

ACTION TRANSMITTAL No. 2015-04

DATE: December 12, 2014

TO: TAC Funding and Programming Committee

PREPARED BY: Joe Barbeau, Senior Planner (651-602-1705)

SUBJECT: Withdrawal and Reallocation of CMAQ Regional Solicitation Funds

REQUESTED ACTION: Staff recommends that \$5,307,855 in available 2015 CMAQ funds be reallocated to advance Metro Transit's East 7th Street bus purchase and service demonstration projects (TRS-TCMT-16C and TRS-TCMT-16D) from 2016 to 2015.

RECOMMENDED MOTION: That the Transportation Advisory Board reallocate \$5,307,855 of available FY 2015 CMAQ funds to advance Metro Transit's East 7th Street bus purchase and service demonstration projects (TRS-TCMT-16C and TRS-TCMT-16D) from 2016 to 2015.

BACKGROUND AND PURPOSE OF ACTION: In November, Metro Transit informed TAB that it was withdrawing two CMAQ awards for the B-Line (W. 7th Street) arterial bus rapid transit (ABRT) project, which Ramsey County and the City of St. Paul asked to be removed from the TPP. The W. 7th Street CMAQ awards total \$5,307,855 in FY 2015 and \$7,000,000 in FY 2016.

Under the existing federal funding reallocation procedure, available funds are first reallocated to pay for project inflation or over-programming of regionally selected projects. The selected projects in the TIP have already received any allowable inflationary adjustment and the available federal funds are currently not over-programmed.

The next step in the reallocation process would be to advance a regionally selected project from a future program year. Metro Transit has indicated that it does have a CMAQ project award for East 7th Street for bus purchases and service demonstration totaling \$7.0 M that can be moved into 2015. Because the available 2015 funds total only \$5,307,855, advancing the E 7th St. project would require Metro Transit to advance fund the remaining \$1,692,145 in E 7th St. project costs with the AC payback in 2016. The table on the following page shows the project funding amounts.

Given that this option follows the current revenue reallocation procedure, staff recommends moving the E 7th St. projects to 2015. This proposed reallocation will enable the 2015 amount of \$5,307,855 to be deferred until 2016, along with the 2016 \$7.0M that is also available from the W. 7th St. project and allowing TAB and TAC more time to determine how to program this funding. Total available CMAQ funding to be allocated for FY 2016 would be \$12,307,855 (\$5,307,855 advanced for East 7th St. and \$7,000,000 withdrawn from West 7th St.).

Withdrawn projects:

| Year | Description | Total | FHWA | AC | Other |
|------|---|-------------|-------------|-----|-------------|
| 2016 | CMAQ: Purchase five buses for limited stop service on E 7 th St, Arcade Ave, Maryland Ave and White Bear Ave in St Paul and White Bear Ave in Maplewood | \$2,009,150 | \$1,476,725 | \$0 | \$532,425 |
| 2016 | CMAQ: Service demonstration for limited stop service on East 7 th St, Arcade Ave, Maryland Ave and White Bear Ave in St Paul and White Bear Ave in Maplewood | \$7,514,836 | \$5,523,275 | \$0 | \$1,991,561 |

Proposed reallocation:

| Year | Description | Total | FHWA | AC | Other |
|------|---|-------------|-------------|-------------|-------------|
| 2015 | CMAQ: Purchase five buses for limited stop service on E 7 th St, Arcade Ave, Maryland Ave and White Bear Ave in St Paul and White Bear Ave in Maplewood | \$2,009,150 | \$1,476,725 | \$0 | \$532,425 |
| 2015 | **AC** CMAQ: Service demonstration for limited stop service on East 7 th St, Arcade Ave, Maryland Ave and White Bear Ave in St Paul and White Bear Ave in Maplewood (AC project, payback in FY16) | \$7,514,836 | \$3,831,130 | \$1,692,145 | \$1,991,561 |
| 2016 | **AC** CMAQ: Service demonstration for limited stop service on East 7 th St, Arcade Ave, Maryland Ave and White Bear Ave in St Paul and White Bear Ave in Maplewood (AC Payback 1 of 1) | \$1,692,145 | \$1,692,145 | | |

RELATIONSHIP TO REGIONAL POLICY: Current TAB policy authored in 2002 is written:

Assigning alternative uses for federal transportation funds when projects in the TIP are, deferred, withdrawn, sunset, or advanced.

The TAB gives the MnDOT Office of Investment Management (OIM) the authority to manage changes in the Twin Cities TIP and State TIP. Projects in these programs can be advanced or deferred based on project deliverability and funding availability, provided fiscal balance is maintained. The process assumes some projects will be deferred, withdrawn, sunset, or advanced. The priority for use of funds made available when projects are withdrawn, sunset, or advanced will be (for projects selected by TAB):

| Project Deferrals | Projects withdrawn or sunset |
|---|--|
| 1. Advance a regionally selected local project. 2. Advance a regionally selected MnDOT project. 3. Advance other Mn/DOT projects in the metro area. 4. Payback local Advance Construction (AC). 5. Payback other metro area AC. | 1. Pay for project cost inflation or overprogramming on regionally selected projects. Then follow steps 1-5 from project deferrals. |

STAFF ANALYSIS: With the FY 2015 funding needing to be addressed quickly, this solution enables a project that is ready to be moved ahead to do so without disruption to the program. It also keeps the funding within the same funding source and mode as the project from which it was withdrawn. The soon-to-be updated TAB federal funding reallocation policy may be able to be used to determine how to reallocate the FY 2016 funds in the coming months.

A Transportation Improvement Program (TIP) administrative modification is required. A full TIP amendment is not required because there is no project cost increase or change in scope will occur.

ROUTING

| TO | ACTION REQUESTED | DATE COMPLETED |
|-------------------------------------|--------------------|----------------|
| TAC Funding & Programming Committee | Review & Recommend | |
| Technical Advisory Committee | Review & Recommend | |
| Transportation Advisory Board | Review & Adopt | |