TO: HONORABLE CITY COUNCIL
FROM: CITY MANAGER  DEPARTMENT: PUBLIC WORKS
DATE: JULY 22, 2002  CMR:313:02

SUBJECT: REPORT ON SCHEDULE AND FUNDING STATUS OF HOMER AVENUE CALTRAIN UNDERCROSSING, CAPITAL IMPROVEMENT PROGRAM PROJECT 10121; AND ADOPTION OF A RESOLUTION AUTHORIZING THE FILING OF A GRANT APPLICATION FOR FEDERAL SURFACE TRANSPORTATION FUNDS THROUGH THE METROPOLITAN TRANSPORTATION COMMISSION’S TRANSPORTATION FOR LIVABLE COMMUNITIES PROGRAM FOR THE PROJECT AND COMMITTING THE NECESSARY LOCAL MATCH AND STATING THE ASSURANCE OF THE CITY OF PALO ALTO TO COMPLETE THE PROJECT

REPORT IN BRIEF

This report recommends Council adopt a resolution approving the submittal of a grant application to the Metropolitan Transportation Commission (MTC) for $464,000 in Federal Surface Transportation Funds. MTC approved the project as part of the Transportation for Livable Communities (TLC) program and requires that a Council resolution be accepted by MTC no later than October 31, 2002.

The current project estimate, based on the 80 percent design is $5 million. To date, the City has secured over $4.3 million in federal, state and local funds for the Homer Avenue Caltrain Undercrossing Project and potentially another $250,000 from the Peninsula Corridor Joint Powers Board (PCJPB) for the raising of the railroad tracks in the rail corridor. This reduces the original $1.2 million deficit identified in January 2002 to approximately $440,000. Additionally, staff has expedited the public review processes to obtain the recommended conditions of approval, obtained PCJPB approval to execute the construction and maintenance agreement and will be on schedule to submit the project plans, specifications and right-of-way documents to Caltrans in August. Staff and Nolte Associates, Inc. have made significant progress with the various parties and agencies involved in project review and approval which has increased the likelihood of securing the funds and final Caltrans approval needed by the September 30, 2002 deadline.
RECOMMENDATIONS
Staff recommends that the City Council:

1) Approve the Homer Avenue Caltrain Undercrossing project, subject to the recommended conditions of approval in Attachment B;

2) Adopt the attached resolution (Attachment A) authorizing the submittal of an application to the Metropolitan Transportation Commission (MTC), for a grant of $464,000 in funds from the Transportation for Livable Communities Program, for the project; and

3) Authorize the City Manager or his designee to execute the Railroad Construction and Maintenance Agreement with the Peninsula Corridor Joint Powers Board for the project (Attachment F).

BACKGROUND
In January 2002 (CMR:107:02), the City Council reviewed the preliminary design and cost estimates for the Homer Avenue Caltrain Undercrossing Project, along with a detailed analysis of the pros and cons of proceeding or not proceeding with the project because of funding and time constraints. The City Council directed staff to proceed with the project (complete design, negotiate right-of-way and pursue funding and the recommended tunnel alignment). In April 2002 (CMR:198:02), Council adopted a Mitigated Negative Declaration for the project and approved the 30% design, including the skewed tunnel alignment; Council also authorized the City Manager to execute the Program Supplement to the Master Agreement between the City and Caltrans to cover financial reimbursement and conditions that are specific to the project. In May 2002 (CMR:229:02), City Council adopted a resolution accepting $200,000 in Transportation Development Act Funds, including a commitment to make up any funding deficit for the project. Securing the federal and state funding by the funding deadline is tied to the Caltrans approval of the environmental and right-of-way documents, and completing project plans, specifications and estimate (PS&E) by September 30, 2002.

Over the past year, Nolte Associates (Nolte) conducted design review meetings with staff, Peninsula Corridor Joint Powers Board (PCJPB), utility companies, Public Art Commission (PAC), Palo Alto Bicycle Advisory Committee (PABAC), Historic Resources Board (HRB), Planning and Transportation Commission and Architectural Review Board (ARB) to assist in the development of the preliminary and final design, developing 15%, and 30% plans.

DISCUSSION
Completion of 80% Design
Nolte has now completed the 80% design. The project involves the construction of a bicycle and pedestrian tunnel that would connect the area around the Palo Alto Medical
Foundation (PAMF) with the South of Forest Area and Downtown Palo Alto. Ramps and stairways leading to the tunnel were further developed to comply with the American with Disabilities Act (ADA). The entry/exit ramps for bicyclists will also meet ADA standards: two ramps on the Alma Street side and two ramps on the PAMF facility side of the tracks serve this purpose. Decorative railing and lighting will enhance the new landscaping, art and architectural elements. Existing vegetation is to be removed along a portion of Alma Street and a buffer element will create a pedestrian and vehicle separation.

The total project cost (Attachment D) increased from $4,932,220 to $5,054,920 due to upgrades for the signalized intersection improvement on Homer Avenue and Alma Street and an increase in the fiber optic relocation costs. The intersection improvements include new signal poles, and new stand-alone pedestrian/bicycle heads with push buttons and video cameras to detect and activate vehicle, pedestrian and bicycle signals. Staff will work with Nolte to further develop the design enhancements to be part of the 100% plans while providing the most cost effective and functional facility.

The eastbound bicycle and pedestrian traffic leaving the tunnel at the Alma Street side will connect with a westbound, one-way Homer Avenue. The Transportation Division and the Police Department have identified important circulation issues based upon the existing conditions of the intersection and the proposed improvements. As part of a traffic signal modification project, a new traffic signal phase will be necessary to accommodate two crosswalks providing ingress and egress across Alma Street to the undercrossing. The traffic signal upgrade will include an exclusive signal phase for pedestrian and bicyclists crossing Alma Street to provide a safe crossing while preventing vehicles from entering the intersection at the same time. Signalization and signage will inform bicyclists not to travel with the vehicles by using a separate bicycle signal head very similar to a pedestrian signal head. This type of intersection improvement would be the first in Palo Alto and is supported by PABAC and staff. All intersection upgrades will be coordinated through the Transportation Division and Police Department.

Right-of-Way Certification by Caltrans
In June 2002, staff submitted the project application to the California Public Utilities Commission (CPUC). The application that describes the project use and public need for a tunnel to serve an estimated 1500 combined pedestrians and bicyclists daily. The application did not identify any significant environmental impacts. On July 11, 2002, the City received a resolution from the PCJPB authorizing its Executive Director to execute the construction and maintenance agreement and ancillary agreements for the project. The construction and maintenance agreement would grant a permanent easement to the City at no cost and stipulates that the City maintain the tunnel, approaches, landscaping, lighting, etc. (Attachment F). Exhibits to the construction and maintenance agreement will be finalized at the 100 percent design stage. This represents a major milestone in the efforts to complete this project. Staff and Nolte will continue to work with the fiber optic companies, Sprint, AT&T and MCI/Worldcom to gain approval of the 100% plans in
August 2002. Submittal of the CPUC application, approval of the fiber optic relocations and the PCJPB construction and maintenance agreement is needed to obtain the Caltrans’ right of way certification by September 30, 2002.

**Metropolitan Transportation Commission Funding**

In March 2002, staff submitted a grant application to the Metropolitan Transportation Commission (MTC) for $1,291,000 from the 2002 Transportation for Livable Communities (TLC) Capital Program for the Homer Undercrossing Project. MTC received 55 applications totaling $59 million for only $9 million in available grant funds. In early June, staff was notified that capital grant program included $464,000 for the Homer Undercrossing project. While this is substantially below the City’s original request, the project is one of only 12 projects recommended for funding. The TLC project list was recommended by the MTC Programming and Allocations Committee and was approved by the Commission on June 26, 2002.

The TLC grant requires a local match of 11.5 percent or $60,116. This match can come from the developer mitigation fees already committed to the project. Attached is a Resolution authorizing the City to formally apply for the grant funds, and committing the City to provide the required local match and to complete the project.

**REVIEW OF BOARDS AND COMMISSIONS**

In June, the ARB reviewed the 80% plans, and recommended approval of the project with the attached conditions including the design concept, tunnel alignment and the general layout of the ramps and stairs (see Attachments B, C and E). Public art includes tunnel and portal design enhancements such as color treatments, specialty lighting and miscellaneous decorative items to provide a safe and functional facility while creating an inviting corridor. The ARB and the PAC subcommittee consensus was that the art should extend from the tunnel and into the portal, ramps and stairs to create an overall sense of openness and movement and both wanted to assist in the final development of the art and architecture design elements and theme. Staff will return to the ARB and PAC in August to review the landscaping, lighting, portal and art design details.

A 3.5 feet square by 6 feet high concrete fence monument is currently centered at the T-intersection of Homer Avenue and Alma Street. The historical report did not identify the fence monument as eligible for the California Register of Historical Resources because it does not meet the Register’s criteria for significant architecture, persons or events. Therefore, project impacts on the monument do not need to be mitigated under the California Environmental Quality Act. However, the HRB considered the monument as an artistic and historic piece that defines the end of an historic corridor (Homer Avenue) and recommended the monument be placed at the same location, but at street level. During the ARB review, the consensus was that the monument would not be appropriate for an entrance and passageway and should be relocated to a nearby intersection because it represents an ending point. Staff proposes that the monument be placed on the Alma Street side, north of the approach as part of the new landscaped area (Attachment G).
Staff will arrange a joint session with the ARB and HRB to explore relocation of the fence monument on the project site. Further development, location and design will be included in the 100% construction documents.

**RESOURCE IMPACT**

There is currently a funding shortfall of approximately $690,000. This is due to: 1) the original funding request being based on construction cost only and not being sufficient to cover all project costs, 2) the PCJPB proposed a fourth track (elongating the original tunnel structure by 20 feet) to accommodate the future electrification of the rail lines, and 3) traffic signal upgrades and increased fiber optic relocation costs have been incorporated into the project. The committed funding sources for this project totaling $4,366,000 are noted below:

Existing Secured Funds:
- TEA-21 (CMAQ funds), Congestion Mitigation & Air Quality $2,035,000
- STIP, State Transportation Improvement Program $330,000
- TFCA, Transportation Fund for Clean Air program funds $325,000
- TEA, Federal Transportation Enhancements program $502,000
- TDA, Transportation Development Act funds from VTA $200,000
- Local Funds (Developer Mitigation Fees) $350,000
- Requested TLC Funds, Transportation for Livable Communities $464,000
- City’s Electric Utility Fund (proposed 2002-03 mid-year CIP adjustment) $160,000

Total Committed and TLC Funds $4,366,000

Funding Shortfall $689,000

**TOTAL PROJECT BUDGET** $5,055,000

Staff met with Santa Clara Valley Transportation Authority (VTA) and Metropolitan Transportation Commission (MTC) representatives and identified funding sources for the City to significantly reduce the existing funding deficit to $690,000 as compared to an estimated $1.2 million deficit in January 2002. The funding agencies have indicated that the City will need to commit City funds in order to leverage the significant level of grant funds already committed. The developer mitigation fees and Electric Utility fund for the traffic signal could be applied towards the City’s funding commitment. Staff is pursuing additional funding at this time through various funding sources totaling a minimum of $600,000 as follows:

1. $250,000 PCJPB track raising maintenance program;
2. $350,000 Sustainable Communities Grant (grant application submitted 07/01/02);
3. Funding through the Governor’s economic stimulus package and State Bicycle Transportation Fund monies available upon adoption of the Bicycle Plan.
According to PCJPB staff, the first funding source is highly probable. The second funding source is highly competitive, and the third funding source is speculative.

Staff believes the risk associated with not proceeding with the project will jeopardize the current funding commitments for this project. Staff will continue to pursue additional funds, but a Budget Amendment Ordinance (BAO) may be required in the amount of the funding shortfall estimated to be $440,000 ($690,000 - $250,000 from PCJPB) at the time of the award of contract and for the consultant contract amendment for construction services expected in the spring 2003.

Adoption of the attached resolution will then allow staff to begin the process of requesting federal funds through MTC, pending the success of staff efforts to gain approval from Caltrans to proceed with construction. The General Fund faces an estimated outlay of $440,000 in the spring 2003. These funds would have to be withdrawn from the Budget Stabilization Reserve (BSR), since this is a new infrastructure project. If additional grants are not received and the City is required to transfer $0.4 million from the BSR, the reserve will fall below the 18.5% recommended reserve level. The Electric Utility capital program will be increased by $160,000 through a mid-year adjustment in Fiscal 2002-03 for the proposed traffic signal improvements.

**POLICY IMPLICATIONS**

Current Council priorities have established that existing infrastructure projects have priority over new infrastructure projects. This project is consistent with existing policy, including Comprehensive Plan Transportation Policy T-14: Improve pedestrian and bicycle access to and between local destinations; and Program T-21: Study projects to depress bikeways and pedestrian walkways under Alma Street and Caltrain tracks and implement if feasible.

In addition, the Coordinated Area Plan for the SOFA includes two policies related to this facility: Policy T-13: Support the construction of a railroad undercrossing at Homer and Alma, and Policy T-20: Facilitate implementation of the recommendations of the Railroad Crossing Feasibility Study to improve pedestrian access from SOFA and PAMF campus and points west.

**TIMELINE**

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<th>Milestone</th>
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<tr>
<td>PAC, HRB, ARB and PABAC review of 100% plans and estimate</td>
<td>August 2002</td>
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<tr>
<td>Submit 100% Plans, Specifications and Estimate (PS&amp;E) to Caltrans</td>
<td>August 2002</td>
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<tr>
<td>Right-of-way and Environmental Certification by Caltrans</td>
<td>September 2002</td>
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ENVIRONMENTAL REVIEW
On April 8, 2002, the City Council adopted the Mitigated Negative Declaration for the Homer Avenue Caltrain Undercrossing Project, finding that there is no substantial evidence that the project would have a significant effect on the environment. This project is subject to the requirements of the National Environmental Policy Act (NEPA). A “Preliminary Environmental Study” was completed during this final design phase and is being reviewed by Caltrans.

ATTACHMENTS
Attachment A: Resolution
Attachment B: Conditions of Approval
Attachment C: Plan set (Council members only)
Attachment D: Cost Estimate
Attachment E: Project Description (Council members only)
Attachment F: Railroad Construction and Maintenance Agreement
Attachment G: Monument site plan and side views

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