

**ATTRIBUTABLE FUNDING COMMITTEE
MEETING SUMMARY**

Wednesday, September 10, 2014
9:45 a.m.

Scioto Meeting Room at MORPC
111 Liberty Street, Suite 100
Columbus, OH 43215

Members Present:

<u>Name</u>	<u>Representing</u>	<u>Name</u>	<u>Representing</u>
David Anderson	Liberty Township	Mark Nemec	City of New Albany
Susan Banbury	City of Westerville (TAC)	Rob Platte	Etna Township
Ted Beidler	Franklin Co. Eng. Office (TAC)	Dorothy Pritchard	City of Grandview Hts.
Bill Ferrigno	City of Del. Eng. Office	Rob Rice	City of Powell
Nick Gill	MORPC (TAC)	Rob Riley	Delaware Co. Eng. Office (TAC)
Matt Greeson	City of Worthington	Jacolyn Thiel	City of Upper Arlington
Greg Heaton	ACEC	Scott Tourville	City of Pickerington
Eric Hensley	CRAA (TAC)	Nathaniel Vogt	MORPC (TAC)
Bill Lewis	City of Columbus (TAC)	Thea Walsh	MORPC (TAC)
Holly Mattei	Fairfield Co. RPC (TAC)	Ira Weiss	CAC
Mike McCann	COTA (TAC)	Jeannie Willis	City of Dublin
Dave Mengerink	ODOT District 6 (TAC)	Zachary Woodruff	City of Whitehall
Kim Moss	OSU (TAC)	Jeff Zimmerman	Columbus Chamber (TAC)

Guests Present:

Russ Figley, Columbus Dave Moore, ODOT Thom Slack, ODOT 6

Staff Present:

Ronni Nimps Nathaniel Vogt

Meeting Summary

- 1. Introductions.** Vice Chair Rob Riley called the meeting to order at 9:45 a.m. Members/guests introduced themselves.
- 2. Approval of the July 9, 2014 Minutes.** Dorothy Pritchard moved to approve the minutes and Ted Beidler seconded. The motion carried.
- 3. New Ad interim Members and Election of Officers.** Nick Gill reminded everyone that the bylaws allow for permanent and ad interim members of the Attributable Funds Committee. Ad interim members include any entity that has a pending or existing commitment of MORPC funds to a project. Also, after final applications are received on each round, if the entity is not a member of the Attributable Funds Committee (AFC), then that entity becomes an ad interim member. If an entity's project has sold and no longer has a commitment of MORPC funds, that entity drops off the committee as an ad interim member.

Orange Township is no longer an ad interim member since its project is now under construction. There are three new ad interim members: Jacolyn Thiel, City of Upper Arlington; Fairfield County Engineer's Office; and Rob Rice, City of Powell. Several ad interim members have been reappointed.

Riley explained that the officers of the AFC coincided with those of the Transportation Advisory Committee (TAC). The TAC will appoint a nominating committee at its October meeting, with approval of the slate of officers in November. Gill and Riley discussed nominating a chair and secretary for the AFC, but deferring the vice chair nomination until after the TAC vice chair has been elected. Gill further advised that officers of the AFC must come from the permanent membership. The practice for the TAC is that the vice-chair moves up to the chair position, and that is the expectation for the AFC as well.

Riley declared the nominations open and asked for nominations for chair and secretary. Gill nominated Riley as chair and MORPC staff as secretary. Greg Heaton seconded. Bill Ferrigno moved to close the nominations, and Ira Weiss seconded. The motion carried.

4. **ODOT MPO Funding Carryover Policy.** Gill said that we are in the timeframe of resetting our program for the next six years, and establishing projects to which we wish to allocate funds and scheduling the year. The goal is to spend our entire allocation each fiscal year without any carryover. We are projecting about \$20 million of STP, about \$2 million of transportation alternative program funding, and our share of CMAQ funding of about \$11 million a year. Historically, we have had some large carryover balances among the MPOs, so a few years ago ODOT worked with OARC to establish a carryover policy, limiting the amount of carryover. It also established a phase-in period, which was last year. No more than 75 percent of an MPO's allocation should be carried over. If a larger amount is carried over, ODOT reserves the right to take back the money, unless there is documented cause for the carryover. In SFY 14 MORPC carried over more than that in CMAQ and TAP funding; however, we had no TAP projects scheduled for SFY 14, but we did have two large projects (SR 3 and West Broad) scheduled to use the money this fiscal year. We provided that information to ODOT.

Thom Slack, ODOT District 6, said that he and Dave Moore, ODOT, have discussed this. Slack said that when the policy of the statewide competition came out for CMAQ funds, this region could be very competitive for those funds and potentially benefit from that selection process to get more worthwhile projects going in this area. On behalf of ODOT and the statewide perspective, he must respect that, but he still "roots" for this region. Slack was upset about the new carryover policy because this has not been the reputation of the performance in this region. It happened this time, but there were some things beyond our control. We did not necessarily set ourselves up for success, either. ODOT is going to be working through the lockdown process for the FY 16 projects for delivery at least on a quarter basis of our FY 17 projects, and we need to have the same urgency and attention to schedule on right-of-way and encumbering funds. As this committee looks at upcoming projects, it needs to keep in mind the schedule and the risk. The committee needs to be sure to prioritize projects that have the best chance for success and that we have a reservoir of projects. Slack felt that this area is in a good position to pull for additional funding, particularly in the CMAQ area.

Moore said that this region carried forward \$30 million this year of funding that was available to expend on transportation priorities for the region, to get those dollars into our economy, and get in front of construction cost inflation. We are in an era of tight budgets, and when \$30 million is available and not being utilized, other programs' managers start thinking about

how they might spend that money. The region did not have as successful a year as what was planned; subsequently, there is a risk that MORPC will lapse \$5 million of STP and a little less than \$2 million of TAP money this year. ODOT wants to see the program management function of which this committee is in charge to identify and establish reliable and predictable programs of projects for the dollars that are available on an annual basis. ODOT needs projects to advance on budget, on scope and on schedule. ODOT is very aware of project slippage as it happens and tends to think that a 75 percent threshold provides a lot of cushion, so slippage should not be an issue. ODOT has put together information about the total MPO program for the 17 MPOs and 5 large cities and has reported MORPC's request for a waiver of the lapse of the money for this region this year. Moore added that based on currently programmed projects, this region has a potential of lapsing STP money for FYs 15 and 16. The potential is for \$7.6 million of lapse of STP funds for FY 15 because of the 50 percent threshold, and for FY 16 the potential is for \$2.6 million. ODOT will do anything it can to help advance projects.

Riley said that the committee addressed some of this issue when it revised the federal funding procedures and policies earlier this year in how we select projects. If projects are delayed more than a year, there will be a penalty of 5-point reduction of any new applications submitted by that agency in the next round. Gill added that an agency can be penalized up to three times or 15 points if multiple projects slip. Also, if a project falls behind by two years or more that agency is ineligible to apply until the right-of-way is authorized or the construction is sold.

5. **Existing MORPC Funding Commitment Projects.** Nathaniel Vogt explained that we have moved through adopting our principles and procedures and have received our final applications. We are now starting the review and evaluation process of those applications, leading to a recommendation from the AFC, which goes to public comment for the December timeframe, and moving to MORPC's Transportation Policy Committee to adopt the commitments in February. We then move on to project development. There are 31 projects with unencumbered commitments - some in FY 15 as well as MORPC's \$25 million in future SIB loan payments for the I-270/US 33 NW interchange. Previously, those commitments came to \$203 million after getting the updated applications. Not much of an increase. Staff recommended funding those updated requests as they were received. There is a \$2 million difference. Noted our exception with COTA's updated needs. COTA has now submitted a final application that is more in line with available funds. Note that SR 161 is an existing commitment withdrawn this round.

- **Action on Existing Commitment Changes.**
 - Proposed Changes to Current Commitments, SFYs 2015-2021 Handout - ranked by largest/smallest increase. The net difference overall is about 1 percent increase in funding. This is similar to what it was two years ago. Staff is recommending that the committee proceed through the balance of its process with the new applications, assuming these changes are reflected in the funding available for new projects. Although the agenda says "action" it is more of a consensus that this seems reasonable and we will use this assumption to move forward for our funds available. The ultimate action is when we put these existing commitments into their schedules along with the new commitments that we ultimately adopt in February. No particular comments or questions were received regarding this. Vogt added that this handout reflects some corrections since the last meeting. Per Gill, any updated ODOT inflation information will be reflected in future estimates.

Slack noted that two of the items have a fixed amount. He asked if these were the only two. Vogt replied that the \$1.36 million is a fixed amount for the Gender and Refugee project, but now there is a request to increase that amount. By fixed amount, Vogt said that it is not like an 80/20 share or tied to some percentage of the cost estimate and fluctuates, it's that we had a request for this dollar amount toward the project. It's usually a case where we are partnering with other funding sources. Gill added that safety funds are involved, and we are strongly encouraging the applicant to request additional safety funds to minimize that. When we provided funds to this project two years ago, the safety funds decreased. Now that the cost has gone up, we would like to recapture some of the safety funds to minimize our adding additional funds.

Scott Tourville asked about existing CMAQ commitments with proposed changes that are currently CMAQ dollars. He wanted to know if the committee was confident that the additional requests through the statewide process would be granted. Gill said that entities do not apply for STP, TAP or CMAQ funding. They apply for the federal funding on which the committee makes decisions. The principles indicate that we fund a variety of projects that cross into what is eligible in all three of the above categories, and the appropriate funding will be assigned to the projects. If the CMAQ increases are not granted, those projects will be funded with STP. The increases must go through the statewide process.

Riley asked if we needed a motion from the committee to endorse the staff recommendation that all the current commitment be funded at the requested levels. Gill said that we did, pending further refinement as we move through the process.

Riley asked if the I-270/US 33 project was a SIB loan repayment commitment. Gill said that it is. He asked if there were any other SIB loan commitments. Gill said that it is the only one we know will be a SIB loan. For example, as we program out projects over the \$10 million threshold, we will identify the maximum amount available and their expected years of construction and how much will need to be planned out as a SIB loan or some other financing process. This is part of our financial management procedures.

Riley asked if we could prepay a SIB loan early if we find that some projects are slipping. Gill said that we cannot, but if we have other funds available at the time the project goes to construction, we can eliminate the SIB loan. However, sometimes it is better to stay with the SIB loan.

Dorothy Pritchard moved to approve the existing funding commitments at the new levels requested, which will result in a total proposed commitment of \$205 million, which is about a 1 percent increase on the entire amounts. Ira Weiss seconded. The motion carried.

6. **Updated Funding Available for New Projects.** Attributable Funds Available in SFYs 2016-2021 Handout - Gill said that this shows by principles the minimum/maximum percentages in our projections for SFYs 16-21, which is \$205 million, assuming our proportional amount of CMAQ funding comes into the region, and applying the percentages and the principles, we have a minimum/maximum amount available for SFYs 16-21. The \$20 million under Major

is the SIB loan, and we have the minimum/maximum amount available for new projects for SFYs 16-21.

Gill also pointed out the bottom line for Programs, which is a set-aside for STP for supplemental planning activities. It includes the RideSolutions program that we will continue to carry through at the same levels. It also includes the same level of funding for Paving the Way, as well as the Air Quality Awareness program at the same levels. These are the numbers through 2021. The principles say we can adjust these as long as they are less than 5 percent of our total affected funding, and we are at less than that.

In total, the funding available for new projects in the SFYs 16-21 timeframe is \$31 million, which is in line with our estimate about 4 months ago. However, this number does not reflect the spreading of those large projects that could extend beyond the FY 21 timeframe in terms of the spread. The amount of funding that we could actually commit is more than \$31 million, depending on the schedules and how things work out. There is still some flexibility of how much we want to commit, depending on the timing of the projects and how many of these large projects we plan as a payment stream that would need to extend beyond FY 21. More detail will follow in the November meeting.

Riley said it looks like we have about \$6.3 million minimum that we need to allocate to new major projects. There is no minimum that we need to allocate to new projects. There is a big number for preservation projects - \$17.5 million. Transit is at about \$2.8 million for new projects.

- 7. Summary of Final Applications.** Vogt began with the handout entitled "Major Widening and New Roadway." The major category had 8 applications, the minor category had 12 applications, system preservation had 4 applications, bike and ped had 8 applications and transit had 1. Vogt pointed out the projects on the location map. He gave details of each project, as listed in this handout.

Slack wanted to verify that these projects had been or would be vetted for eligibility. He did not know if ODOT had asked for information on signal warrants for some of the areas, which is a little premature, and the eligibility on some of the non-traditional projects. He appreciated the changes that were made in the application for the airport project.

Vogt said that there are no proposed schedules past 2020, but that we would be looking past that. Before making the commitments we would want to make sure that the timeframe makes sense. There are a couple of projects looking for incentive to pay for some of the P.E.

Slack wanted to make sure that the projects not requesting right-of-way funds had rights-of-way.

Riley asked what the process would be to break a project into smaller phases. He wanted to know if the sponsors should be ready to offer this as an option or secondary request if it is a bubble project. Vogt said that we did provide that feedback on some of the larger initial applications. Riley asked if project sponsors could take a lesser amount in lieu of the full 80 percent funding. Gill said that is always on the table.

Vogt mentioned that the changing inflation projections on the Final Applications Summary were updated with the second quarter projections, which have dropped a little bit.

Slack said that there is a system preservation aspect in some of the major and minor widening projects. He wanted to know if staff would break this out or if the applicants will be or have been asked to provide. Gill said that we do not look for or ask for a breakdown of the other projects. We mainly have the three different categories from the roadway perspective - projects that add capacity (major and minor widenings) and system preservation. Although we do not have enough system preservation projects to meet the target goal established in the principle, but we are not going to break down the other projects.

8. **Statewide CMAQ Program Update.** Gill said that this is an action item and we will need a decision from the committee. He said the 8 large MPOs were directed by ODOT to put together a process to pool together the funding allocated to the 8 large MPOs and distribute CMAQ funds through one process. The process grandfathered projects to which MPOs had already committed CMAQ funds through 2017. To receive additional CMAQ funds for these projects and new projects, MPOs will need to use the new process.

To make the process as easy as possible for our locals to understand, we did not change our application process. Our process uses the same solicitation process that was just completed in August. One aspect of the Ohio Statewide Urban CMAQ Committee (OSUCC) process is a ranking of the top four projects submitted from each MPO. Each MPO will self-score the projects in accordance with established criteria. They are scored on a 100-point scale across 9 different measures. We will collectively review those applications and evaluations and select projects by the end of November to use the statewide CMAQ funding.

We will identify existing projects to which we have funding commitments that are not grandfathered in the statewide process. We will also identify the new CMAQ-eligible applications. We will complete the application form and scoring for the CMAQ projects. Some MPOs may submit only 1 or 2 projects, and others will have many projects. In order to keep things fair, the top 4 from each MPO will receive bonus points. Our purpose today is to identify the top 4, and then we will submit this information by mid-September to the statewide group, and we will begin our internal review.

As identified in the memo that was e-mailed to the committee, there were 9 projects to which we have committed funds (either CMAQ or STP) in the past, and we felt they needed more funds and were appropriate to submit to the statewide group. The Hamilton Road project did not have previous CMAQ funds committed, but all the others did have a previous commitment and need more funding. The new CMAQ-eligible projects were listed on the last page of the memo.

We now need to select priorities 1 - 4. Staff is recommending that because all of the 21 new projects still must go through our process to see which ones we really think are best in those different categories that it would be premature to quickly decide which of the new projects would be priority, especially since we have \$30 million of existing commitments for which we would like to increase the CMAQ funds. We would like to limit our process to the 9 projects that already have CMAQ commitments. Gill felt it was logical to select the projects with higher dollar amounts as priority because there is no dollar limit for a project in the statewide process. A region's first priority gets 10 points, second priority gets 7, third priority gets 4, and the fourth priority gets 2. A big part of the statewide process will be to review each other's scores to make sure we are being consistently objective. Another aspect of the scoring (from 0 - 15 points) is the relative cost effectiveness in terms of dollars spent per ton of emission reductions. The most cost-effective the project, the higher the score. This is a

sliding scale based on the results of how the projects come in. We will look at all of them and then establish the scale.

Staff recommendations:

- Columbus Signals Phase D
- COTA Buses
- Hamilton Road
- Whitehall Signals Upgrade (maybe)

The statewide process and our process merge back together, and at the end of November they will go through public review and comment. The statewide process is going out to 2020, and our process goes out to 2021 plus. When we conclude our process we will be making commitments assuming we will receive \$11 million sometime in the future, perhaps for a project slated for 2021.

Slack said the Lazelle Road Phases A and C are both listed. He wanted to know if Phase B were no longer a line item. He wanted to know if we felt we had optimized the funding distribution on those projects to where maybe there is a bigger dollar amount if we look for one phase vs. the other. He was not sure this was a proper allocation of funds when going across years. Gill said that this process is very murky. Discussion ensued which adjusted the priorities to be:

- Columbus Signals Phase D
- COTA Buses
- Whitehall Signals Upgrade
- Hamilton Road

Riley asked for a motion to approve the priorities as shown on the screen for the statewide CMAQ committee. Bill Lewis so moved, and Susan Banbury seconded. The motion carried.

- 9. Timeline and Next Steps.** Gill said that we will be applying our scoring criteria to the new applications for the balance of this month. In October we will review the preliminary scoring, and then revise it according to feedback. We will meet in early November to review final scoring and make preliminary project funding selections. In mid-November we will meet to discuss changes to preliminary project funding selections. In December the AFC will decide on project funding recommendations for the public comment period, and a draft list of MORPC-funded projects will be made available for public review and comment (30 days). This includes results of the statewide CMAQ selection process. In January, the public review and comment period closes, and the AFC recommends final updated and new commitments. In February, MORPC's CAC, TAC and Transportation Policy Committee will review, modify and approve the program of projects to use MORPC funding.

- 10. Other Business.** Riley said that the next meeting is on October 1st, and he adjourned the meeting at 12:14 p.m.

Respectfully submitted,

Nick Gill
Secretary