

NOACA FUNDS LIABILITY FOR PROJECT LOAN REPAYMENTS AND UNPAID COMMITMENTS

NOACA Policy Committee, January 19, 2018

ACTION REQUESTED

Recommend this item to the Executive Committee for placement on the March 2018 Board of Directors' agenda:

- Approve a policy that protects NOACA by terminating unpaid funding commitments or scheduled loan repayments in the event that an entity should cease to be a member of NOACA

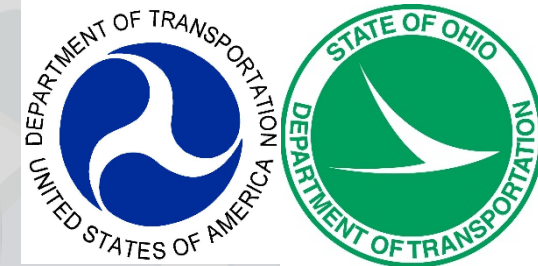
PREVIOUS ACTION

Directed by the and Board of Directors at its December 2017 meeting



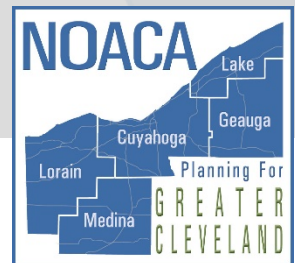
BACKGROUND

- **Geographic boundaries are a fundamental component to NOACA's planning and funding responsibilities**
- **In the event that NOACA boundaries change, those planning and funding responsibilities could change as well**
- **Examples of potential boundary changes:**
 - Member entities forming their own MPO or RTPO
 - Re-designation of MPO boundaries



BACKGROUND

- Federal regulation and NOACA policy restricts the eligibility of project funds to only those areas contained within its MPO planning area boundaries
- Therefore, at the time of a boundary change, areas not part of the defined MPO planning area would no longer be eligible for funding
- However, current NOACA policy does not address previously executed loan agreements and scheduled debt service as part of the TIP



BACKGROUND

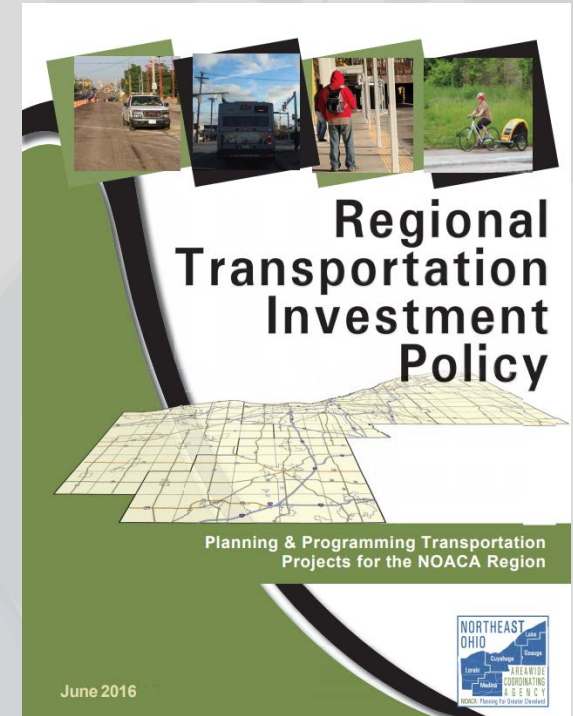
- **Staff is proposing a policy to protect NOACA in the event of a change to its MPO planning area boundary:**

In the event and at such time that a current NOACA member ceases to be a member of NOACA, thus no longer contained within NOACA's geographic boundaries (NOACA MPO Planning Area), they will no longer be eligible for NOACA Planning and project funding in the Transportation Improvement Program (TIP); thus, all projects within the existing TIP for that jurisdiction will be removed and no longer funded. Furthermore, all loan agreements previously executed as part of the TIP financing will be terminated and subsequent scheduled debt service repayments will no longer be honored by NOACA.



BACKGROUND

- **Policy will be incorporated into**
 - NOACA Regional Transportation Investment Policy (RTIP)
 - Project funding agreements, as appropriate
 - Financial instruments, as appropriate



BACKGROUND

- **Policy would be effective immediately upon Board approval and govern all existing TIP commitments**
 - Including those for which State Infrastructure bank (SIB) loans have been secured and planned for repayment

Project	NOACA (\$M)	SFY
Bagley/Pleasant Valley Road, Cuyahoga County	\$8.0	2014
Vrooman Road, Lake County	\$19.5	2015/2018
Lear Nagle Road, North Ridgeville	\$5.9	2015
Harvard / W. 150 th Street, Cleveland	\$4.0	2016
Tower City Bridges, Cleveland	\$8.3	2017
North Carpenter Road, Brunswick	\$9.7	2018
TOTAL	\$55.4	



FINANCIAL IMPACTS

There is no financial impact to this decision

NEXT STEPS

Pending Board approval, the Regional Transportation Investment Policy will be updated to include the new policy.

ACTION

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**Motion
Second
Discussion
Put the Question**



50 YEARS OF PLANNING

1968 - 2018



NOACA will **STRENGTHEN** regional cohesion, **PRESERVE** existing infrastructure, and **BUILD** a sustainable multimodal transportation system to **SUPPORT** economic development and **ENHANCE** quality of life in Northeast Ohio.

