

# Re-Allocation of Unobligated ARRA Funds – Policy Options

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Management Committee  
September 16, 2009





# On the Agenda for Action

- Information, discussion and possible recommendation to reprioritize the ARRA Highway project list based on the ability to obligate,
- And recommend additional policy direction for reprogramming unobligated Local ARRA funds due to unmet obligation deadlines or construction bids under estimate.



# Outline

- 1. Review of timeline and upcoming deadlines**
- 2. Highway ARRA Projects**
- 3. Transit ARRA Projects**
- 4. MPO/Local ARRA Projects**
- 5. Recommendations**



# MAG Region

Transportation Infrastructure American Recovery and Reinvestment Act of 2009 (ARRA)

MAG REGION	FUNDING AMOUNT
Highway - ADOT/State Discretionary	\$129.4 Million
Highway - MAG Sub-Allocation	\$104.6 Million
TOTAL Transit	\$65 Million
TOTAL ECONOMIC RECOVERY	\$299 Million



# Timeline of Events

<b>2/17/2009</b>	President Obama signs the American Recovery and Reinvestment Act of 2009
<b>2/25/2009</b>	MAG Regional Council approves a prioritized list of Highway projects for ARRA funding in cooperation with the State
<b>3/25/2009</b>	Initial Transit and Freeway projects programmed in the MAG Transportation Improvement Program (TIP)
<b>3/25/2009</b>	MAG Regional Council approves a policy direction for ARRA MPO/Local fund
<b>4/22/2009</b>	Initial Local projects funded with ARRA sub-allocated, are programmed in MAG TIP
<b>May - July</b>	RC approves additional modifications and ARRA Status Reports are completed
<b>11/30/2009</b>	Per RC approval, Obligation Deadline for MAG Sub-allocated ARRA funds
<b>3/2/2010</b>	Per Federal Law, Obligation Deadline for all ARRA Transportation Funds
<b>9/10/2010</b>	<b>Per FHWA Guidance, Obligation Deadline for unobligated funds due to project savings found after 3/2/2010</b>



# Timeline of Events

**9/10/2010**

Per FHWA Guidance, Obligation Deadline for unobligated funds due to project savings found after 3/2/2010

## FHWA Guidance

- Any project obligated on or after November 1st wouldn't need to be adjusted until after the March 2nd date.
- Any funds deobligated after March 2nd will need to be reobligated by September 30, 2010 (or whenever we close the books so figure mid September).



# Highway ARRA



# Highway

**Please refer to Table in agenda material**

- MAG received \$129.4 million to program on State Highways
- MAG Regional Council approved a rank ordered list of 13 projects for Funding = \$194 million.
- Originally programmed 5 projects.
- Due to lower costs, 7 Highway projects in MAG region funded with ARRA (priority order #1, 2, 4, 5, 6, 7, and 8)
- Due to lower revised cost estimates, awards, and bids, there is currently \$14.690 available to program





# Highway – Need to reprioritize projects based on Project Readiness

## Project Status development:

- Project #9 – recommended to be combined with a non-prioritized project – same freeway both auxiliary lane projects. Projects are ready to go. Conformity would need to be assessed.
- Project #10, 11, and 13 - still under development and are not ready to obligate now.
- Project #12 – ready to obligate
- Recommend to add 2<sup>nd</sup> L101 Aux lane project to this group and combine with #9
- Recommend to add SR87 project to this group of projects
- Recommend to add 99<sup>th</sup> Ave to this group of projects

**Recommend to Group the projects noted above and recommend them to be funded with available ARRA Funds Based on Project Readiness**





# Highway

- Backup List of Project to be Funded with Available ARRA Funds Based on Project Readiness – Currently Unfunded with ARRA





# Transit ARRA



# Anticipated Unobligated Transit ARRA funds



- Regional Council approved a list of transit projects for ARRA funding
  - No backup list
- ***Transit projects are coming in under estimate***, it is anticipated that there will be Unobligated, available transit ARRA funds
- RPTA Committee Process in August & September.
  - September 17, RPTA Board of Directors
  - October 7, Transit Mngmt Comm.
  - October 22, RPTA Board of Directors
- Recommendations from RPTA Board to MAG in September and October



# MPO/Local ARRA



# Anticipated Unobligated MPO/Local ARRA funds

1. Project bids and awards will come in below estimates
2. Projects not meeting the November 30, 2009 obligation deadline set by Regional Council

**= Unobligated, available MPO/ Local  
ARRA funds**



# Anticipated Unobligated MPO/Local ARRA funds

## Identified Policy Options:

1. Look into other Local projects that are ready to obligate by March 2, 2010.
2. Work with ADOT on an exchange of funds: ARRA for STP, which would give locals till Sept. 2010 to obligate projects
3. Transfer unobligated funds to transit or highway – one way transfer



# Anticipated Unobligated MPO/Local ARRA funds

## Identified Policy Options:

1. Look into other Local projects that are ready to obligate by March 2, 2010.
  - Projects in that jurisdiction where the funds were originally designated
  - Current Fed Fund projects in TIP or obligated – increase local match to get projects to construction
  - New Fed Fund projects: design for future Fed Fund projects, new construction projects that can quickly go through the federal process or that are in the federal process, regional approach/projects, etc.

**Key Factor:** Meeting the federal requirements for project development



# Anticipated Unobligated MPO/Local ARRA funds

## Identified Policy Options:

2. Work with ADOT on an exchange of funds: ARRA for STP, which would give locals till Sept. 2010 to obligate projects
  - Challenge – ADOT now has a limited # of federal fund projects ready to go statewide
3. Transfer unobligated funds to transit or highway – one way transfer
  - Need to make sure that highway or transit has projects ready to go.



# Questions & Discussion

Information, discussion and possible recommendation to reprioritize the ARRA Highway project list based on the ability to obligate,

And recommend additional policy direction for reprogramming unobligated Local ARRA funds due to unmet obligation deadlines or construction bids under estimate.

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