

Information Item

DATE: January 13, 2016
TO: TAC Funding and Programming Committee
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SUBJECT: Unique Project Evaluation, Considerations, Selection and Funding

A question about how to consider unique projects came up early in the Regional Solicitation Evaluation and Redesign. These projects are federally eligible for funds through the Regional Solicitation, but do not fit well within the 10 TAB-approved application categories (e.g., Roadway Expansion) and making a fair comparison with other projects is difficult. While these projects are not able to address all of the criteria and measures in the application categories, they can still have significant regional benefits. In the Regional Solicitation Evaluation, the TAB adopted a structure that recognized unique projects separate from the other 10 application categories, but did not address how or when these projects should be submitted, evaluated, or selected. The TAB has funded three unique projects in the past: diesel retrofit of public vehicles, electric vehicle recharge stations, and the Travel Behavior Inventory survey.

A formalized approach to unique projects would be helpful for potential unique project applicants and to the overall Regional Solicitation process. Noted below are some considerations for formalizing a process for the evaluation, selection, and funding of unique projects.

1. The project must be eligible for at least one of the federal categories of funds (Surface Transportation Block Grants (STBG) or CMAQ).
2. Are there projects eligible for federal funding that are beneficial to the region but that are not being submitted or selected because they do not compete well within the existing process?
3. Can a process be established to allow comparison of the regional benefits of the unique project to the traditionally selected projects?
4. What funds will be used to fund unique projects and when will the funding decisions be made? Can the process be designed to provide funds, but not build expectations that a project will be funded regardless of regional benefit?
5. In the past, the TAB has required unique project sponsors to follow the Regional Solicitation procedures and requirements, such as local match, scope change procedures, reporting, contracting, etc.

Listed below are three funding and selection options that have been suggested. Each addresses the concerns identified above and each has its own benefits and drawbacks.

A. Request unique project applications be submitted at the same time as the overall Regional Solicitation application schedule.

- The evaluation of the project(s) would take place in parallel with the overall solicitation.
- A recommendation to fund or not would be made through the regular TAC/TAB process. The F&PC and TAC would evaluate the project considering the benefits to the region. Given there are no formal criteria this would occur on a case-by-case basis. The timing allows a comparison of the benefits provided by the traditionally selected projects.
- A benefit of this option is that the decision would be made at the same time as all other funding decisions so the merits of the project could be compared to the other projects. In addition, given that funding of all projects would occur simultaneously, funding for the unique project would be assured.
- Given the type of project, staff would determine what type of funds could be used.
- The downside of this option is that the solicitation evaluation process for making funding decisions for the traditional projects is complicated and time consuming. The history of making funding decisions for unique projects has also been very time consuming and contentious. Doing the two processes simultaneously may prove to be a challenge.

B. Conduct a separate Regional Solicitation for Unique Projects.

Such a solicitation might be conducted before, during or after the regular solicitation process. The three timing options present different issues that would be addressed when a schedule was adopted.

- If considered in the same time frame as the regional solicitation, then the benefits of the unique projects can be compared to the projects in the regular solicitation.
- If considered before or after the regular solicitation, then the question of available funding would have to be addressed (see the discussion under Option C).
- This option requires the development and processing of an additional solicitation which is complicated and time consuming. The traditional process of developing and weighing criteria is difficult to adapt to unique projects.
- Given there have been few unique projects submitted in the past, developing a solicitation may not be necessary.

C. Unique Projects are considered as they arise but the source of funds is established.

Under this scenario, a project sponsor would come forward on its own schedule. The TAC would make a recommendation to TAB to fund or deny. If the project was approved by the TAB, one of the following funding methods would be used:

- 1) the unique project would be put in a queue for “turn back” money,

- 2) the unique project would be put in the queue for “new money” that might come to the region, or
- 3) the unique project funding would be “off the top” of the funds available for the next solicitation. (Under this option the applicant could also choose to advance construct the project using its own funding and getting paid back with future federal funds.)

The TAB would determine a preferred funding method prior to accepting any applications. Knowing there is a designated funding source may encourage potential applicants.

Some of the advantages of this option are:

- It is more difficult today to “backfill” projects that fail to advance after funding has been awarded to the project. Having one or more selected “unique projects” may offer opportunities to spend this money.
- Recently there have been a number of times that “new” money has been made available to the region. In most situations there has been a very tight timeline to authorize eligible projects. Having one or more selected unique projects may help to use these funds within the required deadlines with regionally selected projects.
- Another option available to the TAB would be to set aside funds prior to or during the regular solicitation for unique projects. This does create a number of problems. The set aside may create the expectation that a project will be funded. If a worthwhile project is not submitted it may be difficult to reprogram these funds.