

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 13, 2015

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

Re: Fiscal Year 2017-2021 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 2017-2021 Transportation Improvement Program (TIP). Amounts in FY 2016 may need to be adjusted, impacting estimated roll over amounts from FY 2016 into FY 2017.

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

MAP-21: The federal transportation authorization MAP-21, expired at the end of FY 2014. The programs and funding of MAP-21 have been continued through a series of short-term extensions. In order to make programming decisions for years beyond the expiration of MAP-21, PAG assumes that the policies and funding levels of MAP-21 will continue. However, if congress does not extend MAP-21, 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 2016 and beyond.

Priority of RTA projects: Requests for STP and HURF 12.6% funds in 2020 and beyond (years 4 and 5 of the 2017-2021 TIP) should go towards funding of RTA corridor projects. These funds are not additional funds for these projects, but rather will be used to free up additional RTA funds for use on RTA projects.

Non-RTA projects in 2017-2019 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 RTA 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 and 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 conclude period two projects 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. Items beyond the scope identified in the RTA plan are not eligible for priority treatment in the Regional programming process.

RTA Categorical Projects Funding Availability: No new funding has been identified for RTA categorical projects where the RTA anticipates exceeding the number of projects promised in advance of the RTA election and stated in RTA election materials.

<u>Category</u>	<u>Promised</u>	<u>Programmed or Completed</u>
RTA #36, Intersection Safety and Capacity	200	268
RTA #38, Transit Corridor Bus Pullouts	200	224

Funding is also not identified for categorical programs which address critical needs, or are driven by other priorities. Programming for these projects is limited, but will be allowed on a case-by-case basis, based on need and opportunity. This affects:

- Category
- RTA #39, At-grade Railroad and Bridge Deficiencies
- RTA #42, Transportation-related Critical Wildlife Linkages

For the remaining categories, the following is tentatively recommended:

<u>Category</u>	<u>FY 17-20*</u>	<u>FY 21</u>
RTA #37, Elderly and Pedestrian Safety	\$ 650,000 total	\$ 600,000
RTA #41, Greenways, Pathways, Bikeways	\$ 450,000 total	\$ 1,000,000
RTA #40, Signal Technology to improve traffic	\$ 500,000 per year	\$ 500,000

* FY 17-20 funding may be expended in any year between FY 17-20. These funds may be used to augment exiting project funds, provide match to TAP or TEA funded projects or design for projects to be constructed in FY 21. The amount of funding may be increased if additional savings on currently programmed projects are identified.

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. Selection criteria should also prefer projects

which most cost effectively close the gap between the RTA's promised projects and the completed or programmed projects.

Adjustment of State and Federal Estimates: Over the past couple of years the region has made adjustments to fund projections to better reflect the slow recovery from the recent downturn of the economy. The PAG Transportation Improvement Program Subcommittee reviewed state and federal funding estimates on July 21, 2015 and made the following estimate recommendations for use in developing the 2017-2021 TIP. In addition, they reviewed the existing fiscal year (FY16) funding estimates as well.

Fund	FY16	FY17	FY18	FY19	FY20	FY21
STP	\$17,000	\$17,000	\$17,000	\$17,000	\$17,000	\$17,000
12.6%	\$19,600	\$20,000	20,500	\$20,500	\$21,000	\$21,000
2.6%	\$4,400	\$4,500	\$4,750	\$4,750	\$5,000	\$5,000

All numbers in thousands

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 years with a positive balance or from years with a negative balance.

State and Federal Funding Availability:

Fund Source	FY16	FY17	FY18	FY19	FY20	FY21	Cumulative total available
Federal STP	\$0	\$0	-\$500	-\$500	-\$500	\$13,115	\$11,615
PAG 12.6%	\$1,569	\$0	\$500	\$500	\$2,363	\$20,450	\$25,382
PAG 2.6%	\$16,752	\$2,100	-\$6,250	-\$2,250			\$10,352
PAG PDAF	\$20	\$150					\$159
PAG HSIP	\$150	\$1,558	\$1,015				\$3,473
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 17	FY 18	FY 19	FY 20	FY 21	Total Available
FTA 5307	\$126	\$126	\$763	-\$183	\$13,779	\$14,611
FTA 5339	\$17	\$17	\$17	\$17	\$1,546	\$1,616

All numbers are in thousands.

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

Highway Safety Improvement Program: 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. This local government share of the HSIP program is projected to continue until 2018, after which time, there will only be a single state-wide HSIP program.

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.

All applications, both for the local program and the state-wide program, require a local government sponsor. The funding process for HSIP 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).

Funding is available at 94.3% cost reimbursement, with a 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.

Transportation Alternatives: The TIP subcommittee will be asked to program the approximately \$1.1M in TAP funding estimated to be available for FY 2017.

Only projects that are eligible for RTA categories #37 and #41 will be considered in order to ensure that the RTA project commitments made to the voters are honored. RTA funding may be combined with TAP to provide matching funds or to expand the scope of the TAP funded project.

We have recently received notice from ADOT that the state-wide process has changed so that non-infrastructure projects utilizing federal funds will be required to apply for self-administration through ADOT. This requirement applies even to CA agencies.

Because of the additional process burden associated with TAP funding, PAG encourages the jurisdictions to identify TAP-eligible elements of existing federalized RTA infrastructure projects and apply for TAP funds for use on these projects.

Project Development Activity Fund: PDAF funding is provided from PAG’s HURF 12.6% funding category. Hence development activities are limited to arterial roadways only. 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

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 2015 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
2015	n/a	n/a	1.0000
2016	1.49%	1.49%	1.0149
2017	2.37%	1.93%	1.0345
2018	2.54%	2.46%	1.0599
2019	2.33%	2.44%	1.0857
2020	2.31%	2.32%	1.1109
2021	2.04%	2.26%	1.1359

SOURCE: Projected annual inflation rate in the United States, World Economic Outlook Database, IMF, April 2015

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.

Application Process: Each jurisdiction has a designated point of contact on the TIP Subcommittee. That contact will review and update information on existing projects. That contact will also receive 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 9, 10, and 11, 2015.**

Applications will be due September 25, 2015

Applications for new projects must include the following:

- Core 1-page application
- Criteria scoring sheet
 - Major projects: Over \$3M in total cost
 - Minor projects: Under \$3M in total cost
- Congestion Management Checklist (for all capacity-increasing projects)

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	Ian Geithner	Tohono O’odham Nation	Steve Tipton

Memoranda of Understanding: Certain projects will be required to have an MOU in place before the TIP committee can program funds in 2017 or 2018 of the 2017-2021 TIP. MOUs must be in place by the time of the February TIP meeting.

Projects that already have an RTA IGA in place are not required to also establish an MOU. The RTA IGA is sufficient in these cases.

An MOU covering the phase in question will be required prior to any project programming regional funding sources for design, construction, right of way, or operations. Regional funding sources include: HURF 12.6%, HURF 2.6%, STP, TAP, and HSIP funds.

A single project can have separate MOUs for each project phase, or, at the discretion of PAG and the sponsoring jurisdiction, a single MOU can be amended each time a new project phase would otherwise require a new MOU.

Programmatic or non-infrastructure projects will require an amended MOU for each fiscal year in which regional funding has been programmed.

MOUs must include sufficient detail on the project scope to clearly identify the work to be accomplished on behalf of the region.