



U.S. Department
of Transportation
**Federal Highway
Administration**

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January 18, 2013

In Reply Refer To:
(727)
Arizona FY 2013-2016
Statewide Transportation Improvement Program (STIP)
Planning Finding and Approval
HPM-AZ

Mr. Joseph S. Omer, Director
Multimodal Planning Division
Arizona Department of Transportation, (300B)
Phoenix, Arizona 85007

Dear Mr. Omer:

We have completed our review of the Arizona Department of Transportation's (ADOT) 2013-2016 Statewide Transportation Improvement Program (STIP) as requested in your September 21, 2012 letter. This review also includes the updated Transit project list provided by Shilpa Panicker of ADOT via email on December 10, 2012.

To approve the STIP document, including Transportation Improvement Programs (TIP) contained by reference or directly in the STIP, the Federal Highway Administration and Federal Transit Administration must make a determination that each metropolitan TIP is based on a continuing, cooperative, and comprehensive planning process. In addition, we are required to issue a Planning Finding documenting the extent that all the projects in the STIP are based on a planning process in accordance with 23 U.S.C. 134, 135, 49 U.S.C. 5303 and 5304, and 23 CFR 450. This letter is the documented joint STIP approval and Planning Finding for Arizona's FY 2013-2016 STIP, and all the incorporated TIPs for the following metropolitan areas: Maricopa Association of Governments (MAG), Pima Association of Governments (PAG), Yuma Metropolitan Planning Organization (YMPO), Flagstaff Metropolitan Planning Organization (FMPO) and Central Yavapai Metropolitan Planning Organization (CYMPO). Also included are the rural Council of Government (COG) TIPs: Northern Arizona Council of Governments, Western Arizona Council of Governments, Southeastern Arizona Government Organization, and Central Arizona Governments which have been reviewed jointly with the STIP.

CORRECTIVE ACTIONS

The previous Planning Finding on the FY 2011-2014 STIP was issued on March 24, 2011. As part of the current review, an in depth review of corrective actions from the previous March 24, 2011 Planning Findings was done. We are very pleased with the improvements made in this STIP submittal and have determined the proposed STIP substantially addresses the previous findings. We were unable to review the MAG and YMPO TIPs since they have not been updated since the previous FY 2011-2014 STIP approval. Those corrective actions are restated here without change.

MAG TIP

- 23 CFR 450.324 contains information that shall be included in the TIP for project phase, total estimated cost, and sufficient descriptive detail to identify the project. During our review of the current MAG TIP, it was found that total project cost is not shown and individual phases are

located throughout the TIP making it very difficult to visualize an entire project. We also found that some work is not well described, number of lanes and project length is missing, and the generalized work descriptions make project eligibility determinations difficult (ie. Alley dust proofing). The MAG TIP has many of the same deficiencies as identified under the STIP above. We request that ADOT work to develop a uniform STIP and TIP template to assist with addressing these deficiencies. We also request that MAG updates TIP project information in the next TIP development cycle to comply with the requirements of 23 CFR 450.324.

- 23 CFR 450.324 requires that revenue and cost estimates for the TIP must use an inflation rate to reflect “year of expenditure” (YOE) dollars. The MAG TIP indicates that YOE has been applied but no methodology is provided to support this. In the next TIP development cycle, we need to see further documentation of the methodology used to meet this requirement.
- 23 CFR 450.324 requires that the TIP includes a financial plan. The TIP states that locals provide project costs to an electronic database system. How does MAG verify that local funds are reasonably available and committed to meet those costs? In the next TIP development cycle, we will require additional documentation that MAG is taking steps to verify these costs and meet the financial requirements of 23 CFR 450.324.
- 23 CFR 450.320 requires that performance measures and strategies developed through a Congestion Management Process (CMP) should be reflected in the TIP. The most recent TIP did not include a discussion of the CMP. Since MAG was in the process of developing a new CMP, this may not have been available at that time but the TIP should have documented this. The CMP should be fully incorporated into the next TIP cycle and documented in the TIP.

YMPO TIP

- 23 CFR 450.316 covers public participation by interested parties and the development and use of a public participation plan. The TIP currently does not adequately document that the process was followed and how comments were addressed. This will need to be addressed in the next TIP development cycle.
- 23 CFR 450.324 requires that the TIP includes a financial plan. This requirement has not been met and we are unable to make a financial constraint determination based upon the information provided in the current TIP. The next TIP will need to address this requirement.
- 23 CFR 450.324 contains information that shall be included in the TIP for project phase, total estimated cost, and sufficient descriptive detail to identify the project. The YMPO TIP has many of the same deficiencies as identified under the STIP above. We request that ADOT work to develop a uniform STIP and TIP template to assist with addressing these deficiencies. We also request that YMPO updates TIP project information in the next TIP development cycle to comply with the requirements of 23 CFR 450.324.
- 23 CFR 450.324 requires that revenue and cost estimates for the TIP must use an inflation rate to reflect “year of expenditure” dollars. The TIP doesn’t mention whether this requirement was met or not. If it was, the TIP should document the methodology used. If not, future TIPs will need to reflect this requirement.
- 23 CFR 450.328 and 450.334 require that the TIP includes a self certification. This certification is not included in the TIP on the YMPO website. We were provided a draft of the certification letter via email but have not seen a final signed version. This document will need to be included in the final TIP in the next development cycle.

PLANNING PROCESS OBSERVATIONS AND SUGGESTED IMPROVEMENTS

The following areas of the statewide and metropolitan transportation planning processes have been identified for improvement.

The STIP

- 23 CFR 450.324 contains a requirement that the TIP is approved by the Governor. In the corrective action response letter that was included in the STIP submittal, you indicate that this action has been delegated to the ADOT Director. In the future, please include a copy of the delegation letter(s) in the submittal.
- 23 CFR 450.216 requires that revenue and cost estimates for the STIP must use an inflation rate to reflect “year of expenditure” dollars. We have determined by consultation with ADOT that the STIP complies with this requirement but no mention is made of this in the document. A statement that the STIP is reflected in “year of expenditure” dollars should be included in the next STIP.
- 23 CFR 450.216 requires that each project or phase contains the amount of Federal funds proposed to be obligated during each program year. For the first year, this includes the proposed category of category of Federal funds, and for the next three years, this includes the likely category or possible categories of Federal funds. The STIP utilizes Federal Aid (FA) on 34 projects as the generalized category of Federal funds. In future STIP submittals, all projects should have specific category of Federal funds as stated above.
- During our review, we found that some of the type of work descriptions (Examples: Drainage Improvements, Pump Station Improvements, Roadway Widening, Mill and Replace) are vague and could use more descriptive information.

CYMPO TIP

- 23 CFR 450.324 requires that the TIP includes a financial plan. This requirement can be met through a simple table which would reflect programming of STP and HSIP funds. For a good example, please see the FMPO or PAG TIP.
- 23 CFR 450.324 requires that revenue and cost estimates for the TIP must use an inflation rate to reflect “year of expenditure” dollars. In the TIP, reference should be made that the TIP reflects this requirement.
- 23 CFR 450.324 requires that the TIP contains information to demonstrate that federally-supported facilities are being adequately operated and maintained. The TIP only includes this for Yavapai County. The TIP must contain actual planned operations and maintenance efforts by planning jurisdiction and estimates for future years in the TIP. This information will need to be included in the next TIP development cycle.
- 23 CFR 450.328 and 450.334 require that the TIP includes a self-certification. This certification is not included in the TIP displayed on the CYMPO website. The self-certification was mailed to our office under separate cover. The signed self certification should be included in the TIP on the website.

FMPO TIP

- 23 CFR 450.324 requires that the TIP includes a financial plan. This requirement has been partially met for STP funds. In the next TIP, we would like to see a similar expenditure table developed for HSIP funds.

PAG TIP

- 23 CFR 450.324 requires that the TIP includes a financial plan. PAG demonstrates this for STP through the use of a simple table. We would like to see a similar table developed for HSIP funds in future TIPs.

COG TIPS

- 23 CFR 450.216 requires that the STIP demonstrates financial constraint. This requirement has not been met for the COGs. Each of the four COGs should develop a simple STP and HSIP expenditure tracking table. FMPO and PAG have good examples in there TIPS.
- 23 CFR 450.216 requires that revenue and cost estimates for the STIP must use an inflation rate to reflect “year of expenditure” dollars. Each of the COGs should add a reference to the project tables that the table reflects “year of expenditure” dollars.

FHWA Division Office staff will continue working with your staff in the development of the new electronic STIP/TIP and are available to provide technical assistance as needed. Our office continues to be highly supportive of this effort and encourage ADOT to continue in its development.

2013-2016 STIP Approval and Planning Finding

Accordingly, the FHWA and the FTA, based on the State DOT and MPO(s) self-certifications of their statewide and metropolitan transportation planning processes, review of self-certification supporting documentation, Federal certification of Transportation Management Areas within the State, and our involvement in the State and MPO transportation planning processes, hereby approve the 2013-2016 STIP and find that the 2013-2016 STIP is based on a transportation planning process that substantially meets the requirements of 23 U.S.C. Sections 134 and 135, 49 U.S.C. Sections 5303-5305, and 23 CFR 450. Our Planning Finding includes the entire State of Arizona.

As usual, individual project approvals will require a separate action by the FHWA or FTA and the projects will need to satisfy all program requirements at that time of authorization.

Sincerely yours,

Karla S. Petty

Leslie T. Rogers
FTA Regional Administrator

Karla S. Petty
FHWA Division Administrator

Enclosure

cc: DMayfield (310 B), BAnderson (310B)
ecc: TDeitering, ALirange, EStillings, RMoreno, SGordon, RTruely, JBrown, KKing, RSwiecki, AHansen, KUtley, LPatton, TCarlock, KPetty, AHeier, DCremer, KLaRosa
ESS:cdm