

June 24, 2009

TO: Members of the Transportation Review Committee

FROM: Eileen O. Yazzie, Transportation Programming Manager

SUBJECT: FEDERAL FISCAL YEAR (FFY) 2009 YEAR END FINAL CLOSEOUT

FINAL CLOSEOUT

MAG has received two new deferral requests from the City of Goodyear totaling \$489,600. Please review Table A for more information. If these requests are approved, the two projects identified on the approved contingency list can be funded. Please see Table B for more information. The amounts in the paragraph below have been updated to reflect the new deferral requests.

FFY09 OBLIGATION AUTHORITY

The estimated amount of federal surface transportation program (STP) and federal congestion mitigation air quality (CMAQ) funds available for the MAG Region in FFY 2009 is \$154 million. The total amount of the projects programmed for FFY 2009 is approximately \$138.7 million. For this agenda item, member agencies have submitted requests to defer or delete federal funds from projects totaling approximately \$14.6 million. In addition, there is \$21.4 million of STP to be deferred in the Arterial Life Cycle Program. This leaves an unobligated balance for FFY 2009 of \$50.4 million. To balance the fiscally constrained Arterial Life Cycle Program (ALCP), \$22 million in STP funds will be carried forward to FFY2010. This would leave a remaining balance of \$29.3 million of unobligated funds for closeout. This amount has increased by \$500,000 from \$28.7 million during Interim Closeout.

The Closeout balance is subject to change since member agency deferral notifications are still being submitted and the amount of STP and CMAQ funds to the MAG region are still being finalized.

DEFERRAL REQUESTS

By May 19, 2009, member agencies submitted requests to defer or delete federal funds from projects for approximately \$14 million. There is currently \$10.6 million of requests for project deferrals being heard through the MAG Committee process. There is an additional \$3.4 million of requests to defer or remove federal funds from projects being heard at the May - June committee cycle. The TRC recommended approval of the new requests on May 28, 2009. Please see Table A for projects.

MAG Staff recognizes that agencies may defer projects at a later time due to continuous work to obligate the project by September 2009 and will work with member agencies until the end of the federal fiscal year for additional deferrals.

TABLE A
Federal Fiscal Year 2009 Closeout - Requests to Defer Projects and/or Remove Federal Funds from Projects
New Project Deferral Requests

Requests to Defer Projects - Second Time or More

Per the Programming Principles, 'If a project is requesting to be deferred for the second time or more, a deferral justification letter is to be submitted.' Please see attached.

Closeout Request	TIPIDN	Agency	Location	Project Description	Mode	Federal Type	Local Cost	Federal Cost	Total Cost	Original Yr Prog. for Const.	# of Times Deferred	Year Requested to be deferred	Have Letter?	Notes
Deferred	GDY07-302	Goodyear	Various Locations (Goodyear Pave Dirt Road Program)	Pave dirt road	AQ or TDM	CMAQ	\$ 384,400	\$ 449,600	\$ 834,000	2007	2	2011	Yes	
Deferred	GDY07-709	Goodyear	Various Locations (Goodyear Pave Dirt Road Program)	Pave dirt roads - Design	AQ or TDM	CMAQ	\$ 20,000	\$ 40,000	\$ 60,000	2007	2	2010	Yes	

Total NEW Deferral & Removal of Federal Funds	\$ 489,600
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Total Previously Approved Deferral & Removal of Federal Funds	\$ 14,017,759
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Total Deferral & Removal of Federal Funds	\$ 14,507,359
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	Deferred	Deleted
Total AQ & TDM	\$ 5,652,600	\$ 1,200,142
Total Bike & Ped	\$ 2,639,681	\$ -
Total ITS	\$ 2,577,136	\$ 227,800
Total Street	\$ 1,410,000	\$ 800,000
Total Transit	\$ -	\$ -
Total	\$ 12,279,417	\$ 2,227,942

Priority Code Key:

- 1 = Advance
- 1A = Advance portion of construction project for a new design phase
- 1 – 2 = Advance and request Additional Funds
- 2 = Additional Funds
- 3 = New Funds
- 3A = New CMAQ funds on a TEA funded project
- * = Request to utilize funds from a deleted project

TABLE B: Federal Fiscal Year 2009 MAG Closeout Requests

y	Project Information							Closeout Request - Federal Funding Levels					TRC Action	
Code	TIP #	Cost Effective-ness (\$/metric ton)	Agency	Location	Project Description	Year	Mode	Type of New Funds	New Additional Fed Funds	New Total	New Federal amount (total)	New Local	Notes	Recommend Funding Level
CONTINGENCY LIST														
2	MMA09-610	\$ 13,110	Maricopa County	Rio Verde Dr: Forest Rd to 136th St alignment	Pave shoulders to include a bicycle lane	2009	Bicycle	CMAQ	\$ 932,500	\$ 1,440,000	\$ 1,440,000		RC approved an additional \$901,868 of funding on 6-24-09. Approval of this amount, would increase the new funds by \$30,632 and raise the additional federal funds to \$932,500	\$ 30,632
2*	PHX07-740	\$ 3,910	Phoenix	Various Locations	Pave dirt roads	2009	AQ or TDM	CMAQ	\$ 1,800,000	\$ 5,257,908	\$ 4,428,954	\$ 828,954	RC approved an additional \$1,744,000 of funding on 6-24-09. Approval of this amount, would increase the new funds by \$56,000 and raise the additional federal funds to \$1,800,000.	\$ 56,000
													\$ 86,632	

SUBMITTAL OF PROJECTS

The deadline for member agencies to submit projects for use of Closeout funds was April 20, 2009. There were seventy one projects submitted to MAG for close-out funds. There were seven requests submitted late.

Of the seventy one projects, one project was identified to be advanced, six projects were requested to advance a portion of construction funds for a new design project for FFY 2009, there were eight projects that requested to be advanced and increase of funds, twenty projects scheduled for FFY2009 requested additional funds, four projects that obligated in FFY 2008 requested additional funds, and thirty two projects requested new funds. These are identified in Table B.

FEDERAL AID PROJECT FUNDING LEVELS

The MAG Regional Transportation Plan (RTP) establishes different local cost shares for types of projects. For arterial projects funded in the Arterial Life Cycle Program (ALCP), projects are funded at a 70/30 split or the regional reimbursement amount, whichever is less. For Intelligent Transportation System (ITS), pedestrian, and bicycle projects, there is a maximum cost share of 70/30. Paving projects related to air quality and transportation demand management (AQ & TDM) are funded at different levels, 50/50, 70/30, or 94.3/5.7, depending on the year they were originally programmed.

Current federal legislation allows federal aid project in Arizona to be funded at 94.3%, and the Energy Bill of 2007 allows CMAQ funded projects that obligate in FFY 2008 and 2009 to be funded up to 100% of the project costs. For the majority of Closeout requests, lead agencies requested federal funds between 94.3% - 100% of project costs. In these challenging times, MAG staff recommends utilizing the federal aid maximum cost share, which allows projects to be completed with little to zero local funds.

The total amount requested through the close-out is approximately \$79.7 million. Of the \$79.7 million requested, about \$7.5 million is for projects to be advanced, about \$43.1 million is for additional funds, and about \$29.1 is for new projects/funds.

DRAFT FY 2009 MAG Federal Fund Programming Principles

The 2009 Closeout process will follow the DRAFT FY 2009 MAG Federal Fund Programming Principles (Principles) which set forth guidelines on project selection for available federal funds.

Per the DRAFT Principles:

- I. Projects submitted for use of Closeout funds will be selected based on the following three priorities in order:
 - a. Advancing projects (or phases of projects) of the same mode, that are already programmed in the current Transportation Improvement Program (TIP) with MAG federal funds from a future year, in chronological order of the TIP.
 - b. Adding additional federal funds to an existing, unobligated project, up to the originally programmed, federal-aid maximum, or the maximum established by the mode in the RTP, whichever is less.
 - c. New projects.

CONCERNS REGARDING PROJECTS SUBMITTED FOR FFY09 CLOSEOUT

A) Advancing funds for design

There are five projects requested to advance a portion of construction funds for a new design project for FFY 2009 in the amount of \$1.1 million. These funds would be advanced from a later year in the TIP to be used for design, therefore decreasing the amount of federal funds for the construction project. The question is then, are there sufficient funds, both locally and federally to build the project. As an example, the request to advance \$450,000 of \$1 million for a Glendale, New River pedestrian path design project, leaves \$550,000 in federal funds for a total construction cost of \$4.9 million.

B) Projects Requesting Additional Federal Funds

A number of requests were received to increase the federal funding for projects to reduce the local financial commitments. In some cases, the request is for large, significant increases. The concern is that many of these projects may not obligate if additional funds are not allocated to the projects, thus increasing the carryover of federal funds that the close-out process is based upon.

Twenty projects scheduled to obligate in FFY2009 and have requested additional funds for about \$25.6 million. There were also four requests for an additional \$10.6 million of funds for projects that obligated in FFY 2008 but have not yet gone out to bid. There are eight projects that have been requested to be advanced from future fiscal years with a requested increase of federal funds of \$6.5 million.

If jurisdictions are not prepared to obligate these projects without the requested additional funds, the amount of federal funds to be carried over increases significantly. The problem is then compounded since these projects could remain underfunded in future years.

It is expected that TRC action on the interim list of closeout projects will occur at the special June 8, 2009 Committee meeting, with Management Committee, Transportation Policy Committee and Regional Council action taking place in June, 2009.

If there are any questions regarding the FFY09 year-end Closeout process, please call Eileen Yazzie at 602-254-6300.



June 24, 2009

Eileen O. Yazzie
Transportation Programming Manager
MAG-Maricopa Association of Governments
302 North 1st Avenue, Suite 300
Phoenix, Arizona 85003

Dear Madam:

This letter serves to request the deferral of Goodyear's TIP programmed project GDY07-302. This paving dirt road project was originally programmed in 2007 and has already received two deferrals. We are now requesting that the project be deferred so that design can occur in 2010 and construction in 2011. The total project cost is \$834,000 with \$384,400 in local share. The local cost is budgeted as part of our Capital Improvement Plan and will be available when needed.

This project has been deferred due to the slowdown in development and roads we thought would see high spikes in vehicle counts have not materialized. We are now seeing enough activity on these roads to justify moving forward with these projects and with MAG's approval will begin the design and ADOT-Local government process this year with the target to construct in 2011.

Sincerely,

A handwritten signature in black ink that reads "John F. Fischbach".

John F. Fischbach
City Manager

[STREET ADDRESS] • [CITY/STATE] • [ZIP/POSTAL CODE]
PHONE: [PHONE NUMBER] • FAX [FAX NUMBER]





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Eileen O. Yazzie
Transportation Programming Manager
MAG-Maricopa Association of Governments
302 North 1st Avenue, Suite 300
Phoenix, Arizona 85003

Dear Madam:

This letter serves to request the deferral of Goodyear's TIP programmed project GDY07-709. This paving dirt road project was originally programmed in 2007 and has already received two deferrals. We are now requesting that the project be deferred so that design can occur in 2010 and construction in 2011. The total project cost is \$60,000 with \$20,000 in local share. The local cost is budgeted as part of our Capital Improvement Plan and will be available when needed.

This project has been deferred due to the slowdown in development and roads we thought would see high spikes in vehicle counts have not materialized. We are now seeing enough activity on these roads to justify moving forward with these projects and with MAG's approval will begin the design and ADOT-Local government process this year with the target to construct in 2011.

Sincerely,

John F. Fischbach
City Manager

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PHONE: [PHONE NUMBER] • FAX [FAX NUMBER]



2008

