

MEMORANDUM OF POLICY

SUBJECT: Funding of Project Re-Design

This memorandum is intended to clarify the RTA's position on the subject matter.

Background: Limited RTA funding is available to the Lead Agency for the implementation of projects identified on the RTA Plan. RTA funds have been budgeted for project design as a part of the original project cost estimates, but not for re-design.

Policy: The RTA will reimburse reasonable design costs for RTA projects, but will not reimburse the cost of re-design due to changed project scope, project delay, or mitigation work not identified in the design concept report and environmental compliance documents.

This policy is not intended to apply to design changes required as a result in changes in federal or state law or policy, or to projects which were designed prior to RTA Plan approval.

MEMORANDUM OF POLICY

SUBJECT: **Required Local Funding**

This memorandum is intended to clarify the RTA's position on the subject matter.

Background: The voter approved RTA Plan identified "Committed, Non-RTA Revenues" which are necessary to achieve the funding levels represented on the approved RTA Plan. The sources of non-RTA funding were identified prior to the election, and included regional funds, impact fee revenue, local discretionary funding and federal funds.

Policy: The jurisdictions shall be responsible for the provision of committed impact fee contributions and local discretionary funding when required for project implementation. The RTA shall ensure committed regional funds are available for project implementation.

In the event jurisdictional impact fee collections are not adequate to meet the non-RTA funding commitments, the jurisdiction will be responsible for identifying substitute funding.

In the event of a local funding shortfall, the RTA will work with the jurisdictions in the establishment of mutually beneficial financing alternatives.

Failure of a jurisdiction to meet their non-RTA funding commitments will result in the jurisdiction becoming ineligible for future RTA categorical projects or other regional transportation funding until the non-RTA funding commitment is satisfied.

MEMORANDUM OF POLICY

SUBJECT: Acceleration of Roadway Improvement Element Projects

This memorandum is intended to clarify the RTA's position on the subject matter.

Background: RTA Jurisdictions are encouraged to aggressively deliver Roadway Improvement Element projects. The early delivery of projects allows for the beneficial use of the project by the public earlier, with greater public safety and utility. Early delivery of projects may also offer other cost efficiencies beneficial to the RTA and public.

Policy: Should a lead agency desire to accelerate the delivery of a project from the implementation period identified in the voter approved plan, the lead agency will be reimbursed in the amount identified in the voter approved plan, plus any increases associated with periodic adjustments, in the first year of the implementation period identified for construction.

The lead agency shall be responsible for any financing costs related to the issuance of debt for the project to enable early construction. Should regional funds be utilized for interest payments, distribution of any project funding increases associated with periodic adjustments shall be negotiated between the Local jurisdiction and the RTA.

Attachment: Acceleration of Project Example

Acceleration of Project Example

Project in RTA Plan and scheduled for implementation in period 4, with acceleration to 2010 desired. Project cost \$10 million.

Local Jurisdiction issues bonds for project, making interest only payments until first year of implementation period 4 (FY 22), at which time the RTA pays principal. RTA project fund increases resulting from the tri-annual review of sales tax receipts are also paid to the local government, offsetting some of the finance cost

Assume 4.5% interest on bonds, 2% growth in sales tax receipts, project funding available on July 1, 2010, bond placement costs of \$250,000.

Cash Flow:

<u>Date</u>	<u>Finance Costs by Local Jurisdiction</u>
7/1/2010	\$ 250,000
7/1/2011	\$ 450,000
7/1/2012	\$ 450,000
7/1/2013	\$ 450,000
7/1/2014	\$ 450,000
7/1/2015	\$ 450,000
7/1/2016	\$ 450,000
7/1/2017	\$ 450,000
7/1/2018	\$ 450,000
7/1/2019	\$ 450,000
7/1/2020	\$ 450,000
7/1/2021	<u>\$ 450,000</u>
	\$5,200,000

Based upon 2% avg. growth in sales taxes, RTA Funds distributed 7/1/2021: \$13,460,000; \$10,000,000 to pay off principal, balance to local jurisdiction to defray financing costs.