Legislation Details (With Text)

File #:	64017	**Version:**	1	**Name:**	5339b Discretionary Grant Application and 2021 Capital Budget Amendment
Type:	Resolution			**Status:**	Passed
File created:	2/2/2021			**In control:**	Metro Transit
On agenda:	2/23/2021			**Final action:**	2/23/2021
Enactment date:	3/3/2021			**Enactment #:**	RES-21-00155

Title: Authorizing the Transit General Manager to file an application for a Section 5339 Buses and Bus Facilities Discretionary Grant with U.S. Department of Transportation and authorizing the Mayor and the City Clerk to execute the associated grant agreement with USDOT and the 13 (c) agreement with Teamsters Local No. 695. Amending the 2021 Capital Budget to add $7 million in federal funding to Metro's Satellite Bus Facility project and changing project borrowing to General Fund-supported general obligation borrowing.

Sponsors: Samba Baldeh, Grant Foster, Syed Abbas, Nasra Wehelie

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
2/23/2021	1	COMMON COUNCIL	Adopt Unanimously	Pass
2/10/2021	1	TRANSPORTATION COMMISSION	RECOMMEND TO COUNCIL TO ADOPT - REPORT OF OFFICER	
2/8/2021	1	FINANCE COMMITTEE	Return to Lead with the Recommendation for Approval	Pass
2/3/2021	1	TRANSPORTATION COMMISSION	Refer	
2/2/2021	1	COMMON COUNCIL	Refer	Pass
2/2/2021	1	Metro Transit	Referred for Introduction	

Fiscal Note

The 2020 Adopted Capital Budget appropriated $12,893,000 in Metro supported general obligation borrowing to purchase land for Metro's Satellite Bus Facility project. Metro's 2020 Adopted Capital Improvement Plan also included amounts for construction in 2021. In the 2021 Adopted Capital Budget, construction funding for the satellite facility was transferred to the Bus Rapid Transit (BRT) project within the Transportation Department. As such, the Satellite Bus Facility project was not shown in Metro's 2021 Capital Budget.

The proposed resolution authorizes the application and execution of a grant agreement for $7 million in funds from the U.S. Department of Transportation to purchase real estate for Metro's satellite bus facility. The resolution amends the 2021 Capital Budget to add $7 million in federal funding to the Satellite Bus Facility project within Metro Transit. Construction funding transferred to BRT in the 2021 Capital Budget will remain within BRT.

Under state law, the operating subsidy provided to Metro from the City's General Fund is considered within the limits under the state's Expenditure Restraint Program (ERP). The operating subsidy also includes amounts provided to Metro to pay its debt service on newly issued general obligation debt. As Metro's capital program has expanded for major projects (e.g., renovation of the bus maintenance and storage facility, acquisition and

development of a satellite facility), Metro debt service has increased commensurately. This increase has placed more pressure on the city qualifying for ERP and the associated $7 million in state aid. In the 2020 and 2021 budgets, this issue was addressed through allocation of the city's reoffering premium from debt issuance toward payment of Metro debt service. The efficacy of this approach is limited going forward as Metro's capital budget and debt issuance continues to expand. Another option to address the ERP issue is to fund Metro's capital budget from General Fund-supported borrowing and contributing the resulting asset to Metro.

In response to the ERP situation, the proposed resolution also changes the funding source for the Satellite Bus Facility project from Metro supported general obligation borrowing to General Fund general obligation borrowing. The estimated annual debt service on $12.9 million assuming 20 year general obligation bonds is approximately $1.0 million initially.

Total funding for the Satellite Bus Facility project will be $19,893,000 ($12,893,000 city general obligation borrowing and $7 million federal funds).

Title

Authorizing the Transit General Manager to file an application for a Section 5339 Buses and Bus Facilities Discretionary Grant with U.S. Department of Transportation and authorizing the Mayor and the City Clerk to execute the associated grant agreement with USDOT and the 13 (c) agreement with Teamsters Local No. 695. Amending the 2021 Capital Budget to add $7 million in federal funding to Metro's Satellite Bus Facility project and changing project borrowing to General Fund-supported general obligation borrowing.

Body

PREAMBLE

The Section 5339 Buses and Bus Facilities Discretionary program provides funding to state and local governmental authorities for the purchase or lease of transit buses as well as acquisition, construction, and leasing of required supporting facilities. Under 49 U.S.C. 5339 (b)/FAST Act Section 3017, $ 423.35 million in funds were made available for this program. The City of Madison was awarded $7 million to purchase real estate for a Metro Transit satellite facility.

This resolution amends the 2021 Adopted Capital Budget to add $7 million in federal funding to Metro's Satellite Bus Facility project and changes project borrowing from Metro supported general obligation borrowing to General Fund general obligation borrowing.

WHEREAS, The United States Department of Transportation recently awarded the City of Madison's Metro Transit Division a highly competitive Section 5339 Buses and Bus Facilities Discretionary grant to support the purchase real estate for a Metro Transit satellite facility; and

WHEREAS, Resolution 56199 passed on June 18, 2019 Supporting Madison Metro's 5339b Grant Application to Federal Transit Administration indicated that "if the Federal Transit Administration awards the City of Madison a grant of up to $7 million for the acquisition of a bus storage facility, the City of Madison would provide the remaining funds needed for acquisition, up to $5 million"; and

WHEREAS, The 2020 Adopted Capital Budget appropriated $12,893,000 in general obligation borrowing for Metro's Satellite Bus Facility project and with Metro Transit's general obligation borrowing planned as the local match to the Federal grant award; and

WHEREAS, Metro's expanding capital program and associated debt service requires increases in the operating subsidy from the City's General Fund, with associated impacts on the city's capacity to qualify under the state's Expenditure Restraint Program and that use of General Fund-supported borrowing for some Metro capital projects could reduce this impact; and

WHEREAS, as a condition of the assistance, the City of Madison must provide all annual certifications and assurances required by FTA and negotiate an agreement relating to the protection of mass transit employees

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under the provisions of Section 5333(b), formerly Section 13 (c) of the Federal Transit Act, as amended; and

WHEREAS, the U.S. Department of Transportation's Master Agreement contains a provision which requires the City to indemnify, save and hold harmless the Federal Government against any liability, including costs and expenses, resulting from any willful or intentional violation by the City of Proprietary rights, copyrights, or right of privacy, arising out of the publication, translation, reproduction, delivery, use, or disposition of any data furnished under the projects; and

WHEREAS, pursuant to APM 1-1, the inclusion of such a provision requires the express approval of the Common Council,

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF MADISON:
1. That the Transit General Manager is authorized to execute and file applications for capital assistance for the Section 5339 Buses and Bus Facilities Discretionary Grant program on behalf of the City of Madison with FTA for Federal assistance authorized by 49 U.S.C. 5339 (b)/FAST Act Section 3017, or other Federal Statutes authorizing the above-mentioned projects set forth in the preamble and administered by FTA.
2. That the 2021 Adopted Capital Budget be amended to add $7 million of federal funding to the Satellite Bus Facility project and use the necessary funding from Metro Transit’s general obligation borrowing as a local match to the Federal grant award.
3. That the Satellite Bus Facility project borrowing be changed from Metro supported general obligation borrowing to General Fund general obligation borrowing.
4. That the Mayor and City Clerk are authorized to execute grant agreements for the aforementioned applications.
5. That the agreements with FTA will contain indemnification provisions negotiated by and acceptable to Metro staff, the City Attorney and the Risk Manager.
6. That while the indemnification clause increases the City’s exposure to risk; the City has coverage for indemnification clauses under its current insurance policy, subject to the policy’s terms and conditions.
7. That the Mayor and City Clerk are authorized to execute agreements pursuant to Section 5333 (b) under the Federal Transit Act, as amended, between the City of Madison, Wisconsin and Drivers, Salesmen, Warehousemen, Milk Processors, Cannery, Dairy Employees and Helpers Union Local 695, affiliated with the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America, with reference to this grant application.

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