TO: HONORABLE CITY COUNCIL

FROM: CITY MANAGER
        DEPARTMENT: PLANNING
        AND COMMUNITY ENVIRONMENT

DATE: JULY 25, 2005

SUBJECT: RESOLUTION AUTHORIZING THE FILING OF AN APPLICATION
        FOR FEDERAL SURFACE TRANSPORTATION PROGRAM FUNDING
        FOR EMBARCADERO ROAD STREET REHABILITATION PROJECT

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 $231,990 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 Embarcadero Road
from Middlefield Road to Emerson Street 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. The goal of this program is to assure that federal aid-eligible arterials and
collectors streets and roads in the MTC region are in good repair. MTC delegated the
responsibility to select the projects in each county to the local Congestion Management
Program.
VTA issued a first call for projects in mid 2004, when $16 million was available to Santa Clara County from the 2005/06 STP fund. Palo Alto received funding of $556,000 in the first cycle for resurfacing of University Avenue and upper Page Mill Road.

The VTA Congestion Management Program issued a new call for projects on May 9, 2005 for a second phase of STP funding for Local Streets and Roads rehabilitation projects in 2005/06. There is approximately $5.7 million available for programming. (Attachment B). This funding represents a windfall of new monies, which will supplement the $16 million in funding that was originally allocated in late 2004.

**DISCUSSION**

The funding in this second cycle must be used for federal aid-eligible streets with a classification of minor collector or higher. The street must have a pavement condition index of between 0 and 70 on the Pavement Management System list in order to qualify for funding. Public Works Engineering staff have reviewed the list of eligible streets and their pavement conditions and recommend that the funding be requested for the section of Embarcadero Road between Middlefield and Emerson Street, which is scheduled for resurfacing in 2007.

Staff submitted a written request for grant funds to VTA by the submittal deadline on June 6, 2005. The resolution of the City Council, opinion of counsel and letter of assurances must be submitted to VTA by August 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 this section of Embarcadero Road is estimated to be $466,474. The grant will cover up to $231,990 of the project cost. A minimum local match of 11.47 percent is required by the VTA. Palo Alto’s local match of $234,484 is a 50 percent local match, and will be provided from the annual Street Maintenance Program budget of approximately $1.9 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 May 9, 2005  
C. Palo Alto’s STP grant application

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