

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: James R. Helmer

SUBJECT: ARRA STREET MAINTENANCE
GRANT FUNDING (PHASE II)

DATE: 05-29-09

Approved

Date

6/8/09

COUNCIL DISTRICT: City-Wide

RECOMMENDATION

Adopt a resolution authorizing the Director of Transportation to:

1. Submit a grant application to the Bay Area's Metropolitan Transportation Commission under the *American Recovery and Reinvestment Act of 2009* for the San José Street Resurfacing and Rehabilitation Project (Phase II) in the amount not to exceed \$2,443,000; and
2. Negotiate and execute related grant documents to accept any grant funding.

OUTCOME

Approval of the recommended action facilitates the City's receipt of grant funding for the resurfacing of approximately 3 miles of City streets during the fall of 2009.

BACKGROUND

On February 17, 2009, President Obama signed the \$787 billion federal economic stimulus bill known as the American Recovery and Reinvestment Act (ARRA) of 2009. The share of funding for various national transportation programs is \$48 billion and these funds have been designated for distribution by federal, state, and regional agencies. Most of the transportation funds are required to be invested in projects that are ready for construction and can therefore stimulate near-term job creation and economic recovery.

Based on the discretionary authority provided to the Bay Area's Metropolitan Transportation Commission (MTC) by the ARRA program, funding in the amount of \$122 million is being allocated for local street pavement maintenance projects within the Bay Area. On April 28, 2009, the City Council adopted Resolution No. 74887 authorizing the submittal of a grant application for \$12.7 million for the first phase of the San Jose Street Resurfacing and Rehabilitation Project. The City will receive \$12.7 million from the Tier 1 ARRA program. Additional Tier II funding is available and the City will be seeking an additional \$2.443 million

for the second phase of the project. To use the ARRA grant funds, MTC requires local agencies to adopt a resolution of support and agree to MTC policies for project delivery.

ANALYSIS

A draft City Council resolution has been prepared to comply with MTC requirements for use of ARRA grant funds. A copy of the draft resolution is attached to this memorandum. The key provisions and implications of the resolution are as follows:

- The City is allocated \$2.443 million in ARRA grant funds for street resurfacing improvements in San José.
- The grant funding is a fixed amount and any project cost increases are the City's responsibility.
- The City will comply with MTC's timely delivery policies which include a project obligation (design approval) deadline of November 30, 2009.
- The City will comply with federal project delivery procedures, including compliance with the National Environmental Protection Act (NEPA).

The Department of Transportation is developing a street resurfacing project to be funded by the \$2.443 million ARRA grant. This amount of funding would provide for approximately 3 miles of pavement improvements. The following is a list of the street locations that are being considered for inclusion in the resurfacing project. Note that the streets on this list total over 6 miles and may not all be included as part of the Phase II construction contract. The amount of street segments included in this contract will depend on the amount of funding available based on the construction contract bids received or if there are any savings from the Phase I contract. These street segments are considered to be the highest priority locations and the final decision of the street segments to be included in the contract would be pending final approval by Caltrans. Caltrans must certify that these streets are eligible for federal funding based on their functional classification.

Street	Segment
Bascom Avenue	Elden Drive to City Limit
Julian Street	21 st Street to Market Street
Snell Avenue	Blossom Hill Road to Santa Teresa Boulevard
White Road	Alum Rock Avenue to McKee Road

EVALUATION AND FOLLOW-UP

Staff will return to City Council in fall 2009 to award a construction contract for the street resurfacing project.

POLICY ALTERNATIVES

Not applicable.

PUBLIC OUTREACH/INTEREST

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

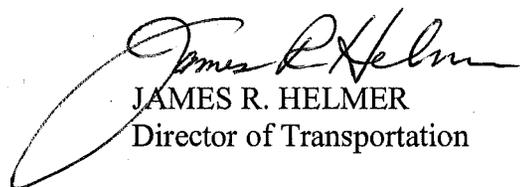
This report will be posted on the City's website as part of the Council Agenda public outreach process and will satisfy Criterion #1.

COORDINATION

This item was coordinated with the City Attorney's Office.

CEQA

Exempt, File No. PP06-066.


JAMES R. HELMER
Director of Transportation

For questions please contact Rene Cordero, Transportation Project Delivery Manager at 975-3235.

