

SAN LUIS OBISPO COUNCIL OF GOVERNMENTS

STAFF REPORT

MEETING DATE: December 17, 2008

SUBJECT: Arroyo Grande's East Branch Street Streetscape Funding

SUMMARY

In April 2008, the City agreed to swap \$588,000 of flexible State Highway Account funds (RSHA) programmed by SLOCOG for the East Branch Street streetscape project and make those funds available for other regional projects in return for Federal Transportation Enhancement (TE) funds. The SLOCOG Board awarded an additional \$250,000 to the City of Arroyo Grande for the construction of improvements to East Branch Street. SLOCOG then programmed the \$838,000 of federal TE funds in the 2008 STIP, requesting the funds be available for fiscal year 08/09. However, in July 2008 technical corrections made by the California Transportation Commission to the SLOCOG transportation improvement program changed the fiscal year the federal TE funds would be available from FY 8/9 to FY 9/10.

The City is anxious to move this project forward and has asked SLOCOG to allow a "project(s) swap" so that local funding could be used to deliver the East Branch Street streetscape project this fiscal year (see attached letter). SLOCOG staff has asked the project team to meet with Caltrans District 5 Local Assistance to review the project swap proposal to ensure all fund type eligibility issues are understood well in advance.

RECOMMENDATION

Option A: Support City request to swap TE funding from East Branch project and put on proposed projects.

Option B: Maintain TE funding in FY 09/10 to allow City to proceed with the East Branch as programmed.

Option C: Use local funds to deliver project, consider backfilling with RSHA in February.

Staff: Recommend Option C

TTAC/CTAC:

DISCUSSION

In April, the SLOCOG Board deprogrammed \$588,000 in Regional State Highway Account (RSHA) funds for the East Branch Street streetscape project in exchange for \$838,000 in federal TE funds. The City seeks to move this project with local funds this fiscal year but would like authorization from the SLOCOG Board to swap the federal TE funds for other enhancement eligible projects through out the city.

Option A:

If supported by the SLOCOG Board, the East Branch Street project would not become federalized and the project would move forward early 2009. TE eligible components of the proposed projects are stated on the City's letter (attached). For the City to still be able to use the \$838,000 in TE funds, the following projects are proposed by the City to be amended into the STIP for fiscal year 2009/2010:

El Camino Real Retaining Wall and Sidewalk– Construction & Const Contingencies	113,800
El Camino Real Resurfacing and Bikelanes– Construction/Conting/Contract Admin	81,500
Castillo Del Mar Extension Bikelanes – Construction Conting/Contract Admin	150,000
Sidewalks Projects – Construction Conting/Contract Admin	<u>247,350</u>
Total to be Exchanged	592,650

If supported, these projects would be added to the SLOCOG TE back up list, the STIP would be amended to show "TE reserve funds" for fiscal year 9/10, and the Federal TIP would be amended accordingly. The City must submit TE applications for each project to SLOCOG staff for inclusion into TE back up list. It is imperative the City have these proposed projects reviewed by the Caltrans TE coordinator to ensure eligibility of federal TE funds.

As stated in the city letter, the \$571,400 to be swapped is \$245,350 short of the \$838,000 programmed for the East Branch Streetscape project. The City has requested SLOCOG consider awarding the remaining amount in RSHA. However, the City has expended \$153k in RSHA funds, making the remaining balance \$92k, which SLOCOG would consider advancing as the City Urban SHA funds.

Option B:

The simplest way for the City to utilize all their Federal TE funding is to continue the project as programmed and construct in FY 09/10. The proposed projects have not yet been reviewed by SLOCOG or Caltrans staff and there are two concerns:

- Federal funding can require environmental reviews and are often subject to delays.
- The proposed projects are not adequately scoped at this time and SLOCOG staff cannot identify what TE eligible components exist and the amount that qualifies. Nor have these projects been compared to the other projects on the list.

Option C:

With the uncertainty of future funds coupled with SLOCOG's existing fund balance identified as over-programmed, staff recommends the City use local funding sources for the East Branch Streetscape project to achieve the City's completion objective of May 2009. In February 2009, SLOCOG will revisit its SHA funding program, identify any projects that have stalled, and deprogram projects that have consistently languished. Given the funding issues around the project, the use of deprogrammed RSHA funds in combination with advancing SHA funds will be considered at the February SLOCOG Board meeting.

Background

East Branch Streetscape project will install bulb-outs, pedestrian crossings, and other transportation enhancements. This project was originally programmed in the 2002 STIP with \$399k in FY 05/06. At that time East Branch/Highway 227 was under Caltrans control and the City chose not to pursue relinquishment of HWY 227. Because of this, the STIP funds could not be accessed without a Project Study Report (PSR). In 2006, the STIP funds were deprogrammed and replaced with RSHA in the amount of \$588k. In 2008 the funds were again increased and exchanged for TE. Most recently, Route 227 was relinquished by Caltrans to the City.

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November 25, 2008

Mr. Ron DeCarli, Executive Director
 San Luis Obispo Council of Governments
 1150 Osos Street, Suite 202
 San Luis Obispo, CA 93401

Subject: East Branch Streetscape Project

Dear Mr. De Carli:

Thank you for your and Richard Murphy's assistance in developing a funding strategy that will allow the subject project to be completed on its current schedule. The East Branch Streetscape project is an extremely high priority project for the City. The City has been working on this project for several years with a large amount of interest and involvement from local businesses and the community at large. ~~and now that the~~ The City accelerated the relinquishment of Route 227 to make this project possible. Now that it has been completed, the is very excited to see the improvements desired by the community finally being accomplished.

The project has been designed and the City has called for construction bids with an expectation to begin construction the first of January 2009 in order to complete the project prior to the Strawberry Festival. The City has been working under significant scheduling constraints in order to complete the improvements within a narrow window of opportunity where they will minimize the impact on local business and community activities.

The following is a summary of the project revenues:

Local Sales Tax Funds	\$ 150,000
Redevelopment Tax Increment Funds	70,000
Caltrans Relinquishment Funds	25,000
CDF Urban Forestry Grant	3,000
SAFE Funds	120,000
STPL State Exchange (RSHA - already expended)	153,605
STIP Enhancements (TE Funds)	<u>838,000</u>
Total	\$ 1,359,605

As discussed during our teleconference today, the City was unaware that STIP Enhancement funds were reprogrammed by the California Transportation Commission (CTC) in to FY 2009-10. In order to keep maintain the current project schedule, it is being proposed the SITP Enhancement funds be reprogrammed on other projects within the City that have local funds immediately available that could be used for the East Branch Streetscape project. This would simply rearrange existing regional and

local funding in order to complete all planned projects in the most effective and efficient manner.

The following is a list of the projects the City believes would be appropriate uses for the STIP Enhancement funds. It is proposed that the components of the projects eligible for STIP Enhancement be funded with the East Branch Streetscape STIP Enhancement funds, and the local funds for these components be redirected to the East Branch Streetscape project.

El Camino Real Retaining Wall and Rehabilitation

This project consists of the construction of a retaining wall and sidewalk along the south side of El Camino Real near Oak Park Boulevard. The project will provide a significant enhancement to pedestrians and implementation of the City's pedestrian and bikeway plan by installing a missing segment of sidewalk at a hazardous turn at one of the City's two Highway 101 frontage roads. The project also consists of the resurfacing and restriping of El Camino Real from East Grand Avenue to Oak Park Boulevard to, ~~including pavement striping to include~~ add needed bike lanes to portions or all of the roadway.

El Camino Real is approximately 2 miles in length from Oak Park Boulevard to East Grand Avenue and construction costs are estimated at \$912,770 (construction = \$780,000, construction contingencies = \$78,000, contract admin = \$54,770). The segment between Oak Park Boulevard and Brisco Road is approximately 1 mile in length and construction costs are estimated at \$456,385 (or half of \$912,770). It is proposed bike lanes be installed along this segment, which also includes the City's park and ride facility and regional transit stop. The average pavement width for this segment is approximately 28 feet. Assuming the pavement will need to be widened/paved by 5 feet for bike lanes, the proportionate share eligible for STIP Enhancement funds is estimated to be \$81,500.

Castillo Del Mar Extension

The City is contributing \$150,000 of local funds for the installation of bike lanes as part of the Castillo Del Mar Extension project, extending a roadway connection from Orchard Street to Valley Road. The roadway portion of the project is being funded with development funds. It is adjacent to the Arroyo Grande High School. It will provide an alternate route to reduce traffic congestion at Fair Oaks Avenue and Orchard Street and will enhance safe travel for students to the High School.

Miscellaneous Sidewalks Projects

The City has programmed ~~\$300,000~~ \$325,000 of Local Sales Tax Funds in FY 2008-09 and FY 2009-10 to implement recommendations of the City's pedestrian plan through the installation of new sidewalks ~~for miscellaneous sidewalk projects within the City over the next two fiscal years~~. Projects planned include Elm Street, Ash Street and Tally Ho Road. Of this amount ~~\$300,000~~, approximately \$34,000 will be used for the local match to the Crown Hill Safe Routes to Schools project. Of the remaining ~~\$266,000~~ \$291,000, approximately 15% will be needed for design efforts leaving approximately ~~\$226,100~~ \$247,350 for construction.

El Camino Real Retaining Wall – Construction & Const Contingencies \$ 113,800

El Camino Real Resurfacing – Construction/Conting/Contract Admin	81,500
Castillo Del Mar Extension – Construction Conting/Contract Admin	150,000
Miscellaneous Sidewalks – Construction Conting/Contract Admin	226,100 \$247,350
Total to be Exchanged	\$ 571,400 \$592,650

This ~~\$571,400~~ is ~~\$266,600~~ \$592,650 is \$245,350 short of the \$838,000 programmed for the East Branch Streetscape project. The City is requesting SLOCOG consider advancing this remaining amount from the future STPL State Exchange (or other State funds) balance and in exchange for the STIP Enhancement funds.

Please let us know if you need additional information.

Sincerely,

Steven Adams
City Manager

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