Regional Project Evaluation Committee Agenda

Date: Friday, July 26, 2019 from 9:30 a.m.-11:00 a.m.
Location: PSRC Board Room, 1011 Western Avenue, Suite 500, Seattle, WA 98104

1. Introductions and Announcements (9:30) – Don Cairns, Chair

2. Approve Meeting Summary for June 28, 2019

3. Transportation Policy Board Debrief (9:40)
   The ‘At Work’ report for the Transportation Policy Board meeting on Thursday, July 11, 2019 is available on the PSRC website at: https://www.psrc.org/tpb-meetings

4. Discussion: Project Selection Process (9:45)*
   The committee will continue discussions on the key topics within the Policy Framework for PSRC’s Federal Funds. Topics for discussion in July include funding estimates, funding limits and set-asides.

5. Discussion: VISION 2050 Draft Plan (10:45)*
   Staff will provide a brief update on the draft VISION 2050 plan, which will be released for public comment on July 19th.

6. Other Business (10:55)

7. Next Meeting: September 27, 2019: 9:30 a.m. – 11:00 a.m. (No meeting in August)

8. Adjourn (11:00)

*Supporting materials attached

For more information, contact Kelly McGourty, Director of Transportation Planning, at (206) 971-3601 or KMcGourty@psrc.org.

Other Formats:

- Sign language, and communication material in alternative formats, can be arranged given sufficient notice by calling 206-464-7090, TTY Relay 711
- العربية | Arabic, 中文 | Chinese, Deutsch | German, Français | French, 한국 | Korean, Русский | Russian, Español | Spanish, Tagalog, Tiếng việt | Vietnamese, call 206-587-4819
The Project Selection Task Force will be convened later in 2019, formed from volunteers from each of PSRC’s four boards. The Task Force will review and make recommendations to the Transportation Policy Board on the following topics. The Regional Project Evaluation Committee, the Regional FTA Caucus and the countywide forums will be asked to provide feedback prior to the Task Force convening.

**ADMINISTRATIVE DETAILS**

**Funding years to program**

*Description:*
Two years of funding will be distributed -- FFY 2023, 2024. Per direction from the Federal Highway and Transit Administrations (FHWA, FTA) PSRC will continue to build and maintain a full 4-year TIP (2021-2024).

**Funding Estimates**

*Description:*
Funding estimates will be determined by the Project Selection Task Force, in coordination with WSDOT, FHWA and FTA. Note that these funds extend beyond the FAST Act. Refer to Attachment 1 for additional information.

**Policy Focus**

*Description:*
The current policy focus for the project selection process is support for centers and the corridors that serve them. As a reminder, this is currently implemented in the following manner:

- FHWA Regional competition - centers are defined as regionally designated growth and manufacturing/industrial centers.
- FHWA Countywide competitions and FTA Earned Share distribution - centers are defined as regionally designated growth and manufacturing/industrial centers, centers as designated through countywide processes, town centers, and other locally identified centers. The definition of locally identified centers is expanded to include military facilities.
- FTA Regional Competition - centers are defined as regionally designated growth centers and manufacturing/industrial centers, centers as designated through countywide processes, town centers, and other locally identified centers.

*Please note: VISION 2050 is anticipated to be adopted in spring 2020, after the 2020 project selection process has begun. As such, the current VISION 2040 policies as they relate to PSRC funding are expected to be utilized.*
Contingency Lists

Description:
Prioritized lists of contingency projects are adopted for all competitions, should additional funds become available in the off-cycle years. Given the current procedures for balancing funds by year, contingency projects are generally awarded funds from the last year of the TIP.

Number of regional applications

Description:
The structure for the FHWA regional competition has been to set a limit of 36 total applications, as follows:

- 12 from King County; 6 each from Kitsap, Pierce, and Snohomish Counties; 2 each from the three regional agencies (Puget Sound Clean Air Agency, WSDOT and Sound Transit)

The number of applications submitted for the FHWA countywide competitions is determined by each countywide forum. The number of total applications for the FTA regional competition has been unlimited in prior cycles.

Split of Funds Between Regional / Countywide / Earned Share Processes

Description:
Historically, once the set-asides are taken off the top of the combined pot of funds, the split between the FHWA regional and countywide competitions is set at 50%. For the last several cycles, this has resulted in a total of 33% to the regional competition and 67% to the countywide competitions.

The split between the FTA regional competition and earned share distribution has historically been based on the funding formula and the percentage of funds coming to the region based on regional attributes vs. transit operating characteristics. In general, this split has been approximately 14%/86%.

Funding Limits

Description:
The 2018 project selection process for the first time set a limit on funding requests as part of the FHWA regional competition, at 50% of the annual amount available by source. No limits have been set on the maximum amount requested in FTA regional competitions, and the four countywide processes have varied in setting limits on either funding or application limits. Refer to Attachment 2 for additional information.

Pre-Determined Amounts by Source in FHWA Competition(s)

Description:
Since 2016, the amounts by funding source have been pre-determined for the FHWA regional and countywide competitions. This provides greater certainty to applicants within each process as to the amount of funds available by source, particularly given the inclusion of cost-effectiveness in the CMAQ criteria. The percentage amounts for the regional competition are 60% CMAQ, 40% STP.

SET-ASIDES
Preservation Set-Aside

Description:
The preservation set-aside has been in place since 2012, at varying levels over the last several cycles. The 2018 preservation set-aside was approved at the following levels: for FHWA, the set-aside was 20% of STP funds, with the 5% delta from the original set-aside amount distributed among the four counties for their regular competitions. For FTA, the set-aside was 45% of the regional portion of the FTA funds. The set-aside is a fixed amount taken from the regional portion of the STE UZA funds and distributed to transit agencies in the STE UZA using the earned share distribution formula. Refer to Attachment 3 for additional information.

Bicycle / Pedestrian Set-Aside

Description:
The bicycle/pedestrian set-aside has been in place since 1993, and has been retained over the years at 10% of the total estimated FHWA funds, distributed in the countywide processes. Information will be provided at the July 2019 meeting, including data on project awards and types of investments.

Rural Town Centers & Corridors Program

Description:
The RTCC Program has been in place since 2003, and the set-aside – taken from the regional portion of funding – has increased over time from the original amount of $2 million to $5 million in 2018. This competition is conducted in the year following the regular project selection process.

Kitsap Distribution Methodology

Description:
The procedure to distribute the Kitsap Countywide population share from the total STP funds available, before any other set-asides, has been in place since 1995. The rationale behind this methodology has been that Kitsap County agencies are not eligible to receive CMAQ funds, due to the boundaries of the region’s air quality maintenance areas, so the application of their population share is only to STP funds rather than the total pot of funds. This distribution methodology helps to balance that differential. Refer to Attachment 4 for additional information.

Minimum Floor Adjustment

Description:
Since 2003, transit agencies in the Seattle-Tacoma-Everett Urbanized Area (STE UZA) that earn less than 1% of the total of the earned share portion of funds have received a minimum floor adjustment to bring the earned share amounts for these agencies up to the 1% amount. The adjustment is taken from the regional portion of the funds within the STE UZA and applied to these agencies for their earned share distribution. The rationale for this adjustment is to facilitate future planning for these agencies by allowing them to rely on a certain amount of FTA funding each year as a safety net for a basic level of investment. Since 2016, this amount was capped at the amount identified from the final 2015 FTA allocations. In 2018, the additional provision of considering the full range of transit operations and ownership of assets when conducting the calculation was included.

PSRC Work Program

Description:
FHWA and FTA funds have been used to assist in funding PSRC’s work program since 1993 and 2004, respectively. Since 2016, the amounts approved have been $1 million of STP funds and $1.25 million of FTA funds per year.
The project evaluation criteria for PSRC funding competitions include the following components:

- Support for centers (including housing and employment)
- Safety, mobility and accessibility (for persons and freight)
- Populations served (including health and equity)
- Emissions reduction
- Project readiness

Since 2016, cost effectiveness has been included for projects requesting CMAQ funds in the FHWA competitions. This feature aligned with federal guidance on the CMAQ program, to select projects achieving the most cost effective emission reductions. In 2018, the Project Selection Task Force directed staff to enhance safety and equity in the criteria to be more explicit. In addition, given that programming is now two to three years into the future, the project readiness criterion was moved to be more of a risk/feasibility analysis and reduced to 5 points.
### Attachment 1: Funding Estimates to Actuals

<table>
<thead>
<tr>
<th>Process</th>
<th>Fiscal Year</th>
<th>Basis of Estimate</th>
<th>STP Estimate</th>
<th>STP Actual</th>
<th>STP Delta</th>
<th>CMAQ Estimate</th>
<th>CMAQ Actual</th>
<th>CMAQ Delta</th>
</tr>
</thead>
<tbody>
<tr>
<td>MAP-21</td>
<td>2012</td>
<td>Average of 2010-2011 amounts, due to uncertainty; MAP-21 not yet passed</td>
<td>51.8</td>
<td>49.7</td>
<td>-2.1</td>
<td>27.0</td>
<td>26.7</td>
<td>-0.3</td>
</tr>
<tr>
<td>MAP-21</td>
<td>2012</td>
<td></td>
<td>51.8</td>
<td>48.8</td>
<td>-3.0</td>
<td>27.0</td>
<td>26.6</td>
<td>-0.4</td>
</tr>
<tr>
<td>MAP-21/FAST</td>
<td>2014</td>
<td>2013 amounts</td>
<td>49.7</td>
<td>46.2</td>
<td>-3.5</td>
<td>26.7</td>
<td>25.8</td>
<td>-0.9</td>
</tr>
<tr>
<td>FAST</td>
<td>2014</td>
<td></td>
<td>49.7</td>
<td>50.9</td>
<td>1.2</td>
<td>26.7</td>
<td>26.4</td>
<td>-0.3</td>
</tr>
<tr>
<td>FAST</td>
<td>2014</td>
<td></td>
<td>49.7</td>
<td>51.7</td>
<td>2.0</td>
<td>26.7</td>
<td>25.9</td>
<td>-0.8</td>
</tr>
<tr>
<td>FAST</td>
<td>2016</td>
<td>2013 amounts, given uncertainty due to timing of FAST Act vs. process decisions</td>
<td>49.7</td>
<td>52.5</td>
<td>2.8</td>
<td>26.7</td>
<td>26.3</td>
<td>-0.4</td>
</tr>
<tr>
<td>FAST</td>
<td>2016</td>
<td></td>
<td>49.7</td>
<td>59.0</td>
<td>9.3</td>
<td>26.7</td>
<td>29.2</td>
<td>2.5</td>
</tr>
<tr>
<td>tbd</td>
<td>2017</td>
<td>2017 amounts, given the uncertainty beyond the FAST Act</td>
<td>51.7</td>
<td>tbd</td>
<td></td>
<td>25.9</td>
<td>tbd</td>
<td></td>
</tr>
<tr>
<td>tbd</td>
<td>2018</td>
<td></td>
<td>51.7</td>
<td>tbd</td>
<td></td>
<td>25.9</td>
<td>tbd</td>
<td></td>
</tr>
<tr>
<td>tbd</td>
<td>2020</td>
<td></td>
<td>51.7</td>
<td>tbd</td>
<td></td>
<td>25.9</td>
<td>tbd</td>
<td></td>
</tr>
<tr>
<td>tbd</td>
<td>2020</td>
<td></td>
<td>51.7</td>
<td>tbd</td>
<td></td>
<td>25.9</td>
<td>tbd</td>
<td></td>
</tr>
<tr>
<td>tbd</td>
<td>2020</td>
<td></td>
<td>51.7</td>
<td>tbd</td>
<td></td>
<td>25.9</td>
<td>tbd</td>
<td></td>
</tr>
</tbody>
</table>

**PSRC Comments:**

The delta between the estimates used and the actual allocations each year has been fairly close, with the exception of 2019 when the amounts, particularly for STP, increased substantially. PSRC will confer with our federal and state partners for more information on the outlook for 2020 and beyond.
Attachment 2: FUNDING LIMITS

The process to set the funding caps in the 2018 process by funding source was based on a review of funding awards over time, including average awards as well as minimums and maximums. The caps were set at 50% of the available amount of funds by year, by source: in the 2018 process that was equal to $4.76 million for STP and $7.14 million for CMAQ.

For comparison, in 2016 the average award for all FHWA funds was $1,742,823. In 2018, the average award decreased slightly to $1,689,362. The following tables show the average, minimum and maximum amounts of funding awarded in the regional and countywide forums in 2016 and 2018.

Average Award

<table>
<thead>
<tr>
<th>Forum</th>
<th>2016</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regional</td>
<td>$4,483,333</td>
<td>$4,118,462</td>
</tr>
<tr>
<td>Countywides</td>
<td>$1,339,806</td>
<td>$1,299,506</td>
</tr>
</tbody>
</table>

Minimum Award

<table>
<thead>
<tr>
<th>Forum</th>
<th>2016</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regional</td>
<td>$865,000</td>
<td>$3,546,500</td>
</tr>
<tr>
<td>Countywides</td>
<td>$60,000</td>
<td>$170,000</td>
</tr>
</tbody>
</table>

Maximum Award

<table>
<thead>
<tr>
<th>Forum</th>
<th>2016</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regional</td>
<td>$13,000,000</td>
<td>$7,125,000</td>
</tr>
<tr>
<td>Countywides</td>
<td>$6,955,729</td>
<td>$4,729,600</td>
</tr>
</tbody>
</table>

The following table shows the average awards by funding type from the 2016 and 2018 regional project selection processes.

Average Regional Forum Award by Fund Type

<table>
<thead>
<tr>
<th>Fund Type</th>
<th>2016</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>CMAQ</td>
<td>$5,764,286</td>
<td>$4,756,667</td>
</tr>
<tr>
<td>STP</td>
<td>$3,362,500</td>
<td>$3,571,429</td>
</tr>
</tbody>
</table>

The table below shows the number of extensions by award amount. Data is not yet available to analyze the impact funding limits may have on project delivery because the funding limits were first incorporated into the 2018 project selection process which awarded 2021 and 2022 federal funds.
## Extensions by Award Amount

<table>
<thead>
<tr>
<th>Award Amount</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 1mil</td>
<td>12</td>
<td>18</td>
<td>N/A</td>
<td>5</td>
<td>12</td>
<td>47</td>
</tr>
<tr>
<td>1mil - 5mil</td>
<td>14</td>
<td>10</td>
<td>N/A</td>
<td>3</td>
<td>11</td>
<td>38</td>
</tr>
<tr>
<td>&gt; 5mil</td>
<td>1</td>
<td>2</td>
<td>N/A</td>
<td>1</td>
<td>0</td>
<td>4</td>
</tr>
</tbody>
</table>
Attachment 3: PRESERVATION SET-ASIDE

The following information is provided on the FHWA preservation set-aside, including information from the Regional Transportation Plan, the regional guidelines established for the set-aside, and amounts awarded to various project types over time.

Regional Transportation Plan

The current RTP identifies a backlog of preservation for city & county roads of approximately $8.7 billion. Annual expenditures required for maintenance are approximately $248 million. As a comparison, the PSRC FHWA preservation set-aside is approximately $10 million per year.

Regional Guiding Principles for the Preservation Set-Aside

- Applicants will be asked to provide information on their expenditures on preservation over the last several years, as well as the condition of their roads. Each countywide process will establish standards on preservation level of effort to help ensure fairness between jurisdictions.
- The focus for this set-aside will be “roadway preservation” - other preservation activities (such as signal replacement, retaining walls, etc.) will not be excluded from applying, but given the relatively small amount of funds available and since this is the first time applying this set-aside, the primary focus of the funds will be on roadway preservation. A regional threshold of eligible preservation activities is not proposed to be established (e.g., chip seals vs. overlays vs. reconstruction).
- Applicants will be expected to describe how they are optimizing the pavement life cycle, with a resulting minimum useful life of 7 years. Funds may best be used on roads at certain conditions which result in the most efficient preservation, to be determined within each countywide process.
- These funds must be used on federal functionally classified roadways, but all other appropriate federal requirements must also be met (such as ADA requirements, design standards, etc.). It is important that all applicants understand these requirements and estimate their total project cost and funding need accordingly. In addition, the expectation of FHWA is that these projects will be contracted out; there is a high bar for justifying the use of local agency force.
- Each countywide process will establish evaluation criteria, but each process will follow PSRC's Policy Framework and apply the policy focus of support for centers and the corridors that serve them (broadened to include locally designated centers for each countywide process). Potential criteria include level of matching funds, innovations/incentives, and roadway classification (including traffic data, transit use, freight use, lifeline route, pressure on the system, etc.), among others.
- PSRC will coordinate with WSDOT on the review of the program proposal and the specifics of each countywide process to ensure eligibility and approval in advance by FHWA.

Awarded Project Data

Information will be provided at the meeting on preservation projects, from awards data, types of investments, delays, etc.
Attachment 4: KITSAP COUNTY DISTRIBUTION

PSRC’s FHWA funds have been historically split between a regional competition and the four countywide processes. The estimated funds for the project selection process are combined (STP and CMAQ), and the percentage split between the regional and countywide processes is applied after the set-aside amounts were taken off the top.

Since 1995, it has been the practice to take Kitsap County’s population share from the total combined estimate, before the set-asides; the methodology for the other three counties is to apply their population share after the set-asides. This is illustrated in the graph below.

The rationale for this distribution methodology has been as follows:

- King, Pierce and Snohomish Counties are eligible to compete for both STP and CMAQ funds, and their population percentages are applied to the larger combined total of both funding sources at Point 4 in the above chart.
- Kitsap County jurisdictions are only eligible to compete for STP funds, so if the same methodology were used their population percentage would be applied to a smaller total amount. By applying Kitsap County’s population percentage to the total amount of estimated STP funds, rather than the amount available after the set-asides, an increase in the amount of funds available for distribution in the Kitsap countywide process is provided.
Please note: this topic is only related to CMAQ in that Kitsap County is not within one of the region’s maintenance areas for the national air quality standards – there is no requirement that the projects awarded to Kitsap County with STP funds meet CMAQ eligibility, but air quality is still a criterion for all projects per adopted regional policy.

Supplemental Data

- The set-aside methodology has provided on average an increase of approximately $1.5 million per year for the Kitsap Countywide process
- For example, in the 2018 process, the Kitsap Countywide distribution was $3.4 million per year
  - Without the current methodology, this amount would have been $2.0 million per year
  - For comparative purposes, the shares for the other three counties ranged from $6m to $16m per year.
We want to hear from you!
By 2050, the central Puget Sound region will be home to nearly 6 million people. Vision 2050 is the regional guide for how this growth can support thriving communities, a strong economy, and a healthy environment. PSRC is seeking comments on the draft VISION 2050 plan from Friday, July 19 through Monday, September 16, 2019. Join us at an open house to find out about the draft plan, ask questions, and give us your feedback.

Monday, July 29
Snohomish County Administration Building
3000 Rockefeller Avenue, Everett, WA 98201

Wednesday, August 7
Tacoma Main Library
1102 Tacoma Avenue S, Tacoma, WA 98402

Monday, August 12
Bellevue Library
1111 110th Avenue NE, Bellevue, WA 98004

Tuesday, August 13
Seattle Union Station
401 S Jackson Street, Seattle, WA 98104

Thursday, August 15
Kitsap County Commissioners Chambers
619 Division Street, Port Orchard, WA 98366

Each open house is comprised of two sessions:

**Part 1: Afternoon Facilitated Workshop from 3:00 – 5:00 p.m.**
Hear a brief overview of VISION 2050 and join in small group facilitated discussions focused on key policy areas.

**Part 2: Evening Drop-In Open House from 5:30 – 7:00 p.m.**
Drop in to learn about VISION 2050 at your own pace. PSRC staff will give a brief presentation on the draft plan at 5:45 p.m. and 6:15 p.m. and will be available to answer questions.

Can’t attend an event? Visit [https://www.psrc.org/vision](https://www.psrc.org/vision) to find out more and comment. Questions? Contact us at VISION2050@psrc.org or 206.464.7532.