MEMORANDUM

TO: Thurston Regional Planning Council
FROM: Paul Brewster, Senior Planner
DATE: October 26, 2018
SUBJECT: Turnwater Deschutes Valley Trail Federal Funding Transfer Request

PURPOSE

To review the City of Tumwater's request to reprogram $308,601 federal Surface Transportation Program (STP) grant funds from the Tumwater Valley Urban Trail – Phase 1 to the Deschutes Valley Trail: Tumwater Historical Park to Falls Park (Segment A1).

Summary:

- TRPC, as the Metropolitan Planning Organization for the Thurston Region, has authority for selecting and programming priority transportation projects funded by several federal transportation grant programs.
- Tumwater requests TRPC reprogram $308,601 federal STP from the Tumwater Valley Urban Trail – Phase 1 to the Deschutes Valley Trail: Tumwater Historical Park to Falls Park (Segment A1). These are two separate trail project segments within the same trail corridor. (See attached map to reference the different trail segments under consideration in this report)
- Tumwater is in the process of deobligating the grant and closing the project.
- This staff report outlines the basis for the funding transfer request and the steps necessary to fulfill it.
- TRPC and Tumwater City Staff will brief Councilmembers on November 2.

REQUESTED ACTION

This agenda item is for a staff briefing to the Council and the Councilmembers' discussion. The Council is scheduled to take action on this federal funding request on December 7.

73:bm

Marc Daily
Executive Director

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360-956-7815 Fax
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BACKGROUND

The City of Tumwater is making progress on the development of the Deschutes Valley Trail (DVT). When completed, the DVT corridor will connect Tumwater’s Pioneer Park (accessible from Henderson Boulevard) to Tumwater Historical Park (south of the I-5/US 101 interchange below Tumwater Falls). This trail project is significant to the region because it will provide trail users access to the Deschutes River and Capitol Lake shorelines, the historic Olympia Brewhouse properties, and it will be the primary connection between Tumwater and the greater Thurston Regional Trails Network, via the Karen Fraser Woodland Trail.

History of Grant Funding to the DVT
Due to the size and complexity of the DVT Corridor Project, Tumwater divided the planning, design, and construction of the corridor into several manageable and flexible segments that are treated as separate projects. TRPC awarded funding to three of these projects over the last 12 years:

- In 2006, Tumwater received a $308,601 federal Surface Transportation Program (STP) grant for Tumwater Valley Urban Trail – Phase 1. The project was to design and construct a 1.1 mile paved shared-use trail along the west side of the Tumwater Valley Golf Course between East “T” Street and Tumwater Valley Drive by the Valley Athletic Club. This grant is the subject of this staff report and is identified on the attached map with a magenta dotted line.

- In 2014, Tumwater was awarded a $206,346 federal Transportation Alternatives Program (TAP) grant to design and construct a segment from the Capitol Lake Interpretive Trail through Tumwater Historical Park, connecting to the Simmons Street Trail which terminates on Deschutes Parkway above Tumwater Falls. This project was completed in 2017 and is depicted with a solid green line on the map.

- In 2016, TRPC awarded Tumwater a $1,000,000 Congestion Mitigation and Air Quality Improvement Program (CMAQ) grant to complete the alignment through Tumwater Historical Park to Falls Park (Segment A1 – gold line on map). The project includes the design, right-of-way, and construction of a paved shared use trail through Tumwater Falls Park to connect to the existing Simmons Street trail segment. The total project cost estimate for segment A1 is approximately $2 million. The $308,601 in federal funds will be used on this project, thereby making the same amount of Tumwater’s local funds available to reimburse the federal expenditures and close the 2006 grant.

Federal Funding Reprogramming Request
On October 1, 2018 Tumwater requested TRPC approve reprogramming $308,601 STP grant funds from the Tumwater Valley Urban Trail, Phase 1 (2006 award) to the Deschutes Valley Trail: Tumwater Historical Park to Falls Park (Segment A1) Project (2016 award).

The basis for Tumwater’s request is a deliberate response to the complexities of administering federal transportation grants for a large project divided into multiple phases. The City is experiencing significant challenges with competing all phases of the project within the required federal timeline (see attached correspondence between WSDOT Local Programs Manager, Stephanie Tax and Tumwater Public Works Director Jay Eaton). The request is also a strategic move to reprogram the funds to a trail segment with a tighter scope of work that is closer to its construction phase.

Tumwater invested considerable time and revenue on the planning and design of the DVT segment, first awarded funding in 2006 (magenta dotted line on map). Nearly all the federal funding is expended. No additional federal revenue is programmed for this project and additional studies are required to finalize this segment’s alignment and engineering needs. Federal Highway Administration stresses the
importance of timely implementation and closure of federal grants. Therefore, Tumwater has opted to reimburse the federal grant and close the project and thereby remove the federal grant requirements that impose additional constraints on this challenging segment of the trail. Such a move will also free the federal funding to be programmed to another part of the trail (Segment A1), which is also a regional priority transportation project. The City has expressed its commitment to completing the original Phase 1 segment as funds become available.

Tumwater is scheduled to start construction on Segment A1 within Tumwater Falls Park in 2020 and is seeking the Council’s approval to reprogram $308,601 STP grant funds to the construction phase of this project – identified as a regional priority in TRPC’s 2016 Call for Projects.

Steps to Reprogram this Regional Federal Transportation Program Grant
For this funding request to occur, several steps must be accomplished:

1. Tumwater must submit a request to reprogram the grant funds (this step is fulfilled – see attached October 1 Letter from Tumwater Public Works Director Jay Eaton).

2. Tumwater must deobligate the grant funds by reimbursing the federal grant revenue expended to date on the project. Tumwater has initiated this step. In addition, Tumwater must also provide documentation to the Washington State Department of Transportation (WSDOT) Local Programs to close the project. Upon closing, the STP funds will be available for reprogramming within the Thurston Region. TRPC staff recommends Council action to reprogram the funds, although an award wouldn’t be issued to Tumwater for Segment A1 until TRPC receives notice of the project’s successful closure.

3. The Council is scheduled to review Tumwater’s request on November 2 (first reading) and is scheduled to take action on December 7 (via consent calendar).

4. The Transportation Policy Board (TPB) is scheduled to review Tumwater’s request and forward a funding recommendation to the Council on November 14.

5. If approved, reprogramming the federal funds will require an amendment to the 2019-2022 Regional Transportation Improvement Program (RTIP). The TPB approves RTIP amendments, but staff recommends that in this case, the RTIP amendment be approved by the Council along with the federal fund reprogramming on December 7, pending recommendation from the TPB on November 14. Staff expect that the RTIP amendment would then be processed in the first quarter 2019.

6. TRPC staff will seek public comments on this grant reprogramming request and the concurrent RTIP amendment from October 24 to November 7. All public comments received will be shared with the TPB and the Council.

7. If approved by the Council, and the Tumwater Valley Urban Trail – Phase 1 project successfully closes, the TRPC Executive Director will issue an award letter to the City of Tumwater for the construction phase of the Deschutes Valley Trail: Tumwater Historical Park to Falls Park (Segment A-1).

STAFF RECOMMENDATION

TRPC and Tumwater Staff will brief the Council and answer questions. This agenda item is for review and discussion only. The Council is expected to take action via the December 7, 2018, TRPC Consent Calendar.
1. Original Project that Tumwater is deobligating (2006, Tumwater Valley Trail)
2. Segment A1 – Project Tumwater is requesting to be recipient of $308,601 federal STP grant
3. Existing Facility
4. Segments A2 through D – Planned projects
October 1, 2018

Marc Daily, Executive Director
Thurston Regional Planning Council
2424 Heritage Court SW, Suite A
Olympia, WA 98502

RE: Request for Fund Reallocation - Deschutes Valley Trail

Dear Mr. Daily,

This letter has been written to request approval from Thurston Regional Planning Council to reprogram $308,601 in STP funds from the Deschutes Valley Trail (design only) project to the Deschutes Valley Trail: Tumwater Historical Park to Falls Park (Segment A-1). The City has worked diligently and has made a considerable local investment on the design of the Deschutes Valley Trail project over the last twelve years. During this time, the project has grown in size, complexity and cost. Given the timelines associated with the federal funding for this project and the current funding available, this project has too many challenges and is too large to be approached as a single deliverable project.

As you are aware, we received a letter from WSDOT Local Programs on September 14, 2018, stating the City is on the federal inactive list for the Deschutes Valley Trail design-only project. Because we expended all remaining federal funds on the project in 2015, there are no federal funds to bill against, which triggers the inactive status. We will continue to be on this inactive list until construction of the entire trail system, from the Historical Park to Pioneer Park, is complete. This is the third such letter we have received, and theoretically WSDOT can pull our funding because we continue to remain on the list. The more conservative and flexible approach for the development of the complete trail, is to deliver shorter segments as funding comes available.

Some advantages to the requested approach to reprogram the funds include removal of the project from the federal inactive list eliminating the risk of loss of funding, significant administrative cost savings and simplification of the project programming as trail segments are funded. As such, the City plans to de-obligate the design project and return expended federal funds.

We want you to know the City is committed to deliver the Deschutes Valley Trail as envisioned and we are thankful for the support from Thurston Regional Planning Council. If you have any questions, please contact Brandon Hicks at 360-754-4140 or bhicks@ci.tumwater.wa.us.

Sincerely,

Jay C. Baton, P.E.
Public Works Director

www.ci.tumwater.wa.us
October 3, 2018

WSDOT – Local Programs
Attn: Stephanie Tax
PO Box 47390
Olympia, WA 98504-7390
Sent via email to: TAXS@WSDOT.WA.GOV

Re: Deschutes Valley Trail
STPUS-1325(003)
FHWA Inactive Project and Planned De-Obligation

Dear Ms. Tax:

This letter has been written in response to your letter dated September 6, 2018, regarding the inactive status of the subject project. The City has worked diligently on this project over the last twelve years and has considerable local investment in the Plan. During this time the project has grown in size and complexity and given the timelines and current funding available, has too many challenges and is too large to be approached as a single deliverable project. In hindsight, we should have revised this project to a planning study as soon as we realized the uncertainty in our vision.

The City has chosen the more conservative and flexible approach to deliver shorter segments, as funding comes available. With this, the City has started working with Local Programs Olympic Region staff to de-obligate this project and return expended federal funds. We are working with TRPC staff to reprogram funds into the CN phase of the Tumwater Historical Park to Falls Park segment of trail (CM-1325(007)), pending TRPC Council approval later this year.

We want you to know the City is committed to deliver this Trail as envisioned and we are appreciative of the support from Local Programs. We are actively working towards completion of the Tumwater Historical Park to Falls Park segment of the trail, we are approaching citizens for Parks funding on the current ballot, and we are currently scheduled to receive state funding in the amount of $5.8 million in the 2024-2028 State budget.

I want to thank you and your staff for your assistance through the years and for your patience with us on this project. If you have any questions or concerns, please contact me at 360-754-4140 or via email at JEaton@ci.tumwater.wa.

Sincerely,

Jay Eaton, PE
Public Works Director

cc: Neal Campbell, Olympic Region Local Programs  
    Marc Daily, TRPC  
    Brandon Hicks, Transportation manager

encl: Inactive Status Letter

www.ci.tumwater.wa.us
September 6, 2018

Mr. Jay Eaton:
Public Works Director
City of Tumwater
555 Israel Road SW
Tumwater, Washington 98501-6568

City of Tumwater
Deschutes Valley Trail
STPUS-1325(003)
Inactive Project

Dear Mr. Eaton:

WSDOT has been notified by the Federal Highway Administration (FHWA) that the above-mentioned project is inactive. This project was authorized in September 2010, for a shared use trail extending from the City's Pioneer Park to the Tumwater Historical Park.

The city authorized and expended $304,897 for the design of the trail through December 2015. To date, the city has explained that local funds are being utilized to complete the design, however, NEPA approval has not been obtained. FHWA requires that each phase be fully funded at the time of authorization and that projects continually progress forward. (23 CFR 630 and FHWA Order 5020.1)

To adequately address FHWA inquiries on this project, please provide an update schedule for the delivery of this project and justification for the delay of the project moving forward, no later than October 5, 2018. Also, any project that utilizes federal funds is required to be constructed.

FHWA and WSDOT are committed to ensure the city is successful in delivering federal projects. If you have any questions please contact, Neal Campbell, Olympic Region Local Programs Engineer, at 360.357.2666.

Sincerely,

Stephanie Tax
Manager, Program Management
Local Programs

cc: Marc Daily, TRPC
Neal Campbell, Olympic Region Local Programs Engineer, MS 47440