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DEPARTMENT OF
PUBLIC WORKS

TECHNICAL SERVICES
DIVISION

CITY OF SACRAMENTO
CALIFORNIA

APPROVED
BY THE CITY COUNCIL

JAN 12 1999

OFFICE OF THE
CITY CLERK

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January 5, 1999

City Council
Sacramento, California

Honorable Members in Session:

**SUBJECT: TRANSPORTATION FUNDING STRATEGY AND STATE TRANSPORTATION
FUNDING PROJECT PRIORITIES**

LOCATION AND COUNCIL DISTRICT:

All Districts

RECOMMENDATION:

This report recommends that the City Council:

- provide staff direction in development of a strategy for selecting transportation projects for funding; and
- approve a prioritized list of projects for the current state funding cycle.

CONTACT PERSON: Fran Lee Halbakken, Funding & Priorities Manager 264-7194

FOR COUNCIL MEETING OF: January 12, 1999

SUMMARY:

The City of Sacramento has been asked by the Sacramento Transportation Authority (STA) and Sacramento Area Council of Governments (SACOG) to provide projects for consideration for a current state transportation funding opportunity. Staff is seeking direction from the City Council about which projects to submit.

COMMITTEE/COMMISSION ACTION:

None

BACKGROUND INFORMATION:

Based on projections of available state and federal transportation funding, the City of Sacramento will have an opportunity to secure an unprecedented level of funding for its priority transportation projects over the next 5 years. The various funding programs include:

Federal Transportation Efficiency Act for the 21st Century (TEA-21)

This federal program was authorized as a 6-year program and we are currently in the second year. It is anticipated that funds will be allocated in two cycles, with the first allocation scheduled for mid-1999. SACOG is still developing the details of the funding process. Funds to be allocated to the Sacramento County-wide area this year include:

- Regional Surface Transportation Program (STP) - \$30 million
- Congestion Mitigation and Air Quality Program (CMAQ) - \$33.5 million
- Transportation Enhancement Activities Program (TEA) - \$4.2 million

The amounts shown above represent half of the federal funds available to the area under TEA-21. The remaining funds are expected to be allocated in 2001.

State Transportation Improvement Program (STIP)

The region's 1998 STIP funding cycle was just completed, however \$30 million of additional money has been made available for programming within the Sacramento County area, under TEA-21. This new money is being referred to as the 1998 STIP augmentation funds. The Sacramento Transportation Authority (STA) Governing Board has formed an STA Transportation Programming Committee. The committee has been tasked to work with staff to facilitate the review and selection of projects for STIP and TEA-21 funding within Sacramento County. The committee will develop a recommended process and project list(s) for consideration by the STA Board.

The Sacramento Area Council of Governments (SACOG) has not yet issued a formal call for project applications. However, an issue has arisen concerning whether the countywide 1998 STIP augmentation funds should be:

- Reserved for immediate expenditure on eligible roadway rehabilitation and storm damage repair of roads; or
- Programmed later this spring with the TEA-21 projects.

SACOG has asked for STA policy direction on this matter by early February.

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The STA committee has met three times over the last 2 months. Staff of some local agencies has proposed setting aside all the STIP augmentation funds for road rehabilitation and storm damage repair projects. Staff of other agencies, including the City of Sacramento, have requested that candidate STIP projects – including rehab and storm damage – be considered for funding simultaneously with the TEA-21 project nominations.

Based on a formula distribution being considered by the STA Committee, if the entire STIP augmentation funds were set-aside for road rehab and storm repair, the City of Sacramento would be entitled to \$8.68 million. The City has already planned for an annual \$3 million overlay/seal program and an annual \$3 million reconstruction program. The overlay/seal program is funded with Measure A maintenance funds and the reconstruction program is funded with Measure A capital funds. Receipt of the set-aside STIP funds would allow the City to free up \$8.68 million of Measure A funds from the reconstruction program. We would also have to increase the reconstruction program total to \$4.34 million for two years, since STIP funds need to be used within two years of allocation.

City of Sacramento staff supports the process of considering all projects for state/federal funding at the same time, so that comprehensive funding decisions can be made which recognize the need for balance in areas of:

- Maintaining infrastructure;
- Adding new infrastructure;
- Supporting economic development;
- Improving non-vehicular systems; and
- Enhancing neighborhoods.

Under this process of open competition, the City would not receive a guaranteed percentage of the \$30 million STIP augmentation funds. However, the City has approximately 34% of the total population in the County, so the City's per capita share would be about \$10 million. This process would allow the City to build improvements that address the areas listed above.

The STIP fund cycles occur every two years. The Year 2000 STIP is not expected to include any funding for new projects. The following cycle will be the Year 2002 STIP, which will probably be the City's next opportunity to submit projects for STIP funding.

Project Priority for STIP augmentation funding

Eligibility requirements for STIP funding are:

- an approved Project Study Report or equivalent by February 1999;
- environmental process underway; and
- provides improvement to the State Highway system.

The City currently has six projects that meet all the eligibility requirements.

1.	7 th Street – extend a 2-lane road from D Street to North B Street with bike lanes and sidewalk. Construction date 2001, cost estimate \$7.5 million. STIP request \$5 million
2.	Richards Boulevard Widening – widen to 5 lanes from North 7 th to 12 th Street and add bike lanes. Construction date 2000, cost estimate \$3.9 million. STIP request \$3.1 million
3.	Howe/50 improvements – widen Howe Avenue to 6 lanes from College Town to Folsom Boulevard, make operational improvements at Hornet Drive and build intersection to extend Jed Smith to connect with CSUS. Construction date 2000, cost estimate \$5 million. STIP request \$2 million.
4.	Power Inn Road Widening – widen from 4 to 6 lanes from Folsom Boulevard to 14 th Avenue. Construction date 2001, cost estimate \$5 million. STIP request \$4 million
5.	Elevate Northgate Boulevard – raise roadway 6' to reduce flooding-related closures. Construction date 2002, cost estimate \$2.5 million.
6.	Folsom Boulevard – widen to 4 lanes from Power Inn Road to 65 th Street. Construction date 2003, cost estimate \$9.2 million.

The projects are listed above in staff recommended priority order, with priorities based on the Transportation Programming Guide and project delivery dates. The Northgate and Folsom Boulevard projects are not recommended for this cycle of STIP funding because the project delivery date is farther out.

FINANCIAL CONSIDERATIONS:

By maximizing the level of state transportation funding the City of Sacramento receives, the City will be able to construct our priority projects sooner. Local fund sources, such as Measure A Sales Tax, Gas Tax, and Major Street Construction Tax, that have already been programmed for the projects can either provide the local match or be reprogrammed for additional transportation projects.

ENVIRONMENTAL CONSIDERATIONS:

This activity is not considered a project as defined by Section 15378 of the California Environmental Quality Act (CEQA) guidelines. The activity does not involve physical construction and has no potential to cause a significant impact on the environment (CEQA Section 15061(b)(3)).

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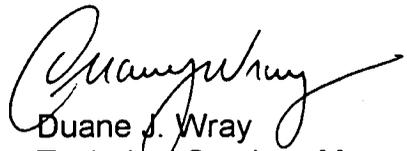
POLICY CONSIDERATIONS:

The City does not have an approved policy for selection of projects for available funding cycles. By developing a funding strategy, staff and Council will have policy to provide guidance in selecting projects for current and future funding opportunities.

MBE/WBE:

None, since no goods or services are being procured.

Respectfully submitted,



Duane J. Wray
Technical Services Manager

RECOMMENDATION APPROVED:



WILLIAM H. EDGAR
City Manager

Approved:



Michael Kashiwagi
Director of Public Works

FH:eaj
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