

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: JASON NUTT, ASSISTANT CITY MANAGER
SUBJECT: COOPERATIVE FUNDING AGREEMENT WITH SONOMA
COUNTY TRANSPORTATION AUTHORITY AND ASSOCIATED
FUNDING PLAN AND PROJECT MANAGEMENT FOR PHASE 3
OF THE HEARN AVENUE IMPROVEMENTS PROJECT

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the City Manager's Office and Transportation and Public Works Department, that the Council, by Resolution, delegate authority to the City Manager to negotiate and execute a Cooperative Funding Agreement with the Sonoma County Transportation Authority, to include moving \$3,400,000 in State Transportation Improvement Funds (STIP) from the US 101 Bicycle and Pedestrian Overcrossing Project to the Hearn Avenue Improvements Project, appropriating \$8,600,000 from the unassigned General Fund reserves and committing to appropriate \$3,714,279 in SB1-LSR (FY23-24) funds with the Fiscal Year 2023-24 budget to complete Phase 3 of the Hearn Avenue Improvements project. The Agreement will also provide for Sonoma County Transportation Authority to assume management of the Project.

EXECUTIVE SUMMARY

The City desires to complete Phase 3 of the Hearn Avenue Improvements Project and believes entering into a cooperative funding agreement with the Sonoma County Transportation Authority (SCTA) is a positive step to finally delivering this critical multimodal infrastructure project. The partnership described in the proposed cooperative funding agreement includes a series of actions required by the City Council to establish a final funding plan and retain \$5,000,000 granted to SCTA through the Senate Bill (SB1) Local Partnership Program (LPP) before those funds lapse at the end of Fiscal Year 2022-23. The proposed funding plan includes moving \$3,400,000 in State Transportation Improvement Funds (STIP) from the US 101 Bicycle and Pedestrian Overcrossing Project (Elliot/Edwards Avenues) to the Hearn Avenue Improvements Project, appropriating \$8,600,000 from the unassigned General Fund reserves and committing to appropriate \$3,714,279 in SB1-LSR (FY23-24) funds with the Fiscal Year 2023-24 budget.

The proposed Agreement also provides for SCTA to assume Project management. SCTA, in turn, intends to enter into a cooperative agreement with Caltrans for advertising and award of bids and construction administration.

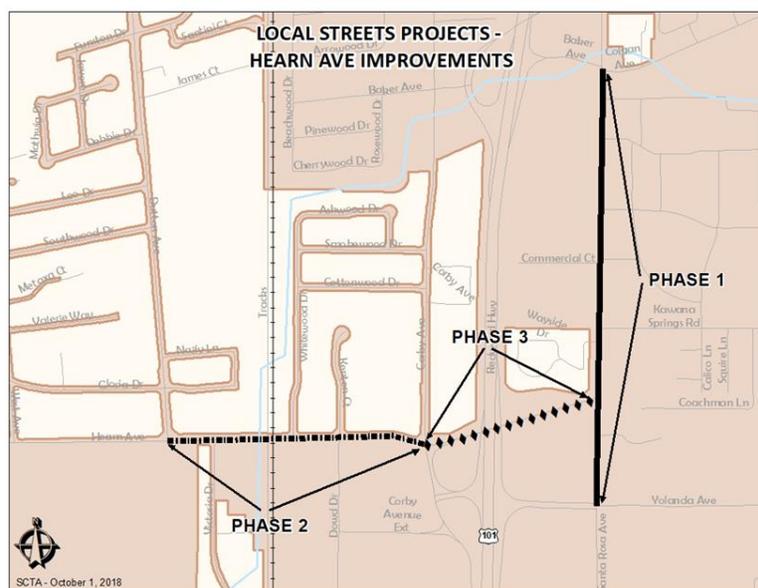
BACKGROUND

In November 2004, Sonoma County voters approved Measure M, the Traffic Relief Act for Sonoma County, including an Expenditure Plan that delegates twenty percent (20%) of the proceeds to listed Local Street Projects (LSP). Three Santa Rosa projects were included: Hearn Avenue Improvements Project, Fulton Road Improvements and Farmers Lane Extension.

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 with all-user bicycle and pedestrian facilities is critical to support the historically underserved community, public safety as well as the ongoing commercial and residential development activities in the area.

Improvements were separated into the three-phase delivery schedule as follows to implement critical components as funding was available:

- Phase 1 – Widen Santa Rosa Avenue approaches to the Hearn Avenue Interchange, including the addition of turn lanes, bike lanes, sidewalks, intelligent transportation system components **(Completed in 2014)**
- Phase 2 – Widen Hearn Avenue from the Highway 101 over crossing to Dutton Avenue, including the addition of bike lanes **(Completed in 2011)**
- Phase 3 – Reconstruct the Hearn Avenue Over Crossing and Interchange at Highway 101, including the addition of turn lanes, bike lanes, sidewalks **(Ready to Bid)**



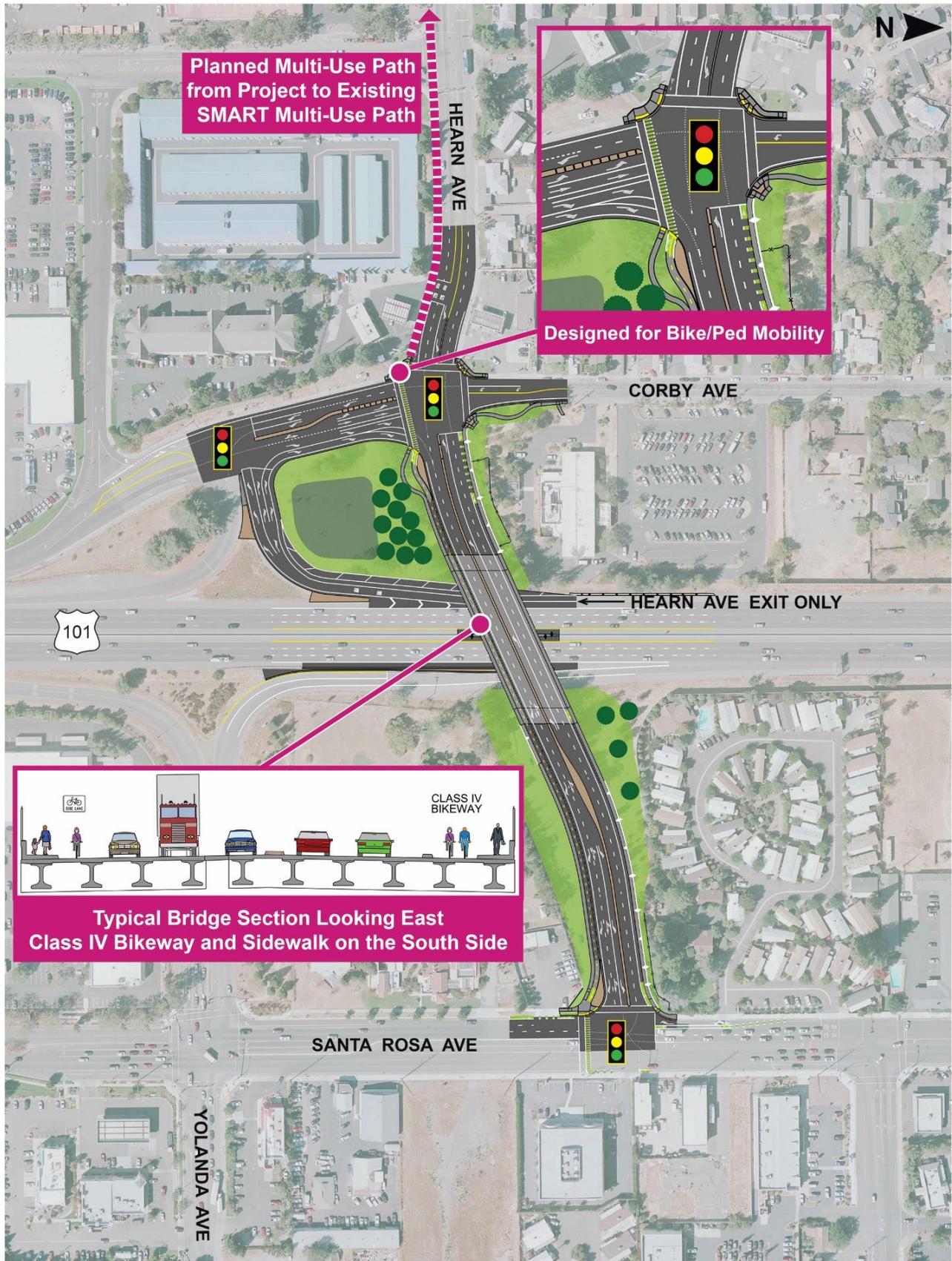
Phase 3 of the Hearn Avenue Improvements Project will reconstruct and modify the existing interchange on US 101 at Hearn Avenue. The project would address

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multimodal safety, mobility, circulation and traffic operations. The proposed project will reconstruct the existing two-lane Hearn Avenue overcrossing in the same location and generally along the same alignment as the existing bridge, minimizing environmental and right-of-way impacts. The project will modify the existing Hearn Avenue interchange with the following improvements:

- Demolish and reconstruct the Hearn Avenue overcrossing to correct existing substandard vertical clearance to meet the minimum Caltrans requirement of 16 feet 6 inches over US 101 and with two lanes in each direction.
- Implement crashworthy bridge railings that meet current requirements.
- Construct an 8-foot-wide sidewalk and Class II bike lane on the north side and an 8-foot wide multi-use path on the south side of Hearn Avenue between Corby Avenue and Santa Rosa Avenue, closing the gap between the east and west side of the interchange for pedestrians and bicyclists, and providing a multi-use path that will be part of a regional network that connects the Sonoma-Marin Area Rail Transit (SMART) path to the planned Taylor Mountain Regional Park Trail.
- Widen the southbound off-ramp with turning lanes at its intersection with Corby Avenue.
- Construct turning lanes at intersections.
- Implement pedestrian curb ramps and crosswalks that meet the requirements of the Americans with Disabilities Act (ADA).
- Incorporate protected intersection facilities for bike crossings and detection to reduce potential conflicts between bikes and vehicles.

The City has been very proactive at seeking outside funding and has submitted grant applications for the 2018 Better Utilizing Investments to Leverage Development (BUILD) Transportation Grant, the 2019 BUILD Transportation Grant, the 2020 SB1-LPP, the 2021 Rebuilding American Infrastructure with Sustainability and Equity (RAISE) discretionary grant program, and the 2022 RAISE grant program. In each case, the project has been given a “Highly Recommended” rating and is within the top 15-20 percent of all applications submitted nationally. Despite the clearly demonstrated need, the project remains unfunded. The City will continue to apply for state and federal funds to reduce use of the City’s limited General Fund resources.



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PRIOR CITY COUNCIL REVIEW

On August 16, 2005, the City Council by Resolution No. 26362 approved the 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 25, 2014, the City and Caltrans entered into Cooperative Agreement No. 04-2492 to complete the Project Approval and Environmental Document (PA&ED) phase. The City Council approved this agreement by resolution No. 28433.

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 April 18, 2017, the City Council, by Resolution No. RES-2017-056, approved Cooperative Agreement No 04-2600 for Caltrans' Independent Quality Assurance during the preparation of the Project Plans, Specifications, and Estimate (PS&E) phase.

On June 20, 2017, the City Council, by motion, approved and authorized the Mayor to execute Project Work Order #A010136-2016-02, for the Plans, Specifications, and Estimate (PS&E) phase for the Hearn Avenue Interchange at US Highway 101, in the amount of \$3,500,000 with AECOM.

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.

On June 4, 2019, City Council adopted Resolution No. 2019-061 requesting that the Sonoma County Transportation Authority reallocate Local Streets Projects Program funds delegated through the Measure M (2004) expenditure plan from the Fulton Road Improvements project to the Hearn Avenue Interchange Improvements project.

On November 17, 2020, City Council, by Resolution No. 2020-198, approved Amendment No. 1 to Cooperative Agreement No. 04-2600-A1 between the State of California and the City of Santa Rosa for Quality Management Assessment during the preparation of the project plans, specifications, and estimate; right-of-way support; and right-of-way acquisition for the Hearn Avenue Interchange at Highway 101 Project.

On October 26, 2021, City Council, by Resolution No. 2021-177, approved Amendment No. 2 to the Cooperative Agreement No. 04-2600-A2 between the State of California and the City of Santa Rosa for Quality Management Assessment of the preparation of the project plans, specifications, and estimate; right-of-way support; and right-of-way acquisition for the Hearn Avenue Interchange at Highway 101 Project.

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On August 9, 2022, the City Council approved an increase in project funds to update the construction documents and provide funding application support.

ANALYSIS

The City has been very proactive in seeking outside funding through the BUILD, LPP, RAISE and other Building A Better America programs since 2018. Feedback from the USDOT note that the project has been consistently given a “Highly Recommended” rating, within the top 15-20 percent of all applications submitted nationally. Unfortunately, the Hearn Avenue Improvements Project – Phase 3 has not been awarded funds through these grant opportunities.

The California Transportation Commission (CTC) LPP Guidelines implemented an incentive for jurisdictions to implement or renew Transportation Specific Sales Tax Measures. SCTA’s successful renewal of Measure M with Go Sonoma in November 2020 resulted in a one-time incentive of \$5,000,000 from the LPP Formulaic (f) Program. The CTC requires local agencies to identify projects utilizing LPP(f) funds annually by May for CTC Board approval in June. On September 12, 2022, the SCTA Board of Directors authorized the LPP(f) funds for the Hearn Avenue Improvements Project for completion of Phase 3.

To ensure that the LPP(f) funds remain with the Hearn Avenue Improvements Project, the City Manager’s Office is recommending shifting fund resources between active projects and appropriating additional funds to fully fund the project in advance of the CTC deadline. To accomplish this task the following funding adjustments must be made:

- Moving \$3,400,000 in State Transportation Improvement Funds (STIP) from the US 101 Bicycle and Pedestrian Overcrossing Project to the Hearn Avenue Improvements Project.
- Notifying the CTC by May 2023 of the City’s intent to use \$3,714,279 in SB1-LSR (FY23-24) for the Hearn Avenue Improvements Project as required by the CTC for their final approval in June 2023 and to appropriate those funds in the FY23-24 budget.
- Appropriating \$8,600,000 from the unassigned General Fund Reserves. These funds will not be used if the City’s various state and federal grant applications are successful.

To document all funding commitments for the Project, the City and SCTA would enter into a Cooperative Funding Agreement (CFA). Given the current state of staffing in the Transportation & Public Works Department, the City also intends that the CFA provide that SCTA will assume project management. The City Manager’s Office believes that it is in the best interest of the City to approve a CFA in an effort to expedite the completion of the Hearn Avenue Improvements Project. A draft CFA has been prepared and is in the final stages of negotiation.

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FISCAL IMPACT

Approval of this action will shift funds between two projects and appropriate funds from the unassigned General Fund reserves in accordance with the proposed Cooperative Funding Agreement to complete Phase 3 of the Hearn Avenue Improvements project.

This action will move \$3,400,000 in State Transportation Improvement Program (STIP) funds from the Highway 101 Bicycle and Pedestrian Overcrossing to the Hearn Avenue Improvements Project.

In addition, Council will confirm its intent to appropriate \$3,714,279 in SB1-LSR (FY23-24) in the FY23-24 budget.

Lastly, this action will appropriate \$8,600,000 from the unassigned General Fund reserves.

The unaudited unassigned General Fund reserves as of June 30, 2022, total \$55,655,929, which is approximately 29% of annual General Fund operating expenditures and is \$24,347,167 over the 17% amount mandated by Council policy. This Council action will appropriate \$8,600,000 from the unassigned General Fund reserves, lowering the total unassigned reserves to \$47,055,929, or 25.3% of General Fund operating expenditures, and \$15,747,168 over the Council policy-mandated 17% unassigned reserve amount.

The information described above is shown in the following table:

The SCTA and City are actively preparing additional grant applications for the SB1 LPP Competitive Program and next round of the USDOT RAISE program to offset the need for using the unassigned General Fund reserves. Results of those grants will be known by April 2023. In addition, the City recently submitted a grant for this project under the USDOT Reconnecting Communities Grant, which could also offset General Funds if successful.

Fund Source	Prior FY	FY 21/22	FY 22/23	FY 23/24	Total
SB1-LSR				\$3,714,279	\$3,714,279
Measure M		\$13,450,000			\$13,450,000
UIF	\$2,471,645				\$2,471,645
STIP				\$3,400,000	\$3,400,000
SB1-LPP(f)			\$5,000,000		\$5,000,000
SB1-LPP(c)/RAISE*			0	\$8,600,000	\$8,600,000
				Total	\$36,635,924
				Estimate	\$36,635,924

*In the event that the LPP(c) or RAISE grants are not awarded, the City agrees to provide \$8,600,000 from the unassigned General Fund reserves to complete the funding plan for the project.

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ENVIRONMENTAL IMPACT

In December 2016, Caltrans, as the lead environmental agency, approved a Negative Declaration for the project while complying with the requirements of the California Environmental Quality Act (CEQA) and approved a Finding of No Significant Impact while complying with the requirements of the National Environmental Policy Act (NEPA).

This specific 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.

NOTIFICATION

None

ATTACHMENTS

- Attachment 1 - Draft Cooperative Funding Agreement Between the Sonoma County Transportation Authority and the City of Santa Rosa
- Resolution

CONTACT

Jason Nutt, Assistant City Manager
(707) 543-3810, jnutt@srcity.org