



Council Meeting: July 20, 2010

SUBJECT: Federal Transportation Funding – Approval of Resolution of Support and Budget Modification No. 1

REPORT IN BRIEF

Federal transportation funding from the most recent congressional reauthorization of the SAFETY-LU federal transportation act has recently been allocated to Sunnyvale and Santa Clara County for roadway and bikeway projects. According to a formula distribution, Sunnyvale is eligible to receive a minimum of \$1.144 million in funding for roadway maintenance and improvement projects in the current funding cycle and can advance additional funds from the next funding cycle. Sunnyvale can also compete for additional discretionary funding for bikeway and livable communities projects. Funding is distributed through the Santa Clara Valley Transportation Authority (VTA) and programmed by the Metropolitan Transportation Commission (MTC).

Sunnyvale submitted two projects that have been recommended for funding from guaranteed funds, advanced funds, and discretionary funds. This will increase the anticipated revenue from this cycle of Federal funding to \$2.715 million. The MTC requires the approval of a resolution of support committing to complete the projects and stating the City's understanding of the funding process. Consequently, staff recommends approval of the attached Resolution (Attachment A). Staff also recommends approval of Budget Modification No. 1 at this time to appropriate grant and matching funds as follows to allow work to begin on these projects: (1) \$2,750,000 to new project Hendy Avenue Complete Street Improvements, and (2) \$750,000 to new project Sunnyvale Avenue/Old San Francisco Road Left Turn Improvement. The project programming is configured so that local match funding will be used for preliminary engineering and environmental work to allow these projects to be initiated as soon as possible in order to meet funding deadlines. Expenditure authorization is requested at this time to allow work to proceed.

EXISTING POLICY

Land Use and Transportation Element C3, Attain a transportation system that is effective, safe, pleasant and convenient.

Land Use and Transportation Element C3.7, Pursue local, state and federal transportation funding sources to finance City transportation capital improvement projects consistent with City priorities.

DISCUSSION

Staff has submitted grant application materials to the Valley Transportation Authority and has secured preliminary approval for two projects, a Hendy Avenue Complete Street Project and the Sunnyvale Avenue/Old San Francisco Road Left Turn Project. The Hendy Avenue Project is a project to reconstruct Hendy Avenue from Sunnyvale Avenue to Fair Oaks Avenue. This project has been included as part of City, County, and Regional long-range Traffic and Transportation Plans for many years. It is part of the City's Bicycle Capital Improvement Program, Santa Clara County's Bicycle Expenditure Program, and the Valley Transportation Authority's (VTA) Bicycle Plan. The condition of the roadway in this area is exceptionally poor and it is missing or has substandard sidewalks, bikeways, and lighting. Drainage facilities are also inadequate. This project will essentially reconstruct the entire roadway section to provide for all travel modes, upgrade lighting and streetscape to downtown standards, and provide additional on-street parking in the vicinity of the Northrop Grumman facility. The project will require relocation of utilities, which will be done by PG&E. The \$2.75 million project requires a \$698,975 local match that is proposed to be provided using transportation grant matching funds and wastewater enterprise funds.

The Old San Francisco Road/Sunnyvale Avenue Left Turn project will construct a new signalized southbound left turn access to Old San Francisco Road from Sunnyvale Avenue. This \$750,000 project requires an \$86,025 local match that is proposed to come from transportation grant matching funds. Discussions of this project began during the Council meeting on June 23, 2009 as part of RTC 09-163 (Palo Alto Medical Foundation Application for related proposals at six sites at 301 and 401 Old San Francisco Road, and 420, 428, and 448 Kennedy Court in an R-2/O/PD Zoning District). Council direction at that time was for staff to prepare a preliminary engineering feasibility analysis of providing a left turn from southbound Sunnyvale Avenue to eastbound Old San Francisco Road by December 2009. On December 15, 2009, staff returned with RTC 09-312 (Palo Alto Medical Foundation Project Issues – Request for Action on Road Improvements), which discussed a study that indicated there was an operationally beneficial left turn onto Old San Francisco Road from Sunnyvale Ave to take traffic off of Olive Avenue. Council directed staff to initiate a project to construct this left turn lane.

FISCAL IMPACT

The total cost of the Hendy Avenue Complete Street project and the Sunnyvale Avenue/Old San Francisco Road Left Turn project is \$3,500,000. Of this amount, \$785,000 will be required City matching funds. The Hendy Avenue Complete Street project will cost \$2.75 million, with a required \$698,975 local match that is proposed to be provided using \$431,975 of dedicated local transportation grant matching funds and \$267,000 from the Wastewater Fund. The City has a total of \$1,009,735 of dedicated matching funds available for appropriation, of which \$431,975 will be utilized for this project. The \$267,000

from the Wastewater Fund will come from the Rate Stabilization Reserve; however, this represents only a small portion of this fund’s overall revenue requirement and will not have a material impact on future rates. The Sunnyvale Avenue/Old San Francisco Road Left Turn project will cost \$750,000, with a required \$86,025 local match that is proposed to be provided using dedicated local transportation grant matching funds currently available for appropriation.

Budget Modification No. 1 has been prepared to appropriate grant revenues in the amount of \$2,715,000 million from the Santa Clara VTA to the new Hendy Avenue Complete Street project and the Sunnyvale Avenue/Old San Francisco Road Left Turn project, as well as appropriate the total required local match of \$785,000 consisting of (1) \$267,000 from the Wastewater Fund and (2) \$518,000 from dedicated local transportation grant matching funds. It should be noted that staff will also seek future grant opportunities to replace the local match funds.

**Budget Modification No. 1
 FY 2010/2011**

	<u>Current</u>	<u>Increase/ (Decrease)</u>	<u>Revised</u>
Capital Projects Fund/ General Assets Subfund			
<u>Revenues:</u>			
Santa Clara Valley Transportation Authority (VTA)	\$0	\$2,715,000	\$2,715,000
<u>Expenditures:</u>			
New Project – Hendy Avenue Complete Street Improvements	\$0	\$2,750,000	\$2,750,000
New Project – Sunnyvale Avenue/Old San Francisco Road Left Turn Improvement	\$ 0	\$ 750,000	\$750,000
Capital Projects Fund/ Traffic Mitigation Subfund			
<u>Reserves:</u>			
Dedicated Local Matching Funds	\$1,009,735	(\$518,000)	\$491,735
Wastewater Management Fund			
<u>Reserves:</u>			
Rate Stabilization Reserve	\$8,608,383	(\$267,000)	\$8,341,383

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin boards outside City Hall, in the Council Chambers lobby, the City Clerk's office, at the Library, Senior Center, Community Center, and Department of Public Safety; posting the agenda and report on the City's Web site; and making the report available at the Library and Office of the City Clerk.

ALTERNATIVES

1. Approve the attached Resolution of Support committing to complete the projects and stating the City's understanding of the funding process, and approve Budget Modification No. 1 to appropriate grant revenues in the amount of \$2,715,000 million from the Santa Clara VTA to the new Hendy Avenue Complete Street project and the Sunnyvale Avenue/Old San Francisco Road Left Turn project, as well as appropriate the total required local match of \$785,000 consisting of (1) \$267,000 from the Wastewater Fund and (2) \$518,000 from dedicated local transportation grant matching funds.
2. Do not take action at this time and forfeit the opportunity for federal transportation funds distributed through the Santa Clara VTA.

RECOMMENDATION

Staff recommends Alternative No. 1: Approve the attached Resolution of Support committing to complete the projects and stating the City's understanding of the funding process, and approve Budget Modification No. 1 to appropriate grant revenues in the amount of \$2,715,000 million from the Santa Clara VTA to the new Hendy Avenue Complete Street project and the Sunnyvale Avenue/Old San Francisco Road Left Turn project, as well as appropriate the total required local match of \$785,000 consisting of (1) \$267,000 from the Wastewater Fund and (2) \$518,000 from dedicated local transportation grant matching funds.

Reviewed by:

Marvin A. Rose, Director of Public Works

Prepared by: Jack Witthaus, Transportation and Traffic Manager

Reviewed by:

Grace Leung, Interim Director of Finance

Approved by:

Gary M. Luebbbers, City Manager

Attachment:

A. Resolution of Support

**Resolution of Local Support
STP/CMAQ Funding**

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
SUNNYVALE AUTHORIZING THE FILING OF AN APPLICATION
FOR FEDERAL SURFACE TRANSPORTATION PROGRAM (STP)
AND/OR CONGESTION MITIGATION AND AIR QUALITY
IMPROVEMENT (CMAQ) FUNDING AND COMMITTING THE
NECESSARY NON-FEDERAL MATCH AND STATING THE
ASSURANCE TO COMPLETE THE PROJECT**

WHEREAS, the City of Sunnyvale (herein referred to as APPLICANT) is submitting an application to the Metropolitan Transportation Commission (MTC) for \$2,715,000 in funding from the federal Surface Transportation Program (STP) and/or Congestion Mitigation and Air Quality Improvement (CMAQ) program for the Hendy Avenue Complete Street Project and the Sunnyvale Avenue/Old San Francisco Road Reconstruction and Enhancement Project (herein referred to as PROJECTS) for the MTC Resolution, No. 3925, New Federal Surface Transportation Act (FY 2009-10, FY 2010-11 and FY 2011-12) Cycle 1 STP/CMAQ Program: Project Selection Criteria, Policy, Procedures and Programming (herein referred to as PROGRAM); and

WHEREAS, the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA) (Public Law 109-59, August 10, 2005) continued the Surface Transportation Program (23 U.S.C. § 133) and the Congestion Mitigation and Air Quality Improvement Program (CMAQ) (23 U.S.C. § 149) through September 30, 2009; and

WHEREAS, SAFETEA has been extended pursuant to Public Law 11-118 and may be subsequently extended pending enactment of successor legislation for continued funding; and

WHEREAS, pursuant to SAFETEA, and the regulations promulgated thereunder, eligible project sponsors wishing to receive federal Surface Transportation Program and/or Congestion Mitigation and Air Quality Improvement Program (STP/CMAQ) funds for a project shall submit an application first with the appropriate Metropolitan Planning Organization (MPO), for review and inclusion in the MPO's Transportation Improvement Program (TIP); and

WHEREAS, the Metropolitan Transportation Commission (MTC) is the MPO for the nine counties of the San Francisco Bay region; and

WHEREAS, MTC has adopted a Regional Project Funding Delivery Policy (MTC Resolution No. 3606, revised) that sets out procedures governing the application and use of STP/CMAQ funds; and

WHEREAS, APPLICANT is an eligible project sponsor for STP/CMAQ funds; and

ATTACHMENT A

WHEREAS, as part of the application for STP/CMAQ funding, MTC requires a resolution adopted by the responsible implementing agency stating the following:

- The commitment of necessary local matching funds of at least 11.47%; and
- That the sponsor understands that the STP/CMAQ funding is fixed at the programmed amount, and therefore any cost increase cannot be expected to be funded with additional STP/CMAQ funds; and
- That the projects will comply with the procedures specified in Regional Project Funding Delivery Policy (MTC Resolution No. 3606, revised); and
- The assurance of the sponsor to complete the project as described in the application, and if approved, as included in MTC's TIP; and
- That the project will comply with all the project-specific requirements as set forth in the PROGRAM.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SUNNYVALE THAT:

1. The APPLICANT is authorized to execute and file an application for funding for the PROJECTS under the Surface Transportation Program (STP) and Congestion Mitigation and Air Quality Improvement Program (CMAQ) of SAFETEA, any extensions of SAFETEA or any successor legislation for continued funding.

2. The APPLICANT by adopting this resolution does hereby state that:

- a. APPLICANT will provide \$351,757 in non-federal matching funds; and
- b. APPLICANT understands that the STP/CMAQ funding for the project is fixed at the MTC approved programmed amount, and that any cost increases must be funded by the APPLICANT from other funds, and that APPLICANT does not expect any cost increases to be funded with additional STP/CMAQ funding; and
- c. APPLICANT understands that \$1,144,000 is greater than APPLICANT's Regional Local Streets & Roads formula share of Local Streets & Roads programming, and that APPLICANT will forgo future programming shares until the amount of the overage \$ 1,144,000 is reached; and
- d. APPLICANT understands the funding deadlines associated with these funds and will comply with the provisions and requirements of the Regional Project Funding Delivery Policy (MTC Resolution No. 3606, as revised); and
- e. PROJECT will be implemented as described in the complete application and in this resolution and, if approved, for the amount programmed in the MTC federal TIP; and
- f. APPLICANT and the PROJECT will comply with the requirements as set forth in the program.

2. That APPLICANT is an eligible sponsor of STP/CMAQ funded projects.

3. That APPLICANT is authorized to submit an application for STP/CMAQ funds for the PROJECTS.

ATTACHMENT A

4. That there is no legal impediment to APPLICANT making applications for the funds.
5. That there is no pending or threatened litigation that might in any way adversely affect the proposed PROJECTS, or the ability of APPLICANT to deliver such PROJECTS.
6. That APPLICANT the City Manager, or designee to execute and file an application with MTC for STP/CMAQ funding for the PROJECTS as referenced in this resolution.
7. That a copy of this resolution will be transmitted to the MTC in conjunction with the filing of the application.
8. That the MTC is requested to support the application for the PROJECTS described in the resolution and to include the PROJECTS, if approved, in MTC's TIP.

Adopted by the City Council at a regular meeting held on _____, 2010, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST:

APPROVED:

City Clerk
(SEAL)

Mayor

APPROVED AS TO FORM AND LEGALITY:

David E. Kahn, City Attorney