



NORTHEAST OHIO AREAWIDE COORDINATING AGENCY

MEMORANDUM

TO: NOACA Board of Directors

FROM: Grace Gallucci, Executive Director

DATE: September 2, 2016

RE: **Resolution 2016-026 – Transportation Plan and TIP Amendment – FAST Act Funds for TLCI**

ACTION REQUESTED

The Board of Directors is asked to consider a request to use some of the increased funding received due to the FAST Act for expanding the NOACA Transportation for Livable Communities Initiative (TLCI) Implementation Program. The request is for \$500,000 for the FY16 program and \$1.0 million in subsequent years.

The Planning and Programming Committee recommends this item for approval.

The Finance and Audit Committee has evaluated the financial impacts and recommends the item for Board consideration.

BACKGROUND

The Fixing America’s Surface Transportation Act (FAST Act) was adopted in December 2015 and provides federal funding levels through fiscal year 2020. The FAST Act provided increased funding levels from that of the previous MAP-21 authorization. As a result, NOACA will receive more funding for its administered capital programs than originally projected in the Transportation Improvement Program (TIP). The following table details the actual 2016-2017 and estimated 2018-2020 funding levels for the NOACA administered Surface Transportation Block Grant (STBG) and Transportation Alternatives (TAP) programs:

SFY	Annual STBG Allocation	STBG Increase from Current TIP	Annual TAP Allocation	TAP Increase from Current TIP
2016 Actual	\$28,999,210	\$1,597,463	\$2,899,921	\$159,746
2017 Actual	\$29,596,848	\$2,195,101	\$2,959,684	\$219,510
2018 Estimate	\$30,236,140	\$2,834,393	\$3,023,614	\$283,439
2019 Estimate	\$30,992,043	\$3,590,296	\$3,099,204	\$359,029
2020 Estimate	\$31,732,753	\$4,331,006	\$3,173,275	\$433,100
TOTAL		\$14,548,260		\$1,454,826

NOACA is estimated to receive an additional \$14.5 million STBG, which represents an average of \$2.9 million per year; and \$1.45 million TAP funds, or an average of \$290,000 per year, over the life of the FAST Act.

In 2015, the Finance and Audit Committee recommended, and the Board of Directors approved, funding policies to direct the allocation of new funds. This policy directs that any funding made available in the NOACA 2016-2019 TIP would be expended considering the following hierarchy:

1. Reduce NOACA planned debt requirements
2. Advance existing TIP project(s)
3. Fund new projects
4. Project cost increases

The current NOACA 2016-2019 TIP contains significant debt service planned for NOACA STBG funding. In fact, there are five outstanding project commitments, totaling more than \$42 M, which were recently submitted to ODOT for consideration of State Infrastructure Bank (SIB) Loan and Bond program financing. ODOT has informed NOACA that the SIB Loan program currently has insufficient levels to finance the requests and that NOACA STBG funds are not an eligible repayment source for the SIB Bond program. As a result, these project commitments still exist as planned debt service requirements in the TIP and as such are a priority for new funding in accordance with above policy. However, the FAST Act increased funds are insufficient as it would take several years to fund just one of those projects.

Thus, the Board is being requested to consider the Planning and Programming Committee recommendation to use the new funding toward the NOACA TLCI Implementation Program. The TLCI program is currently programmed in the TIP for \$1.0 million of annual STBG program funds with \$500,000 for planning and \$500,000 for implementation. The NOACA Planning and Programming Committee has recommended an increase to the current TLCI Implementation Program of \$500,000 in SFY 2016 and \$1 million for SFY 2017 and beyond. This would result in a \$2 million TLCI Program (\$500,000 planning; \$1.5 million implementation) in SFY 2017 and beyond.

The Board will evaluate the proposed project funding request against current policies and levels of available funding for consideration of approval.

FINANCIAL IMPACT

The extra FAST Act funding is insufficient to cover any of the large projects currently scheduled for debt service in NOACA's TIP. As a result, the only viable uses for the additional funding would be the advancement of less costly projects in the TIP, the funding of new projects other than these, covering project cost increases for existing TIP projects, or carry the funds forward for future use.

Given the current unavailability of financing for existing projects planned for debt service, those projects would continue to be delayed until an acceptable financing mechanism is identified and approved, regardless of the decision made regarding this project.

Approval would allocate \$500,000 of NOACA STBG to the 2016 TLCI Implementation Grant Program and \$1 million of NOACA STBG to the SFY 2017 and beyond TLCI Implementation Grant Program.

The request would be funded through the annual increase of funding made available through the FAST Act. The annual average FAST Act STBG increase is \$2.9 million while this request is no more than \$1 million annually. Because this is a new allocation yet to be programmed, there is no impact to existing projects in the TIP.

CONCLUSION/NEXT STEPS

Upon Board approval, the NOACA Plan and TIP would be amended according to approved the action.

**RESOLUTION 2016-026
(TRANSPORTATION PLAN AND TIP AMENDMENT –
FAST ACT FUNDS FOR TLCI)**

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE
NORTHEAST OHIO AREAWIDE COORDINATING AGENCY**

WHEREAS, the Northeast Ohio Areawide Coordinating Agency (NOACA) is the Metropolitan Planning Organization (MPO) for the counties of Cuyahoga, Geauga, Lake, Lorain, and Medina, and the areawide water quality management agency for the same region; and

WHEREAS, the Fixing America's Surface Transportation Act (FAST Act) was adopted in December 2015 and provides federal funding levels through fiscal year 2020; and

WHEREAS, the FAST Act provided increased funding levels from that of the previous MAP-21 authorization therefore NOACA will receive more funding for its administered capital programs than originally projected in the Transportation Improvement Program (TIP); and

WHEREAS, NOACA is estimated to receive an additional \$14.5 million Surface Transportation Block Grant (STBG) program funds, \$2.9 million average per year; and \$1.45 million Transportation Alternatives Program (TAP) funds, \$290,000 average per year, over the life of the FAST Act; and

WHEREAS, In 2015, the Finance and Audit Committee recommended, and the Board of Directors approved, funding policies to direct the allocation of new funds; and

WHEREAS, This policy directs that any funding made available in the NOACA 2016-2019 TIP would be expended considering the following hierarchy:

1. Reduce NOACA planned debt requirements
2. Advance existing TIP project(s)
3. Fund new projects
4. Project cost increases; and

WHEREAS, the current NOACA 2016-2019 TIP contains significant debt service planned for NOACA STBG funding - five outstanding project commitments, totaling more than \$42 M; and

WHEREAS, these project commitments still exist as planned debt service requirements in the TIP and as such are a consideration for priority for new funding; and

WHEREAS, the FAST Act increased funds are insufficient as it would take several years to fund just one of those projects; and

WHEREAS, the NOACA Planning and Programming Committee has recommended an increase to the current Transportation for Livable Communities Initiative (TLCI) Implementation Program of \$500,000 in SFY 2016 (\$1 million total) and \$1 million for SFY 2017 and beyond (\$1.5 million total); and

WHEREAS, the request would be funded through the \$2.9 million annual increase of STBG funding made available through the FAST Act; and

WHEREAS, because this is a new allocation yet to be programmed, there is no impact to existing projects in the TIP; and

**RESOLUTION 2016-026
(TRANSPORTATION PLAN AND TIP AMENDMENT –
FAST ACT FUNDS FOR TLCI)**

WHEREAS, given the current unavailability of financing for existing projects planned for debt service, those projects would continue to be delayed until an acceptable financing mechanism is identified and approved.

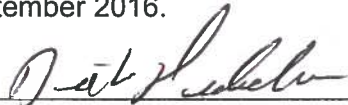
NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Northeast Ohio Areawide Coordinating Agency, consisting of 45 principal officials serving general purpose local governments throughout and within the counties of Cuyahoga, Geauga, Lake, Lorain, and Medina that:

Section 1: The TLCI Implementation Program will be increased by \$500,000 for SFY 2016 (\$1 million total) and \$1 million for SFY 2017 and beyond (\$1.5 million total).

Section 2: The NOACA Transportation Plan and TIP are amended to reflect the approved funding request.

Section 3: The Executive Director is authorized to transmit certified copies of this resolution to appropriate federal, state, and local agencies.

Certified to be a true copy of a Resolution of the Board of Directors of the Northeast Ohio Areawide Coordinating Agency adopted this 9th day of September 2016.

Secretary: 

Date Signed: SEPT 9, 2016