

CITY OF SANTA ROSA  
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL  
FROM: JASON NUTT, DIRECTOR  
DEPARTMENT OF TRANSPORTATION AND PUBLIC WORKS  
SUBJECT: MEASURE M (TRAFFIC RELIEF ACT FOR SONOMA COUNTY -  
2004) EXPENDITURE PLAN REALLOCATION

AGENDA ACTION: RESOLUTION

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RECOMMENDATION

It is recommended by the Transportation and Public Works Department that the Council, by resolution, request that the Sonoma County Transportation Authority reallocate \$9.5 million in Local Streets Projects Program funds delegated through the Measure M (Traffic Relief Act for Sonoma County - 2004) expenditure plan from the Fulton Road Improvements project to the Hearn Avenue Interchange Improvements project.

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EXECUTIVE SUMMARY

Completion of the Hearn Avenue Interchange Improvements project continues to be a high priority for the City Council and communities in both the southwest and southeast quadrants of town. The final design of Phase 3, reconstruction of the Hearn Avenue Interchange, will be complete this Fall; however, staff continue to search for construction funds. With the release of the 2019 Better Utilizing Investments to Leverage Development (BUILD) Transportation grant and SB1 Local Partnership Program (LPP) funds, staff believe there are multiple opportunities to fund this critical regional project. Based on recent feedback from these granting sources, it is clear that the City must offer a 50/50 cost share as part of the application to receive serious consideration. In reviewing the status of the three City sponsored Measure M Local Streets Projects (LSP), the City has determined that funds could be reallocated from the Fulton Road Improvements Phase 3 project to the Hearn Avenue Interchange Phase 3 project to meet the 50/50 cost share requirement for both Measure M and each of the upcoming funding opportunities.

BACKGROUND

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In November 2004, Sonoma County voters approved Measure M, the Traffic Relief Act for Sonoma County (Measure M). The Measure included a detailed expenditure plan that divided funds into the following categories:

- Fix Potholes Maintain Streets and Keep Traffic Moving – 40%
  - Local Streets & Roads (LSR) Program – 20%
  - Local Streets Projects (LSP) Program – 20%
- Highway 101 Improvements – 40%
- Bus, Rail and Bicycle & Pedestrian – 19%
- Administration – 1%

The LSP Program targets high priority local street projects that are managed by the local jurisdiction. The Measure M Expenditure Plan lists eleven specific traffic congestion relief projects that are eligible for Measure M sales tax revenue under the LSP program. Measure M funds are designated to provide 50% of the estimated cost of the project. Sponsors are required to provide at least a 50% local match to complete funding. The City of Santa Rosa is the project sponsor for three projects within the LSP Program:

- Hearn Avenue Interchange Improvements - \$9 million
  - Phases 1 – widen Santa Rosa Avenue from Colgan Avenue to Yolanda Avenue (COMPLETE)
  - Phase 2 – widen Hearn Avenue from Corby Avenue to Dutton Avenue (COMPLETE)
  - Phase 3 – reconstruct Hearn Avenue Overcrossing & Interchange (DESIGN @ 90%)
- Fulton Road Improvements
  - Phase 1a – widen Fulton Road from Piner Road to Wood Road (COMPLETE)
  - Phase 1b – widen Fulton Road from Guerneville Road to Piner Road (DESIGN @ 90%)
  - Phase 2 – convert existing signalized intersection of Fulton Road and SR-12 into a full interchange (NOT STARTED)
- Farmers Lane Extension
  - Phase 1 –Bennett Valley Road to Kawana Springs Road (DESIGN @ 95%)
  - Phase 2 –Kawana Springs Road to Petaluma Hill Road (DESIGN @ 95%)

Based on prior Council and community feedback, it is clear that the completion of the Hearn Avenue Interchange project is the highest priority of the three LSP projects. Traffic impact studies conducted in the southwest and southeast quadrants of town have demonstrated that a wider more modern interchange is critical to support public safety as well as the ongoing commercial and residential development activities. Many opportunity sites remain vacant waiting for this key improvement to be completed.

PRIOR CITY COUNCIL REVIEW

On August 16, 2005, the City Council by Resolution No. 26362 approved the

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Cooperative Funding Agreement (M30706) for the Hearn Avenue improvements.

On April 3, 2012, the City Council by Resolution No. 28069 approved the Cooperative Agreement between the State of California and the City of Santa Rosa authorizing Caltrans to prepare the Project Initiation Document (PID) for the Hearn Avenue Interchange at Highway 101.

On February 10, 2015, the City Council by Resolution No. 28603 approved Amendment No. 1 to the Measure M Cooperative Funding Agreement M30706 authorizing funds for the Hearn Avenue Interchange project.

On June 26, 2018, the City Council by motion authorized the TPW Director to submit a grant application to the US Department of Transportation for the BUILD grant program.

### ANALYSIS

Policy 4.19 of the 2019 Measure M Strategic Plan outlines the process agencies must use to make a reallocation request to the SCTA Board of Directors. Within this policy are three key statements that require justification for the request:

- Tax proceeds originally allocated to a listed project may become available for reallocation due to any of the following reasons:
  - A listed project is completed under budget;
  - A listed project is partially or fully funded by funding sources other than Measure M tax proceeds;
  - A project sponsor and implementing agency request deletion of a listed project because of unavailability of matching funds;
  - A listed project cannot be completed due to an infeasible design, construction limitation or substantial failure to meet specified implementation milestones.
- Upon a finding that tax proceeds are available for reallocation due to one of the conditions above, the SCTA may reallocate such tax proceeds subject to the following guidelines:
  - Available tax proceeds can be reallocated only to project(s) within the same program category as the original listed project.
  - Reallocation of tax proceeds within a program category will be based first on project readiness and availability of matching funds. The next tier of criteria will include impact on congestion, cost-effectiveness, ranking in the Comprehensive Transportation Plan, and schedule adherence as determined by the SCTA.
  - An existing project within a program category that needs additional funding, not as a result of scope change, has priority over a newly proposed project. However, the project must maintain the match level from other funding sources (50% percent in most cases) required in the original Measure M expenditure plan.

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- The Traffic Relief Act of Sonoma County (Measure M) passed by the voters cannot be changed without another vote of the people. However, the Legislature has vested in local authorities the ability to annually review and amend voter-approved expenditure plans following a procedure and for reasons established by statute. California Public Utility Code Section 180207, reads as follows:
  - a) the authority may annually review and propose amendments to the county transportation expenditure plan adopted pursuant to Section 180206 to provide for the use of additional federal, state and local funds, to account for unexpected revenues, or to take into consideration unforeseen circumstances.
  - b) the authority shall notify the board of supervisors and the city council of each city in the county to provide them with a copy of the proposed amendments.
  - c) The proposed amendments shall become effective 45 days after notice is given.

#### Reallocation Rational

As the Hearn Avenue Interchange Improvements project design nears completion, staff has begun actively researching funding alternatives to begin the construction phase. The project is generally considered shovel ready and has an estimated construction cost of \$28 million. Approximately \$3.6 million in Measure M funding is designated for construction leaving a gap of nearly \$20 million.

In July 2018, staff prepared and submitted an application to the US Department of Transportation (US DOT) for grant funding through the Better Utilizing Investments to Leverage Development (BUILD) Transportation Discretionary Grant program. The City's application requested an 80/20 federal to local cost share to leverage the existing Measure M funds. While receiving a "Highly Recommended" rating, we were not awarded grant funds. While feedback from US DOT staff indicated that the application was well put-together and clearly the type of project BUILD intends to support, there were some areas in the application that required additional detail and the cost share needed to move closer to a 50/50 allocation.

In March 2019, the US DOT released the call for projects for the 2019 BUILD Transportation grants. Staff is actively revising the application consistent with the recommendations provided during the US DOT debriefing to ensure that the application is ready for submittal by the July 15, 2019 deadline.

Staff have analyzed opportunities for increasing the cost share allocation. Given the current status of the LSP projects, Tier 1 Council Priorities relating to Fiscal Sustainability and Housing and focus on public safety and evacuation routes within the Wildland Urban Interface (WUI), staff believe it is appropriate to request that the Sonoma County Transportation Authority shift funds from the Fulton Road Improvements Phase 2 to the Hearn Avenue Interchange Improvements Phase 3.

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Based on discussions with SCTA staff, it has been determined that approximately \$10 million remains allocated to the Fulton Road Improvements Phase 2 project (interchange at SR-12 and Fulton Road). Staff is recommending shifting \$9.5 million of those funds to the Hearn Avenue Interchange Improvements Phase 3 to support the 50/50 cost share should the City's 2019 BUILD or SB1 Local Partnership Program (LPP) applications be successful. The remaining \$500,000 will be adequate to undertake a Project Initiation Document (PID) to begin developing the scope of work for the Fulton Road Improvements Phase 2 project.

Compliance with Measure M Strategic Plan Policy 4.19

*Reallocation Reasons*

Council has provided feedback to staff that, while all three LSP projects, Hearn Avenue Interchange Improvements, Fulton Road Improvements and Farmers Lane Extension, are important to the City, the Hearn Avenue Interchange Improvements project is the highest priority. Council has also recognized that funding has not existed to initiate the Fulton Road Improvements Phase 2 project. While taking action on this reallocation request will remove a majority of the funding associated with the Fulton Road Improvements Phase 2, it does not indicate that Council wishes to delete the project, that the project is infeasible or that the City intends to finance the project with other funds. The intent is to ensure that the City is able to deliver the highest priority Santa Rosa sponsored Measure M project to voters of Sonoma County. The City will continue to pursue additional and matching funds for the two other projects.

*Guidelines*

- Both the Hearn Avenue Interchange Improvements Phase 3 and Fulton Road Improvements Phase 2 projects are within the LSP category and therefore eligible for reallocation.
- The Hearn Avenue Interchange Improvements Phase 3 project is the highest priority for the City and the most ready to utilize the LSP funds for project completion.
- The Hearn Avenue Interchange Improvements project is listed in the Comprehensive Transportation Plan and a high priority within Sonoma County.
- The Hearn Avenue Interchange Improvements project requires significant funding. The City is committed to locating matching funds through various sources. The timing of this request is to allow the City to submit applications for the 2019 BUILD and SB1 LPP grants, which require significant local match funds. While the City would prefer to over match the Measure M funds with other sources, it is clear that the 50/50 match is becoming a standard target throughout the granting agencies. Without additional Measure M funds, the Hearn Avenue Interchange Improvements Phase 3 project will not have adequate local matching funds to qualify for either grant.

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*CPUC Section 180207*

The City's request will need to be reviewed and approved by the SCTA Citizens Advisory Committee (CAC) and the Technical Advisory Committee (TAC) prior to going to the SCTA Board of Directors (Board). If approved by the Board, each city and the County will be notified of the City 's request. If no objections are received within 45 days, the Expenditure Plan will be modified to reflect the new allocation amounts.

Potential Funding Opportunities

As described, the City intends to submit applications to the US DOT for a 2019 BUILD grant as well as the California Transportation Commission (CTC) for an SB1 LPP grant. General descriptions of these programs are provided below.

*Better Utilizing Investments to Leverage Development*

The Better Utilizing Investments to Leverage Development (BUILD) Transportation Discretionary Grant program, provides a unique opportunity for the US DOT to invest in road, rail, transit and port projects that promise to achieve national objectives. Previously known as Transportation Investment Generating Economic Recovery, or TIGER Discretionary Grants, Congress has dedicated nearly \$7.1 billion for ten rounds of National Infrastructure Investments to fund projects that have a significant local or regional impact. The eligibility requirements of BUILD allow project sponsors at the State and local levels to obtain funding for multi-modal, multi-jurisdictional projects that are more difficult to support through traditional DOT programs. Fiscal Year 2019 BUILD Transportation grants are for investments in surface transportation infrastructure and will be awarded on a competitive basis to projects that will have a significant local or regional impact. BUILD funding can support roads, bridges, transit, rail, ports or intermodal transportation.

*SB1 Local Partnership Program*

Jurisdictions with voter approved taxes, tolls, and fees, or with imposed fees dedicated solely to transportation are eligible for the SB1 Local Partnership Program (LPP). Projects funded from the LPP will require at least at 50/50 match. The LPP eligible projects include improvements to the local road system such as new construction or reconstruction to increase safety (reduces accidents and fatalities) and operational improvements, reduces congestion, enhances bicycle, pedestrian and transit mobility. The California Transportation Commission (CTC) gives higher priority to projects that are shovel ready, leverage more committed funds per program dollar, demonstrate regional and community project support and are more cost effective.

FISCAL IMPACT

No impact to the General Fund.

ENVIRONMENTAL IMPACT

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This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guideline section 15378.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable.

ATTACHMENTS

Attachment 1 – 2019 Measure M Strategic Plan; LSP Project Status Sheets (pages 76, 77 and 80)  
Resolution

CONTACT

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