

## MEMORANDUM

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

**From:** Jim DeGrood, John Liosatos, James McGinnis , and Nathan Barrett

**Date:** August 7, 2014

**CC:** Farhad Moghimi, Cherie Campbell, Regional DOT Directors, PAG Staff

**Re:** Fiscal Year 2016-2020 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 2016-2020 Transportation Improvement Program (TIP). Amount in FY 2015 may need to be adjusted, impacting roll over amounts from FY 2015 into FY 2016.

In addition, the Regional Transportation Authority has reviewed the categorical amounts available for programming in FY16.

**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.

- 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.
- Requests for STP and HURF 12.6% funds in 2020 (year 5 of the TIP) should go towards funding of RTA corridor projects.
- Non-RTA projects in 2016-2019 of the TIP should not plan on using HURF 12.6% and STP funds beyond 2019, and therefore ought to be fully funded within these years. In the event that additional funding is available in these years, PAG encourages the jurisdictions to apply those funding increases towards existing projects, so as to ensure that these projects remain fully funded within this time period.

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 initiate period two projects early in the FY16-20 TIP as well as begin work on period 3 projects.

Full 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 where more than 50% of the anticipated available funding has already been programmed. This affects:

<u>Category</u>	<u>Percent Expended</u>	<u>Percent Programmed</u>
RTA #36, Intersection Safety and Capacity	65%	80%
RTA #37, Elderly and Pedestrian Safety	67%	81%
RTA #39, At-grade Railroad and Bridge	22%	53%
RTA #41, Greenways, Pathways, Bikeways	37%	67%

For the remaining categories, the following is recommended:

<u>Category</u>	<u>additional funds, FY 16-18</u>
RTA #38, Transit Corridor Bus Pullouts	\$ 5,000,000
RTA #40, Signal Technology to improve traffic	\$ 750,000
RTA #42, Transportation Wildlife Linkages	TBD, based on other projects

It is further recommended that funding should be committed where beneficial to leverage the investments made from other funding sources, to maximize benefit to the public and further the implementation of the RTA Plan.

**Adjustment of State and Federal Estimates:** Over the past couple of years the region has made adjustments to fund estimates to better reflect the slow recovery from the recent downturn of the economy. The PAG Transportation Finance Subcommittee reviewed state and federal funding estimates on July 30, 2014 and made the following estimate recommendations for use in developing the 2016-2020 TIP. In addition, they reviewed the existing fiscal year (FY15) funding estimate as well.

Fund	FY15	FY16	FY17	FY18	FY19	FY20
STP	\$17,000	\$17,000	\$17,000	\$17,500	\$17,500	\$17,500
12.6%	\$18,900	19,000	20,000	\$20,000	\$20,000	\$20,00
2.6%	\$4,000	\$4,250	\$4,500	\$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 FY15 seem to be reasonable. PAG is working with ADOT to obtain updated information on HURF 2.6% funds, but at this time, no change is required for this funding source.

PAG will end federal fiscal year 2014 over-programmed in STP by approximately \$1.3 million. ADOT will be able to provide an Obligation Authority loan to cover the over-program, but the PAG region will be required to pay back this extra OA in 2015. In other words, although the estimate for FY15 is \$17,000, a negative carry over from 2014 will reduce the actual amount available for programming in 2015.

**State and Federal Funding Summary:** The matrix on this 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. These numbers indicate how much funding needs to be moved to positive balance years from the negative balance years.

**State and Federal Funding Availability:**

Fund Source	FY15	FY16	FY17	FY18	FY19	FY20	Cumulative total available
Federal STP	-\$1,809	-\$890	-\$10	\$0	-\$5,085	\$13,615	\$5,821
PAG 12.6%	\$903	\$1,500	\$2,000	\$2,000	-\$264	\$19,450	\$25,589
PAG 2.6%	\$5,771	\$0	\$3,500	\$0			\$9,271
PAG PDAF	\$19	\$150					\$169
PAG HSIP	\$715	\$1,015	\$1,015	\$1,015			\$3,760
PAG TAP	\$0	\$1,098					\$1,098

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.

**Regional Transit Funding Availability:**

Fund Source	FY 16	FY 17	FY 18	FY 19	FY 20	Total Available
FTA 5307	\$5,270	\$1,670	\$1,770	-\$329	\$13,662	\$22,043
FTA 5339	\$78	\$78	\$78	\$78	\$1,528	\$1,840

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 2016. These applications will be reviewed by the Bicycle/Pedestrian Subcommittee and recommendations will be forwarded to the TIP subcommittee for programming approval.

RTA funding will potentially 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
2014	n/a	n/a	1.0000
2015	1.60%	1.60%	1.0160
2016	1.81%	1.71%	1.0333
2017	1.99%	1.90%	1.0530
2018	1.98%	1.99%	1.0739
2019	2.03%	2.01%	1.0954
2020	2.10%	2.07%	1.1180

SOURCE: Projected annual inflation rate in the United States, World Economic Outlook Database, IMF, April 2014

**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 may 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 October 10, 2014**

**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.

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