

## MEMORANDUM

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

**From:** Jim DeGrood, Carlos de Leon & John Liosatos

**Date:** September 1, 2011

**CC:** Gary Hayes, Regional DOT Directors, PAG Staff

**Re:** Fiscal Year 2013-2017 TIP – Call For Projects

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Pima Association of Governments has reviewed the funding estimates, by funding type, for the fiscal years to be contained within the upcoming 2013-2017 Transportation Improvement Program (TIP).

In addition, the Regional Transportation Authority has reviewed the categorical amounts available for programming in FY15. At this time no RTA categorical funds are recommended to be programmed for FY15. It should be noted, during the development of the 2011-2015 TIP, RTA categorical projects were programmed through FY13. RTA categorical funding may be available on a case by case basis to address emerging urgent safety issues or to leverage additional funds into the region.

**Submission of “New” Projects:** Based on a comparison of actual funding amounts received to existing estimates in the TIP and total project costs, PAG staff recommends that the region continue the practice of no new projects for the coming fiscal year. 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 within the time periods prescribed by the RTA plan. In addition, if funding is identified as available for a particular fund source, such as HSIP or transit funding, jurisdictions are required to submit their request for funding on the form provided by PAG. Please note that projects over \$3 million dollars in estimated cost are required to submit a “Project Charter” as outlined in the PAG TIP Policies and Procedures and the RTA Administrative Code.

**To reiterate – No new project applications will be accepted for STP, PAG HURF 12.6% and RTA Categorical projects during this “Call for Projects”.** It is predicted that available STP and PAG HURF 12.6% funding will be needed to fully fund projects already listed in the existing TIP.

**RTA Corridor Projects:** Jurisdictions are reminded that FY16 marks the end of the 2<sup>nd</sup> RTA implementation period and FY17 marks the beginning of the third implementation period. 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.

**Funding Summary:** Over the past couple of years the region has made adjustments to funding estimates to better reflect the current downturn of the economy. No adjustments are recommended at this time for the region's 2.6% funds; however, the PAG 12.6% HURF and federal STP revenue estimates have been adjusted downward to better reflect current conditions and trends. Matrix #1 shows the funding amounts recommended by the Finance Subcommittee for use in developing the 2013-2017 TIP for PAG HURF 12.6% and federal STP.

Matrix #2 shows the total funding available by fund source by fiscal year (sum of the previously programmed expenses subtracted from the revised estimated revenues); these are not cumulative totals.

<b>Matrix #1 – Revised Funding Estimate</b>					
	<b>FY13</b>	<b>FY14</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>
Federal STP	\$17,000	\$17,500	\$17,500	\$17,500	\$17,500
PAG HURF 12.6%	\$18,000	\$18,500	\$18,500	\$18,500	\$18,750

<b>Matrix #2 – Total Funding Available by Fund Source by Fiscal Year</b>					
<b>Fund Source</b>	<b>FY13</b>	<b>FY14</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>
Federal STP	\$7,378	-\$456	-170	-\$7,845	\$17,500
PAG HURF 12.6%	-\$3,071	-\$565	\$140	-\$902	\$18,750
PAG HURF 2.6%	\$735	\$4,242	\$4,331		
PAG PDAF	\$150				
PAG HSIP	\$750	\$750	\$750		
<b>RTA Categorical</b>					
Intersection Safety	\$0	\$0	\$0		
Elderly and Ped. Safety	\$0	\$0	\$0		
Transit Bus Pullouts	\$0	\$0	\$0		
At-grade rail and bridge deficiency	\$0	\$0	\$0		
Signal technology	\$0	\$0	\$0		
Greenways, Pathways & Sidewalks	\$0	\$0	\$0		
Wildlife Linkages	\$0	\$0	\$0		
<b>Regional Transit Funding</b>					
FTA 5307	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500

All numbers are in thousands.

**These are estimates based on the best information available, due to the uncertainty of the final federal funding amounts until a new Federal Transportation Bill is passed, it should be stressed that these estimates are subject to change**

The net available, cumulative totals over the five years of the program for HURF and STP are:

- \$16,407 of STP funds (in thousands).
- \$14,352 of PAG HURF 12.6% funds (in thousands).

**Regional Transit Funding (FTA 5307) :** On an annual basis the region receives funding from the Federal Transit Administration (FTA) from the Urbanized Area Formula Funding program (49 U.S.C. 5307). Eligible activities include planning, engineering design and evaluation of transit projects and other technical transportation-related studies; capital investments in bus and bus-related activities such as replacement of buses, overhaul of buses, rebuilding of buses, crime prevention and security equipment and construction of maintenance and passenger facilities; and capital investments in new and existing fixed guideway systems including rolling stock, overhaul and rebuilding of vehicles, track, signals, communications, and computer hardware and software. All preventive maintenance and some Americans with Disabilities Act complementary paratransit service costs are considered capital costs.

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 20 percent 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 that are available on a competitive basis through an ADOT selection process. Projects that apply for PAG HSIP funds and are not awarded may be recommended for the State HSIP process.

**PAG Project Development Activity Fund (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 need to demonstrate a strong linkage to the regional transportation system by proximity, function, or impact. Projects should be related to routes which have a federal functional classification of minor arterial or above.

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.

**Call for projects:** Jurisdictional sponsors are asked to schedule a meeting with PAG staff to review/submit their project funding requests between Wednesday, Oct 5 and Friday, Oct. 7.

The TIP Subcommittee will review and prioritize all project requests at its all-day TIP development meeting(s) in late November/early December.

**Year of Expenditure:** Each jurisdiction should be aware that the fiscal year 2017 STP and 12.6% funds that will be programmed by the TIP process this year are in 2017 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.

<b>Construction Cost Index Forecast</b>			
Calendar Year	Inflation Rate	Fiscal Year (Converted)	Aggregate Total
2012	0.00	1.400%	1.05859
2013	2.00	1.000%	1.06917
2014	2.20	2.100%	1.09163
2015	2.10	2.150%	1.11510
2016	2.10	2.100%	1.13851
2017	2.10	2.100%	1.16242

Source: University of Arizona Economic Outlook

Note: "Fiscal year" 2012 assumes 1/2 the 2011 rate plus 1/2 the estimated 2012 rate.

Aggregate Total represents the multiplier for a cost estimated in 2012 dollars.

**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.

<b>City of Tucson</b>	Andy McGovern	<b>Pima County</b>	Sal Caccavale
<b>Town of Marana</b>	Ryan Benavides	<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>	Artemio Hoyos	<b>Tohono O'odham Nation</b>	Steve Tipton