



Transportation Committee

November 25, 2009

Close-Out Strategy: American Recovery and Reinvestment Act (ARRA)

Issue: How does SACOG staff intend to handle the obligation of remaining ARRA projects in order to meet Caltrans' deadline of December 15, 2009, and avoid losing the funds to other regions within the state.

Recommendation: None; this is for information only

Discussion: On March 11, 2009, the Board approved the programming of \$72M in ARRA funds for projects in Sacramento, Sutter, Yolo, and Yuba counties and granted the Executive Director the authority to fund any Tier II or Tier III project to prevent potential loss of ARRA funds if insufficient project delivery had taken place. Per Caltrans' ARRA deadlines, all of the region's ARRA funds must be obligated by 12/15/09 or risk redistribution of those funds to other regions.

As of 11/25/09, \$22.9M in ARRA funds are still in the process of being obligated, which includes \$20.0M for the City of Sacramento's Intermodal Transportation Facility (Railyards). Staff is in regular contact with the local lead agencies and Caltrans and expects all projects currently in the process to receive FHWA approval (obligation) prior to 12/15/09. Any ARRA project savings from construction awards deobligated after December 15, 2009, will be applied to other projects in the Region prior to the final deadline for the re-obligation of September 30, 2010.

With respect to short-term savings, there have been a small amount of ARRA project savings from the summer and fall of 2009. These savings were due to the competitive construction bidding climate with construction awards coming in lower than the obligated construction funds. In keeping with past practice, SACOG staff has allowed savings from rehabilitation funds to be applied to other rehabilitation projects by the sponsoring agency if the project can be obligated within the ARRA deadlines. Yolo County, Sutter County, City of Citrus Heights, City of Elk Grove, and the City of Winters are re-obligating ARRA rehabilitation project savings to additional rehabilitation work. Savings from capital funds are being captured by the region and redistributed to Tier II projects in priority order. Staff expects to fully fund the top two Tier II projects: Woodland's County Road Rehabilitation for \$327,863 and City of Citrus Heights' Twin Oaks Rehabilitation for \$613,720 with the project savings.

It is SACOG's goal to obtain 100% delivery of the Region's ARRA projects within the state's deadline and to be in position to receive any redistribution of unobligated ARRA funds from other regions for the funding of additional Tier II and Tier III projects.

Approved by:

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