



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Hans F. Larsen

**SUBJECT: MTC GRANTS APPLICATION
FOR CDT PROGRAM**

DATE: 11-07-11

Approved

Date

11/10/11

COUNCIL DISTRICT: 3 & 6

RECOMMENDATION

Adopt two separate resolutions to:

1. Authorize the City Manager to execute and submit two separate grant applications to the Metropolitan Transportation Commission (MTC) for the Community Design & Transportation (CDT) Capital Grant Program (CIP) in the amount not to exceed \$1,500,000 for the St. John Street Multi-Modal Improvements – Phase 1, with a local match of \$375,000, and in the amount not to exceed \$1,456,000 for the Park Avenue Multi-Modal Improvements, with a local match of \$364,000;
2. Make the required assurances to comply with the project applications, deadlines to complete the projects, grant program requirements, and other assurances required by MTC as explained in this memorandum;
3. Authorize the City Manager to accept any grant award(s) and negotiate and execute any documents to effectuate the grant(s), including the authority to negotiate and execute any documents that increase the amount of the grant awarded or require an increase in the local match of funds from the City for the projects, subject to the appropriation of funds.

OUTCOME

Council approval of the recommended actions will facilitate pedestrian and bicycle improvement projects valued at \$3,695,000. The projects support the City's transportation goal to provide viable transportation choices and the economic development goal to create more walkable, vibrant, mixed-use environments to spur interaction and attract talent.

BACKGROUND

The Metropolitan Transportation Commission (MTC), as the Metropolitan Planning Organization (MPO) for the nine counties of the Bay Area region, provides discretionary federal and state transportation funds such as the Regional Transportation Improvement Program (RTIP) for qualifying programs through the Valley Transportation Authority (VTA). One such program is the Community Design and Transportation (CDT) Capital Program.

The CDT Capital Program supports transportation projects that provide connections with transit facilities; employ innovative and high-quality design; improve the pedestrian environment; enhance economic vitality; make better use of the land, infrastructure, and resources; and improve community connectivity, livability, sustainability and sense-of-place. This is a reimbursable grant program and requires 20% local matching funds.

On July 2011, VTA issued the CDT Call for Projects. In response, the Department of Transportation submitted the following two candidate transportation projects. Maps for the two projects are attached.

▪ **St. John Street Multi-Modal Improvements - Phase I (\$1,875,000)**

The proposed project encompasses pedestrian-oriented improvements along the north side of St. John Street between North Almaden Blvd and North Market Street. This project is intended to enhance pedestrian and bike accessibility to public transit including VTA's light rail and bus system and provide a multi-use pedestrian/bike realm connecting to the San Pedro Square Urban Market, Little Italy commercial area, HP Pavilion, Guadalupe River Trail, and the greater Downtown San José area. The goal of the project is to encourage pedestrian/bike mobility by providing accessible, safe and comfortable connections between transit, businesses, housing, and recreation and to enhance the vitality of the commercial, residential, and the greater Downtown business districts.

The scope of the project includes narrowing the roadway width, widening the sidewalk, enhancing crosswalks, upgrading wheelchair ramps for ADA compliance, installation of street level lighting, and the installation of in-fill street trees. Other aspects of the project include installation of drainage facilities, asphalt concrete work, adjusting utility box/cover to grade, site furniture, signage, and striping along St. John Street as well as pedestrian/bike friendly enhancement and directional/destination signage enhancements. The total funding allocated for this project will be \$1,875,000, with \$1,500,000 as a reimbursable grant and \$375,000 as the City's local match.

▪ **Park Avenue Multi-Modal Improvements (\$1,820,000)**

The proposed project encompasses pedestrian and bicycle improvements along both sides of Park Avenue between Hedding Street and Montgomery Street. These improvements will enhance pedestrian and bicycle accessibility to public transit including VTA's light rail and bus system and provide a multi-use pedestrian and bicycle realm connecting residential

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and business districts, the Guadalupe River Trail, and the greater Downtown San José area. The scope of work includes final plan completion and construction of the pedestrian/bicycle improvements including bike lanes, lighting upgrades, ADA curb ramps, street trees, and sidewalk upgrades. The total funding allocated for this project will be \$1,820,000, with \$1,456,000 as a reimbursable grant and \$364,000 as the City's local match.

ANALYSIS

Recently, the City received notice from VTA that both transportation projects the City submitted are qualified to receive CDT funding and these projects were approved by the VTA Board on November 3, 2011. The grants in the amount of \$2,956,000 would likely come to the City through the 2014/2015 CDT funding source and possibly sooner if funding is available. A total local match of \$739,000 will be required to obtain the grants. However, if additional funds are required to complete the project, the City's local match would increase. Additionally, if MTC has additional funding available, the City may receive additional grant funding for the two projects, which would require an additional 20% local match for the additional grant funding. Therefore, staff is requesting authority for the City Manager to execute grant agreements for the two projects requiring a total local match more than the anticipated \$739,000, subject to the appropriation of funds, to address possible increase in the project costs or increase in grant funding from MTC.

MTC Grant Agreements

In order to formally accept the City's grant applications, VTA needs the Council to adopt a resolution authorizing the City Manager to execute and submit the grant applications and negotiate and execute all grant documents necessary to effectuate the grants. Upon receiving the Council's resolution and the City's grant applications, VTA can obligate the funds through a Transportation Improvement Program (TIP) amendment.

The 2012-2016 CIP programmed funds for the Reserve for Transportation Grants for each of the next four years. However, funding for this reserve is subject to Council approval as part of the annual budget process. Upon notification that the grant has formally been awarded to the City, it is anticipated that a recommendation will be brought forward for Council consideration to recognize \$2,956,000 in revenue from the VTA and appropriate related expenditures for these projects. In order to ensure grant award, it will be necessary to meet certain pre-design requirements. Staff will recommend related appropriation actions for these projects at a later date. If funding is secured, funds would be used to accomplish the design and construction of the projects.

As a condition of the grant, VTA requires that the funds necessary to complete the project are allocated at the time of formal grant acceptance. As stated previously, the total cost of these

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projects is estimated at \$3,695,000; however, \$2,956,000 would be reimbursed to the City by VTA as the projects progress.

Additionally, staff wishes to bring to the Council's attention the following additional grant requirements for both projects:

Requirement	Addressed in the following manner:
The City will complete the project as described in the grant application. The project requires both design and construction.	It is the intent of the City to complete the project. The City will manage both the design and construction.
City must execute the grant agreement within 30 days of award.	Staff will coordinate to execute the agreement within the deadline.
Project needs to have a completed E-76 request submitted to Caltrans by Sept. 2014 and the E-76 approved by Feb. 2015.	Staff estimates that E-76 should be completed by Aug. 2014.
City is responsible for any increase in project cost.	City will address funding shortfall, if any, through local funding and other grant sources. Staff will notify the City Council if additional funding beyond the allocated budget will be required due to unforeseen circumstances.
Where applicable, the City will comply with all applicable laws and regulations affecting project development, including, but not limited to, legal requirements for construction contracts, building codes, health and safety codes, and disabled access laws.	The project design will be consistent with all known government regulations.
There is no legal impediment to make the application and no pending or threatened litigation which would affect the project.	Staff is not aware of any legal impediment or pending or threatened litigation that would affect the project.

EVALUATION AND FOLLOW-UP

Staff will report back to Council when the projects are ready for award of construction contracts in 2014 or sooner if funding is available from VTA. The projects will be developed in coordination with City and community stakeholders.

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)**

In accordance with Criterion 1, this memorandum will be posted on the City's website for the November 29, 2011 Council agenda.

COORDINATION

Preparation of this report was coordinated with the City Attorney's Office and the City Manager's Budget Office.

FISCAL/POLICY ALIGNMENT

The recommended action aligns with the Transportation and Aviation Services CSA Outcome related to providing viable transportation choices and with the City's economic development strategies to "create more walkable, vibrant, mixed-use environments to spur interaction and attract talent."

COST SUMMARY/IMPLICATIONS

The recommendations in this memo would initiate the process required for the MTC to grant funds to the City of San José in the amount of \$2,956,000. A local match in the amount of \$739,000 is required for the grants. It is anticipated that upon formal award of these grants, staff will come back to Council requesting to recognize grant funds and appropriate the funds for these two projects. Some design work will need to be completed in advance of the grant award; therefore, a recommendation to allocate funding towards these projects is anticipated once a schedule for these projects is developed. The total cost for both grants is \$3,695,000. Since this is a monthly reimbursable grant, the reimbursable expenditures for the project (\$2,956,000) normally occur within the same fiscal year and provide a net zero result on the CIP.

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The projects will not have a significant effect on ongoing maintenance and operating costs. The implementation of new more efficient streetlights will reduce ongoing energy costs for the General Fund.

CEQA

Exempt under the provisions of Section 15301(c) and (d) and 15304(h) - Exempt, File Nos. PP11-094, 095

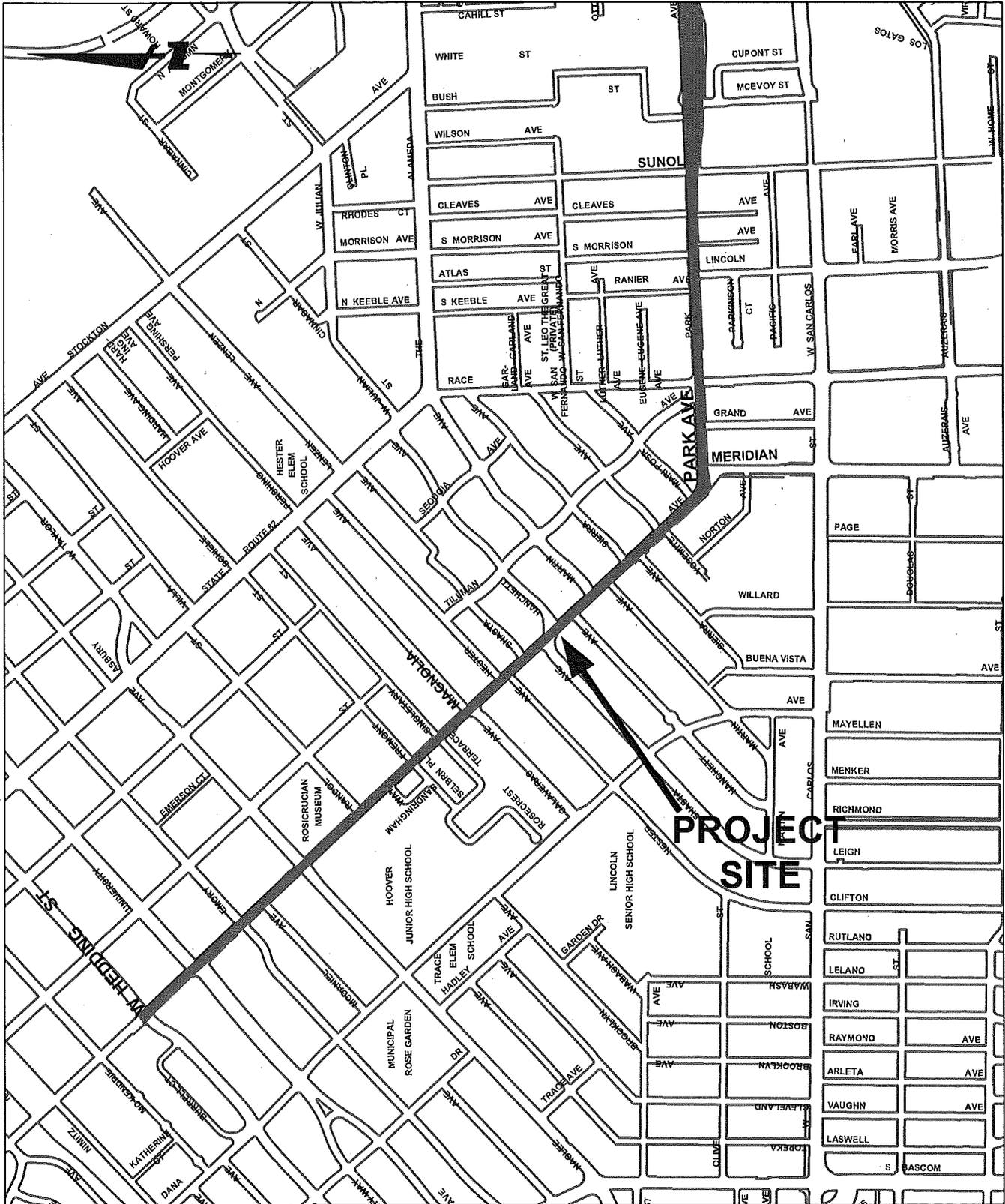
/s/

HANS F. LARSEN
Director of Transportation

For questions please contact Manuel Pineda, Deputy Director, at 975-3295.

Attachments

Attachment "B"



PROJECT SITE

PARK AVENUE MULTI-MODAL IMPROVEMENTS FROM W HEDDING ST TO S MONTGOMERY ST

CITY OF SAN JOSE DEPARTMENT OF TRANSPORTATION NOVEMBER 9, 2011