

---Public Hearing Scheduled for 10:00 a.m.---

AGENDA: June 4, 2009

**TO:** Regional Transportation Commission

**FROM:** Grace Blakeslee and Rachel Moriconi, Transportation Planners

**RE:** Adoption of Program of Projects for American Reinvestment and Recovery Act (ARRA) and Regional Surface Transportation Program (RSTP) Funds

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**RECOMMENDATION:**

Staff recommends that the Regional Transportation Commission (RTC):

1. Adopt a resolution (Attachment 1) programming \$5.6 million in American Reinvestment and Recovery Act (ARRA) funds (including \$363,500 in ARRA Transportation Enhancement (TE) funds), and \$4 million in FY09/10-FY10/11 Regional Surface Transportation Program (RSTP) funds, holding \$1.8 million in RSTP in reserve, as shown in Attachments 2 and 3;
  2. Direct staff to return to the RTC to consider programming the reserved funds to unmet transportation needs identified during this funding cycle, if and when it is determined that those funds are not needed to respond to funding uncertainties, leverage new funding, or for regional projects;
  3. Consider recommendations made by the RTC's advisory committees;
  4. Hold a public hearing to receive comments on the proposed amendments and consider any written comments received (Attachment 5);
  5. Agree to act as the sponsoring agency for Ecology Action's Go Green project and authorize the Executive Director to enter into agreements with Ecology Action as may be necessary to pass the funds through to Ecology Action; and
  6. Request that the Association of Monterey Bay Area Governments (AMBAG) and Caltrans incorporate these amendments into the Federal Transportation Improvement Program (FTIP).
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**BACKGROUND**

The Santa Cruz County Regional Transportation Commission (RTC) is the agency responsible for selecting projects to receive a variety of state and federal transportation funds. The *Regional Transportation Improvement Program (RTIP)* for Santa Cruz County is a list of projects which have been selected by the RTC to receive funds.

With adoption of the American Reinvestment and Recovery Act (ARRA), and subsequently AB3x20 by the California Legislature, \$12.1 million in federal highway funds have been made available to the

RTC for programming to projects in Santa Cruz County, with approximately \$363,500 of those funds designated for Transportation Enhancements (TE). On February 5, 2009, the RTC programmed \$6.5 million of those funds, with over 95% distributed to local jurisdictions based on their percentage of the county's population (Attachment 6). On April 2, 2009 the RTC issued a call for projects to program the balance of ARRA funds, in combination with \$5.8 million in projected FY09/10-FY10/11 Regional Surface Transportation Program (RSTP) funds.

## DISCUSSION

### Recommendations for ARRA and RSTP Funds

Staff evaluated funding requests received for 25 projects, based on federal, state, and RTC criteria identified at the April 2, 2009 meeting. **Staff recommends, upon completion of the scheduled public hearing, that the RTC adopt a resolution (Attachment 1) programming \$5.6 million in ARRA and \$4 million in RSTP funds (Attachment 2a), holding \$1.8 million RSTP in reserve for regional projects, to respond to funding uncertainties and new funding opportunities.** While all of the projects proposed for funding address important transportation needs in the region, the recommended projects excelled at demonstrating how they meet the criteria, such as serving the greatest number of people, addressing transportation system maintenance, improving safety, addressing multiple modes of transportation, reducing delay, or increasing transportation options and air quality. Summaries for all projects are shown in Attachment 3. The applications are available online at [www.sccrtc.org/rtip.html](http://www.sccrtc.org/rtip.html).

Project sponsors have indicated which types of funding (ARRA, ARRA TE, and RSTP) they would be accept for each project. Given the incredibly tight deadlines and increased reporting associated with ARRA funds, staff recommends targeting ARRA funds to larger projects. Depending on the final project list adopted by the RTC, staff will work with project sponsors to determine the most appropriate type of funding to designate to each project. As discussed at prior meetings, recipients of ARRA (including ARRA TE) must obligate the funds (have completed all preconstruction work) by March 2010, or the funds will be lost to the region and the state. In order to prevent the loss of any funds to the region, in the event a project sponsor is at risk of missing deadlines for ARRA funds, staff will meet with all project sponsors and redirect the funds to other projects that can meet the deadlines on a first-come-first-serve basis (as approved at the April 2, 2009 RTC meeting).

### Reserve

As discussed at the Policy Workshop, staff recommends reserving \$1.8 million due to funding uncertainties with several regional projects. For instance, if the RTC is successful in receiving Federal Earmarks for various projects through reauthorization of the federal transportation act, the RTC may be required to provide matching funds. Uncertainties also remain regarding the final cost of the Highway 1 Auxiliary Lanes and Santa Cruz Branch Rail Line Acquisition projects, primarily due to threatened legal challenges to both projects and the unpredictability of the results of such challenges. Also the State's budget crisis continues to make it difficult to secure funding allocations for state funded projects jeopardizing other funding for those projects, creating delays, and increasing costs. In addition, in the absence of a local funding source, the RTC does not have a way to fully take advantage of unforeseen funding opportunities with matching funds to leverage those one time funding opportunities. Therefore, the staff recommendations include reserving \$1.8 million in RSTP funds to address these potential needs. If the funds are not needed, they will be programmed to other projects in a future funding cycle. Reserving a higher amount of funds would

better prepare the RTC to address the listed potential uncertainties; however, due to the high amount of other local transportation funding needs, staff does not recommend reserving a higher amount.

### **Committee Recommendations**

The RTC's advisory committees reviewed the proposed projects and developed recommendations for the Commission.

*Interagency Technical Advisory Committee (ITAC):* The ITAC recommends (on a vote of 17 to 2) that the RTC approve the staff recommended project list. The ITAC further recommends prioritizing projects proposed for these funds, but not recommended for funding (Attachment 2b) to receive reserved funds, if not all of the reserve funds are needed for other projects, based on recommendations to be developed by staff and the ITAC over the next few months. In response to this ITAC recommendation, **staff recommends that the RTC direct staff to work with the ITAC and return to the RTC to consider programming these funds to additional projects considered during this funding cycle, if and when it is determined that the reserved funds are not needed either for regional projects, to respond to funding uncertainties, or to leverage new funding opportunities.**

*Bicycle Committee:* The Bicycle Committee recommends that the RTC program 10% of the funds (\$1.1 million), plus all of the TE funds (approx. \$365,000) to bicycle projects. The Bicycle Committee recommended that the RTC fund the following projects (identified as either "tier 1" or "tier 2"):

- Countywide Bike Route Signage - tier 1
- Go Green Campaign - tier 1
- South County Community Traffic Safety Coalition (CTSC) - tier 1
- 38<sup>th</sup> Avenue Reconstruction – with funding conditional on inclusion of bicycle lanes - tier 1
- Freedom Boulevard Reconstruction- if additional funds needed - tier 1
- West Cliff Multi-Use Path Reconstruction - tier 2
- Whispering Pines Sidewalk and Bicycle Lanes – tier 2

Staff considered each project's ability to address multiple modes, including bicycling, when recommending projects for funding. Three of the seven projects prioritized by the Bicycle Committee are currently recommended by staff for funding. The Freedom Boulevard project is already fully funded. Forty percent of the projects proposed for funding include improvements to bicycle facilities; in addition, two out of five of the pavement rehabilitation projects improve roadways frequently utilized by bicyclists (Soquel Avenue Project and Pacific Avenue, Third Street and Second Street Project). While the remaining projects meet transportation needs in the region, they benefited fewer users or provided fewer benefits than those projects proposed for funding. Therefore, **staff did not add the Bike Route Signage, CTSC, Freedom Boulevard or West Cliff Path projects to the final staff recommendation.** Additional details regarding why specific projects were not included in the staff recommendation are provided in [Attachment 3](#).

The Elderly/Disabled Transportation Advisory Committee did not meet in May 2009, however staff distributed the preliminary staff recommendations to committee members and reviewed the project list with the E&DTAC Pedestrian Safety Workgroup. At its April 2009 meeting, the E&DTAC sent letters to three agencies encouraging them to apply for funds this cycle ([Attachment 4](#)); however project sponsors did not submit applications for the funds. At its May meeting, Pedestrian Safety Workgroup members requested that projects that modify curbcuts (ex. sidewalk and some road repair projects) include directional ramps, in order to improve safety, and suggested the RTC give

higher priority to projects that expand access for people with disabilities, but stated that they did not oppose the staff recommendations. Members individually expressed support for the City of Capitola's 38<sup>th</sup> Avenue and Park Avenue sidewalks projects, City of Santa Cruz's West Cliff Drive Path Reconstruction, City of Watsonville's Green Valley Road and Freedom Boulevard Rehabilitation projects, and the South County Based Community Traffic Safety Coalition. Pedestrian Workgroup members expressed concern about pedestrian safety, especially for visual impaired people, for the Beach Area Roundabouts and requested the City of Santa Cruz meet with the E&DTAC to discuss these concerns. The staff recommendation considers multiple users, including pedestrians, and includes some of the projects supported by individual committee members, **however staff does not recommend funding all of these projects**. Additional details regarding why specific projects were not included for funding are included in Attachment 3.

### **Highway 1 Auxiliary Lanes Project Funding Proposal**

The funding request for the Highway 1 Soquel/Morrissey Auxiliary Lanes project is a total of \$368,000 to address refinements in the project design and advance environmental mitigation planning efforts and to address the shortfall in obligation authority of Federal funds programmed for this project. RTC and Caltrans staff and the project consultants are working diligently on maintaining the project schedule despite delays encountered in advancing the final design phase, previously anticipated to begin in January 2009. The funding request for the Auxiliary Lanes project addresses issues intended to maintain accelerated delivery of the project. The funding request is broken out as follows:

\*\$110,000 – Planning and Engineering Activities Cost Increase: Refinements to the project design in response to public comments on the draft environmental document and continued planning activities to mitigate the impact of the delay encountered beginning the final design phase of the project; specifically: preparation of a conceptual habitat mitigation and monitoring plan for wetland impacts, coordination and engineering for the placement of soundwalls, and public meetings to review project landscaping plans to identify appropriate visual treatments for the project.

\*\$258,000 – Federal Earmark Reduction: \$2.9 million in federal funds were originally earmarked for this project in the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) by Congressman Farr. However, the federal government has reduced the amount of funding released (obligation authority) to all projects, resulting in a reduction of total earmark funds available for this project to \$2.64 million, a loss of \$258,000.

Given that \$258,000 is to replace reduced federal funds, and the \$326,000 in RSTPX approved in April is bridge funding until the STIP funds are available, in total these additional funds equate to only a \$110,000 cost increase over project costs/funding approved through 2008.

### **Bicycle Route Signage**

A significant level of Bicycle Committee and public support has been expressed for the Bicycle Route Signage project. While staff recognizes the potential for signage projects to increase bicycle ridership, other projects proposed for funding were determined to have more direct benefits to multiple modes, and therefore were able to better address the transportation needs in the region based on the approved evaluation criteria. As such, staff recommends not funding this project at this time. Furthermore, this project requires significant RTC and local jurisdiction staff time, and

given current staffing constraints at all agencies, is not feasible to implement in the near future. Staff recommends the RTC instead reconsider the project once planning for the Monterey Bay Sanctuary Scenic Trail (MBSST) is farther along.

### **Highway 1/17 Merge Lanes**

As reported at your last meeting, it is unclear when the \$1.5 million in State Transportation Improvement Program (STIP) funds programmed for the Highway 1/17 Merge Lanes Landscaping Project will be available. Delayed bond sales, CTC and Caltrans prioritization of other projects over landscaping for limited STIP funds, and uncertainties with the State Budget contribute to the delay in release of funds to this project. Under the best case scenario the project could receive the programmed funds before the fall. Under the worst case scenario release of the programmed funds to the project could be delayed several years. The RTC could elect to program ARRA funds to the project to ensure construction of the project within the next year and program a replacement project in the STIP. However, staff believes that this project is more likely to receive a vote from the CTC than any other Santa Cruz County project that could be programmed in its place. As such, **staff does not recommend replacing the \$1.5 million in STIP programmed to the project with ARRA or RSTP funds at this time.** Staff has set up meetings with the CTC, Caltrans, and state legislators to push for allocation of the STIP.

### **Public Hearing**

**A public hearing has been scheduled for 10:00 a.m.** to receive public input on programming these funds. A news release on the hearing was sent out to local media and the hearing was advertised in the Santa Cruz Sentinel and Register-Pajaronian. Public comments received through May 27, 2009 are attached ([Attachment 5](#)). Any additional comments received will be distributed at the meeting.

### **SUMMARY**

\$5.4 million in American Reinvestment and Recovery Act (ARRA) funds, including \$365,000 for TE activities, and \$5.8 million in Regional Surface Transportation Program (RSTP) are available for programming to transportation projects in Santa Cruz County. Staff recommends that, following a public hearing, the RTC adopt a resolution, designating projects to receive these funds ([Attachment 1](#)).

#### Attachments

1. Resolution
2. Projects Considered and Staff Recommendations for Funds
3. Summary of Projects Requesting Funding
4. Letters to/from Committees
5. Written Public Correspondence
6. Economic Stimulus Funds Approved by RTC on February 5, 2009