TO: HONORABLE CITY COUNCIL

FROM: CITY MANAGER DEPARTMENT: PLANNING

DATE: AUGUST 9, 2005 CMR:381:04

SUBJECT: RESOLUTION AUTHORIZING THE FILING OF AN APPLICATION FOR FEDERAL SURFACE TRANSPORTATION PROGRAM FUNDING FOR STREET REHABILITATION PROJECTS FOR UNIVERSITY AVENUE AND PAGE MILL ROAD

RECOMMENDATION
Staff recommends that Council adopt the attached resolution (Attachment A) authorizing the City Manager or his designee to submit an application to the Santa Clara Valley Transportation Authority for a grant of $556,728 in funds from the federal Surface Transportation Program (STP) for local streets and roads rehabilitation projects in FY 2005/2006. The funds will be used for resurfacing of segments of University Avenue and Page Mill Road through the City’s Street Resurfacing Program.

BACKGROUND
The Metropolitan Transportation Commission’s (MTC) 2003 survey of local streets and roads maintenance needs showed that region-wide, over the next 25 years, the cost of maintaining and replacing the street system that exists today exceeds the revenues expected to be available for that purpose. In Santa Clara County, the total local road shortfall is projected to be $1.7 billion. Approximately $500 million of that is on federal aid-eligible roads.

In response, MTC’s 2005 Regional Transportation Plan (T-2030) directed $990 million in future federal transportation revenues over 25 years to address the shortfall on the Metropolitan Transportation System (MTS) roads region-wide. MTC programmed some of the funds expected from the Transportation Equity Act for the 21st Century (TEA-21) reauthorization in 2005/06 and 2006/07 for local streets and roads rehabilitation and reconstruction. MTC delegated the responsibility to select the projects in each county to the local Congestion Management Program.

The VTA Congestion Management Program issued a call for projects on June 4, 2004 (Attachment B). The goal of this program is to assure that the MTS streets and roads in Santa Clara County are in good repair. Where the MTS streets are in good shape or there
are no MTS streets, agencies may petition to fix serious problems on other federal aid eligible arterials and collectors. A total of $16,074,000 is available for programming in Santa Clara County in fiscal years 2005/2006 and 2006/2007. The money will not actually be available to cities and counties until July 2005. All of the funds must be obligated by April 1, 2007.

**DISCUSSION**
Palo Alto has three City-maintained streets on the MTS system: San Antonio Road, University Avenue and Page Mill Road. All three streets meet the road condition index threshold to qualify for the grant funds. University Avenue from the east city limits at San Francisquito Creek to Chaucer and two segments of upper Page Mill between Highway 280 and Skyline Boulevard (Route 35) are straight resurfacing projects that will be ready for implementation in FY 2005/06. Staff recommends applying the STP funds to these streets in the first year of the two-year funding cycle. While San Antonio Road from Highway 101 to Alma Street also would qualify, the scope of this project is not yet fully defined and was not considered a candidate for grant funding at this time. Public Works, Parks and Transportation staff are discussing how to integrate the resurfacing of San Antonio road with the planned multi-year median rehabilitation and re-landscaping project (CIP PG-00009), and possible road restriping and reconstruction to accommodate bike lanes.

**Application Process**
Staff submitted a written request for grant funds to VTA by the submittal deadline on July 13, 2004. The resolution of the City Council, opinion of counsel and letter of assurances must be submitted to VTA by September 1. If the City Council decides not to pursue the grant, staff will advise VTA staff to withdraw the City’s application from consideration.

**RESOURCE IMPACT**
The total cost of resurfacing the two streets is estimated to be $706,000, in excess of the available grant funds. The grant will cover up to $556,728 of the project cost. A minimum local match of 11.47 percent is required by the VTA. Palo Alto’s local match of $150,000 is a 21 percent local match, and will be provided from the annual Street Maintenance and Resurfacing budget of approximately $2.0 million/year.

Since the STP grant funds are disbursed on a reimbursement basis, City funds will be reimbursed by the grant funds. Staff will notify Council when the grant is formally approved.

**POLICY IMPLICATIONS**
STP funds are federal funds, which will require that the City comply with the Caltrans Local Assistance project delivery policies and procedures. The Public Works Department
has implemented several projects in recent years using federal grant funds and staff is familiar with the procedures, schedule, timing and reporting requirements.

**ENVIRONMENTAL ASSESSMENT**
These proposed street resurfacing projects are minor alterations and repairs to existing facilities and are categorically exempt under the California Environmental Quality Act section 15301(c) of the CEQA guidelines.

**ATTACHMENTS**
A. Resolution authorizing the submittal of STP grant program funding
B. VTA Call for Projects letter dated June 4, 2004
C. Palo Alto’s STP grant application

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