

MEMORANDUM

To: Jurisdictional Members of the Transportation Improvement Program (TIP) Subcommittee & RTA Working Groups

From: Jim DeGroot, Carlos de Leon & John Liosatos

Date: July 26, 2012

CC: Gary Hayes, Regional DOT Directors, PAG Staff

Re: Fiscal Year 2014-2018 TIP – Call For Projects

Pima Association of Governments has reviewed the funding available, by funding type, for the fiscal years to be contained within the upcoming 2014-2018 Transportation Improvement Program (TIP).

In addition, the Regional Transportation Authority has reviewed the categorical amounts available for programming in FY14.

Submission of “New” Projects: The region has come to consensus that this year a jurisdiction may forward a “new” project(s) into the TIP process under the following guidelines.

- RTA Categorical Projects – Jurisdictions may request new project(s) that are utilizing RTA categorical funding up to the amount that is identified in this “Call for Projects”. Project applications for these RTA funds will be forwarded to the appropriate RTA Working Group for prioritization. Please note that individual working groups may require additional information.
- STP or HURF funded projects – Jurisdictions may request that existing projects be replaced in the TIP with projects that are of higher jurisdictional priority. In addition, as outlined in the TIP Policies and Procedures, each smaller jurisdiction may request one new project and each larger jurisdiction may request up to three new projects for TIP consideration and prioritization.

Please note that RTA corridor projects, approved in the RTA plan, would not be considered “new” and can/should be added to the TIP as necessary to keep the projects on schedule with the time periods prescribed by the RTA plan.

Federal Reauthorization: The new Federal Surface Transportation Bill, MAP-21, will more than likely provide the PAG region with a direct allocation of “Transportation Alternatives” Funding. This funding replaces Transportation Enhancements and Safe Routes to School funding. Once final guidance is received that verifies this allocation, PAG may release a supplemental Call for Transportation Alternatives projects. Jurisdictions are encouraged to start identifying potential candidate projects that could obligate funds in the short term.

RTA Corridor Projects: Jurisdictions are reminded that fiscal year 16 marks the end of RTA implementation period 2. It is important for jurisdictions to review the 35 RTA corridor projects and make sure sufficient funding is available to complete period two projects early in the FY14-18 TIP as well as initiate period 3 projects.

Fully funding all of the RTA Corridor projects should be a priority but these RTA projects can only be given that priority if the needs are identified and articulated early in the TIP development process.

RTA Categorical Projects Funding Availability: Based upon the completion of previous RTA categorical projects being delivered below the programmed amount, Categorical funding from the RTA Safety and Environmental Vitality Elements are available for reprogramming. These funds are based upon the current level of funding approved by the RTA Board and are not currently limited to a specific fiscal year. The funding available for competitive programming are (All numbers in thousands):

Safety Element

RTA 36, Intersection Safety and Capacity Improvements	\$3,300
RTA 37, Elderly and Pedestrian Safety Improvements	\$900
RTA 40, Signal Technology Upgrades	\$225

Environmental and Economic Vitality Element

RTA 41, Greenways, Pathways, Bikeways and Sidewalks	\$2,700
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These funds are currently available and preference should be given to projects that can be delivered quickly. Projects that can move forward in FY 13 will be added by TIP amendment once they are approved by the RTA Board.

Adjustment of State and Federal Estimates: Over the past couple of years the region has made adjustments to fund estimates to better reflect the current downturn of the economy. The PAG Transportation Finance Subcommittee reviewed state and federal funding estimates on June 24, 2012 and made the following estimate recommendations for use in developing the 2014-2018 TIP. In addition, they reviewed the existing fiscal year (FY13) funding estimate as well.

Fund	FY13	FY14	FY15	FY16	FY17	FY18
STP	\$17,000	\$17,500	\$17,500	\$17,500	\$17,500	\$17,500
12.6%	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000
2.6%	\$4,355	\$4,442	\$4,500	\$4,500		

All numbers in thousands

Current Fiscal Year State and Federal Adjustment: Given the actions of the Arizona State Legislature last session, the current estimates for FY13 seem to be reasonable. However, FY13 includes projects that were carried over from FY12 and although we still do not have final numbers for Fiscal Year 12, it is anticipated that our estimate of \$18 million will likely fall short by approximately \$4.5 million. The TIP subcommittee will need to look at the current FY and

develop an amendment that addresses this shortfall by removing or pushing back funding accordingly to achieve constraint. Federal STP may need a \$1.6 million dollar adjustment; however the final federal distribution number will not be known until the end of the federal fiscal year (9/30/12). No change is required for PAG HURF 2.6%.

State and Federal Funding Summary: The matrix below outlines the funding available by fiscal year. Each year’s cell below represents the sum of the expenses subtracted from the revenues by each fiscal year; only the last column is a cumulative total. The bottom line on all this is that these numbers tell us how much funding needs to be moved to positive balance years from the negative balance years.

Because MAP-21 also puts more emphasis on safety and safety funding, it is likely that when the final guidance on MAP-21 is released more HSIP funding will be available. If so, a supplemental Call for Projects will be issues.

State and Federal Funding Availability:

Fund Source	FY14	FY15	FY16	FY17	FY18	Cumulative total available
Federal STP	-\$600	\$50	\$50	-\$5,745	\$17,500	\$11,255
PAG HURF 12.6%	-\$1,065	\$3,356	-\$3,902	-\$1,850	\$18,000	\$14,539
PAG HURF 2.6%	\$4,442	\$4,500	\$4,500			\$13,442
PAG PDAF	\$150					\$150
PAG HSIP	\$750	\$750	\$750			\$2,250

All numbers are in thousands.

These are estimates based on the best information available and are subject to change

Regional Transit Funding: The impact of MAP-21 on Regional Transit funding is still unknown at this time. Until additional guidance on funding availability is provided by FTA, a Call for Projects for Regional Transit funding would be premature. The PAG Transit Working Group will work with the City of Tucson, as the region’s designated recipient, on what a proper amount and time should be moving forward. A supplemental Call for available future transit funding will be made at a later date.

For urbanized areas with 200,000 in population and over, funds are apportioned and flow directly to a designated recipient selected locally to apply for and receive Federal funds. The City of Tucson is the “designated recipient” for the PAG region.

PAG HSIP: The Local Government Highway Safety Improvement Program (HSIP) is funded through a set-aside from federal Highway Safety Improvement Program (HSIP) funds allocated to Arizona. The funding process includes a regional project application process, with final review and approval of projects from the Arizona Department of Transportation (ADOT) and the Federal Highway Administration (FHWA). This program was established to enhance local government transportation safety project development. Additional funding for projects under the HSIP program is available through ADOT. All applications require a local government sponsor. Funding is available at 94.3% cost reimbursement, 5.7% local match. In accordance with 23 U.S.C. 120(c), certain project types may be funded at up to 100

percent Federal share. In addition to the PAG HSIP funds there are additional state HSIP funds made available on a competitive basis through an ADOT lead selection process. Projects that apply for PAG HSIP funds and are not awarded may be recommended for the State HSIP process. **NOTE – the direct allocation to PAG may change with the implementation of MAP-21**

PAG PDAF: PDAF funding is provided from PAG’s 12.6% funding category. Hence development activities are limited to arterial roadways only. Bicycle and pedestrian projects are eligible if they relate to an arterial roadway. Transit projects are not eligible. The following types of development activities or projects are anticipated:

- Major Investment or Corridor Studies (MIS)
- Design Concept Reports (DCR)
- Engineering & Design Studies
- Right of way Acquisitions
- Non-Traditional Projects

Construction projects are not eligible under the scope of PDAF. Projects shall demonstrate a strong linkage to the regional transportation system by proximity, function, or impact.

In order to maximize the use of these funds by as many jurisdictions and types of projects as possible, the total funding requests from each applicant should not exceed \$50,000.

STPX and HELP Loan Suspension: Both the STPX and HELP Loan programs continue to be suspended by ADOT and, therefore, neither should be incorporated into any jurisdiction’s project delivery strategy. HELP and STPX projects already under contract should not be impacted by this suspension.

Year of Expenditure: Each jurisdiction should be aware that the fiscal year 2018 STP and 12.6% funds that will be programmed by the TIP process this year are in 2012 dollars. As such, jurisdictional funding requests should reflect this by adjusting current construction costs for inflation for the anticipated year of expenditure. Using this matrix, jurisdictions should make adjustments for future years if they have not already done so. The table below provides the adjustment factor that is recommended to inflate current estimates to the program year.

Construction Cost Index Forecast			
Calendar Year	Inflation Rate	Fiscal Year (Converted)	Aggregate Total
2012	n/a	n/a	1.0000
2013	1.80%	1.80%	1.0180
2014	1.80%	1.80%	1.0363
2015	1.90%	1.85%	1.0555
2016	2.10%	2.00%	1.0766
2017	2.10%	2.10%	1.0992
2018	2.20%	2.15%	1.1228

Source: "2012 Inflation Conversion Factor Revision," Oregon State University

Process: Each jurisdiction has a designated point of contact on the TIP Subcommittee. That contact has been sent a data sheet for existing TIP projects to be reviewed and updated as well as blank application sheets and criteria sheets for new project requests. Each jurisdiction has different protocols for project submittals and because the TIP has a standing rule that a jurisdiction may not request more funding than is available in any funding category, we would prefer that project funding applications flow through that designated representative. Each jurisdiction is required to prioritize its projects.

Jurisdictional sponsors are asked to schedule a meeting with PAG staff to review/submit their project funding requests on either **August 15 or August 16.**

The TIP Subcommittee will review and prioritize all project requests at its all-day TIP development meeting(s) in late November/early December. RTA categorical project requests will go through the RTA Working Group Process for prioritization.

City of Tucson	Janice Cuaron	Pima County	Sal Caccavale
Town of Marana	Ryan Benavides	Town of Oro Valley	Jose Rodriguez
Town of Sahuarita	Thomas Garcia	City of South Tucson	Joel Gastelum
Pascua Yaqui Tribe	Maria Arvayo	Tohono O’odham Nation	Steve Tipton