2019 Delivery Target – Status and Recommendations

RPEC
May 24, 2019
Overview

- Review of Materials
- Obligation Delivery Policies and Procedures
  - Overview and Recommendation
- 2019 Delivery Status
- Supplemental Funding
  - Overview of Options – Strategies 3 and 4, Port Orchard request
  - Funding Recommendation
- Next Steps
Review of Materials

• Obligation Delivery Policies and Procedures
• Strategy 1 - Advancing Projects
• Strategy 2 – Exchanging Projects
• Strategy 3 - Contingency Funding
• Strategy 4 – Increase Federal Share
• Port Orchard Request (Strategy 4b)
Obligation Delivery Policies and Procedures

• Guiding Principles

  • Neutral impact on overall PSRC funds is preferred
    • stay within existing programming
    • no net change to funding totals in the TIP, and

  • Adhere to existing policies and procedures to the extent possible
    ➢ geographic equity principles
    ➢ respect for the original project selection process
Obligation Delivery Policies and Procedures

Strategies 1 & 2:

1. Advance projects from later years

2. Exchange funds among projects within the same agency
   - Projects would remain subject to PSRC’s project tracking policies and would not be allowed to reapply for PSRC funding for that phase

- Consistent w/project selection process
- Remain within existing programming
- No net increase to projects
Strategies 3, 4 & 5:

3. Fund immediately ready to go contingency projects
   • Geographic equity parameters would apply only in the situation when more projects are available than needed

4. Increase the federal share of existing projects
   • Proposal = begin with current year delivery projects for gap source; apply a consistent percentage; move to earlier years if necessary

5. New funds to new projects, outside of contingency list
   • Ongoing types of projects, outside of project selection process; option of last resort

   • Somewhat deviates from existing process
   • New funds to new projects/phases
Action 1 – Policies and Procedures

RPEC is asked to recommend the Policies and Procedures as provided in the agenda packet for how the region will address annual delivery targets, which describe the measures to be taken if there are not enough projects able to deliver in a given year:

1. Advance projects from later years
2. Exchange funds among projects within the same agency
3. Fund immediately ready to go contingency projects
4. Increase the federal share of existing projects
5. New funds to new projects, outside of contingency list
2019 Delivery Status

• Total Gap after extensions, returns, higher allocations = $43m
  • $32.5m STP/TAP
  • $10.5m CMAQ

1. Gap after advancing projects (Strategy 1) = $14.1m
  • $7.8m over in CMAQ – no further actions necessary
  • $22m gap in STP/TAP

2. Gap after exchanges of funds (Strategy 2) = $17m STP/TAP
Supplemental Funding

3. Contingency potential (Strategy 3) = $13.2m - $17.1m
   • Remaining STP/TAP gap of $0 (no buffer) to $4m

4. Increase federal share (Strategy 4) = potential of $1m - $5.5m
   • Port Orchard request = $1.3m

Proposed buffer over target of at least $2m-$5m, to cover any additional returns, deobligations, or non-performers

• Potential buffer from early delivery of extensions, additional exchanges may be possible, but unknown until June-August
RPEC is asked to recommend a list of projects for supplemental funding to achieve 2019 delivery, from the combination of Strategies 3, 4 and/or 5 as presented.
Next Steps

**April**
- April 1 - Extension requests due
- April 11 – TPB delivery presentation
- April 26 – RPEC discussion of recommendation from Project Delivery Working Group on 2019 delivery proposal

**May**
- May 24 – RPEC action on policies and supplemental funding

**June**
- June 1 – PSRC obligation deadlines
- June 13, 25 - PSRC Board action on policies and supplemental funding

**July**
- July 15 – Proposed obligation deadline for any supplemental funding action, i.e., “immediately ready to go” projects

**August**
- August 1 – State obligation deadline

**September**
- September 30 – end of federal fiscal year

Concurrent TIP/STIP processing for a June amendment; early July STIP approval
Sponsors encouraged to begin their obligation paperwork prior to PSRC Board approval, to be ready to submit a clean and complete package to WSDOT by July 15th; also encouraging early WSDOT review
Next Steps

- Each year delivery becomes more and more challenging
  - High level of extensions, ongoing deobligations and returns
- Achieving delivery is requiring greater deviations from the standard process – 2019 is requiring all four strategies to achieve the target
- Propose:
  - Continue the Project Delivery Working Group to brainstorm options for addressing the problem, changes to the process
  - Board members interested in engaging on the topic, earlier start of the Project Selection Task Force
  - Delivery “summit” to educate, learn best practices, etc.