TO: HONORABLE CITY COUNCIL

FROM: CITY MANAGER DEPARTMENT: PLANNING AND COMMUNITY ENVIRONMENT

DATE: APRIL 15, 2002 CMR:202:02

SUBJECT: RESOLUTION APPROVING A CALTRANS PROGRAM SUPPLEMENT AGREEMENT BETWEEN THE CITY OF PALO ALTO AND CALTRANS FOR THE EMBARCADERO ROAD PEDESTRIAN/BIKE BRIDGE AND BIKE PATH PROJECT (CAPITAL IMPROVEMENT PROGRAM PROJECT-19310)

RECOMMENDATION
Staff recommends that Council adopt the attached resolution approving a Program Supplement Agreement between the City of Palo Alto and Caltrans, which would allow the City to be reimbursed by federal and state matching funds up to an estimated amount of $1,161,460, for construction of the Embarcadero Road Pedestrian/Bike Bridge and Bike Path Project.

BACKGROUND
For the past several years, staff has been developing a project to construct a bicycle/pedestrian path along the west side of the Caltrain tracks, from Churchill Avenue to the University Avenue Caltrain Station, including a bicycle/pedestrian bridge over Embarcadero Road. This project has been a long-planned completion of a key segment of the City’s adopted bikeway system. The project has a long and complicated background including an estimated shortage of funds. Please refer to Attachment B, CMR:365:01, for more details.

DISCUSSION
In September 1998, due to a lack of funding and objections from the railroad unions, staff recommended that Council cancel the project. However, Council voted to refer the item back to staff to explore alternatives. In view of that Council direction, staff filed an application in April 1999 for federal TEA-21 funds in the amount of $800,000 to cover the funding shortfall. TEA-21 funding in the amount of $800,000 was approved and is included in the 1999-2000 State Transportation Improvement Plan (TIP) and the 2000-2001 Capital Improvement Program (CIP) budget.
Since the project involves the use of federal funds, Palo Alto is required to follow procedures and standards established by the federal government and administered on its behalf by Caltrans. These include review and approval of right-of-way, environmental documents, plans and specifications and Council adoption of a resolution approving a program supplement agreement.

Program supplement agreements are used by Caltrans to cover the financial reimbursements and conditions that are specific to a project. This agreement serves as a supplement to the Local Agency State Agreement for Federal Aid, which was entered into between the City and the state on July 17, 1997.

**RESOURCE IMPACT**

Funds budgeted for this project total $1,516,000. The funding sources are State Transportation Development Act funds ($195,510), State Transportation Systems Management funds ($46,000), Federal Congestion Mitigation Air Quality funds ($320,000), Federal TEA-21 funds ($800,000) Holiday Inn mitigation fees ($37,000), and the City’s Street Improvement Fund ($118,260).

Of the $1,516,000, $242,000 is budgeted for design and $1,274,000 for construction. The total cost of construction is estimated to be $1,557,000 ($1,274,000 for construction, $125,000 for construction contingencies, $150,000 for construction management, and $8,000 for testing of materials). This leaves a gap of $283,000. Hopefully, a favorable bidding climate will be sufficient to cover this gap. If not, staff will recommend not building the bridge to connect the path on either side of Embarcadero Road, and explore with Palo Alto Unified School District an option of detouring the path through Palo Alto High School and across Embarcadero Road at the pedestrian signal.

**TIMELINE**

Staff filed an application with the Public Utilities Commission (PUC) requesting approval of the project in October 2001. To date, the PUC has not acted on the application. Given uncertainty regarding the PUC decision and the current workload and shortage of staff in the Department of Public Works, Engineering Division, it is likely that this project may not be bid for construction before January 2003.

**ENVIRONMENTAL REVIEW**

The Council in its meeting of August 1, 1994 approved an environmental assessment (94-EIA-16) for the Bike Path Project. Adoption of this resolution is part of that project and does not require separate environmental review.

**ATTACHMENTS**

A. Resolution approving Program Supplement Agreement
B. CMR:365:01, Embarcadero Road Pedestrian/Bike Bridge and Bike Path Capital Improvement Program Project 19310