

MARICOPA ASSOCIATION OF GOVERNMENTS

INFORMATION SUMMARY... for your review

DATE:

November 16, 2009

SUBJECT:

Reallocation of Unused Local/MPO American Recovery and Reinvestment Act (ARRA) Funds Policy Options

SUMMARY:

Since mailing the MAG Management Committee agenda for the November 18, 2009, meeting, action has been taken on agenda item #6, Reallocation of Unused Local/MPO American Recovery and Reinvestment Act (ARRA) Funds Policy Options.

The American Recovery and Reinvestment Act (ARRA) of 2009 was signed by President Obama on February 17, 2009. The ARRA directs transportation infrastructure funds to both highways and transit agencies in states and metropolitan planning organizations. There was \$104.6 million designated to the MAG region for use at the MPO/Local level. The funds were programmed in the Spring and Summer of 2009.

Recently, the Arizona Department of Transportation (ADOT) and local agencies have seen project bids and costs come in 10-50 percent less than originally programmed. Understanding this, it is anticipated that there will be unobligated ARRA Local funds due to project cost savings, and the ARRA Local funds due to project cost savings will need to be reprogrammed.

The Transportation Review Committee (TRC) has spent two meetings, October 29, 2009, and November 13, 2009 reviewing, analyzing, and discussing policy and programming options for the projected unobligated ARRA local funds due to cost savings. In addition, MAG staff has met with staff from ADOT and the Federal Highway Administration (FHWA) to discuss processing time frames, financial impacts, and other sources of federal funds.

Please see the attached memorandum that outlines the TRC's discussion at the two meetings, the motion made, and technical programming issues that need to be resolved in the future.

PUBLIC INPUT:

None.

PROS & CONS:

PROS: The transportation infrastructure portion of the American Recovery and Reinvestment Act (ARRA) of 2009 is time sensitive, there is a federal deadline of all transportation ARRA funds to be obligated by March 2, 2010.

CONS: None.

TECHNICAL & POLICY IMPLICATIONS:

TECHNICAL: Projects that wish to utilize transportation federal funds, including the ARRA funds, need to be shown and programmed in the Transportation Improvement Program (TIP) in the year that they

expect to commence and may need to undergo an air quality conformity analysis or consultation. This programming process is discussed through the MAG committee process.

POLICY: Federal law requires that the financial plan be developed by the Metropolitan Planning Organization (MPO) in cooperation with the state and transit operator. The state and transit operator must provide the MPO with estimates of available federal and state funds. Also, projects for federal discretionary funds need to be cooperatively developed between MAG and ADOT.

ACTION NEEDED:

Recommended approval that any unobligated American Recovery and Reinvestment Act (ARRA) Local funds due to either projects not obligating or project cost savings, are to be programmed at the local discretion first, and may remain ARRA funds or may be exchanged with the Arizona Department of Transportation (ADOT) for ADOT Surface Transportation Program (STP) funds. ADOT would then use the ARRA funds on highway projects in the MAG region and ADOT will transfer an equivalent amount of ADOT STP funds that can be used by MAG members on local federally funded projects. If applicable, the local agency may use project cost savings from their own original ARRA allocation to lower the 30 percent local cost share on projects programmed under the 70/30 cost share policy.

PRIOR COMMITTEE ACTIONS:

Transportation Review Committee: The TRC met on November 13, 2009 and recommended that any unobligated ARRA Local funds due to either projects not obligating or project cost savings, are to be programmed at the local discretion first, and may remain ARRA funds or may be exchanged with ADOT for ADOT STP funds. ADOT would then use the ARRA funds on highway projects in the MAG region and ADOT will transfer an equivalent amount of ADOT STP funds that can be used by MAG members on local federally funded projects. If applicable, the local agency may use project cost savings from their own original ARRA allocation to lower the 30 percent local cost share on projects programmed under the 70/30 cost share policy.

MEMBERS ATTENDING

- | | |
|--|---|
| Peoria: David Moody | Litchfield Park: Woody Scoutten |
| ADOT: Steve Hull for Floyd Roehrich | Maricopa County: John Hauskins |
| * Avondale: David Fitzhugh | Mesa: Brent Stoddard for Scott Butler |
| Buckeye: Jose Herdia Scott Lowe | Paradise Valley: Bill Mead |
| Chandler: RJ Zeder for Patrice Kraus | Phoenix: Ed Zuercher |
| El Mirage: Lance Calvert | Queen Creek: Wendy Kaserman |
| Fountain Hills: Randy Harrel | RPTA: Bryan Jungwirth |
| Gila Bend: Rick Buss | Scottsdale: Dave Meinhart |
| Gila River: Sreedevi Samudrala for Doug Torres | Surprise: Bob Maki |
| * Gilbert: Tami Ryll | Tempe: Chris Salomone |
| Glendale: Terry Johnson | Valley Metro Rail: John Farry |
| Goodyear: Cato Esquivel | Wickenburg: Rick Austin |
| Guadalupe: Gino Turrubiarres | Youngtown: Grant Anderson for Lloyce Robinson |

EX-OFFICIO MEMBERS ATTENDING

- | | |
|--|---|
| * Street Committee: Darryl Crossman | * Transportation Safety Committee: Kerry Wilcoxon |
| * ITS Committee: John Abraham | |
| Bicycle/Pedestrian Committee: Peggy Rubach | |

* Members neither present nor represented by proxy. + - Attended by Videoconference
- Attended by Audioconference

Transportation Review Committee: The TRC met on October 29, 2009 and recommended the TRC conduct a special session of the Committee to allow members to review the information presented and discuss the agenda item further.

MEMBERS ATTENDING

Peoria: David Moody
ADOT: Steve Hull for Floyd Roehrich
Avondale: David Fitzhugh
Buckeye: Scott Lowe
Chandler: Dan Cook for Patrice Kraus
El Mirage: Pat Dennis for Lance Calvert
Fountain Hills: Randy Harrel
* Gila Bend: Rick Buss
Gila River: Sreedevi Samudrala for Doug Torres
Gilbert: Michelle Gramley for Tami Ryall
Glendale: Bob Darr for Terry Johnson
Goodyear: Cato Esquivel
Guadalupe: Gino Turrubiarres

* Litchfield Park: Woody Scoutten for Mike Cartsonis
Maricopa County: John Hauskins
Mesa: Brent Stoddard for Scott Butler
Paradise Valley: Bill Mead
Phoenix: Ed Zuercher
Queen Creek: Wendy Kaserman
RPTA: Bryan Jungwirth
Scottsdale: Dave Meinhart
Surprise: Bob Maki
Tempe: Jyme Sue McLaren for Chris Salomone
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CONTACT PERSON:

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