



**The Nelson A. Rockefeller Center at Dartmouth College**

*The Center for Public Policy and the Social Sciences*

## **Policy Research Shop**

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# Vermont Local Transportation Facilities (LTF) Process

## *Evaluations of Efficiency by Municipal Project Managers*

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Presented to the Vermont League of Cities and Towns

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### EXECUTIVE SUMMARY

This report assesses the effectiveness of the Local Transportation Facilities (LTF) program in Vermont. It finds that while the program is useful for relatively large and not pressing infrastructure developments, it can be overly burdensome and inflexible for municipalities with immediate needs or smaller scale projects. Our sponsor, the Vermont League of Cities and Towns (VLCT), is “a nonprofit, nonpartisan organization that serves Vermont’s municipal officials.”<sup>1</sup> The VLCT tasked the Policy Research Shop with documenting the extent and source of delays stemming from the inefficiencies associated with a request for funding of municipal infrastructure projects through the LTF program.<sup>2</sup> The LTF program is responsible for “the development of enhancement projects, bicycle and pedestrian facilities, safe routes to school projects, park-and-rides, scenic byways and ‘local’ projects.”<sup>3</sup>

To address this question we conducted interviews with seven municipal project managers who directly oversaw twelve municipal infrastructure projects over the past decade. In addition we explored two case studies of Morrisville and Middlebury—towns which have decided to forgo completely the federal funding offered by the LTF and to pursue their projects alone.

Our results indicate that while the LTF program functions well in many respects, there may be some room for improvement. The current LTF process seems most suited to municipalities that plan to undertake large projects and have more flexible schedules for their completion. While there is a need for stringent regulation and close supervision for vital infrastructure projects, we found evidence that for small changes with relatively minor associated risk factors like repaving a pavement or constructing a bike path, the administrative overhead imposed by the LTF program can be prohibitive for small towns without dedicated staff with experience with the bureaucratic process. Indeed, there are instances where small towns have found that they can undertake such projects more cheaply themselves than with LTF even after factoring in the federal subsidy. Furthermore, the long waitlist for LTF funding for some projects may force municipalities to consider other options if their infrastructure needs immediate attention.

With a view to the identified hurdles in the LTF program, the Vermont Agency of Transportation (VTrans) might want to consider the following changes in the process. First, delegating more responsibility and flexibility to the local governments could positively impact the administrative burden imposed on the municipalities, reduce costs, ensure a greater match between the municipalities’ needs and the completed infrastructure, and allow LTF employees to focus on the bigger picture rather than micromanagement of the individual projects. One approach to achieving this goal could be giving more leeway to municipalities with the actual construction of the project after a budget acceptable both to the State and to the locality has been agreed upon and making them responsible for the end result with possible penalties in case of problems. Second, it



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may be worthwhile to consider bumping urgent projects up the waitlist which would enable municipalities with pressing concerns to take advantage of the LTF program. Third, the reporting and unique design requirements as well as the level of oversight should be proportional to the relative riskiness and complexity of a project so as not to impose a disproportionate burden on minor projects.

### **1. HISTORY AND NATURE OF PROBLEM**

The Vermont Local Transportation Facilities (LTF) Program is “responsible for the development of Enhancement Projects, Bicycle and Pedestrian Facilities, Safe Routes to School Projects, Park-and-Rides, Scenic Byways and ‘Local’ Projects.”<sup>4</sup> It was originally developed to bridge the gap between municipal project managers and the state and federal regulations to which their projects must adhere. The LTF process is overseen by the Vermont Secretary of Transportation and includes several program managers who work directly with municipal staff.

Over the past decade, some Vermont communities have expressed frustration at the costs, regulations, and time requirements associated with the LTF process. As a result, some project managers have foregone this process and the state and federal funding associated with it. The Vermont League of Cities and Towns (VLCT) is particularly interested in the perspectives of municipal project managers in identifying current obstacles in the LTF process and finding future solutions. This report synthesizes these concerns, while introducing potential policy options to improve the LTF process.

### **2. CURRENT LTF PROJECT GUIDELINES**

#### *2.1. Introduction*

A majority of the projects that the LTF undertakes are created under municipal management, so the goal is to have a very high level of local focus. Municipally-managed projects encompass the development of state and federally funded projects primarily on locally owned facilities, such as bridges, roads, and intersections. The goals of the LTF Program are to speed up the delivery of projects and to encourage greater local participation and acceptance of transportation projects. The process consists of a set-up stage and three subsequent phases. The LTF Guidebook contains a complete list of standards and procedures on how the LTF is expected to operate.<sup>5</sup> This section provides a summary of the process.

#### *2.2. Process Overview*

The initial project set-up first requires a cooperative agreement, where state and local parties agree on costs, project numbers, and a description of the project. In this phase, the municipality must prove how it is going to match state funds. LTF projects work on a



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“15-85” basis, meaning the municipality pays fifteen percent and the state or federal source pays eighty-five percent of total costs. A municipal project manager is then chosen by a committee, based on the requested proposal and scope of work expected. The municipal project manager has the responsibility of overseeing the finances, public participation, hiring, regulation compliance, and construction management on a local level. Finally, a design consultant is hired by another selection committee through a competitive process.

After the project planning is complete, the process moves to Phase A: presenting the project to the public and developing conceptual plans. This phase ensures that the project is “technically sound, well-designed, cost effective, and compatible with [its] surroundings and has been developed with input from local citizens.”<sup>6</sup> The first of three public meetings is the local concerns meeting. This meeting allows the municipal project manager to explain the project and gain input from residents. Their concerns are then taken into consideration and the design consultant presents project choices to the public at the second open meeting with the goal of choosing the best option. Conceptual plans are then drawn for the preferred choice and presented at the final public informational meeting. This presentation includes the potential impacts of the project on resources such as wetlands, historic, and archaeological concerns, as mandated by the National Environmental Policy Act (NEPA). These impacts are included in an environmental document, submitted to the Federal Highway Administration (FHWA) for approval. Development of the project cannot continue without FHWA’s approval of this document.

Phase B includes the majority of project development after federal environmental procedures and local concerns have been approved and VTrans authorization has been obtained. Preliminary plans are created that include the limits of construction, estimated project costs, utility relocations, property owner visiting, and permitting. Right of way clearance is also achieved in this phase, which is often the most difficult certificate to obtain. Temporary and/or permanent property rights needed for the project are identified and acquired through plans, appraisals, and negotiations. After right of way clearance is obtained, consultants move on to the final planning section that revises initial plans based on right of way considerations. Lastly, contract plans and project specifications are finalized. The contract plans and specifications will be used by construction contractors to bid on the project and will include any final changes since the review and acceptance of the final plans. Contract specifications, special provisions and final estimates are formalized at this point.

The final phase of the LTF process is the actual bidding, contracting, and construction of the project. An invitation for bids is publicly announced, followed by the analysis of bid results and the VTrans contract authorization. A pre-construction conference is held with local, VTrans, and construction parties. The project is then constructed following a plan approved by VTrans, in accordance with state and federal labor standards. Final project



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inspection concludes with municipal acceptance after any incomplete or flawed work is resolved.

### 2.3. *Synthesis*

Currently there are seven decision points in the LTF guidelines – Purpose and need acceptance, Preferred alternative endorsement, NEPA Documentation (CE) Approval, Completion Project Definition, Re-evaluation of the CE, Re-evaluation of the CE after the VAOT review process, and Formal Authorization to Proceed. Of those seven decision points, six involve more than one decision-making body. The parties involved in decision making are the municipality, VTrans, FHWA, and regulatory boards on each level. Additionally, there are six spots where regulatory review and approval is required before a project can proceed. All six of these regulatory input phases involve more than one oversight body. A careful analysis identifies at least thirteen areas during which more than one actor can potentially hold up a construction project.

## 3. RESEARCH METHODOLOGY

Our primary objective in this report is to identify the extent and source of any delays associated with the LTF program. To identify the potential hurdles and bottlenecks in the process, we conducted phone interviews with seven municipal project managers who directly oversaw twelve municipal projects. We obtained a listing of 50 local infrastructure projects funded by LTF compiled by VLCT which were ongoing as of 2007 (see Figure 1). We then picked managers to interview with an emphasis on covering as wide a range of project types as possible. In collaboration with the VLCT, we created a questionnaire which served as the basis for our investigation (Appendix B). The questionnaire was designed to provide us with empirical and anecdotal evidence identifying the source and extent of hold-ups in the process. While our primary focus is on listed projects, we also include insights from other LTF projects that the interviewed managers oversaw. Section 4 includes a synthesis of these interviews and identifies common themes that emerged from our interviewee's responses to our questions about their experiences with LTF.

Next, we conducted case studies of Middlebury and Morrisville – two towns that decided to “go it alone” and undertook their infrastructure projects without the help of state or federal funds. We investigated the motivation of these two Vermont towns to forego external aid and evaluated the result of their decision in terms of the speed and cost of their projects. This undertaking has enabled us to compare the time and cost requirements of projects undertaken with and without federal aid and will also serve as a potential guide for other municipalities should they wish to consider constructing their infrastructure alone as well. We found that LTF's goal of encouraging “greater public participation and acceptance of transportation projects”<sup>7</sup> is working in the sense that municipalities often use it to construct more elective projects which they might not have



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otherwise undertaken. However, where municipalities place a higher value on the timely completion of their essential projects they may be willing to forgo the federal funding.<sup>8</sup>

Future inquiries into the LTF process should analyze best practices in other states and conduct case studies of the most relevant ones. By determining which parts of the current application and approval process seem superfluous in the context of an inter-state comparison, much can be learned. Potential additions to the process, for example “safe harbor” or “fast track” provisions, which could make it run smoother, also warrant consideration.

### 4. EMPIRICAL RESULTS

#### 4.1. Introduction

This section summarizes the data collected from seven phone interviews with municipal project managers in Vermont who participated in the LTF program. We believe that this data will contribute to forming a clearer picture of the relative costs of going through the LTF process and of bypassing it. We identify the stages in the LTF process which the interviewed municipal project managers consider most responsible for cost overruns and construction delays. Based on these interviews, we present three main findings:

1. The paperwork, reporting, and oversight requirements may be too rigid and burdensome, especially for small projects and small towns without dedicated staff for paperwork. Currently, the LTF process does not seem much different for repaving a short road than for building a new bridge.
2. Project managers reported inconsistency in LTF procedures depending on the person you are dealing with, possibly coupled with inadequate staffing in VTrans. This can result in permitting delays, extra work for project managers and their staff, and construction impediments.
3. Some municipal project managers found that their own concerns are being overlooked and replaced with the priorities of LTF managers.

Despite these three concerns, municipal project managers identified many situations where VTrans project managers and regulators have been very helpful in their projects. They recognize the pressures on the agency and the value of having LTF assist local managers in navigating the difficult regulatory systems, many of which are outside of LTF’s control. Improving the project process will require collaboration between VTrans, municipal project managers, engineers, federal regulators, community members, and the Vermont legislature.



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### 4.2. Results

#### 4.2.1. Time Concerns

One of the concerns about the LTF process was that it delayed project timelines. The project managers we spoke with were somewhat divided on this point. Four of the seven project managers did not experience significant holdups in their projected timelines. One suggested that his town has a policy of setting “aggressive timelines” and the LTF process did not impact the delays. Another manager noted that major railroad issues and right of way concerns delayed his project over a year, as a result of the poor coordination between railroad companies and towns. However, as permitting is done outside of the LTF, these delays can hardly be blamed on the program apart from the few cases in which simply getting federal money required extra permitting and regulatory scrutiny. The most extreme case of a project delay was when a project was initially expected to take two years in 2000, but after it once failed completely, took ten years to finish. This manager noted that “free money isn’t always free” because it comes with the frustration of following procedures.<sup>9</sup> He also said that people wonder why there isn’t much infrastructure development in Vermont if a bike path takes ten years to complete. However, he blamed state regulation (especially environmental – as another manager put it: the NAR is a son of a gun”) for the delays, not LTF per se.

Many concerns about delays centered on the Right of Way (ROW) process. One interviewee estimated that about twenty-five percent of the delay was caused by property owners changing their mind in the ROW process, providing evidence for what another manager said: “right of way is a wild card.” ROW issues were the major concern for municipal project managers because LTF requires adherence to strict rules regarding property acquisition. Currently there is a “catch-22 issue because right of way approval is necessary before the project can move onto the final plans and CPS&E stage. However, in order to get right of way approval, VTtrans has to draft the plans and specifications, so the process takes forever... VTtrans has put the brakes on these projects.”<sup>10</sup>

However, managers were divided on whether ROW would be less cumbersome without LTF. In summary, evidence of the LTF itself extending project timelines beyond the *initial estimated time* is mixed at best; however, the time estimate under LTF may be longer than an alternative without LTF and even if the timeline from the onset of the project was not affected, long waitlists for some projects may still result in large delays.

#### 4.2.2. Cost Issues

Another issue that VLCT asked us to explore was whether the LTF process causes an increase in actual costs relative to projected ones. The answer seems to be yes and no. Doing a project through LTF almost certainly increases total cost although it is unclear whether this increase is enough to offset the federal subsidy. However, since the initial





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LTF estimate includes foreseen expenses including administrative overhead, the final cost does not necessarily have to be higher than expected. What does seem to be expensive though, are unforeseen changes in plan. For example, one of the bike paths ended up being 50% more expensive compared to initial estimates from 2000. The manager identified the requirement to hire engineers to redesign the path each time as the main source of this cost hike – in the absence of LTF guidelines he would have likely just changed it a bit without such formal review. Indeed, the LTF requirement of a unique engineer designed plan for each project seems to be particularly expensive for small, standard projects. As another manager who oversaw a sidewalk extension between two towns put it, without LTF they would simply “slap a sidewalk in and be done with it.”<sup>11</sup> He told us that next time he just used “2 for 1 state money grants for generic-design projects.”

As also evident in the case studies, some municipal project managers thought that completing a project without state or federal aid would cost less than the town matching associated with the LTF process. Additionally, the delays associated with the LTF process can be particularly expensive if maintenance fees for maintaining old structures are high. Other municipal project managers noted that their costs did not exceed the initial estimate as they were bound by the budgets projected because they “don’t have any more money,” so rather than going over budget, they scale back projects or reduce non-essential parts.

### 4.2.3. Paperwork and Bureaucracy

Unnecessary paperwork, reporting, and oversight were cited as the main hurdles in the LTF process. A general complaint was that while this might not be such a problem in larger municipalities where people are used to dealing with a lot of paperwork, it can be very taxing on “guys in small communities.”<sup>12</sup> Most managers considered tracking every small expense, needing a stamp for every small change in a project, unnecessary. Furthermore, onerous work and challenging approval processes may also lead to burnout among LTF employees, while new hires do not always have the institutional knowledge or experience to work efficiently. As a result, less time is spent helping municipal project managers navigate through the regulatory process and more on understanding the framework. Local input is decreased and municipal project managers are disconnected from the process.

When asked about the source of the inefficiencies of the LTF process, managers often identified inconsistency across VTrans employees as a large concern. One project manager recalled that his first environmental categorical exclusion (CE) was approved by regulators, but when the project was being reviewed a second time, the regulators identified a particular historic resource as a reason to rescind the approval. Despite project plans having gone ahead based on the initial CE, the new finding required changing plans and stalling the process. He recognized that some LTF staffers see



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regulations as a way to say “no” and others see creative ways to advance projects. Consistency was also an issue for one municipal project manager who recalled a situation where he worked very closely with a particular staffer on a bike path and after that staffer left, he had to “basically start over” because the new employee did not like the way the project was handled. Another municipal project manager described the lack of coordination between LTF agencies which sometimes give five or six different sets of comments and leave it up to the municipalities to incorporate all of them into their project plans. According to him, these different comments often contradict each other as well making it is impossible to please every agency.

Some of the project managers we interviewed found that some employees tend to be motivated to see that projects are approved while others may “drag their feet” and work inefficiently. This personality aspect is particularly important in the way they follow guidelines because it affects which projects receive approval. One municipal project manager characterized the Vermont bureaucracy as working at a “glacial pace.” The municipal project managers which we interviewed generally agreed that the more experience the LTF employees have, the better able they are to navigate the system. Some believe that LTF employees would like to spend more time with municipal project managers and walk them through the process to avoid the unwanted delays, but each person is currently “doing the work of two and a half people.” They thought that the LTF is moving so slowly because it is understaffed and its staff is overworked, while others were concerned with time management skills at LTF or thought that the LTF managers try to overburden the municipalities in order to justify keeping their work.

### *4.2.4. Suggestions for Streamlining*

Finally, municipal project managers were asked for suggestions to streamline the LTF process and remove obstacles. The chief recommendation was to correlate the level of scrutiny with the potential size and scope of a project. For example, many project managers felt that installing a traffic light or re-paving a road should require much less scrutiny than building an entirely new highway. While this does happen to a certain extent, it could be formalized along a specific scale. Another suggestion was to give more flexibility to municipalities to make decisions as the LTF process sometimes seemed too rigid. Once the budget has been determined and agreed upon by the state and town, the municipality should have more leeway in plan revisions – the state would be in more of an advisory role. The last idea offered by a municipal project manager was for the state to contribute more to money towards the LTF projects. Many small towns are unable to find the matching funding but the infrastructure improvements could still be worthwhile as they can benefit the whole State as well as increase the local tax base by incentivizing private development.



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### 5. CASE STUDIES: PROJECTS THAT CIRCUMVENTED THE LTF PROCESS

#### 5.1. Introduction

In recent years, some Vermont municipalities have opted out of state and federal funding, deciding instead to fund their transportation infrastructure improvements themselves. The supposed reason for this is that these municipalities have determined that the time and cost overruns associated with the LTF guidelines have outweighed the benefits of accepting state and federal funding. The most extreme case of this that we have observed is an instance when a municipal manager was actually thinking of giving back an earmark that he could only use through LTF as he simply considers the process too expensive.<sup>13</sup> Another manager who was offered to have his next bridge bumped up the LTF waitlist after he had done a great job on the previous one decided to take a state grant instead which he says is much less burdensome.<sup>14</sup>

In this section, we examine the circumstances behind two such projects: infrastructure improvements in Middlebury and Morrisville. The data was gathered from news reports and interviews with town managers in these two towns. The ultimate goal of this section is to provide background information on instances where state and federal funding was turned away as they represent the most blatant cases of the failure of the LTF process and as such should allow us to identify the reasons for, and the circumstances under which LTF is least effective and could use most improvement. These case studies also offer an opportunity to consider the feasibility of bypassing state and federal funding as a potential policy option for other municipalities.

#### 5.2. Cross Street Bridge: Middlebury, VT

In 2007, the town of Middlebury partnered with Middlebury College to build the Cross Street Bridge, the second crossing of the Middlebury River, which separates the two sides of town. Both the town and the college strongly desired the existence of a second bridge for both traffic flow and safety reasons.<sup>15</sup> Before the existence of the Cross Street Bridge, a single accident could effectively isolate the two sides of town from each other and potentially block any effective emergency response. Additionally, the existing bridge suffered from traffic congestion that made travel between the two sides of town inconvenient. Both the town and the college have long desired a second crossing of the Middlebury River. The town first voted to accept a bridge in 1953. Between then and the mid 1990s, the town lobbied with the Vermont Agency of Transportation for funding and project approval. During that time period, the town repeatedly approved the location and concept of the bridge. However, in the mid-2000s the Agency of Transportation abandoned the project and instead decided to focus resources on the maintenance of existing transportation infrastructure. This decision created a situation where the town wanted a bridge but had no state or federal funding for the completion of the project.



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Typically, the federal government covers 80 percent of the cost of the construction of bridges in Vermont and most of the rest is covered by the state. However, in the Middlebury's case, the project was entirely locally funded. Middlebury College paid for \$9 million of the \$16 million project total. The remaining \$7 million was paid for by the town through a \$.01 per transaction sales tax which will remain in place until 2038.<sup>16</sup> The main reason that Middlebury was able to construct the Cross Street Bridge was the public-private partnership between the town and Middlebury College. The existence of a wealthy benefactor, such as the college, made the Cross Street Bridge a reality.

### *5.3. Morrisville Bridge: Morrisville, VT*

The Morrisville case study showcases the feasibility of going it alone even without the presence of a wealthy benefactor like Middlebury College from the previous example. In the early 2000s, Morrisville found itself with an aging bridge from 1926 classified as a historical structure. By then the bridge was beyond repair and the town would have had to spend \$200,000 every 3-4 years just to keep it structurally sound according to the project manager. Morrisville first looked to LTF for funding for a new bridge. It received an estimate of a \$15 million total project cost and a fifteen year wait to get its bridge fixed. However, for obvious reasons, waiting that long was not really an option. So, the town leaders took matters into their own hands and, in August 2008, voted the project into existence. To this end they took out a bank loan for 20 years which they found cheaper to borrowing in the bond market. The project manager talked to bridge suppliers and found out that he could do the project for under \$1.5 million or less than the 10 percent in matching the town would have had to pay had it gone through LTF. In the end the total project cost was \$1.3 million and the actual bridge construction cost only \$1 million (the remainder went to putting in streetlights, paved approaches to the bridge, and similar associated expenses). Furthermore, the new bridge is 24 feet wide compared to its 20 foot predecessor – a feat that would have been impossible with LTF funding as the old bridge was a historic structure and as such would have had to have been simply reconstructed in its former shape. All this was done by November 15, 2009 or just slightly more than a year after the initial plan was put into place.

Why was doing it alone so much cheaper and faster than the proposed LTF alternative? The speed can largely be explained by the large amount of waitlisted LTF projects – there are certain caps that the program has to respect which produce bottlenecks and delay the whole process. The huge (tenfold) difference in cost is slightly harder to explain. Part of it can be explained by the large amount of paperwork associated with LTF. As discussed in the previous section of this report, LTF requires the tracking and reporting of every expense which for a small town can necessitate the hiring of an extra person just to manage the administrative work. As the project manager put it: “LTF is more about the process than project.”<sup>17</sup>



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Furthermore, LTF would require a project manager on site every day – something that Morrisville was able to do without for a project of this size. When the town’s project manager offered to supervise himself, he was told that he was not qualified even though he spent 20 years building bridges for the Navy. While the town went through a formal bidding process on engineering services and the bridge itself it saved this expense on smaller items like the construction of a \$40,000 detour. In addition, even though the person who designed the bridge was a licensed engineer, LTF wanted to have their own engineers look at the project and impose expensive modifications. Lastly, while construction unions in Vermont are generally quite weak and pay is the companies’ responsibility, accepting federal money would require paying workers more than the local wage. It would also necessitate following federal bidding procedures and tracking supplier compliance with provisions like Buy American. Given all the listed additional expenses associated with accepting LTF money, it is perhaps not so surprising that towns like Morrisville find it preferable to construct infrastructure on their own, especially for smaller or pressing projects.

When asked about the general feasibility of doing it alone, Morrisville’s town manager said that while there are certain circumstances that were particular to his town which enabled them to forgo external funding, there are many towns in the same boat. So what does he think enabled Morrisville to do it alone? First of all a pressing need to construct new infrastructure which, with LTF waiting times for certain projects, can eliminate this source of funding right away. Second, Morrisville had the capabilities in the town to manage the project (although LTF did not think so). Third, their bridge was not a completely new construction and therefore required little permitting so the delays imposed by the LTF process would have been particularly burdensome and expensive compared to the alternative of doing it alone. As the project manager put it, the end result was good for the state too as Morrisville’s bridge is no longer on the state’s replacement list and won’t come back to it for another 75 years.

### *5.4. Synthesis*

There are some instances in which town managers choose to bypass LTF funding in favor of either different state grants (for example structure grants) which are less burdensome or of funding projects themselves in their entirety. It is troubling that many managers try the LTF at first but then choose a different route for future projects. Since every LTF project has to follow very strict reporting and oversight guidelines, these form a relatively large part of the total cost for projects like repaving a sidewalk which would otherwise be quite cheap and especially for small towns without dedicated staff for paperwork. Under these circumstances some projects can be more expensive for the municipality with LTF than without it. Another circumstance under which going it alone becomes attractive is the presence of a large private benefactor, such as Middlebury College, or the need to complete a project quickly. In cases such as these the approval process associated with the LTF and the accompanying time delays are the real issue. In the case of the Cross



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Street Bridge, outside funding was secured through Middlebury College and it was secured in a way that required little institutional oversight of the project.

### **6. POLICY OPTIONS**

Given our analysis of interviews and case studies, we present four policy options that encourage legislative debate:

1. Especially for smaller projects, the cost of construction to municipalities with LTF can exceed what they would have to pay without it, it might be worthwhile considering waiving some of the reporting, oversight, and unique design requirements. Projects could be ranked according to level of complexity, importance, and overall risk with rising oversight and regulation imposed on the more difficult ones. Standard designs could be made available for more generic projects following the example of the existing “2 for 1” state matching grants. More local input should be encouraged to ensure that the end design responds to the municipalities’ needs rather than LTF manager’s desires. More responsibility devolved to the local authority could relieve work from LTF staffers and improve local satisfaction. It might even be worth considering transferring all responsibility for the micromanagement of the project to the municipality, conditional on adherence to a previously agreed upon budget acceptable both to the state and the locality, with control focused on the end result. If it is not satisfactory, penalties could be imposed. It seems like at least some local managers would prefer this to the status quo. However, it would be important to ensure the safety of the projects and resolve liability issues.
2. Maintaining the current LTF process, but with an increase in staffing levels and more institutional training for new hires which would familiarize them with the LTF program and increase their experience with review and permitting processes, might improve the functionality of the LTF and help speed up the whole process. The downside would be an increase in costs associated with such expansion of bureaucracy and possibly another added layer of complication if the new employees directed their efforts at making up more rules rather than helping local managers navigate the existing ones.
3. Another option would be to re-design LTF guidelines to in a way that would make them clear, easier to interpret, and objective in an effort to make the process as transparent as possible with less room for individual interpretation. The current formula includes several areas where one agency can hold up a project and avenues for contradicting recommendations that both confuse and frustrate municipal project managers. To the extent that the improved regulations would reduce the uncertainty regarding project adherence to LTF guidelines, it might build trust of the municipal managers in the LTF process and encourage their greater participation in it. The downside might be that



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every project brings with it unique circumstances and might merit some individual considerations rather than a one size fits all approach. There will always be a conflict between an effort for objectivity of treatment and a need for flexibility on a case-by-case basis.

4. Lastly, we would recommend analyzing best practices in channeling federal funding for local infrastructure project developments to municipalities in other states. This might yield additional insights and complement our present report.

## **7. CONCLUSION**

After a careful review of the Local Transportation Facilities (LTF) guidelines and an examination of the experiences of local managers with the program we found some areas in which it may not be living up to its full potential due to large associated administrative overhead, inconsistent enforcement, and insufficient devolvement of responsibility to the local level. While LTF has been vital in the implementation of many local infrastructure projects in Vermont, there is some tendency for towns to forgo this funding option especially for smaller projects where the administrative overhead associated with LTF becomes prohibitive, for small towns who do not have dedicated bureaucratic staff with experience in dealing with large volumes of paperwork, and for urgent projects which cannot afford to wait for their turn on the waitlist.

The process could be streamlined in the following ways. First, the level of regulation and oversight could be proportional to a project's relative riskiness and complexity. Second, more responsibility could be entrusted to the localities with micromanagement of the project entirely in their competence as well as responsibility for the final result and a penalty in case of failure to meet standards. Third, LTF guidelines should be made more transparent to avoid inconsistency and uncertainty in their interpretation. As we realize that much of the regulatory burden (federal and state) is beyond LTF's control, we would suggest that apart from basic supervision of projects to ensure adequate safety and utility, LTF managers be more of an advisory resource to the municipalities, that they offer their valuable expertise as needed, and help the town managers to navigate the regulatory maze associated with federal and state agencies.

The LTF provides a valuable service and efforts to improve its functioning could be valuable for infrastructure and competitiveness in Vermont. For further research, we would encourage a comparison of best practices in channeling federal funding to local infrastructure projects in different states.



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APPENDIX

Figure One. Status and Projects for Vermont Municipal Projects: 2007

Project Location	Project Type	Project Phase	Next Milestone	Estimated Total Project Cost
Alburg	Roadway	Conceptual	CA Signed	\$350,625
Bakersfield	Bike/Ped	Conceptual	Conceptual Plans/CE	\$174,400
Bennington	Park-and-Ride Facility	Feasibility		
Bennington	Bike/Ped	Scoping	CE & Conceptual Plans	\$1,100,000
Brandon	Roadway	Preliminary	ACT 250	\$16,368,000
Brattleboro	Park-and-Ride Facility	Feasibility		
Burlington	Roadway	SEIS & ROW on C/2	ROD & ROW Clearance	\$33,000,000
Burlington	Roadway	Scoping	CA Signed	\$6,000,000
Burlington	Roadway	Scoping	CA Signed	\$3,500,000
Cavendish (sidewalk)	Bike/Ped	ROW	Final Plans	\$799,800
Colchester CAMPUS TCSP TCSE (7)	Preis	Selected	Finalizing these plans	\$2,624,000
Cross Vermont Trail STP CVRT(1)	Scribner	Not Req'd	Cross Vermont Trail Signage	\$75,000
Cross Vermont Trail - Old Rt. 2 STP CVRT(3)	Scribner	Pending	Construct approx. 1 mile of trail	\$315,000
Dover STP BIKE(25)S	Perrigo	Selected	Waiting for Act 250 appeal	\$1,411,000
East Montpelier CMG PARK(22)SC	Davis	Not Req'd	N/A	N/A
Enosburg CMG PARK(20)SC	Davis	Selected	New Park-and-Ride Facility	
Enosburg Falls STP RWSS(1)	Perrigo	Seeking	Earmark Project	\$850,000





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Essex (Pedestrian Walkway) STP WALK(21)	Deforge	Selected	PE Only	\$30,834
Essex Jct. VT Redevelopment STP 5300(9)	Deforge	Selected	N/A	\$1,350,000
Fairlee STP 040-1(2)	Kaplan	Not Req'd	N/A	\$195,000
Jericho STP 030-1(19)	Scribner	Selected	N/A	\$796,875
Ferrisburgh	Park-and-Ride Facility	Construction	Completion	\$1,000,000
Groton	Enhancement	Conceptual Plans	CE	\$320,227
Hardwick	Enhancement	Construction	Construction	\$134,475
Hardwick	Bike/Ped	Conceptual	Consultant Selection	\$1,000,000
Hartford	Park-and-Ride Facility	Scoping	Site Selection	
Hartford (Br. St. Underpass)	Bridge	Conceptual	Conceptual Plans	\$2,690,000
Hartford (Sykes Ave.)	Roundabout	Preliminary	ROW	\$2,864,000
Hartford (VINS Entrance)	Roadway	Contact Plans	Advertise for Bids	\$300,000
Hartland	Park-and-Ride Facility	Conceptual Plans	CE & Conceptual Plans	
Hinesburg	Bike/Ped	Conceptual Plans	CE & ECSP	\$1,600,000
Irasburg	Bike/Ped	Conceptual Plans	conceptual plans	\$214,200
Johnson (Main Street)	Streetscape	Conceptual Plans	CE	\$1,984,000
Ludlow	Bike/Ped	Conceptual	Complete Resource Assess.	\$450,000
Manchester	Roadway	ROW	ROW Clearance	\$4,582,500
Middlebury	Roadway	Scoping	Scoping Completed - on Hold	\$3,749,000
Middlebury	Signal	Construction	Completion	\$2,180,000
Middlebury	Environmental	DEIS	Draft EIS	\$1,100,000



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	Impact Statement			
Milton	Bike/Ped	Feasibility	Complete	\$20,000
Milton	Bike/Ped	ROW	ROW Clearance	\$625,500
Montpelier - Berlin	Bike/Ped	ROW	ROW Clearance	\$3,175,000
Montpelier (Rte 2 & 302)	Roadway	ROW	ROW Clearance	\$2,000,000
Morrisville	Bike/Ped	On HOLD per Town	N/A	\$625,000
New Haven	Bike/Ped	CE & Conceptual Plans	Conceptual Plans	\$236,900
Newfane	Bike/Ped	Completed	Completed	\$593,000
Newport	Bike/Ped	ROW	ROW Clearance	\$1,939,000
Norwich	Bike/Ped	Feasibility	Draft Feasibility Report	\$15,000
Plainfield	Bike/Ped	ROW	ROW Clearance	\$610,000
Putney	Park-and-Ride Facility	CE & Conceptual Plans	Conceptual Plans	\$800,000
Randolph	Town Highway Bridge	Survey	Conceptual Plans	\$575,000
Randolph	Park-and-Ride Facility	Final Plans	Contract Plans	\$1,000,000
Richford	Bike/Ped	ROW	ROW Clearance	\$500,000
Rutland City	Roadway	Conceptual Plans	CE	\$3,100,000
Royalton	Park-and-Ride Facility	CE & Conceptual Plans	Conceptual Plans	
Shelburne	Roadway	CE & Conceptual Plans	Final Plans	\$164,000
South Burlington	Roadway	Scoping	Conceptual Plans	\$6,000,000
South Burlington	Roadway	Construction	Finish Construction	\$12,500,000
South Hero	Bike/Ped	Conceptual Plans	Conceptual Plans & CE	\$198,700
South Hero	Bike/Ped	Design	Conceptual Plans	\$1,750,000



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(South Street)		Engineer		
Springfield	Roadway	ROW	ROW Clearance	\$1,000,000
St. Albans	Roadway	CA	Environmental Assessment	\$2,091,000
St. Johnsbury	Scenic Byway	Construction	CE	\$137,500
St. Johnsbury	Bike/Ped	ROW	ROW Clearance	\$3,230,000
Stowe	Bike/Ped	CA	Design Engineer	\$887,187
Stowe (Barnes Camp)	Enhancement	Feasibility	Consultant Selection	\$40,000
Stowe-Cambridge	Scenic Byway	Construction	Phase 2 Construction	\$581,608
Swanton	Bike/Ped	Final Plans	PS&E	\$1,700,000
Swanton-St. Johnsbury (LVRT) STP LVRT()	Peterson	Pending	Awaiting federal PE funding Bryant Watson (VAST)	\$6,178,000
Townsend-Jamaica-Londond	Public Lands Highway	Construction	Construction	\$440,646
Vergennes	Scenic Byway	Construction	Construction	\$204,501
Waitsfield	Bike/Ped	ROW	ROW Clearance	\$1,635,000
Waterbury	Park-and-Ride Facility	CE & Conceptual Plans	Conceptual Plans	\$600,000
Waterbury	Roundabout	CE & Conceptual Plans	Approved Conceptual Plans	\$2,100,000
Weathersfield	Park-and-Ride Facility	ROW	ROW Clearance	\$700,000
Williamstown	Bike/Ped	CE & Conceptual Plans	Conceptual Plans	\$210,000
Williston	Park-and-Ride Facility	Scoping	Site Selection	\$1,400,000
Wilmington	Bridge	Contract Plans (PS&E)	Advertise for Bids	\$400,000
Windsor	Scenic Byway	Construction	ROW Clearance	\$605,890
Windsor	Enhancement	Construction	ROW Clearance	\$219,750
Windsor	Roadway/Ped	Feasibility	Consultant Selection	\$1,000,000
Winooski	Bike/Ped	Application & Programming	Programming	



## Policy Research Shop

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### Figure Two. Questionnaire

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1. What was the projected timeline for your project?
2. What was the actual Timeline?
3. If the project was delayed, please check the item(s) in the list below that contributed to the delay.
  - a. Permitting
    - i. State Highway Access Permit
    - ii. State Highway Drive Permit
    - iii. Environmental Document(CE, EA, EIS)
  - b. Right of Way
  - c. Local Process
    - i. Local Concerns
    - ii. Municipal Project Manager
  - d. VTrans Process
    - i. Project Manager
    - ii. AOT Technical Staff
    - iii. Reviews
4. What were the projected expenses for your project?
5. What were your actual expenses?
6. If the final expenses exceeded the initial estimate, please check the item(s) in the list below that contributed to the increase.
  - a. Permitting
    - i. State Highway Access Permit
    - ii. State Highway Drive Permit
    - iii. Environmental Document(CE, EA, EIS)
  - b. Right of Way
  - c. Local Process
    - i. Local Concerns
    - ii. Municipal Project Manager
  - d. VTrans Process
    - i. Project Manager
    - ii. AOT Technical Staff
    - iii. Reviews
7. Did you notice inconsistency in the way your project was treated by different officials/at different stages of the approval process?
8. Do you think that the approval process is objective and driven by clear standards or is it “personality driven”?
9. Do you have any further comments regarding the efficiency of the whole process? Are there any other hold-ups you noticed? Do you have any suggestions for streamlining the process?



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### REFERENCES

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<sup>1</sup> <http://www.vlct.org/aboutvlct/overview/>

<sup>2</sup> Interview with Cory Gustafson and Karen Horn from VLCT, February 23, 2011

<sup>3</sup> “Program Development – Local Transportation Facilities”.

<http://www.aot.state.vt.us/progdev/sections/ltf/ltf.htm>

<sup>4</sup> <http://www.aot.state.vt.us/progdev/sections/ltf/ltf.htm>

<sup>5</sup> <http://www.aot.state.vt.us/progdev/sections/ltf/LTFGuidebook/LocalTransportationFacilitiesGuidebook.htm>

<sup>6</sup> LTF Guidebook, pg. 13.

<sup>7</sup> <http://www.aot.state.vt.us/progdev/sections/ltf/ltf.htm>

*Specific names and projects have been withheld to provide honest feedback from those managers working very closely with LTF.*

<sup>8</sup> Tomas Jagelka, interview with municipal project manager. May 10, 2011.

<sup>9</sup> Tomas Jagelka, interview with municipal project manager, May 20, 2011.

<sup>10</sup> David Lumbert, interview with municipal project manager. May 11, 2011.

<sup>11</sup> Tomas Jagelka, interview with municipal project manager. May 16, 2011.

<sup>12</sup> Tomas Jagelka, interview with municipal project manager. May 16, 2011.

<sup>13</sup> Tomas Jagelka, interview with municipal project manager. May 25, 2011.

<sup>14</sup> Tomas Jagelka, interview with municipal project manager. May 10, 2011.

<sup>15</sup> <http://www.wptz.com/news/25578809/detail.html>

<sup>16</sup> <http://www.7dvt.com/2010cross-street-bridge-middlebury>

<sup>17</sup> Tomas Jagelka, interview with municipal project manager. May 15, 2011.