

Legislation Text

File #: RS 17 2222, **Version:** 1

RESOLUTION NO. 2222 - ACCEPT WARRANTY DEED FROM COWLITZ TRANSIT AUTHORITY FOR TRANSIT CENTER PROPERTY

COUNCIL INITIATIVE ADDRESSED:

Continue effective financial management

CITY ATTORNEY REVIEW: REQUIRED

SUMMARY STATEMENT:

In 2015, the City received a state audit finding for failing to comply with the Federal Funding Accountability and Transparency Act (FFATA) requirement to report grant sub-awards. The City is the designated recipient for Federal Transit Administration (FTA) grant funds used to acquire buses, and the state auditor determined that placing the title of new buses in the name of the Cowlitz Transit Authority (CTA) represented a sub-award which the City had not reported. Previous interlocal agreements with the CTA specified that transit assets would be owned by the CTA provided the City had been reimbursed by the CTA for the non-grant covered costs of acquiring the assets, including any required grant local match.

However, the FTA has certain requirements for recipients of federal grant sub-awards, and there is uncertainty the CTA qualifies as a sub-recipient to receive a sub-award. The FTA is required to intervene to resolve audit findings regarding FTA grants, and after City discussions with the FTA on this matter, the FTA recommended the interlocal agreement be revised to specify assets acquired with FTA funds remain owned by the City (the grant recipient), and that assets previously purchased with FTA funds and transferred to the CTA, be transferred back to City ownership.

On November 3, 2016, the City Council approved a new interlocal agreement with the CTA containing language requiring ownership of assets acquired with FTA funds be owned by the City. As the FTA grant recipient, the City has the obligation to use the transit assets to provide public transit service unless a qualified grant recipient is found to assume that obligation and all assets acquired with FTA funds are transferred to the new designated grant recipient. The Transit Center property and improvements were funded by FTA grants to the City and therefore must be owned by the City.

Additionally, the City recently received an FTA grant to expand the Transit Center to accommodate expanded transit service and the resulting additional staff. In order to construct the expanded Transit Center, the two underlying properties - one owned by the CTA and one by the City - must be combined into one parcel so the building is not constructed across property lines.

The attached warranty deed transfers ownership of the Transit Center from the CTA back to the City to fulfill one of the obligations to resolve the audit finding. Transferring ownership will also allow the underlying properties to be combined as required for the Transit Center expansion project.

FINANCIAL SUMMARY:

There is no cost to the City to complete this property transfer.

RECOMMENDED ACTION:

Motion to approve Resolution No. 2222

STAFF CONTACT:

Jeff Cameron, Public Works Director