

Transportation Advisory Board
of the Metropolitan Council of the Twin Cities

DATE: September 17, 2013
TO: TAB Members
FROM: Amy Vennewitz, MTS Deputy Director, Planning and Finance
Heidi Schallberg, MTS Senior Planner
SUBJECT: Schedule for Next Regional Solicitation; Options for 2017 Funds
REQUESTED ACTION: None - Information

Background

The Regional Solicitation Evaluation (RSE) was originally scheduled to be completed in the spring/early summer of 2013. This timeline would have allowed for a new solicitation design to begin in the summer with a potential late fall 2013/early winter 2014 release of a solicitation package. Due to a number of factors, the Evaluation has been delayed and is now scheduled to be completed in February 2014.

Once completed, the policies and recommendations of the Regional Solicitation Evaluation will then be implemented through the design and release of a new solicitation package. For past solicitations, the complete solicitation process, through amendment of the selected projects into the regional TIP, has taken approximately 20-21 months. The first nine to ten months includes time to review and critique the past solicitation, revise criteria and scoring based upon feedback, and bringing the revised solicitation package through the Council/TAB/TAC for review and approval. The time for the solicitation release, project application submittals, project scoring, review and approval by the Council/TAB/TAC of a proposed program of projects and amendment of the projects into the regional TIP has typically taken an additional nine to ten months or more.

While a major goal of the Evaluation is to streamline the solicitation process, a conservative estimate at this time is that a newly designed process will likely be able to reduce the past timeline by about 25% or four months. As a working assumption to design a timeline, staff has been assuming that a new solicitation process will take between 16-18 months from start to finish, recognizing that this is probably aggressive since a new solicitation package will require significant review and approval by the Council/TAB/TAC before it is implemented. Shown below is a rough outline of a timeline for the next solicitation, assuming the Evaluation work is concluded in February 2014.

Proposed Timeline for Next Solicitation

- March – Sept. 2014 Solicitation scoring criteria/package development (previously this step required 9-12 months, propose to cut to 7 months to allow for a solicitation release in late September/October 2014)
- Late Sept. - early Oct. 2014 Solicitation release
- Mid-late November 2014 project applications due
- December- January 2015 review applications for qualifying criteria; allow for appeals
- February-March 2015 score project applications
- April 2015 develop funding options/program of projects
- May-June 2015 approve option/project selection
- June 2015 amend current 2015-2018 TIP and/or add projects to draft 2016-2019 TIP during public comment period
- March 2017 let 2017 funded projects
- March 2018 let 2018 funded projects

Issues with Allocating 2017 Regional Funds

Under a typical solicitation, projects are notified of selection approximately three to four years in advance, i.e. 2015 and 2016 projects were selected in May 2012 (though due to MAP-21 passage they were not amended into the TIP until 2013). This amount of lead time allows adequate time for project development and any required state and federal reviews and approvals. Experience has shown that roadway projects and bikeway/walkway type projects in particular require this amount of lead time. Even with this advance time, projects have frequently required program date extensions which are becoming increasingly difficult to allow under the new MAP-21 funding categories and performance requirements.

Some project types do not require a large amount of project development lead time, including TDM/TMO funding, system management (signal timing) projects and some transit expansion projects which involve bus purchases, operations funding or park and ride construction.

To allow for a three year lead time, 2017 funded projects would need to be selected by the spring of 2014. With the Regional Solicitation Evaluation scheduled to be completed in February 2014, it would be impossible to meet a spring 2014 deadline.

If the 2017 projects follow the new solicitation process presented above, projects will be selected in summer of 2015 allowing for only about 20 months of project development lead time assuming a spring 2017 letting. Even the 2018 projects will have a shortened project development time frame with approximately only 2 ½ years. This also assumes that the Solicitation schedule outlined above is achieved as proposed.

Given the shortened project development time and risks associated with meeting the timeline, Council staff recommends that alternative allocation processes be considered for the 2017 federal funds with potential options as described below.

Proposed 2017 Options

Regional solicitation funds will be available from three categories of funds – Transportation Alternatives Program (TAP), Surface Transportation Program (STP) and Congestion Mitigation Air Quality (CMAQ).

TAP Projects

- Approximately \$6M (\$1M less than normal due to existing project program date extensions) is expected to be available in 2017 for Transportation Alternatives type projects (primarily bike and pedestrian projects)
- TAP projects need as much lead time as possible for project development; a 2014/2015 solicitation process will likely not allow enough project development time for TAP type projects leading to project program date extensions and the potential loss of funds.
- MnDOT has designed a model TAP application which it will be releasing in October 2013 for TAP solicitations through ATPs in Greater MN (primarily for 2018 funds).
- Options for allocating TAP funding for 2017 in the metro area:
 - i. Conduct a TAP solicitation in late 2013/early 2014 using the MnDOT TAP application model to the degree possible with modifications to include regional criteria and priorities. Additional work would be needed to create evaluation criteria that work with this application.
 - ii. Conduct a TAP solicitation in late 2013/early 2014 using the TE application from the 2011/2012 regional solicitation as the base with modifications to include eligibility for Safe Routes to School infrastructure projects.
 - iii. Delay the TAP solicitation until the new 2014/2015 solicitation process resulting in projects having less project development lead time and prioritize project selection for 2017 funds on project readiness.
 - iv. Other options?
- The staff recommendation for allocating TAP 2017 funds is for TAB to direct staff to explore option ii and bring a proposed TAP solicitation through TAC and TAB in October through December for review and approval with an anticipated release in January 2014.

STP Projects

- Only \$6.7M of STP funds (of \$41 M) are available for allocation in 2017 due to projects with approved program year extensions.
- Potential options for distributing the 2017 STP funding includes:
 - i. Allocating the funds to counties for pavement preservation projects
 - ii. Adding funding to existing projects that can use additional federal funds (are overmatched) or that have had cost increases
 - iii. Allocating the funding to one or more regionally significant MnDOT projects
 - iv. Explore potential of MnDOT spending the 2017 funds and providing increased STP to the region in 2018
 - v. Explore options for including cities and transit in allocation options
 - vi. Other options?

- The staff recommendation for 2017 STP funds is for TAB to wait to make a decision until late spring/early summer of 2014 to determine how to distribute the funds. This will allow for the 2014 local program review in the spring to determine whether additional projects have slipped in schedule and provide a better estimation of the funds that will be available.

CMAQ Projects

- Approximately the full amount of CMAQ funding \$27M will be available in 2017
 - If the base amount of funding for TMO and Metro Transit TDM activities is assumed to be made available and “taken off the top,” this will require approximately \$2.9M.
 - If some amount (estimate \$4M) of 2017 funding is “taken off the top” for System Management projects to wait for a 2014/2015 solicitation because they typically do not require a substantial amount of project development time, they the amount available for near-term allocation is reduced.
 - Assuming the above TDM and System Management set asides, approximately \$20 -\$21M of 2017 CMAQ funding is available for transit projects. Options for allocating this funding include:
 - i. Conduct a special solicitation in late 2013/early 2014 using the previous CMAQ solicitation (*not recommended due to Council staff constraints)
 - ii. Delay solicitation until the 2014/2015 process and include 2017 CMAQ funds in the 2014/2015 solicitation process and ensure projects selected for 2017 funds can be delivered. This would be consistent with past Council requests that transit projects be selected closer in time to when funding is available.
 - iii. Award some amount of the 2017 funds to one or more regionally significant transit projects that are currently specified in the TPP, do not have full funding and are ready to proceed once a funding commitment is secured. (Snelling Avenue ABRT is one such project meeting this criteria.)
 - iv. Combination of options ii. and iii. above
 - v. Other options?
 - The staff recommendation for 2017 CMAQ funds is for TAB to consider and discuss option iv over the next 4-6 months and determine whether some amount of the funding should be awarded to regionally significant projects, with the remainder to be included in the 2014/2015 solicitation process.
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