



# CITY COUNCIL AGENDA REPORT

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MEETING DATE: MARCH 18, 2008

ITEM NUMBER:

**SUBJECT:** COMBINED TRANSPORTATION FUNDING PROGRAM APPLICATIONS

**DATE:** MARCH 6, 2008

**FROM:** PUBLIC SERVICES DEPARTMENT - TRANSPORTATION SERVICES DIVISION

**PRESENTATION BY:** PETER NAGHAVI, DIRECTOR OF PUBLIC SERVICES

**FOR FURTHER INFORMATION CONTACT:** PETER NAGHAVI, DIRECTOR OF PUBLIC SERVICES,  
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## **RECOMMENDATION:**

Adopt Resolution approving the submittal of transportation improvement projects under the Orange County Transportation Authority's (OCTA) Combined Transportation Funding Program (CTFP) for Fiscal Years 2008-09 to 2010-11 (Attachment 1).

## **BACKGROUND:**

In November 1990, the Orange County voters passed the Measure "M" Revised Traffic Improvement and Growth Management Ordinance. This Ordinance provided for the establishment and implementation of a retail transaction and use tax at the rate of one-half (1/2) of one percent (1%) for a period of 20 years and authorizes the Orange County Transportation Authority (OCTA) to issue bonds for transportation improvement purposes. It is estimated that over \$3.1 billion will be made available for transportation improvement projects over the 20-year life of the use tax with 32% earmarked for street and road improvements. Since 1990, the City of Costa Mesa has been successful in securing approximately \$70 million in Measure "M" funds under the Combined Transportation Funding Program (CTFP) and turnback revenues.

In December 2007, OCTA issued a "Call for Projects," requesting applications for grant funding under several programs. The completed applications were due to OCTA on February 29, 2008. This "2007 Call for Projects" was the final call under the current Measure "M" program.

## **ANALYSIS:**

OCTA has developed several regional competitive programs under the CTFP. With the current "Call for Projects," there are four categories under which the City can compete and receive anywhere from 80 percent to 100 percent funding for various transportation improvement projects. The four programs under which the City may apply are as follows:

1. Signal Improvement Program (SIP) – Requires minimum 20% City match, and there is \$5.5 million available Countywide, for Fiscal Year 2008/09 – 2010/11
2. Transportation Demand Management (TDM) – Requires minimum 0% City match, and there is \$3.3 million available Countywide, for Fiscal Year 2008/09 – 2010/11
3. Growth Management Area (GMA) – Requires 0% City match, and there is \$8.6 million available Countywide, for Fiscal Year 2008/09 – 2010/11
4. Intersection Improvement Program (IIP) – Requires minimum 20% City match, and there is \$23.5 million available Countywide, for Fiscal Year 2008/09 – 2010/11

The fiscal years listed above indicate the year the monies will be allocated if the project applications are approved by OCTA for grant funding.

The complete and final submittal of applications in response to this “Call for Projects,” with the exception of TDM program, has been forwarded to OCTA before the due date of February 29, 2008. OCTA has established March 31, 2008, as deadline for submission of projects under the TDM program. The projects submitted meet the minimum requirements for submittal of a grant application, and staff believes they will compete well for available funding. While the proposed projects are consistent with the City’s General Plan Circulation Element as well as the adopted Master Plan of Highways, OCTA requires approval of the attached resolution prior to any consideration of the City’s application. Proposed projects for which funding applications are requested to be submitted are listed in the attached resolution (Attachment 1) and are briefly described in Attachment 2.

**ALTERNATIVES CONSIDERED:**

One alternative considered is to not adopt the Resolution. This alternative would result in the City’s project applications being declined and will make the City ineligible to compete for available grant funding.

**FISCAL REVIEW:**

If project applications are successful, staff will recommend a funding source for any required local match. Available sources include traffic impact fee account, developer fees, Air Quality Management District (AQMD) AB2766 and GMA funds. Traffic impact fees and developer fees typically generate approximately \$400,000 in revenues per year. The City receives approximately \$100,000 per year from AQMD and approximately \$125,000 per year from Measure “M” GMA funds. All of the above funding sources are eligible for local match funds under the CTFP guidelines. If grant funding is approved, the projects are typically implemented within a two- (2) to three- (3) year period. This would allow for the City to adequately budget any required matching funds.

**LEGAL REVIEW:**

The City Attorney has reviewed and approved the Resolution as to form.

**CONCLUSION:**

The current Countywide “Call for Projects” is the final opportunity for the City to compete for grant funding for implementation of certain transportation projects under the current Measure “M” program. The Measure “M” program approved by the Orange County voters in 1990 would sunset in 2011. Staff recommends that the City Council adopt the attached Resolution for OCTA’s consideration of project applications under the Combined Transportation Funding Program.

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**PETER NAGHAVI**

Director of Public Services

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ATTACHMENTS      1      [CTFP Resolution](#)  
                             2      [Proposed Projects for CTFP](#)