability to provide overhead operations at a lower cost. Improved space arrangements might also be possible in those locations. As a practical matter, AMBAG’s overhead rate is based on federal regulations for reimbursement of indirect costs such as utilities, rent, payroll and various services. As a percentage of the total AMBAG budget, its overhead costs are 12%. AMBAG receives reimbursement for overhead costs through its Indirect Cost Allocation Plan (ICAP). This rate must be in compliance with state and federal regulations and if it were not utilized substitute funding sources would have to be found. The ICAP rate fluctuates based on carryover funds, the size of the budget, what is determined to be allowable and unallowable costs. In fact, these reimbursements are instrumental in keeping the actual overhead burden on other sources of funds to a minimum.

1C. Cash flow issues have greatly weakened AMBAG as an agency

The RTPAs as well as Caltrans have pointed out that AMBAG has experienced a number of major cash flow problems over the years, which greatly weakens the agency.

AMBAG Response:

AMBAG has experienced cash flow problems in previous years. Since AMBAG is a reimbursable agency the agency has to pay contractors and vendors prior to receiving obligated funding from the state and federal government. AMBAG has been working to build a reserve and increase its line of credit to help alleviate the pressures of being a reimbursable agency. It should be noted that AMBAG has had to borrow from its credit line only three times in four years.

As an MPO and COG, AMBAG also has several unfunded mandates, which include the Regional Housing Needs Allocation (RHNA), SB 375 requirements, all of which are paid for by a combination of member dues, federal PL dollars, grants it has pursued and been rewarded (most recently the \$750,000 grant to carry out SB375 mandates) and small pieces of other funding sources. AMBAG also provides a wide range of technical assistance services to member agencies, including GIS and other plan development support. If AMBAG were to be dissolved these unfunded mandates would have to be taken on by the two new single county MPOs. These responsibilities have contributed to AMBAG’s need to seek out several new grant funding sources.

However, grant funding sources also function on a reimbursable basis.

The agency's funding problems are compounded by the amount of money AMBAG passes through to the RTPAs based on the current Memorandum of Understanding (MOU) between the agencies. In fiscal year 2010-2011 AMBAG has passed through \$499,611 of PL funding to the RTPAs—funds that could have been used for transportation planning requirements, such as, improving the traffic model. A recommendation in this report will be changing the MOU to allow AMBAG to retain 50% or \$250,000 a year of the PL pass-through funds to, in particular, address ongoing and one-time model improvement costs advocated by the peer review experts in their report, by AMBAG staff and by the staff of the RTPA's in their reports. The current arrangement of AMBAG passing through federal PL funds to RTPAs is unique among MPOs in California.

1D. Dissolution of AMBAG will yield savings to jurisdictions from the elimination of AMBAG member dues

Both TAMC and SCCRTC claim that jurisdictions will save \$173,700 in AMBAG member dues with the elimination of AMBAG as an agency.

AMBAG Response:

While clearly there would be no more payment of AMBAG dues without the existence of AMBAG, it is not clear to what extent jurisdictions in the AMBAG region will be required to incur additional costs under a single-county MPO scenario. Since regional collaboration will still be necessary in order to carry out unfunded mandates including the Regional Housing Needs Assessment (RHNA) and SB 375, the need for some sort of "regional forum" such as a JPA (TAMC Exec. Committee Memo, August 3, 2011) to carry out these functions, as well as coordination of regional traffic modeling, is widely acknowledged.

In TAMC's June 22, 2011 Board memo, the formation of no less than two new Joint Powers Authorities (JPAs) is recommended in order to fulfill regional projects and programs including bicycle travel, model data collection, land use/ transportation model upgrades, and the travel forecast model and associated GIS services. No budget projections have been provided for these new JPAs or some other regional coordinating entity, but it can be assumed that there will be costs involved in their establishment and funding, and it is entirely possible that some form of member dues may be required.

TAMC has also acknowledged the need to hire further staff members, and SCCRTC would likely require further staff in order to take on the extra work load as well. Based on TAMC memoranda, it is likely that between the two agencies and whatever "regional forum" or JPA must be established, at least 4-5 more staff may be required—different RTPA memos acknowledge different estimates; it could end up being a number of planning staff similar to that currently employed by AMBAG. Given that AMBAG is already a JPA that handles all of the services that would be required of this new JPA or other regional structures, it is conceivable that this scenario which dissolves AMBAG, would then require forming one or more other regional structures which would then require new costs and revenue streams to fund the regional mandates such as RHNA, SB 375, and the regional model.

It should also be noted that up to \$1,000 of annual member dues are given back to jurisdictions through AMBAG GIS and other planning consulting services which are available upon request to member jurisdictions. Particularly for smaller jurisdictions, these available services are equal or nearly equal to their dues. Since the majority of AMBAG jurisdictions are not able to fund a full-time GIS analyst, this arrangement provides the services needed at a very low cost and saves jurisdictions money that would otherwise be spent on costly GIS consultants or staff. As is noted later in this memo, AMBAG member dues are also more than compensated by the energy efficiency services and climate action planning technical assistance offered by the AMBAG Energy Watch program. Other projects and services performed by AMBAG that would be prohibitively costly for individual jurisdictions to carry out include LiDAR mapping and orthographic imaging.

AMBAG applied for and received grant funding for these projects as a direct result of its status as a regional body. By applying for the funding on behalf of 21 local governments, AMBAG has been able to leverage

collective regional needs in order to provide these services to its members. Without AMBAG, single-county or city agencies would be competing with each other for the limited grant funding, and the benefits of such funding would no longer be distributed throughout the region.

Category 2: Duplication of Regional Transportation Planning Efforts

There is a perception that a great deal of duplication of efforts surrounding transportation planning in the region exists. TAMC and SCCRTC have specifically cited the preparation of three separate Regional Transportation Plans (RTPs) and Overall Work Programs (OWPs) at the county level as being “duplicative” with the Metropolitan Transportation Plan (MTP) and OWP prepared by AMBAG.

AMBAG Response:

It has been asserted by all three RTPAs that there is currently a “duplication of efforts” in transportation planning. While this has been stated in multiple memoranda from all three agencies, to date there has been little if any mention of specific examples of work that is currently being done both by AMBAG and by any of the RTPAs. Nevertheless, the following section provides a review of the current structure of transportation planning in the tri-county region.

While no two agencies are literally doing the same work, the organizational structure of transportation planning agencies in the Monterey Bay Area does create a certain amount of overlap between county level planning and tri-county level planning. In order to understand this overlap, it is useful to understand the funding streams and accompanying requirements on both the state and federal level. A RTPA that receives state RPA funds (as both TAMC and SCCRTC do) is required to produce a Regional Transportation Plan (RTP) and a Regional Transportation Improvement Program (RTIP) and a separate Overall Work Program (OWP) for RPA funded activities. At the federal level, the MPO is required to produce the Metropolitan Transportation Plan (MTP), OWP for federally funded activities, a Metropolitan Transportation Improvement Program (MTIP), and a Regional Travel Demand Model (RTDM). With the exception of AMBAG, every other MPO in California is also an RTPA. When one single agency acts as both the MPO and the RTPA, only an MTP, OWP, MTIP, and RTDM are required. Thus, in this tri-county region, there are eight major planning documents being produced (four OWPs three RTPs and one MTP). Under the current arrangement, AMBAG funds the RTP by passing through FHWA PL funds and as a result three RTPs are combined into the regional MTP.

In addition to this overlap, there are also overlapping work elements found at the RTPAs and AMBAG. These can be seen in Table 1 along with the current funding allocations by agency.

The fact that all agencies have these same work elements is a direct result of the PL pass-through funding from AMBAG to the RTPAs under the existing MOU. Since TAMC and SCCRTC receive federal funds from AMBAG, both agencies are required to contribute to the federal OWP and other shared work elements as shown in Table 1. Therefore, modifying the MOU based on a review of the products/activities each agency undertakes would help avoid duplication of transportation planning efforts and helps streamline the planning process in the region and potentially saves taxpayer dollars.

Aside from the production of these documents there are transportation planning activities that are conducted at the regional level and at the county level. This is not to say these activities are necessarily duplicative. The same could be said regarding the overlap in General Plan Circulation Elements completed at the city level and Regional Transportation Plans completed at the county level. If one is to defend the usefulness of a county level transportation plan that incorporates – and arguably duplicates – transportation planning done at a city level, what are the arguments that can be made? A logical one may be that transportation planning must be conducted from a system-wide approach. Commute patterns, much like environmental issues do not respect jurisdictional boundaries inasmuch as transportation patterns crisscross county and regional boundaries. As such, a comprehensive county wide approach can respond to transportation needs and issues that a collection of city-wide Circulation Elements could not reasonably be expected to do. Similarly, in our opinion, transportation planning conducted at a regional level is equally appropriate for addressing regional commute patterns and air quality conformity analysis.

Table 1: Current Year Funding Allocation for Transportation Planning Activities in the Monterey Bay region

Work Element	Major Transportation Planning activities	AMBAG	TAMC	SCCRTC	SBtOG
101	Overall Work Program (OWP)	\$101,000	\$173,824	\$46,000	\$150,000
112	Plan Coordination	\$77,362	\$294,972	\$97,244	\$80,000
113	Public Involvement	\$59,500	\$155,364	\$115,000	\$37,000
411	Clearinghouse	\$6,600	\$54,119	\$35,020	-
621	Elderly & Disable ADA	\$2,380	\$11,119	\$39,222	-
622 & 624	Metropolitan Transportation Plan (MTP)	\$134,827	\$202,857	\$117,537	\$104,469
641& 642	Metropolitan Transportation Improvement Plan (MTIP)	\$82,529	\$265,750	\$214,500	\$2,919
Total		\$464,198	\$1,158,005	\$664,523	\$374,388
Work Element	Regional Data sharing, Census, GIS and Modeling activities	AMBAG	TAMC	SCCRTC	SBtOG
231	Data Collection and Uniformity (census)	\$54,200	\$13,564	\$58,000	-
241	GIS Database and Technical Support	\$85,088	\$0	\$0	-
251	Regional Travel Model	\$206,400	\$8,987	\$0	\$5,000
Total		\$345,688	\$22,551	\$58,000	\$5,000

Inter-county regional commute patterns in the Monterey Bay Area clearly point to the *tri-county region* as the regional transportation planning area. Transportation planning stakeholders throughout the Monterey Bay Area have acknowledged the necessity of maintaining a travel demand model that can effectively capture and model our region's entire commute shed. Single county travel demand models would fail to fully represent the travel patterns and behaviors of residents throughout the Monterey Bay Area. Similarly, single county transportation plans would fail to fully respond to inter-county region wide transportation issues and needs. So, one can conclude that AMBAG's current structure is appropriate for addressing regional housing, transportation, and greenhouse gas issues. At the minimum, single-county MPOs would have to replicate much of the AMBAG regional structure.

New state mandates due to Senate Bill 375 further suggest that regional transportation planning be done at the same geographic level as air quality planning and housing in order to most effectively achieve the greenhouse gas reduction targets. The North Central Coast Air Basin consists of the tri-county Monterey Bay Area commute shed – Monterey, San Benito and Santa Cruz Counties.

Interestingly, "streamlining" to allegedly eliminate "duplicative efforts" could result in scattering COG functions, more complex coordination issues for regional functions and potentially even more costs and time to complete those functions.

Category 3: AMBAG Regional Travel Demand Model

Both TAMC and SCCRTC assert that the Regional Travel Demand Model (RTDM) has suffered under AMBAG's watch. They assert that the RTDM has been poorly managed and that there has been a lack of funding programmed for the model. It has also been asserted that the AMBAG model is in need of updating. For example, it should include more current census data. TAMC has also asserted that prior traffic forecasts are not consistent with current travel forecasts, and that the base model is in need of updating. There have also been some comments from local city governments that the model is not useful for city-level planning activities.

Table 2. FY 2011-12 OWP- Funds programmed for Modeling and GIS data services

WE#	Regional Modeling and GIS activities	AMBAG	TAMC	SCCRTC	SBtCOG
231	Data Collection and Uniformity (census)	\$54,200	\$13,564	\$21,000	
241	GIS Database and Technical Support	\$85,088	\$0	\$0	
251	Regional Travel Model	\$206,400	\$8,987	\$0	\$5,000
Total		\$345,688	\$22,551	\$21,000	\$5,000
Grand Total \$394,239		87.68%	5.72%	5.33%	1.27%

2A. There is not enough funding directed towards the RTDM (TAMC at June 24, 2011 meeting with SCCRTC, FHWA, FTA and Caltrans).

AMBAG Response:

The recently released Federal Highway Administration (FHWA) sponsored Travel Model Improvement Program Peer Review-Summary Report (TMIP) states that AMBAG's RTDM requires that additional funding sources be identified for the short, mid and long-term model improvements.

Currently, the primary source for RTDM maintenance and development comes from Federal Highway Administration Planning funds (FHWA PL funds). Programming of these dollars not only falls on AMBAG's shoulders, but also on those of SCCRTC, TAMC and San Benito COG, as all agencies participate in the same Overall Work Program as a direct result of the MOU which passes through \$499,611 of federal funds annually from AMBAG to SCCRTC and TAMC to carry out federally mandated activities including travel demand modeling (RTDM).

Half of all federal funding related to AMBAG's MPO designation is distributed among the RTPAs, totaling approximately \$499,611 in 2010-2011. The RTPAs then distribute these funds among a variety of work elements (but not for transportation modeling), such as, OWP, Plan Coordination, Public Participation, RTP and MTIP and Environmental Clearinghouse activities. Table 2 shows the FHWA PL dollars that each agency allocates for modeling and related work elements. AMBAG dedicates the most PL funding to the model of all four agencies. While the TMIP report recommends seeking additional sources of funding for model improvements, a review of current programming of FHWA PL funds suggests that a more effective distribution of these dollars across all four agencies could result in more funding available for RTDM improvements if we collectively review areas of duplication and overlap in the use of these dollars.

In the scenario where TAMC and SCCRTC become MPOs they would have to dramatically increase the amount of money dedicated to the model. Starting a model from scratch would be even more costly than moving forward with the much needed model improvements. In some of the scenarios considered below where AMBAG remains intact as the MPO, it is proposed that even more of the PL funding be dedicated to the model and its improvements.

2B. The RTDM is in need of updating; prior traffic forecasts are not consistent with current travel forecasts (TAMC Board Memo, June 22, 2011).

AMBAG Response:

During the spring of 2011, AMBAG conducted a FHWA sponsored peer review process through the Travel Model Improvement Program (TMIP). All RTPAs, the local air district, transit agencies and Caltrans executive directors were invited to present their concerns, comments, and future needs for the model. The peer review process resulted in a report detailing recommendations for short-term, medium-term and long-term model improvements. The report also asserts that, "the AMBAG travel demand model meets current state-of-the

practice travel modeling standards and has some special features that go beyond standard practice” (See Appendix F: FHWA/FTA feedback on the AMBAG Model).

In e-mail communications between Caltrans staff and AMBAG staff, Caltrans confirms that the AMBAG model adequately meets Caltrans needs in terms of making project decisions. Caltrans staff further states, “the development of a longer-term vision by AMBAG modeling staff for model development reflects a level of professionalism that we support” (See Appendix F: Caltrans Feedback on AMBAG Model).

Updating the current 2005 base year model to a 2010 base year model is one of the recommended improvements and will include not only recently released US Census data, household travel survey data, and population and employment forecast data, and a series of other short-term and mid-term improvements. AMBAG is currently working with all RTPAs, transit agencies, the Air District in the region and Caltrans on a request for proposals (RFP) and consultant selection for implementation of the short and mid-term model improvement recommendations.

Development of a regional travel demand model must follow a series of regulated steps to ensure it is sufficiently calibrated and validated for the best use to our region. Ensuring potential users are aware of the timeline for such an approach could help stakeholders identify ways to better support model improvement efforts.

2C. The RTDM is not useful for city-level planning purposes (Comment by City of Santa Cruz at August 18, 2011 SCCRTC Policy Workshop).

AMBAG Response:

The AMBAG Model is a regional model primarily utilized to prepare the Metropolitan Transportation Plan (MTP) and carry out air quality conformity analysis per federal statute. The Model has been developed to forecast travel patterns and regional growth within the entire commute shed of the Monterey Bay Area, which consists not only of Monterey, San Benito and Santa Cruz Counties, and includes Santa Clara County. The AMBAG Model is and always has been made available for RTPAs and local agencies to use at no cost, and technical assistance is provided by AMBAG staff. From 2005 to present, local governments and regional agencies have successfully used the AMBAG RTDM for over 50 different projects. It should be noted that adapting the model to a local jurisdictional level (city or county) should be done by local government staff at the local level.

The AMBAG RTDM must be viewed in light of the federal transportation planning legislation that applies to MPOs. Specifically, each MPO is required to develop a long-range transportation plan. According to the Federal Highway Administration (FHWA), this “requires valid forecasts of future demand for transportation services. These forecasts are frequently made using travel demand models, which use regional population, employment and land use forecasts in relation to transportation projects and related needs. The outputs of travel demand models are used to estimate regional travel demands for use in motor vehicle emissions models for transportation conformity determinations in non-attainment and maintenance areas, and to evaluate the impacts of alternative transportation investments being considered in the transportation plan.”

The population and employment forecast which provides the basis for the regional travel demand model is utilized by cities, counties, water districts and the Air District for a range of planning activities including General Plan updates.

Category 4: AMBAG Performance (this is addressed under Scenario Three)

Scenarios for Improving Regional Transportation Planning

The different scenarios outlined below present opportunities to streamline these processes. As a summary, in the scenario where AMBAG is dissolved, TAMC and SCCRTC would still be required to produce a MTP, MTIP and OWP with a loss of RPA funding and largely a shift of federal PL funding from AMBAG to their agencies. San Benito COG would be required to produce these same documents because they would continue to

Table 3: Distribution of State Rural Planning Assistance Funds

2010 -11 RPA Allocation w/Santa Cruz and TAMC as RTPAs		2010 -11 RPA Allocation w/out Santa Cruz and TAMC as RTPAs		Impact to other Counties
RTPA	ALLOCATION	RTPA	ALLOCATION	
Alpine	\$116,000	Alpine	\$147,000	\$31,000
Sierra	\$116,000	Sierra	\$147,000	\$31,000
Modoc	\$147,000	Modoc	\$177,000	\$30,000
Mono	\$216,000	Mono	\$246,000	\$30,000
Trinity	\$147,000	Trinity	\$177,000	\$30,000
Mariposa	\$147,000	Mariposa	\$177,000	\$30,000
Colusa	\$147,000	Colusa	\$177,000	\$30,000
Inyo	\$216,000	Inyo	\$246,000	\$30,000
Plumas	\$147,000	Plumas	\$177,000	\$30,000
Del Norte	\$216,000	Del Norte	\$246,000	\$30,000
Glenn	\$216,000	Glenn	\$246,000	\$30,000
Lassen	\$216,000	Lassen	\$246,000	\$30,000
Amador	\$216,000	Amador	\$246,000	\$30,000
Calaveras	\$216,000	Calaveras	\$246,000	\$30,000
Siskiyou	\$216,000	Siskiyou	\$246,000	\$30,000
Tehama	\$275,000	Tehama	\$304,000	\$29,000
Tuolumne	\$275,000	Tuolumne	\$304,000	\$29,000
Lake	\$275,000	Lake	\$304,000	\$29,000
Mendocino	\$275,000	Mendocino	\$304,000	\$29,000
Nevada	\$275,000	Nevada	\$304,000	\$29,000
El Dorado	\$315,000	El Dorado	\$343,000	\$28,000
Placer	\$315,000	Placer	\$343,000	\$28,000
Humboldt	\$315,000	Humboldt	\$343,000	\$28,000
TAMC	\$395,000	TAMC	\$0	(\$395,000)
SCCRTC	\$315,000	SCCRTC	\$0	(\$315,000)
SBtCOG	\$275,000	SBtCOG	\$304,000	\$29,000
Total	\$6,000,000	Total	\$6,000,000	(\$681,000) For Region

receive RPA funding. Without AMBAG the number of planning documents produced in the region is reduced from four to three. In the scenario where AMBAG remains an MPO and becomes an RTPA the number of planning documents is further reduced to one MTP. TAMC, RTC and San Benito COG would no longer have to produce the Public Participation Plan, RTPs, RTIPs and OWPs. TAMC and SCCRTC have proposed a scenario in which single-county MPOs serve Santa Cruz and Monterey Counties while San Benito County retains its current status as a COG and RTPA. The following section explores the pros and cons of this scenario and then proposes alternative scenarios that also address concerns regarding duplication of efforts and AMBAG performance. The alternative scenarios include keeping the current regional MPO model with major modifications to AMBAG's operations and a more consolidated scenario in which the MPO becomes the RTPA for the region and transportation planning activities are consolidated into one regional agency.

Table 4: Transportation Planning Funds for the Monterey Bay region

Transportation Planning Funds	With AMBAG	Without AMBAG	Net Change
Federal Highway Administration (FHWA) PL	\$1,158,627	\$1,609,337	\$450,710
Federal Transit Administration (FTA) 5303	\$272,666	\$287,399	\$14,733
Rural Planning Assistance (RPA)	\$985,000	\$304,000	\$(681,000)
Region's Total Transportation Planning funding	\$2,416,294	\$2,200,736	\$(215,557)

Source: California Department of Transportation; Monterey Bay Region MPO Restructuring Discussion, June 24 2011(see Appendix F).

Scenario 1: Single-County MPOs

Description

As mentioned above, the scenario proposed by TAMC and SCCRTC would eliminate AMBAG as a regional MPO, while creating two single-county MPOs (TAMC and SCCRTC). San Benito COG would remain its own RTPA and would receive state funds in order to carry out its RPA funded transportation related mandates. The RTDM would be managed by a JPA agreement among TAMC, SCCRTC, and San Benito COG as would the travel forecast and model upgrade. The Sustainable Communities Strategy (SCS) would be managed and prepared either by a collaboration of the single-county agencies, by AMBAG in a transition period, or by a consultant. TAMC and SCCRTC would take on all transportation planning, travel forecast modeling, and related data gathering.

Under the Single-County MPO Scenario, the OWP, MTP, and MTIP would be “absorbed into existing Transportation Agency activities” (see Appendix F: TAMC Memo, August 3, 2011). Other roles currently served by AMBAG, such as, RHNA, the Census Data Center, Monterey County Ridesharing activities, and the SCS would “represent additional work effort by the agency” (See Appendix E: TAMC Memo, August 3).

According to TAMC, this would “improve cost effectiveness by removing duplication of efforts across the agencies and increasing investment in the regional transportation model.” TAMC claims that while there will be an estimated loss of \$395,000 in state RTPA funds, the agency will realize a net gain of approximately \$250,000 due to the extra \$648,500 of federal highway and transit planning funds. TAMC and SCCRTC have also distributed reports that could, conceivably, create different regional cooperation/coordination structures (see Appendix G: Institutional Arrangements White Paper).

Financial Impact

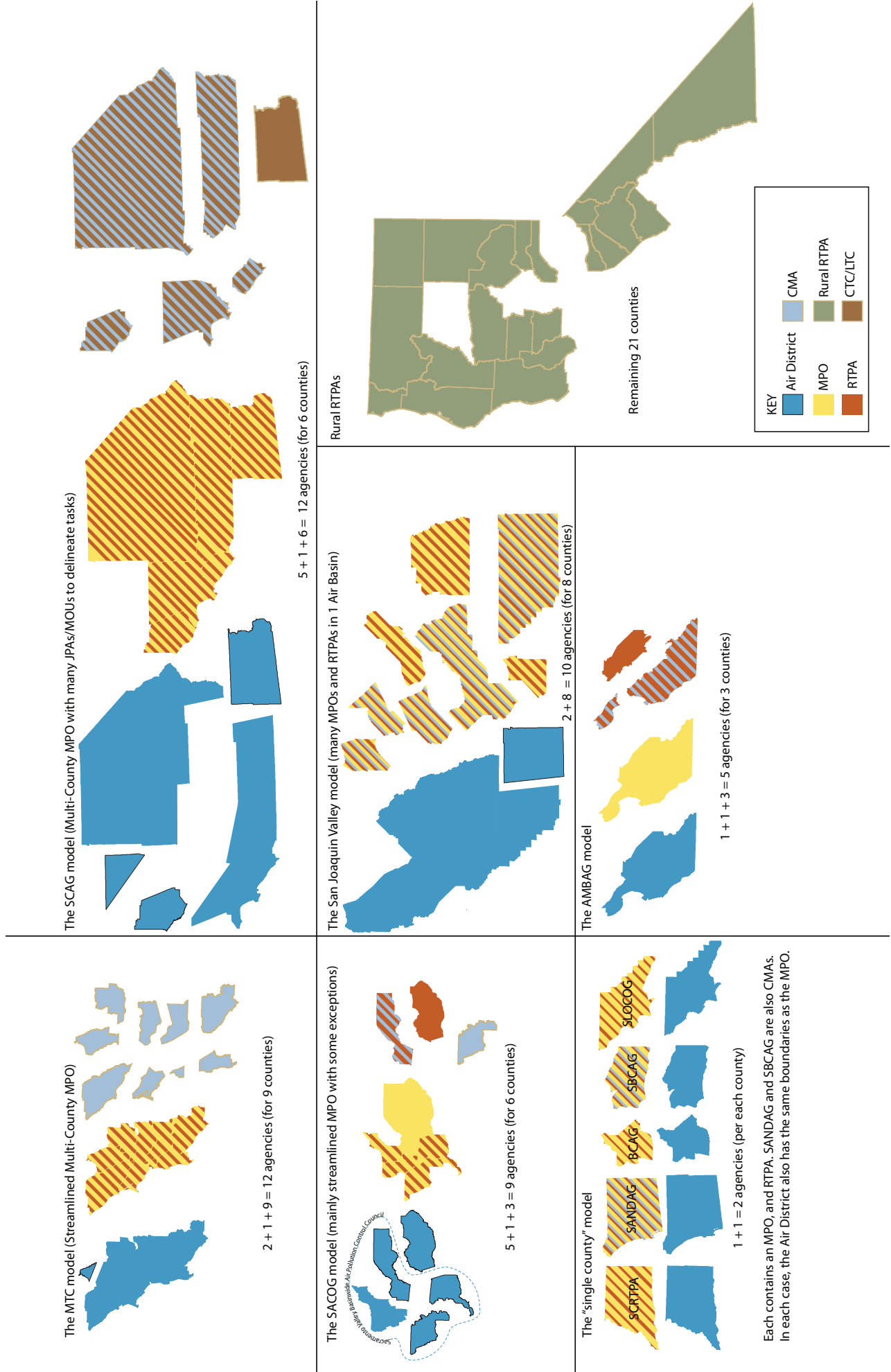
The federal funding for MPOs will not change in size based on the number of MPOs. By adding additional MPOs the amount of PL and 5303 funding allocated to each MPO actually decreases. While TAMC and SCCRTC would lose Rural Planning Assistance (RPA) funds (see Table 3) and the current PL pass through funding from AMBAG, both would receive PL funds directly from FHWA instead. For TAMC this would mean a net gain of \$206,758.¹ SCCRTC would have a net gain of \$192,967.² In addition to PL funding each MPO would receive the FTA 5303 funds. The FTA estimates this would mean an additional \$163,381 for TAMC and \$124,017 for SCCRTC. In addition, jurisdictions would no longer pay AMBAG member fees amounting to \$173,700.

On a regional scale, the tri-county area would actually lose a total of \$215,557 annually of taxpayers' dollars

¹ According to the federally approved AMBAG 2011-12 Overall Work Program TAMC will receive \$266,260 in PL funds and \$395,000 in RPA funds. The FHWA estimates that TAMC would receive \$868,018 in PL funding for a net gain of \$206,758.

² According to the federally approved AMBAG 2011-12 Overall Work Program RTC will receive \$233,351 in PL funds and \$315,000 in RPA funds. The FHWA estimates that TAMC would receive \$741,318 in PL funding for a net gain of \$192,967.

Figure 1. California Air District, MPO, RTPA, CMA arrangements.



currently allocated to this region. This is due to the fact that while FHWA and FTA funds would increase to the region, the decrease in state RPA funds would more than offset this gain. Furthermore, as has been acknowledged by other agencies, RPA funds are significantly more flexible than federal transportation funds, allowing the recipients of RPA funding more leeway when deciding how these funds should be spent. Table 4 shows the funding allocation to the region before and after AMBAG dissolution under a single-county MPO scenario. It is noted that more flexible regional taxpayer dollars go to other regions. Those funds can be used for other unfunded transportation and related needs.

Additional Costs and Considerations

There are a number of other issues that would arise from the dissolution of AMBAG and the formation of single-county MPOs in the region. These issues arise from the fact that AMBAG currently performs a number of regional duties that are currently only funded by member dues, federal PL dollars, and AMBAG Energy Watch funds. These duties fall into two distinct categories: Unfunded federally mandated COG responsibilities and unfunded regional priorities. Also, there is no assurance that membership dues will not be reinstated or that technical assistance provided by AMBAG would continue.

Unfunded Federally Mandated Duties

Regional Housing Needs Allocation (RHNA)

As the regional COG, AMBAG currently handles the Regional Housing Needs Allocation (RHNA) process. The RHNA is a housing mandate that the California Housing and Community Development Department provides to each Council of Government (COG) in California. Each COG must then allocate to local jurisdictions the number of new housing units required, according to different affordability levels, over an eight year planning period. Federal PL funds cannot be used for purposes of RHNA, and based on historical outlays, the costs associated with RHNA total approximately \$80,000 and this could increase where each county does its own RHNA. Furthermore, if RHNA were to be done at a single-county level, it is unlikely that the region would meet its GHG reduction goals under SB 375, since the targets are set at a regional level. If each county did RHNA individually, the housing allocations could contradict the regional SCS (described below).

SB 375

Under SB 375, the AMBAG board has set regional greenhouse gas reduction targets for light trucks and passenger vehicles. In order to achieve these goals, AMBAG must put together a Sustainable Communities Strategy (SCS). SB 375 is essentially an unfunded mandate; however AMBAG has applied for and received grant funding of \$750,000 through the Strategic Growth Council (SGC) in order to carry out these duties. Since the grant was given to AMBAG for regional planning purposes, it is unclear whether or not the grant could be transferred to another agency, and quite unlikely that it could be transferred to a single-county agency. Also, staffing estimates by the RTPAs vary from 4-5 to 1-2 employees. There is also lack of consideration in any transition timing to the fact that the grant is for 36 months and could well extend beyond estimated transition dates given that work under the grant to satisfy SB 375 mandates would not be completed.

Unfunded Regional Priorities

There are a number of issues that have been identified by AMBAG's locally elected Board of Directors as needing regional attention through a regional COG. These programs have no specific funding sources, which mean they rely on a combination of member dues and the aggregation of small amounts of other AMBAG funding sources. These programs include the Monterey Bay Marine Sanctuary activities, the, Bicycle travel model, Rideshare Month, CalVans, the regional environmental clearinghouse, Central Coast Joint Data Committee (CCJDC), GIS data/technical assistance and various grant-funded studies. These are all programs which have been identified over the years by locally elected officials as requiring regional collaboration through AMBAG's Board of Directors.

The single-county MPO model would require a minimum of one new permanent planning position for each RTPA in order to carry out the additional MPO workload. The single county MPOs would be required to complete the current Sustainable Communities Strategy process as greenhouse gas targets have already been set for the region as a whole. It has been proposed that this process be completed by a consultant. However, the SCS would still have to be integrated into the long range transportation planning documents of each MPO according to SB 375 legislation. This would require staff at each single county MPO to manage the process such that the SCS could be seamlessly integrated into the two Regional Transportation Plans. The process of hiring a consultant to manage the SCS and incorporating the SCS chapter into the Regional Transportation Plans would likely require one new, if temporary, position for each of the new MPOs. This amounts to a minimum of two new transportation planning positions at each of the single county MPOs and a new project consultant. AMBAG currently employs five Planners. The amount of money saved to the region based on salaries spent on planning activity would likely be marginal. Moreover, the RTPA analyses do not fully consider the staffing burden of routine MPO activities, or the additional requirements of SB375 on public outreach, modeling, planning and coordination with other agencies. While nearly all of ABMAG's planning staff is tasked with MPO, RHNA, and SB 375 activities, the RTPA analyses state that this effort requires small additions of staff, despite the significant learning curve for RTPA staff in each of the those activities.

Another major planning cost to consider is the Regional Travel Demand Model. The model is an expensive tool that requires ongoing management and updating. AMBAG is in the process of beginning a Model Improvement Plan with short, medium and long range improvements. It is questionable as to whether the grants obtained to fund the model improvements are transferable. Additionally, forming a JPA to administer decisions regarding the model does not address an MPOs need to actually run and use the model, nor does it address the need for model technical support for local jurisdictions. Therefore managing the model for the region would require at least one full time planning position.

Administrative costs to the single county MPOs would also increase due to a number of new auditing procedures that each MPO would have to undergo. Other new administrative costs incurred by the single county MPOs would include management of more than a dozen new grants. Grants that are not transferable including Proposition 84 would either have to be de-obligated or closed early. A conservative estimate for four new regional transportation planning positions and one full time modeler would be \$275,000. Accounting for the additional administrative costs due to new auditing requirements is difficult to quantify.

Discussion

Pros

1. Each new MPO (TAMC and SCCRTC) would experience a net increase in funds by receiving federal funds compared to current funding as an RTPA.
2. For pro arguments posited by the RTPAs refer to Appendix E and F

Cons

1. As previously mentioned, it has been suggested that AMBAG might continue to perform non-MPO tasks, such as SB 375 implementation and other regional activities under this proposal. The reality, however, is that many regional activities currently performed by AMBAG are unfunded or without designated funding sources, and without member dues and the federal funding associated with the MPO designation, there would be no resources to perform these tasks. Some of these tasks include the Regional Housing Needs Allocation (RHNA), and the Monterey Bay Sanctuary. In other words, stripping AMBAG of its MPO designation would, in effect, dissolve the agency.

2. Even though it has been posited that a single-county model is more efficient than the current arrangement, the fact that the two MPOs and one RTPA will continue to operate within one air basin means that there will still be a need for extensive collaboration within the air basin, sharing a single travel demand model and forecast and coordinating over air quality issues. All of these activities come with a price tag that has not been fully addressed in either TAMC's or SCCRTC's analysis. Part of this price tag would be the over one million dollars of traffic model improvements recommended in the peer review report. All of the phasing and transferring of functions takes time so that could affect timelines for completing ongoing programs and projects.
3. Another consideration that must be taken into account is the pending reauthorization of the Federal Transportation Act. Various drafts of the new surface transportation bill are currently in circulation, and nearly all of these propose raising the population threshold for MPOs. Some proposals raise the threshold for the minimum population served by an MPO to as high as 500,000. This clearly points to a trend towards more of a *regional* role for MPOs, whereas a single-county MPO scenario moves in the opposite direction. It is quite possible that if this region were to move forward with this scenario, it would find itself in contravention of federal requirements, at which point resources would need to be expended to form a new regional MPO.
4. While the MPO structure in the San Joaquin Valley has been cited as an example of successful implementation of single-county MPOs, it must be noted that due to SB 375 and other regional concerns, transportation planning agencies in the Valley now acknowledge the need to explore improved ways of coordinating and collaborating across agencies—one reason might be that the estimated cost of their joint traffic model improvement plan is over \$2.5 million dollars. Their potential scenarios include the consolidation of their eight MPOs into three sub-regional MPOs. (see Appendix G).
5. Aside from AMBAG's transportation planning activities, the regional agency has also been the home of a highly successful Energy Watch partnership with Pacific Gas and Electric Company (PG&E) since 2006. AMBAG staff has worked with all 21 local governments on innumerable energy efficiency projects, from retrofitting the lighting in municipal facilities and schools to providing financial incentives and grant writing services for major projects such as streetlight retrofits, major HVAC upgrades, and parking garage lighting. AMBAG Energy Watch has also provided technical assistance for climate action planning by designing and implementing training programs for jurisdictional staff to learn how to conduct greenhouse gas inventories, benchmark energy usage at municipal facilities, and achieve major GHG reductions through energy efficiency programs. Numerous planning departments of AMBAG member jurisdictions have remarked that they could not be engaging in any climate action planning activities without the assistance of AMBAG Energy Watch staff support.
6. The success of the Energy Watch program is predicated on the nature of AMBAG as a *regional* government body that brings together elected officials from all 21 jurisdictions that the program serves. It is through the decisions of the AMBAG Board of Directors that these programs are crafted to best serve their local governments, and Board member support has been crucial in accomplishing the goals of the Energy Watch program. It was for this reason that AMBAG Energy Watch has been recognized by PG&E and the California Public Utilities Commission (CPUC) as a leader in energy efficiency programs, and many programs pioneered by AMBAG Energy Watch have been replicated by PG&E and other utilities throughout California. AMBAG Energy Watch has been able to bring nearly \$20 million to the tri-county region since 2006. With these funds, Energy Watch has saved local governments, schools, residents, non-profits and the hospitality industry 9,461,735 kilowatt-hours of energy use. This amounts to over \$1.1 million in annual energy savings to the region, and represents real money kept in city, county, and school district coffers, family budgets, and non-profit activities throughout the region. It is useful to compare this number with the roughly \$1.1 million paid to AMBAG in member dues over the same amount of time (2006-2011). Furthermore, this also supports a great deal of jobs and economic activities in the region, as energy efficiency incentives offered by Energy Watch encourage projects which are completed by local contractors and consultants.

7. The dissolution of AMBAG could potentially end the Energy Watch program. While some have suggested a non-profit organization could just take over the program, it is uncertain that PG&E and the CPUC would allow a non-governmental entity to receive local government partnership funding. What is quite certain, is for all of the above mentioned reasons, the program would lose the primary basis of its success. City and County planners would have to hire expensive consultants to carry out climate action planning activities such as GHG inventories and tracking tools, services which AMBAG Energy Watch offers free of charge. Relationships developed over many years with public works and general services staff would be broken, and local government staff cut off from the reliable energy efficiency services provided by AMBAG Energy Watch.

Scenario 2: Consolidated Regional Planning

Description

Consistent with all other regions in California, in this scenario the Monterey Bay Area's MPO would also be the designated RTPA. This would centralize all MPO, RTPA and COG planning activities, streamlining the process for meeting federal and statewide transportation and Regional Housing Planning requirements as well as implementation of SB 375. The new tri-county /MPO/COG/RTPA would cover the same geographic boundaries as the Monterey Bay Unified Air Pollution Control District, allowing for increased coordination between transportation, housing and air quality planning. In this scenario, single county agencies would function as congestion management agencies or county transportation commissions (CTCs) to provide more local control and input into transportation matters.

Under this scenario, statewide and local agencies would incur costs for the administration of only one RTPA and one COG, while the Federal Highway Administration would continue to incur costs for administration of only one MPO, thereby maximizing the efficient use of tax payer dollars. The total number of planners and modelers at the COG would increase to absorb the RTPA responsibilities related to transportation planning and coordination.

Financial Impact

In this scenario AMBAG would be both an RTPA and an MPO and therefore would retain all federal PL dollars. The region would lose \$681,000 in RPA funding because TAMC and SCCRTC would no longer be considered a rural regional transportation planning agency. However, RPA funding is directly tied to the process of producing an OWP and RTP. Since TAMC and SCCRTC would no longer be required to produce these documents, a decreased work load would be commensurate with the decrease in RPA funding. In this scenario it is feasible that AMBAG would have the financial flexibility to pass through some of the FTA 5303 funding to the transit agencies instead of retaining it as the agency currently does.

Under a consolidated regional planning scenario, there would truly be significant savings in terms of overhead and administration. The single-county MPO downsizes and consolidates at least two sources of overhead and administration.

In this scenario the region would save money as there would be potentially no duplication of effort. AMBAG would not have to manage the process of incorporating three OWPs, RTPs and RTIPs into its long range transportation planning and programming process saving hundreds of hours of staff time.

Discussion

Pros

A consolidated regional planning scenario solves a number of issues that have been raised by various agencies and stakeholders regarding transportation planning in the Monterey Bay area. There would no longer be any overlap or duplication of efforts between RTPAs and the MPO, as one agency would serve both functions, as is the case for every other region in California (while it contains two other RTPAs, SACOG is both the MPO and an RTPA). This scenario would eliminate a very large amount of duplicative administrative overhead, thereby increasing the percentage of taxpayer dollars used for actual transportation

Figure 2. Scenario 2: Consolidated Regional Planning

Scenario 2: Consolidated Regional Planning

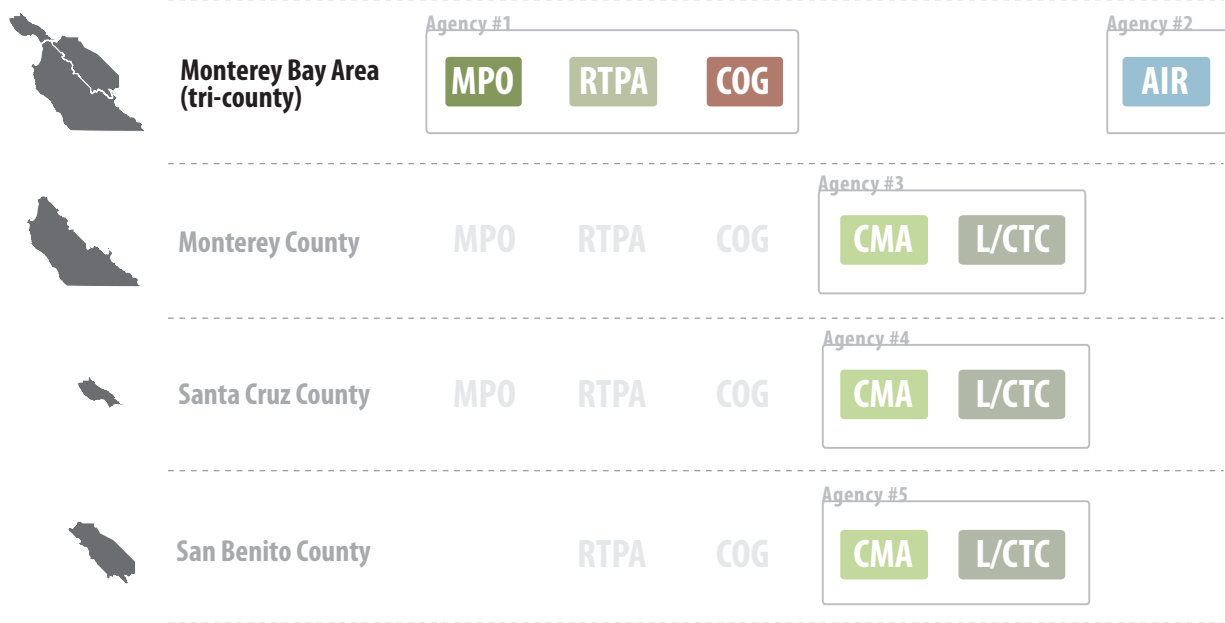
One Monterey Bay Area RTPA/MPO/COG

Description Consistent with many regions in California, the Monterey Bay Area MPO functions as the RTPA as well as the COG. This will centralize all MPO, RTPA and COG planning activities, streamlining the process for meeting federal and statewide transportation and Regional Housing Planning requirements particularly in light of SB 375. The new tri-county RTPA/MPO/COG will cover the same geographic boundaries as the Monterey Bay Unified Air Pollution Control District allowing for increased coordination between transportation, housing and air quality planning. In this scenario, single county agencies will function as congestion management agencies. This structure is similar to the Southern CA region as well as the San Francisco Bay Area where the MPO functions as the RTPA and each county has a congestion management agency. This scenario is even more centralized, however, as the MPO/RTPA would function as the COG as well.

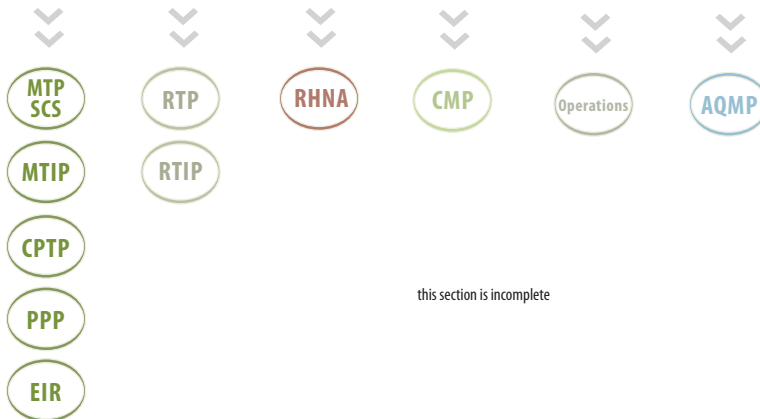
Under this scenario, statewide agencies would incur costs for the administration of only one RTPA and one COG, while the Federal Highway Administration would continue to incur costs for administration of only one MPO.

Issues Resolved
 Duplicative work
 Financial instability
 Inconsistent planning methods

Similar to: SCAG (Southern CA)
 MTC/ABAG (SF Bay Area)

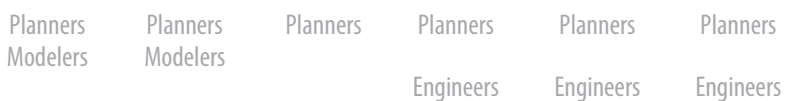


Plans Produced By Type of Agency



this section is incomplete

Staff Positions by Type of Agency



planning activities. Thus, a consolidated regional planning scenario solves three issues identified by regional transportation planning stakeholders:

1. **Duplication of Efforts:** Since there would be no requirement to produce OWPs and RTPs, there would no longer be any overlap (or duplication) of efforts between OWPs, RTP and MTP and more funding for the Regional Travel Demand Model.
2. **AMBAG Revenue Issues:** AMBAG would receive state and regional transportation grant funds, and would no longer pass through a significant amount of its funding to two RTPAs.
3. **Responsible and efficient use of tax payer dollars:** By consolidating functions of these agencies into one regional body, there would only be one set of administrative staff and one executive director's salary associated with regional transportation planning activities in the tri-county area.
4. **State and federal agencies may save time by working with just one agency to review and approve various plan documents thus potentially saving costs and time.**
5. **Potentially increase ability of the region to secure additional regional projects.**
6. **Increase ability to secure Surface Transportation Act funds because of changing criteria and demand for these funds that favors regional approaches, such as increasing population thresholds and more competition for funds.**

Regional planning agencies must make decisions that benefit the region as a whole, which at times conflict with the interests of one or more stakeholders or agencies falling within the regional boundaries. These decisions can be politically unpopular and solicit negative responses from a given stakeholder or agency. Three county level RTPAs, relating to one another as peers, will likely have a difficult time issuing such unpopular, difficult regional decisions, prioritizing regional concerns over their own county specific concerns.

Cons

There is likely to be strong political resistance to the most efficient MPO-RTPA model. Even though there is widespread acknowledgement that the three counties of the region comprise a single commute shed and one air basin for air quality planning and conformity analysis.

Scenario 3: AMBAG Remains as Regional COG and MPO, with Changes

The third scenario considered by this report leaves in place AMBAG as the regional MPO. While AMBAG has certainly not been without problems, regional commute patterns in the Monterey Bay region indicate the need for tri-county regional transportation planning. State legislation such as AB 32 and SB 375 points to the need for more integrated cooperation around regional planning efforts, not less. In particular, SB 375's requirement that RHNA allocations be consistent with a region's SCS implies that RHNA and SCS must be implemented at the same geographic scale.

Allowing AMBAG to remain as the regional MPO does not mean that changes are not needed to address the concerns raised by the RTPAs and other local agencies in the region. The following paragraphs discuss potential solutions to a number of issues raised by regional agencies as well as AMBAG board members, city managers and agency administrators, based on recent staff memos and a surveys conducted by AMBAG staff (See Appendix C-1 and C-2-Surveys).

Communication/Collaboration with Other Agencies

Generally, AMBAG needs to do more outreach and meet with local agencies to collaborate with local staff regarding AMBAG activities. Among survey respondents, staff and the former executive director were criticized for not doing enough outreach. Sometimes, AMBAG projects a sense that a decision has already been taken and that coordination is an afterthought. Turnaround times for responding to questions or meeting requests can be unreasonably short. There is a concern that AMBAG has applied for "regional

grants” in a way that excludes other agencies from receiving money from the same sources.

Survey respondents provided many potential solutions to communications issues with other agencies. Among these solutions are the following:

- AMBAG should develop a strong communication/information process via an e-mail newsletter and send to all board members.
- Improving staff reports, making sure they are better written and presented
- Conduct outreach to partner agencies on a regular basis (regularly scheduled meetings, agendas, agreements) through technical staff committees, CEO to CEO and President/CEO with Presidents and CEOs of other organizations like “RTC’s Air District”
- Get Board agenda packets out earlier
- Develop a process where contact (in person or by phone) is made with each agency at least one bi-monthly to get feedback and provide up to date info on key issues
- The Agency should work collaboratively with affected agencies, allowing them adequate time to provide input and being willing to make changes based on their suggestions.
- Increase local and regional outreach and continue to provide technical assistance to AMBAG members
- Create ex-officio positions on the AMBAG Board for improved dialogue and input by deeply-engaged agencies

Coordination meetings with TAMC, RTC, San Benito COG, transit agencies, Caltrans, FHWA and the Air District should be held regularly to discuss regional transportation planning projects and issues.

Project Management and Performance

General concerns were raised about the quality of products without a great deal of elaboration. However, there was a strong emphasis in comments received in a survey of AMBAG Board members and managers/administrators that AMBAG needs to collaborate more with other agencies and let them lead on some projects. There is also a need to allow time for collaboration on projects and for AMBAG to be willing to make changes to specific approaches, committees and activities. Other collaboration improvement needs include working together on a continuing basis by defining goals, roles, scope, budget, timelines, and deliverables of projects ahead of time. There is an expectation that collaboration should also result in AMBAG being willing to make changes on specific projects, committees, activities, etc. based on input from other agencies.

Finally, there is a need to ensure that staff follows common basic practices regarding scheduling meetings, notes and minutes, follow-up communications, and turnaround times to review documents.

Finances

AMBAG staff and Board members will need to assess the underlying causes of financial insecurity at the agency and implement measures to alleviate these causes. This will necessarily involve modification of the current MOU between AMBAG, TAMC and SCCRTC by which nearly \$500,000 in federal funding is passed on by AMBAG. In discussions with local officials and city managers it is suggested AMBAG look into contracting out administrative services. This could be done in a number of ways, including hiring a consultant and/or merging AMBAG with another local agency which could handle administrative duties related to AMBAG activities.

Currently, AMBAG passes through half of its PL allocation to the RTPAs. In order to strengthen investment in the Travel Demand Model, AMBAG may opt to pass through only a quarter of the PL while retaining the rest for model development. Depending on the need, RTPAs may “buyback” more PL in exchange for other state funds, such as, Transportation Development Act. With more non-federal funds, AMBAG can more readily meet its matching requirements.

Federal and State Perspectives

Comments made by Caltrans and FHWA acknowledge some areas where AMBAG could improve and that numerous functions by AMBAG are being carried out effectively. They also highlight some of the risk factors if and when changes to the current structure are made. It is worth noting some of the following comments, as well as additional comments from Caltrans and FHWA officials, are contained in various memoranda in Appendix F.

- Caltrans staff commented that it is confident in AMBAG's ability to maintain the traffic demand model (RTDM) and the model is relatively sophisticated for the size and resources devoted to the model by AMBAG
- FHWA indicated that if there is no longer a multi-county MPO for the region there is no certainty that PL funding can be used to maintain a multi-county model
- FHWA acknowledged that AMBAG conducts a fair amount of non-transportation planning related work and that eligibility of PL and 5303 funding use has been an issue for the regions including the RTPAs
- FHWA reminded the RTPAs that there are many nuances to the duties that an MPO performs and that these nuances can make it easy to underestimate the time and resources needed to perform required MPO duties
- FHWA cited examples of MPOs that separated and then reformed in order to meet federal regulations
- Caltrans indicated that audit requirements for smaller MPOs have had difficulty meeting audit requirements and that each RTPA will need federal approval for distribution of funds
- SB 375 would continue for 18 months under the RTPA's proposal with AMBAG continuing this planning process (which may not be sufficient time to complete it)
- Legal opinions are necessary for designation and re-designation steps according to FHWA
- Regardless of organizational structure there is a need for adequate funding to meet air quality ,travel demand modeling and state required SB375 implementation
- There is a need for a regional tri-county perspective and decision making forum for some functions, the need to focus on efforts to minimize duplication, census management issues, and achieving a sufficient level of funding for investment in tri-county MPO functions

Conclusion and Recommendations

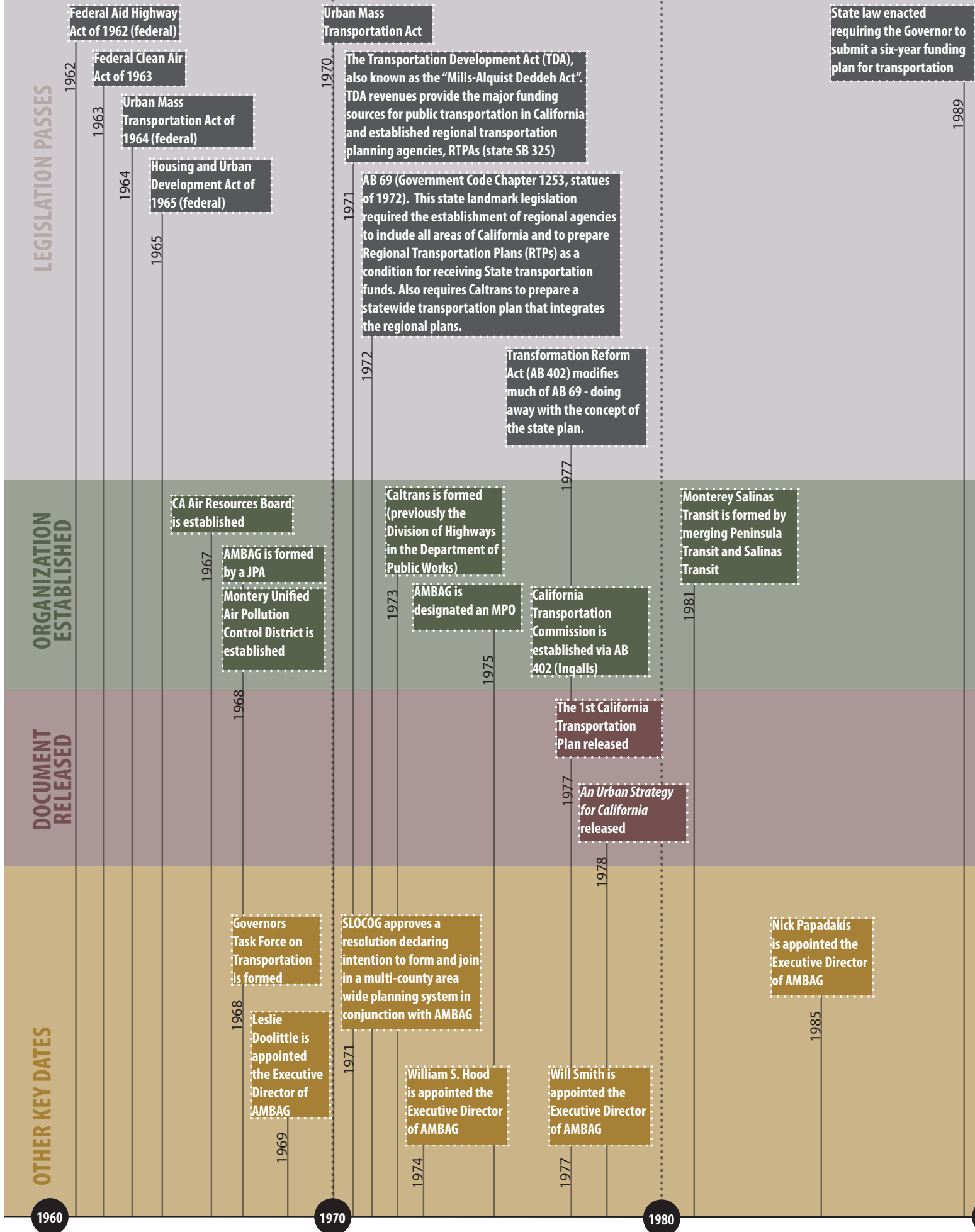
According to TAMC, the purpose of dissolving AMBAG in favor of single-county MPOs "would be to improve cost effectiveness by removing duplication of efforts across agencies and increasing investment in the regional transportation model" (TAMC Exec Committee Memo, August 2011). Analysis by AMBAG staff finds that while there is a measure of overlapping work in the region and further investment in the RTDM is needed, dissolving AMBAG as the regional MPO is unlikely to solve these issues, and is not the most cost-effective way to address them. State and federal legislation related to transportation planning is clearly following a trajectory towards more regional cooperation, and, one can conclude, the proposed Single-County MPO structure moves the region in the opposite direction. Furthermore, it is clear that under a single-county MPO scenario, the region would actually see a net loss of \$215,557 (based on a current year estimate—varies year to year) in transportation funding and many regional issues would no longer have a regional forum in which to be addressed. When it comes to applying for funding for regional projects and serving as a forum to address regional issues such as transportation planning, AMBAG as an agency is truly greater than the sum of its parts.

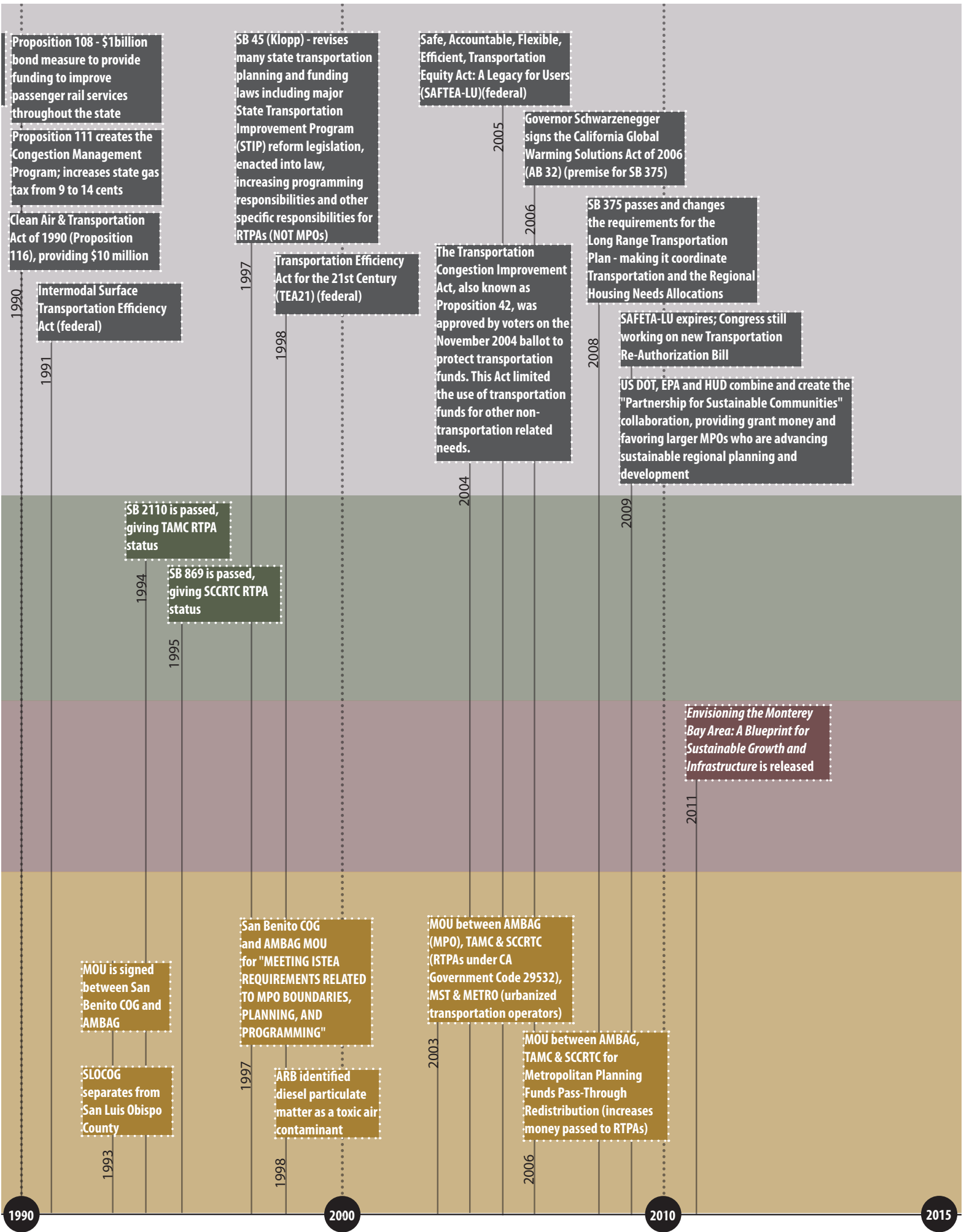
As with any agency, it is true that AMBAG has had a number of performance issues in recent years, and both the Board of Directors and staff are currently working to identify and alleviate concerns from both outside agencies and internal stakeholders. It is recommended that the AMBAG Board of Directors take the following actions at the October Board meeting:

1. Retain AMBAG in its current form as a regional COG and MPO.
2. Direct staff to identify and address any and all performance related issues going forward
3. Direct staff to modify the MOU between AMBAG and the RTPAs in order to better fund the Regional Transportation Demand Model and avoid any duplication of transportation planning efforts with a target of retaining half of the pass through PL funds for specified functions
4. Improve coordination and collaboration throughout the region by:
 - conducting regional technical committee meetings
 - allowing other agencies ex-officio status on the AMBAG Board of Directors
 - holding periodic joint executive committee meetings
 - identifying specific areas of duplication and strategies for addressing those

This will allow for a presentation and questions from the Board and others at September board meeting. Actions would occur at the October Board meeting. In between the September and October Board meetings AMBAG would provide written answers to these questions as well as additional questions from the Board and other parties. AMBAG needs to receive any additional questions by close of business on September 23, 2011 in order to respond by the October 12, 2011 Board meeting.

Figure 3. Timeline of Key Transportation Events for the Monterey Bay Area





Acronym Guide

ADA	Americans with Disabilities Act of 1990
ADT	Average daily trips made by vehicles in a 24-hour period
ALUC	Airport Land Use Commission
AMBAG	Association of Monterey Bay Area Governments
APS	Alternative Planning Scenario
CAAA	Clean Air Act Amendments of 1990 (Federal Legislation)
Caltrans	California Department of Transportation
CARB	California Air Resources Board
CEQA	California Environmental Quality Act
CO	Carbon Monoxide - indirect/precursor gas
CO₂	Carbon Dioxide (a GHG) - over 84% of all emissions - The largest source of CO ₂ emissions globally is the combustion of fossil fuels such as coal, oil and gas in power plants, automobiles, industrial facilities and other sources (<i>From the US Environmental Protection Agency</i>).
CO₂e	Carbon Dioxide Equivalent
COG	Council of Governments
CH₄	Methane (a GHG) - Methane is the primary component of natural gas. Methane losses occur during the production, processing, storage, transmission, and distribution of natural gas. Because gas is often found in conjunction with oil, the production, refinement, transportation, and storage of crude oil is also a source of methane emissions (<i>From the US Environmental Protection Agency</i>)
CTC	California Transportation Commission
DEIR	Draft Environmental Impact Report
DOF	Department of Finance (State of California)
E&D TAC	Elderly & Disabled Technical Advisory Committee
EIR	Environmental Impact Report
EMFAC Model	Emission Factors Model developed by CARB
EPSP	Expedited Project Selection Procedures
FHWA	Federal Highway Administration
FSP	Freeway Service Patrol
FTA	Federal Transit Administration
FTIP	Federal Transportation Improvement Program
GHG	Greenhouse Gas Emission
HC	Hydrocarbons - indirect/precursor gas
ITS	Intelligent Transportation Systems
LOS	Level of Service
LTA	San Benito County Local Transportation Authority
LTC	Local Transportation Commission (e.g. SBCOG, RTC, TAMC)
MAC	METRO Advisory Committee
MBUAPCD	Monterey Bay Unified Air Pollution Control District
MOA	Memorandum of Agreement
MOU	Memorandum of Understanding
MPAD	Monterey Peninsula Airport District
MPO	Metropolitan Planning Organization (e.g. AMBAG)
MTP	Metropolitan Transportation Plan
MST	Monterey-Salinas Transit

MTIP	Metropolitan Transportation Improvement Program
N₂O	Nitrous Oxide (a GHG) - Nitrous oxide is a product of the reaction that occurs between nitrogen and oxygen during fossil fuel combustion. The U.S. inventory report provides a detailed description on N ₂ O emissions from fuel combustion sources and how they are estimated (see the chapter entitled "Energy") (<i>From the US Environmental Protection Agency</i>).
NO_x	Nitrogen Oxide - indirect/precursor gas
OWP	Overall Work Program (A federally required planning document)
PPP	Public Participation Plan - a federally required document outlining the consultation and coordination methods and strategies for the MPO.
RAC	Rail Acquisition Committee
RHNA	Regional Housing Needs Allocation (Pronounced "reena")
RPA	Rural Planning Assistance - A state fund provided to Rural RTPAs, to carry-out state mandated (transportation planning activities, TAMC, SCCRTC and SBtCOG)
RSTP	Regional Surface Transportation Program (fund source)
RTAC	Regional Target Advisory Committee - the group who provided recommendations on factors to be considered and methodologies to be used in the ARB target setting process
RTC	Santa Cruz County Regional Transportation Commission
RTDM	Regional Travel Demand Model
RTIP	Regional Transportation Improvement Program (prepared by RTPAs)
RTP	Regional Transportation Plan (prepared by RTPAs)
RTPA	Regional Transportation Planning Agency (e.g. SBCOG, RTC, TAMC)
RTPAC	Regional Transportation Plan Advisory Committee for San Benito COG
SAFE	Service Authority for Freeways and Expressways
SAFETEA-LU	Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (August 10, 2005 Federal Transportation Authorization)
SB 375	Senate Bill 375 - connects land use decisions to transportation emissions
SBtCOG	Council of San Benito County Governments
SCMTD	Santa Cruz Metropolitan Transit District (or METRO)
SCS	Sustainable Communities Strategy
SIP	State Implementation Plan
S RTP	Short-Range Transit Plan
SSTAC	Social Service Transportation Advisory Councils
STIP	State Transportation Improvement Plan
TAMC	Transportation Agency for Monterey County
TAZ	Traffic Analysis Zone
TCM	Transportation Control Measures
TDA	Transportation Development Act (fund source – locally generated)
TDM	Transportation Demand Management
TEA-21	Transportation Equity Act for the 21st Century (predecessor to SAFETEA-LU)
TMA	Transportation Management Area
TOS	Traffic Operations System
TSM	Transportation System Management
UP	Union Pacific Railroad Company
USDOT	United States Department of Transportation
VMT	Vehicle Miles Traveled
VT	Vehicle Trips