

**STAFF REPORT**

**SOUND TRANSIT  
MOTION NO. M2000-66**

**Providing Sound Transit Local Funds to Support Rebalancing of Transportation Improvement Program**

<b>Meeting:</b>	<b>Date:</b>	<b>Type of Action:</b>	<b>Staff Contact:</b>	<b>Phone:</b>
Finance Committee	7/20/00	Deferred	Leslie Rathbun, Grants	(206)689-4939
Finance Committee	8/3/00	Discussion/Possible Action to Recommend	Program Manager Hugh Simpson, Finance	(206)398-5082
Board	8/10/00	Board Approval Action	Director	

**PROPOSED ACTION**

Authorizes the Executive Director to negotiate and execute agreements with local jurisdictions and transit agencies to provide up to \$15 million of Sound Transit local funds, including \$3.35 million of Research and Technology funds to be repaid from the jurisdictions' and local agencies' future federal Surface Transportation Program grant funds in 2004 or other funding sources. This "one-time only" action will allow local projects directly related to Sound Move to avoid delays in funding and will assist the region in rebalancing the regional Transportation Improvement Program (TIP).

**KEY FEATURES**

**Highlights of Proposed Action:**

- ◆ Approves providing Sound Transit local funds to local jurisdictions and transit agencies with repayment to be made to Sound Transit in 2004 by re-allocation of federal funds or from other funding sources. This would apply only to seven projects currently in the regional TIP that directly relate to Sound Move. These projects include: Lakewood's Commuter Rail Station (\$3.5 million), Tukwila's Pacific Highway South Redevelopment Project (\$3.4 million), Bellevue's I-405/Bellevue Downtown Access project (\$2.3 million), Everett's Pacific Avenue Overpass (\$2 million), Community Transit's Terrace Station (\$.58 million) and King County Metro's On-Board Systems Integration and Transit Safety/Security projects (\$3.35 million).
- ◆ Approves the use of the Sound Transit Research and Technology funds for transit-related Intelligent Transportation Systems (ITS) projects currently in the TIP. Sound Transit Research and Technology funds would be used to fund Metro's On-Board Systems Integration and Transit Safety/Security project totaling \$3.35 million. As repayment, \$3.35 million of 2004 federal Surface Transportation Program dollars would be programmed to Sound Transit in 2004 to replenish the Research and Technology funds.
- ◆ Establishes financing costs at State Investment Pool rate and administrative costs at 1% of the amount provided to the local jurisdictions and transit agencies.

- ◆ Requires incorporation of provisions in the action adopting the amended TIP and in the agreements to assure repayment of Sound Transit local funds.
- ◆ Authorizes the Executive Director to execute agreements with the Cities of Lakewood, Tukwila, Bellevue, and Everett, and Community Transit and King County Metro to implement this financial arrangement for a total amount not to exceed \$15 million.
- ◆ Authorization to enter into the agreements with local jurisdictions and transit agencies would expire on December 31, 2004. This date was chosen because federal transportation legislation will have been reauthorized by this time and local jurisdictions and transit agencies should have access to 2004 funding.

### **Discussion of Proposed Action:**

Earlier this year, the Washington State Department of Transportation (WSDOT) urged the Puget Sound Regional Council (PSRC) to move quickly to obligate approximately \$150 million in regional Surface Transportation Program federal funding to ensure that unobligated dollars would not be lost to other states. Due to passage of I-695 and the Endangered Species Act, local funding sources were constrained and particular projects in the regional TIP were not moving forward. To avoid losing these federal dollars, WSDOT urged the region to program and obligate funds for projects that were ready to move forward. WSDOT's \$60 million commitment to Sounder Commuter Rail was among those projects funded with the regional Surface Transportation Program funds.

With the regional TIP over-programmed by \$150 million, the PSRC was required to "rebalance" the TIP. Federal law requires that a regional TIP remain "in-balance." To be in balance, the TIP is constrained by the amount of federal funds available to the region relative to the federal funding amount of projects contained in the TIP. To achieve balance and avoid taking projects out of the TIP, PSRC extended the three-year TIP through 2004. This extension has had the intended effect of keeping projects in the TIP, however the projects that were delayed until the year 2004 cannot access funding until the next transportation bill is re-authorized. Also, the TIP extension to 2004 would preclude regional grant competitions for 2003 and partial 2004 funds. Sound Transit competes very well in regional competitions, so there are lost opportunity costs of not having 2003 and partial 2004 funds available.

Sound Transit has been working with the PSRC on innovative solutions for rebalancing the TIP and assisting local jurisdictions with their projects tied directly to Sound Move. With Sound Transit Board approval of this motion, the funding for those projects directly relating to Sound Move will not be delayed and Sound Transit will assist the PSRC in rebalancing the regional TIP.

The proposed action would authorize the Executive Director to negotiate and execute agreements with local jurisdictions and transit agencies to provide Sound Transit local funds to avoid delay of projects directly related to Sound Move. The amount made available would be repaid from the local jurisdiction or transit agency's future federal funds in 2004 or other funding sources. The agreements would include language that in consideration of receiving Sound Transit local funds, the local jurisdiction or transit agency would agree to amend the TIP to reallocate future grants to Sound Transit projects. The amount of Sound Transit local funds provided to the local jurisdictions and transit agencies shall equal the amount of funds reallocated to Sound Transit in the TIP, less an administrative fee equal to 1% of the TIP

reallocation and less interest costs at a rate equal to the yield on the Washington State Treasurer's Local Government Investment Pool at the time of the initiation of the transaction. Language in the action adopting the TIP amendment and the agreements with the local jurisdictions and transit agencies will provide assurances for full repayment of Sound Transit local funds from federal funds or other funding sources.

### **BUDGET**

1. There will be no significant impact on the Sound Transit financial plan for this proposal. The action is providing Sound Transit local dollars to be repaid from federal funds in 2004. Sound Transit financing and administrative costs would be addressed by the action.
2. There have been zero funds budgeted for this action.
3. There have been zero funds spent or committed for this action.
4. The amount requested for this action is up to \$15 million in local funds and/or Research and Technology funds, with Sound Transit being reimbursed in 2004 with federal funding.
5. There is no funding shortfall or surplus for this action.

### **ALTERNATIVES**

The Board could delay or not approve this action, which would result in the PSRC and local jurisdictions and transit agencies re-programming the projects detailed above into the 2004 TIP. These projects would have to wait until 2004 to receive potential federal funding.

### **CONSEQUENCES OF DELAY**

Approval of this action would allow Sound Transit to assist the PSRC in rebalancing the Transportation Improvement Program and provide resources to jurisdictions and transit agencies in completing their projects related to Sound Move. If the Board delays this action, the projects mentioned above would likely have to wait for the federal funding until 2004, possibly delaying completion.

### **REGIONAL PARTNERSHIP AND COOPERATION**

This action was developed in cooperation with the Puget Sound Regional Council and the Council's Regional Project Evaluation Committee.

### **PUBLIC INVOLVEMENT**

Sound Transit staff has discussed this action with the Puget Sound Regional Council and its Regional Project Evaluation Committee and Transportation Policy Board. There is a high level of support among those groups for this action.

### **LEGAL REVIEW**

MBL 7/14/00

### **BOARD ADMINISTRATION REVIEW**

JE 8/04/00

## **SOUND TRANSIT**

### **MOTION NO. M2000-66**

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the Executive Director to negotiate and execute agreements to provide up to \$15 million of Sound Transit local funds, including \$3.35 million of Research and Technology funds, to local jurisdictions and transit agencies to complete projects directly relating to Sound Move with repayment from future federal funds or other funding sources.

#### **Background:**

Earlier this year, the Washington State Department of Transportation (WSDOT) urged the Puget Sound Regional Council (PSRC) to move quickly to obligate approximately \$150 million in regional Surface Transportation Program federal funding to ensure that unobligated dollars would not be lost to other states. Due to passage of I-695 and the Endangered Species Act, local funding sources were constrained and particular projects in the regional Transportation Improvement Program (TIP) were not moving forward. To avoid losing these federal dollars, WSDOT urged the region to program and obligate funds for projects that were ready to move forward. WSDOT's \$60 million commitment to Sounder Commuter Rail was among those projects funded with the regional Surface Transportation Program funds.

Sound Transit has been working with the PSRC on innovative solutions for rebalancing the TIP and assisting local jurisdictions with their projects tied directly to Sound Move. With Sound Transit Board approval of this motion, the funding for those projects directly relating to Sound Move will not be delayed and Sound Transit will assist the PSRC in re-balancing the regional TIP.

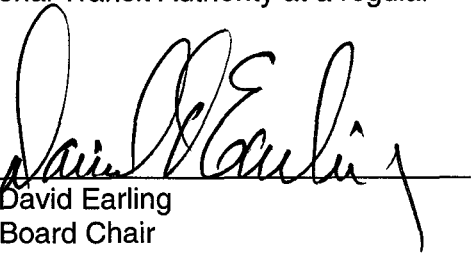
#### **Motion:**

It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that:

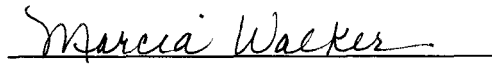
1. Sound Transit shall participate in a "one-time only" transaction to provide Sound Transit local funds to local jurisdictions and transit agencies to assist the region in rebalancing the regional TIP and providing for full repayment of Sound Transit local funds.
2. The Executive Director is authorized to negotiate and execute agreements with the Cities of Lakewood, Tukwila, Bellevue, and Everett, and Community Transit and King County Metro to provide Sound Transit local funds with repayment to be made by reallocating future federal grants to Sound Transit in the TIP or from other funding sources as may be necessary for full repayment of Sound Transit local funds.
3. Only projects currently in the regional Transportation Improvement Program (TIP) that directly relate to Sound Move are eligible to receive Sound Transit local funds under the agreements that are the subject of this Motion.
4. The total amount of all Sound Transit local funds provided to local jurisdictions and transit agencies shall not exceed \$15 million.

5. The agreements shall provide assurances for full repayment of Sound Transit local funds and shall require that local jurisdictions and transit agencies agree to amend the TIP to reallocate funds to Sound Transit projects.
6. The amount of Sound Transit local funds provided to the local jurisdictions and transit agencies shall equal the amount of funds reallocated to Sound Transit in the TIP, less an administrative fee equal to 1% of the TIP reallocation and less interest costs at a rate equal to the yield on the Washington State Treasurer's Local Government Investment Pool at the time of the initiation of the transaction.
7. Authorization to enter into said agreements shall expire on December 31, 2004.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on the 10th day of August, 2000.

  
David Earling  
Board Chair

ATTEST:

  
Marcia Walker  
Board Administrator