



STAFF REPORT/RESOLUTION

TO: Southwest Washington Regional Transportation Council Board of Directors
FROM: Matt Ransom, Executive Director *MR*
DATE: April 30, 2019
SUBJECT: 2019 Obligation Strategy, Resolution 05-19-13

AT A GLANCE - ACTION

The purpose of this resolution is to seek RTC Board approval to add \$1 million in CMAQ funds to the C-TRAN Mill Plain BRT project and give the Executive Director authority to amend the TIP in August 2019, if needed, to meet the regional obligation target. This proposed 2019 obligation strategy is intended to follow the policies outlined in the Transportation Programming Guidebook and ensure that the region meets our 2019 obligation target.

BACKGROUND

Federal Obligation Authority rules require that each state must spend its level of obligation for that year or forfeit funds to another state. In 2013, WSDOT delegated the responsibility to meet the local share of federal obligation levels to Metropolitan Planning Organizations and County lead agencies. RTC has responsibility annually to meet obligation authority for regionally allocated STBG, CMAQ, and TA programs.

At the April 2019 meeting, RTC Board members were informed that the region may have difficulty in meeting our obligation target over the next couple of years, due to increased allocation of federal funds and project delays. The Board approved modifying the 2019 call for projects to help the region meet our 2020 obligation target and was informed that RTAC was working on a strategy for meeting the 2019 obligation target.

The purpose of this resolution is to seek RTC Board approval to modify the 2019-2022 Transportation Improvement Program (TIP), as needed, to ensure that the region meets our 2019 obligation target.

STATEWIDE OBLIGATION POLICY

The WSDOT obligation policy takes a “use it or lose it” approach. By August, each region must obligate 100 percent of their targeted obligation level. Any remaining funds not obligated will be sanctioned and could be lost. Collectively, local agencies statewide have been able to meet statewide obligation targets, due in part to regions such as RTC that have obligated well above our regional obligation targets.

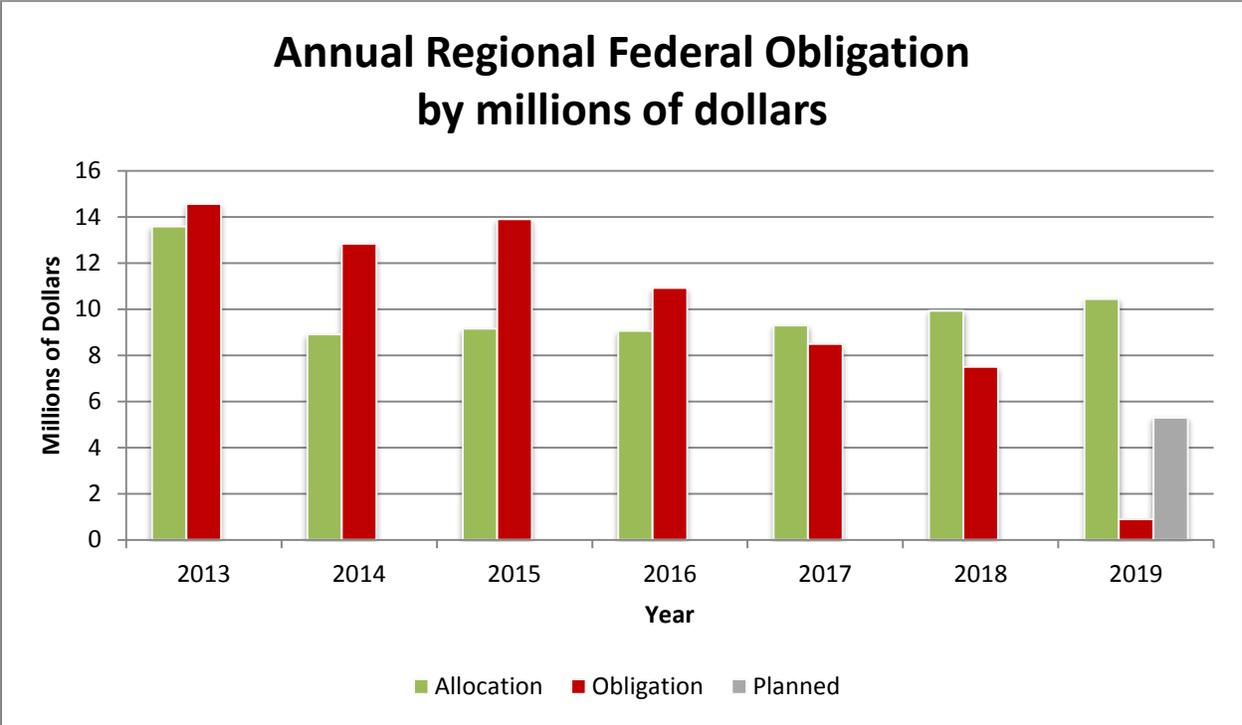
RTC ALLOCATION AND OBLIGATION

From 2013 to 2017, the region received approximately \$9 million per year, with year 2013 being higher due to a \$4.5 million carryover from year 2012. Recently, RTC received our 2018 and 2019 federal allocation, which has resulted in an increased allocation above \$10 million per year.

Beginning in 2013, local agencies in Clark County responded and obligated projects at an unprecedented rate. By the end of 2016, the Clark County region was over one year in advance of their obligation authority, which was creating issues with federal and state obligation policies. In 2016, the RTC Board revised policies to constrain obligation to the first two years of the TIP. This slowed obligation, but the region continued to meet our obligation targets each year, despite the region dealing with several projects experiencing lengthy delays.

The RTC region entered year 2019 almost \$6 million ahead and needing to obligate \$4.7 million to hit the regional obligation target. As of the end of March, only one project has been obligated. Consultation with agency grant recipients finds that only \$6.25 million of grant awards are planned to be obligated by August 2019. This planned activity provides little room for error. If large grant obligations are delayed, then the region is at risk of not meeting the defined obligation target. As a result, a contingency obligation strategy has been developed.

The Following table shows available funding and obligation from year 2013 through 2019:



GUIDEBOOK OBLIGATION POLICY

Policy 5.8 - If a project cannot make the August obligation deadline, the sponsoring agency must contact RTC in writing by March 1st of that year. If a project does not meet the required obligation deadline, including allowable one-year delay, one of the following actions will be taken:

Policy 5.8.1 – If delay is likely to impact regional obligation authority all future funds will be removed from the project. RTC staff will develop a strategy to meet the obligation target which will be approved by RTC Board. The delayed project can seek funding in future call for projects without an increase in regional federal funds.

Policy 5.8.2 – If delay is not likely to impact regional obligation authority, a project delay exception can be sought. The request must be in writing and explain the circumstances for the project delay and why the delay should be considered. Delays of less than one additional year can be approved by RTAC. Delays of greater than a year, requires RTAC and RTC Board approval.

PROPOSED 2019 OBLIGATION STRATEGY

Subcommittee of RTAC members met on April 5, 2019, and developed a 2019 obligation strategy. On April 19, 2019, RTAC reviewed and recommended that the RTC Board approve the following obligation strategy:

- 1) Immediately program \$1 million in CMAQ funds, within the 2019-2022 TIP, for Mill Plain BRT project development (PE). C-TRAN is to obligate funds before August 2019. This was the highest scoring project in last year's grant evaluation process and will bring the C-TRAN project to their \$4 million cap.
- 2) Give the Executive Director authority to amend the TIP in August, if needed, to meet the obligation target (TIP amendment must be submitted by August 16, 2019):
 - Remove all projects programmed in year 2019 of the TIP that are required to be obligated in 2019, but have not been obligated by August 15th necessary for Financial Feasibility. This could include any of the following projects: STEVE 2, Pioneer Street Railroad Overpass, Mill Plain Blvd.-104th to Chkalov, and Mill Plain Arrival on Green. Any projects removed from TIP, would be eligible to request funds in future call for projects.
 - If Pioneer Street RR Overpass is delayed, it would be replaced by adding \$800,000 in STBG-Rural funds for construction to the Clark County Blair Road project. The Blair Road project would remain below the \$4 million cap. County would need to submit an amended LAA by September 1st.
 - If Mill Plain-104th to Chkalov is delayed, it would be replaced by adding \$1,000,000 in STBG-Urban funds for right-of-way on the NE 137th Av. Corridor Completion project. NE 137th Avenue would remain below the \$4 million cap. City would need to submit an amended LAA by September 1st.

POLICY IMPLICATION

This proposed 2019 obligation strategy is intended to follow the policies outlined in the Transportation Programming Guidebook and ensure that the region meets our 2019 obligation target. Due to the constraint timing of meeting obligation targets, if needed, authority would be given to the RTC Executive Director to make required changes on August 16, 2019.

If projects need to be removed from the TIP in August and reapply for funding, it would delay project delivery beyond the delay created from overdue project delivery.

BUDGET IMPLICATION

There is no direct budget impact to RTC. There would be budget implication to the projects that receive or lose regional federal funds.

ACTION REQUESTED

Adoption of Resolution 05-19-13, “2019 Obligation Strategy”, which provides for the following actions: 1) Amends the 2019-2022 Transportation Improvement Program to add One-Million dollars (\$1,000,000) in CMAQ funds to project: Mill Plan BRT (PE phase) and 2) authorize the Executive Director to submit amendments (if necessary) to the 2019-2022 Transportation Improvement Program on August 16, 2019 consistent with the project obligation strategy outlined herein.

ADOPTED this 7th day of May 2019, by the Southwest Washington Regional Transportation Council.

SOUTHWEST WASHINGTON
REGIONAL TRANSPORTATION COUNCIL

ATTEST:

Anne McEnery-Ogle
Chair of the Board

Matt Ransom
Executive Director

Attachment

Washington State S. T. I. P.

2019 to 2022

(Project Funds to Nearest Dollar)

MPO/RTPO: RTC

Y Inside

N Outside

April 26, 2019

County: Clark

Agency: C-TRAN

Func Cls	Project Number	PIN	STIP ID	Imp Type	Total Project Length	Environmental Type	RW Required	Begin Termini	End Termini	Total Est. Cost of Project	STIP Amend. No.
14			CTRAN001	23	10.000	DCE	Yes	Downtown Vancouver	East Vancouver	25,637,000	19-05

Mill Plain Bus Rapid Transit

This project constructs transit improvements needed to provide Bus Rapid Transit (BRT) service along Mill Plain Blvd. Improvements primarily include, but are not limited to, the construction of BRT bus stations.

Funding

Phase	Start Date	Federal	Fund Code	Federal Funds	State Fund Code	State Funds	Local Funds	Total
PE	2019		CMAQ	1,000,000		0	2,775,000	3,775,000
RW	2019			0		0	1,100,000	1,100,000
CN	2022		CMAQ	3,000,000		0	17,762,000	20,762,000
Project Totals				4,000,000		0	21,637,000	25,637,000

Expenditure Schedule

Phase	1st	2nd	3rd	4th	5th & 6th
PE	3,775,000	0	0	0	0
RW	0	1,100,000	0	0	0
CN	0	0	0	20,762,000	0
Totals	3,775,000	1,100,000	0	20,762,000	0

	Federal Funds	State Funds	Local Funds	Total
Agency Totals for C-TRAN	4,000,000	0	21,637,000	25,637,000