



CITY COUNCIL ACTION REPORT

December 9, 2015

TO: Honorable Mayor and Troy City Council Members

FROM: Brian Kischnick, City Manager
Lori Grigg Bluhm, City Attorney

SUBJECT: Pass Thru Agreement Between SMART and Troy Regarding Transit Center FTA Grant

History

In 2010, SMART was designated as the grantee of the \$1,300,000 Federal Transit Authority (FTA) appropriation secured by Congressman Peters. SMART is an eligible FTA grantee, but the City is not, so in a collaborative partnership, SMART agreed to accept the appropriation on behalf of the Multi-Modal Transit Center project. MDOT also agreed to provide \$325,000 in a funding match. This is in addition to construction dollars received through an FRA (Federal Rail Administration) grant.

When the adverse Court of Appeals decision made it necessary to file a condemnation lawsuit to re-acquire the Transit Center parcel, the City worked with SMART to request FTA repurpose the appropriation to allow it to be used for land acquisition purposes. Since that time, the condemnation case has been finalized and the City paid the judgment amounts to Grand Sakwa earlier this fall. In order for the City to receive reimbursement for the money paid for the land re-acquisition, SMART requires a pass-thru agreement which must be approved by the FTA. On Wednesday, December 9, 2015, SMART forwarded us a proposed Pass-Thru Agreement. City Administration worked quickly with SMART to clarify some of the provisions in the Agreement, and recommends the approval of the attached Pass-Thru Agreement, which incorporates these clarifications.

Essentially, the Pass-Thru Agreement requires the City to comply with all federal regulations and rules before receiving federal funds. Additionally, the Agreement clearly recognizes that SMART has not assumed any responsibility or liability for the Transit Center project, but as an eligible recipient for FTA funding, SMART is acting as a conduit for the federal money on behalf of the Transit Center project. The Agreement also sets forth the right of SMART to use the Transit Center parcel for its purposes.

Recommendation

City Administration recommends that City Council approve the attached Pass-Thru Agreement between the City of Troy and SMART, and authorizes the Mayor and City Clerk to execute the document on behalf of the City.