

MEMORANDUM

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

From: Jim DeGroot, John Liosatos, Jeremy Papuga , and Nathan Barrett

Date: August 7, 2013

CC: Cherie Campbell, Regional DOT Directors, PAG Staff

Re: Fiscal Year 2015-2019 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 2015-2019 Transportation Improvement Program (TIP). Amount in FY 2014 may need to be adjusted, impacting roll over amounts from FY 2014 into FY 2015.

In addition, the Regional Transportation Authority has reviewed the categorical amounts available for programming in FY15.

MAP-21: The federal transportation authorization MAP-21, is due to expire at the end of FY 2014. In order to make programming decisions for years beyond that expiration date, PAG assumes that the policies and funding levels of MAP-21 will persist. However, if congress does not pass a MAP-21 continuation, or if congress passes new legislation with substantially different transportation policies, then programmed amounts for STP, HSIP, and TAP will need to be adjusted for FY 2015 and beyond.

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.

- 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 (or reserve) project and each larger jurisdiction may request up to three new (or reserve) 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.

RTA Corridor Projects: Jurisdictions are reminded that fiscal year 2016 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 FY15-19 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: No new funding has been identified for RTA categorical projects.

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 July 17, 2013 and made the following estimate recommendations for use in developing the 2015-2019 TIP. In addition, they reviewed the existing fiscal year (FY14) funding estimate as well.

Fund	FY14	FY15	FY16	FY17	FY18	FY19
STP	\$17,000	\$17,500	\$17,500	\$17,500	\$17,500	\$17,500
12.6%	\$17,000	17,500	17,500	\$18,000	\$18,000	18,500
2.6%	3,750	4,000	4,250	4,500	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 FY14 seem to be reasonable. However, FY14 includes projects that were carried over from FY13 and although we still do not have final numbers for Fiscal Year 13, it is anticipated that our estimate of \$18.4 million will likely fall short by approximately \$1.5 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. No change is required for PAG HURF 2.6%.

State and Federal Funding Summary: The matrix on the next page 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.

Possible TIP amendments will need to be executed to bring programmed amounts for FY 2014 within the estimated amount of projected revenues. It is assumed that this amendment will push projects from FY 2014 into FY 2015 rather than be removed completely. Therefore, the estimated amount of the possible 2014 TIP amendment is included as part of the analysis in the chart below.

State and Federal Funding Availability:

Fund Source	FY14	FY15	FY16	FY17	FY18	FY19	Cumulative total available
Federal STP	-\$549	\$350	-\$100	\$855	-\$5995	\$12,255	\$6,816
PAG 12.6%	-\$2,502	-\$500	-\$487	\$50	-\$1,000	\$17,950	\$13,511
PAG 2.6%	\$0	\$5,540	\$4,250	\$2,200			\$11,990
PAG PDAF	\$0	\$150					\$150
PAG HSIP	\$0	\$1,015	\$1,015	\$1,015			\$3,045
PAG TAP	\$0	\$1,098	\$1,098				\$2,196

All numbers are in thousands.

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

Regional Transit Funding: For urbanized areas with 200,000 in population and over, Federal Transit Administration (FTA) 5307 and 5339 funds are apportioned to urbanized areas and are required to go through a regional prioritization process before inclusion in the TIP. For the PAG region, the PAG/RTA Transit Working Group prioritizes funds using a predefined process that emphasizes FTA compliance and regional transit needs.

The matrix below outlines funding available by fiscal year. Each year's cell below represents the difference between available funding and amounts currently programmed in the TIP. Available funding for FY 2015 through FY 2018 has been adjusted down based on revised FTA funding estimates.

Regional Transit Funding Availability:

Fund Source	FY 15	FY 16	FY 17	FY 18	FY 19	Total Available
FTA 5307	\$19	\$87	-\$711	-\$611	\$12,991	\$11,777
FTA 5339	-\$35	-\$35	-\$35	-\$35	\$1,449	\$1,308

All numbers are in thousands.

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

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.

PAG TAP: The TIP subcommittee will be asked to program the approximately \$1.1M in TAP funding estimated to be available for FY 2015. These applications will be reviewed by the Bicycle/Pedestrian Working Group and recommendations will be forwarded to the TIP subcommittee for programming approval.

RTA funding will be available to provide matching funds for TAP projects.

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.

Year of Expenditure: Each jurisdiction should be aware that the fiscal year 2019 STP and 12.6% funds that will be programmed by the TIP process this year are in 2013 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
2013	n/a	n/a	1.0000
2014	2.10%	2.10%	1.0210
2015	2.30%	2.20%	1.0435
2016	2.40%	2.35%	1.0680
2017	2.40%	2.40%	1.0936
2018	2.40%	2.40%	1.1199
2019	2.40%	2.40%	1.1467

Source: U.S. Bureau of Labor Statistics; The Puget Sound Economic Forecaster, prepared by Conway Pedersen Economics, Inc.

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. **However, the HELP loan program will be coming back in the near future. Additional information about this reinstatement will be communicated to the jurisdictions as we receive it.**

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 **September 16, 17, or 18.**

Applications will be due September 25, 2013.

The timeline for transit funding applications will be determined at the September meeting of the PAG/RTA Transit Working Group.

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	Morris Reyna	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