



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Hans F. Larsen

**SUBJECT: FEDERAL SURFACE
TRANSPORTATION GRANT
PROGRAM - STREET MAINTENANCE**

DATE: 09-10-10

Approved

Date

9/10/10

COUNCIL DISTRICTS: 2, 8, 9, 10

RECOMMENDATION

Adoption of a resolution that:

1. Authorizes the City Manager, or designee, to submit a grant application to the Metropolitan Transportation Commission (MTC) in the total amount of \$7,987,000 for Federal Surface Transportation Program (STP) funding for the 2010 STP Resurfacing and Rehabilitation project ("Project"); and
2. Commits the City to provide the required local match funds of \$1,035,000 and to pay for any additional cost to complete the Project; and
3. Assures the Project will be completed in compliance with the submitted application, MTC Regional Funding Delivery Policy, and the grant program requirements; and
4. Authorizes the City Manager, or designee, to accept grant funding from the Metropolitan Transportation Commission and negotiate and execute any documents to accept the grant funds.

OUTCOME

The recommended actions support the Transportation City Service Area goal to *Preserve and Improve Transportation Assets and Facilities* by acquiring newly available Federal funds for pavement maintenance. The additional Federal funds will help to improve the condition and prolong the life of City streets that qualify for the use of STP funds.

BACKGROUND

On March 4, 2010, the VTA Board of Directors adopted a Block Grant Program structure for programming future Federal flexible funds through the Congestion Management Agency. This was pursuant to the MTC Block Grant strategy that delegated program management and project selection to the county Congestion Management Agencies (CMA) for Local Streets and Roads rehabilitation (LSR).

The goal of the LSR program is to assure that Federal Aid Eligible arterials and collectors in Santa Clara County are in good repair. MTC set aside STP funds for local streets and roads pavement rehabilitation and preventive maintenance projects.

ANALYSIS

Following the Board adoption of the Block Grant program structure, VTA staff issued the 2010 CMA Block Grant Program Call-for-Projects on March 15, 2010. Each agency had an amount available per MTC's LSR distribution formula based on four performance factors: population, arterial and collector lane mileage, arterial and collector shortfall, and preventive maintenance performance. Thirteen of the eligible sixteen agencies requested funds. The three remaining agencies will "bank" their shares until the next funding cycle, which will occur in the next 18 months.

For this cycle, the VTA programmed \$18.07 million for the LSR program. The City's share for this cycle of funding totals \$7,987,000. Per Federal guidelines, an additional City funding match of 11.47% (\$1,035,000) is required to secure the STP funds and the grant funding will be received by the City on a "reimbursement" basis. San Jose will submit reimbursement requests quarterly to Caltrans based on Project expenditures and following Caltrans Local Assistance procedures.

To meet grant requirements the following criteria must be met:

- The City has to have an approved Pavement Management System (PMS).
- The selected roadways on the Project must be in need of maintenance (i.e. a PMS condition rating below 70).
- The selected roadways must be federal-aid eligible which are streets with a functional classification of "collector street" or higher on the California Roadway System (CRS) map.
- The Project must extend the life of the roadway for more than five years.
- The City must provide a non-federal local match of 11.47% of the total project cost and adopt a resolution to commit to this local match.
- The City must adhere to the State of California's (Caltrans) Local Assistance Project Delivery Policies and Procedures for Federally funded projects. This includes and is not limited to meeting Federal environmental clearance standards, Disadvantage and Minority Business Enterprise goals, and Federal bid and award procedures.

San Jose has met all requirements and expects to receive the full grant amount allocation of \$7,987,000.

The following is a list of street locations developed and submitted for approval during VTA's "Call-for-Projects" in March 2010. The Project list has been preliminarily accepted by VTA and is pending final approval by CalTrans.

Street	Segment
Los Gatos Almaden Road	Rosswood Drive to Leigh Avenue
Monterey Highway	Bernal Road to off ramp North of Blossom Hill Road
Quimby Road	Tully Road to Capitol Expressway
Redmond Avenue	Almaden Expressway to Camden Avenue
Santa Teresa Boulevard	Bernal Road San Ignacio Avenue

EVALUATION AND FOLLOW-UP

After the acceptance and award of the grant funding by MTC, staff will bring forward recommendations for Council consideration to recognize and appropriate the grant funding as part of the 2011-2012 Proposed Capital Budget process. Staff will return to City Council at a later date in 2011 for construction award.

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 item meets the Criterion 1: Requires Council action on the use of public funds equal to \$1 million or greater. To solicit contractors, this project will be listed on the City's Internet Bid Line and advertised in the *San José Post Record*. Bid packages for all Department of Public

HONORABLE MAYOR AND CITY COUNCIL

09-10-10

Subject: Federal Surface Transportation Grant Program Street Maintenance

Page 4

Works construction projects are provided to various contractor organizations and builder's exchanges.

This memorandum will be posted on the City's website for the Council agenda.

COORDINATION

This memo has been coordinated with the City Attorney's Office, the City Manager's Budget Office and the Planning Building and Code Enforcement Department.

FISCAL/POLICY ALIGNMENT

This project is consistent with the Council-approved Budget Strategy Economic Recovery section in that it will spur construction spending in our local economy.

COST SUMMARY/IMPLICATIONS

This memorandum would commit \$1,035,000 of local match funds in the Construction Excise Tax Fund in order to secure a total of \$7,987,000 of grant funding from the Federal Surface Transportation Program. Once the application for the STP funds has been filed and approved, staff will return to Council with recommendations to appropriate and recognize the grant funding as part of the 2011-2012 Proposed Capital Budget process.

BUDGET REFERENCE

The table below identifies the fund and appropriation proposed to fund the City's local match for the grant as recommended as part of this memorandum.

Fund #	Appn #	Appn. Name	Total Appn.	Amt. for Contract	2010-2011 Proposed Capital Budget Page	Last Budget Action (Date, Ord. No.)
465	5216	Gas Tax Pavement Maintenance	\$5,600,000	\$1,035,000	V-749	06/29/2010, Ord. No. 28765

HONORABLE MAYOR AND CITY COUNCIL

09-10-10

Subject: Federal Surface Transportation Grant Program Street Maintenance

Page 5

CEQA

Exempt, PP06-066.

/s/

HANS F. LARSEN

Acting Director of Transportation

For questions please contact Rene Cordero, Division Manager for Pavement and Sewer Maintenance Services of Transportation, at 277-8147.