

MEMORANDUM OF UNDERSTANDING
Regarding USDOT FTA 49 U.S.C. Federal Transit Funding
By and Between
THE MICHIANA AREA COUNCIL OF GOVERNMENTS
THE SOUTHWEST MICHIGAN PLANNING COMMISSION
THE CITY OF NILES
THE SOUTH BEND PUBLIC TRANSPORTATION CORPORATION and
THE NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT.

This Memorandum of Understanding is an agreement between the Michiana Area Council of Governments (MACOG) and the Southwest Michigan Planning Commission (SWMPC) on behalf of the City of Niles, South Bend Public Transportation Corporation (Transpo), and the Northern Indiana Commuter Transportation District (NICTD) who are the FTA Designated Recipients and public mass transit operators within their respective geographical areas. This Memorandum is intended to define the basic process by which federal funds made available from the United States Department of Transportation (USDOT), Federal Transit Administration (FTA), under Chapter 53 of Title 49, United States Code, as amended by Infrastructure Investment and Jobs Act (IIJA), Section 5307, 5337, 5339 are to be divided within the South Bend Urbanized Area.

This Memorandum shall serve as the basis of ordinances or resolutions, enacted by the policy boards of the respective agencies, to implement the programs funded by the FTA.

The process is defined as follows for **Section 5307 – Urbanized Area Formula Grants**:

1. After publication of the South Bend Urbanized Area annual (full year) apportionments in the Federal Register, MACOG will prepare the worksheet to split the apportionment between bus and rail, using the National Transit Database (NTD) fiscal year (FY) data referenced in the Federal Register. This document will be distributed by MACOG to the City of Niles, Southwest Michigan Planning Commission (SWMPC), the South Bend Public Transportation Corporation (Transpo), and the North Indiana Commuter Transportation District (NICTD) within 30 business days of the Federal Register publication.
2. MACOG will establish a joint annual funding meeting with representatives of the City of Niles, SWMPC, Transpo, and NICTD to discuss the worksheet to split the apportionment between bus and rail. At this meeting or subsequent meetings, the parties will cooperatively come to a sharing agreement regarding the level of funds that each will receive for the next fiscal year.
3. The City of Niles, Transpo, and NICTD within 30 days of reaching the annual funding agreement shall submit electronic or written concurrence to the SWMPC and MACOG. After receiving these concurrences, the annual funding agreement will be considered for endorsement at the next MACOG Policy Board meeting.
4. If no agreement can be made between the transit systems then the decision will be made in a joint meeting between the Executive Directors of the MACOG and the SWMPC. If a joint meeting is required, the Executive Directors of these respective Metropolitan Planning Organizations (MPOs) will meet to develop an equitable agreement. In the event that an agreement is not reached, a temporary, four-member bi-state commission made up of two officers appointed by each of the chairs of the boards from both MPOs will develop an equitable agreement in accordance with the Transportation Planning Cooperative Memorandum of Agreement between MACOG and SWMPC.

5. When projects are submitted for inclusion in the Transportation Improvement Program (TIP), MACOG will be responsible for prioritizing all projects in accordance with the documented funding agreement in Indiana and the SWMPC will be responsible for prioritizing all projects in accordance with the documented funding agreement in Michigan. The SWMPC and MACOG assure that the funding split agreed to will be fiscally constrained. The MPOs further agree that the annual apportionment will be estimated over four years using the last Federal Register apportionment figures for the South Bend Urbanized Area. Adjustments to the increases or decreases in the actual Federal Fiscal Year apportionments shall be made as part of the annual update to the funding agreement.
6. In the event of a change in Designated Recipients, the passage of new authorizing legislation for the FTA Section 5307 Program, or significant revisions to FTA Circular 9030.1E, discussions will be held with all parties of the agreement to review the process outlined in this Memorandum.

The process is defined as follows for **Section 5337 – State of Good Repair Formula Grants:**

1. Section 5337 provides capital assistance for maintenance, replacement, and rehabilitation projects of existing high-intensity fixed guideway and high-intensity motorbus systems to maintain a state of good repair. Additionally, 5337 funds are eligible for developing and implementing Transit Asset Management plans.
2. After publication of the South Bend Urbanized Area annual apportionments in the Federal Register, MACOG will prepare the worksheet to split the 5307 funds, as previously outlined above. The worksheet will also include the 5337 funds made available to the South Bend Urbanized Area. The basis of the allocation of the Section 5337 apportionment for the South Bend Urbanized Area shall be that which is published in the Federal Register for the respective Federal Fiscal Year. This worksheet will be distributed by MACOG to the City of Niles, Southwest Michigan Planning Commission (SWMPC), the South Bend Public Transportation Corporation (Transpo), and the North Indiana Commuter Transportation District (NICTD) within 30 business days of the Federal Register publication.
3. It is understood that NICTD is the only fixed guideway system and there are currently no transit systems providing high-intensity motorbus service in the South Bend Urbanized Area. Therefore the only eligible recipient for these funds is NICTD.
4. NICTD agrees to inform MACOG each time the rail track mileage in St. Joseph County changes. This information will be used in connection with the Section 5307 the South Bend Urbanized Area allocation.
5. When projects are submitted for inclusion in the Transportation Improvement Program (TIP), MACOG will be responsible for prioritizing all 5337 projects in accordance with the documented funding agreement. The MACOG assures that the 5337 funding split agreed to will be fiscally constrained. The MACOG further agrees that the annual apportionment will be estimated over four years using the last Federal Register apportionment figures for the South Bend Urbanized Area. Adjustments to the increases or decreases in the actual Federal Fiscal Year apportionments shall be made as part of the annual update to the funding agreement.

6. In the event of a change in Designated Recipients, the passage of new authorizing legislation for the FTA Section 5337 Program, changes to eligible 5337 recipients in the urbanized area, or significant revisions to FTA Circular 5300.1, discussions will be held with all parties of the agreement to review the process outlined in this Memorandum.

The process is defined as follows for **Section 5339 – Bus and Bus Facilities Formula Grants**:

1. Section 5339 provides capital assistance for the purpose of financing bus and bus-related projects which will support the continuation and expansion of public transportation services. Eligible recipients include direct recipients that operate fixed route bus service or that allocate funding to fixed-route bus operators; state or local governmental entities; and federally recognized Indian tribes that operate fixed route bus service that are eligible to receive direct grants under 5307 and 5311.
2. After publication of the South Bend Urbanized Area annual apportionments in the Federal Register, MACOG will prepare the worksheet to split the 5307 funds, as previously outlined above. The worksheet will also include the 5339 funds made available to the South Bend Urbanized Area. The basis of the allocation of the Section 5339 apportionment for the South Bend Urbanized Area shall be that which is published in the Federal Register for the respective Federal Fiscal year. This document will be distributed to the City of Niles, Southwest Michigan Planning Commission (SWMPC), the South Bend Public Transportation Corporation (Transpo), and the North Indiana Commuter Transportation District (NICTD) within 30 business days of the Federal Register publication.
3. Representatives of the City of Niles and Transpo will meet or communicate prior to joint annual funding meeting. The purpose of this coordination is to ensure that the City of Niles and Transpo discuss the capital needs of each transit system. Through this communication, the joint annual funding meeting, or subsequent meetings, the City of Niles and Transpo will cooperatively come to a sharing agreement regarding the 5339 funds for the respective Federal Fiscal Year.
4. The City of Niles and Transpo within 30 days of reaching the 5339 funding agreement shall submit electronic or written concurrence to the SWMPC and MACOG. After receiving these concurrences, the annual funding agreement will be considered for endorsement at the next MACOG Policy Board meeting.
5. If no agreement can be made between the transit systems then the decision will be made in a joint meeting between the Executive Directors from MACOG and the SWMPC. If a joint meeting is required, the Executive Directors of the respective MPOs will meet to develop an equitable agreement. In the event that an agreement is not reached, a temporary, four-member bi-state commission made up of two officers appointed by each of the chairs of the boards from both MPOs will develop an equitable agreement in accordance with the Transportation Planning Cooperative Memorandum of Agreement between MACOG and SWMPC.
6. When projects are submitted for inclusion in the Transportation Improvement Program (TIP), MACOG will be responsible for prioritizing all 5339 projects in accordance with the documented funding agreement in Indiana and the SWMPC will be responsible for

prioritizing all 5339 projects in accordance with the documented funding agreement in Michigan. The SWMPC and MACOG assure that the 5339 funding split agreed to will be fiscally constrained. The MPOs further agree that the annual apportionment will be estimated over four years using the last Federal Register apportionment figures for the South Bend Urbanized Area. Adjustments to the increases or decreases in the actual Federal Fiscal Year apportionments shall be made as part of the annual update to the funding agreement.

7. In the event of a change in Designated Recipients, the passage of new authorizing legislation for the FTA Section 5339 Program, or significant revisions to FTA Circular 5100.1, discussions will be held with all parties of the agreement to review the process outlined in this Memorandum.

This Memorandum of Understanding shall be reviewed every five (5) years or when a signatory requests a written change.

IN WITNESS WHEREOF, the parties hereto have caused this accord to be executed by their proper officers and representatives.

MICHIANA AREA COUNCIL OF GOVERNMENTS

By: 
James Turnwald, Executive Director

Date: 06/12/2024

SOUTHWEST MICHIGAN PLANNING COMMISSION

By: 
K. John Egelhaaf, Executive Director

Date: 05/28/2024

CITY OF NILES

By: 
Nicholas Shelton, Mayor

Date: 06/10/2024

SOUTH BEND PUBLIC TRANSPORTATION CORPORATION

By: 
Amy Hill, General Manager & CEO

Date: 05/29/2024

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT

By: 
Michael Noland, General Manager

Date: 06/04/2024