



CITY COUNCIL AGENDA REPORT

MEETING DATE: JANUARY 18, 2011

ITEM NUMBER: ____

SUBJECT: COMBINED TRANSPORTATION FUNDING PROGRAM APPLICATIONS

DATE: JANUARY 6, 2011

FROM: PUBLIC SERVICES DEPARTMENT - TRANSPORTATION SERVICES DIVISION

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

FOR FURTHER INFORMATION CONTACT: RAJA SETHURAMAN, TRANSPORTATION SERVICES MANAGER, 714-754-5032

RECOMMENDATION:

Adopt a Resolution approving the submittal of transportation improvement projects under the Orange County Transportation Authority's (OCTA) Combined Transportation Funding Program (CTFP) for Fiscal Years 2010-11 to 2013-14 (Attachment 1).

BACKGROUND:

In November 1990, Orange County voters approved Measure M, a 20-year, half-cent local transportation sales tax. All major transportation improvement projects and programs included in this original Measure M have been completed or are currently underway. With the Measure M program, the City of Costa Mesa has been successful in securing approximately \$80 million in Measure "M" funds under the Combined Transportation Funding Program (CTFP) and turnback revenues.

In November 2006, the Orange County voters passed the Renewed Measure "M" program, extending the half-cent sales tax for the next 30 years, beginning in the year 2011. Funds from this sales tax are proposed to fund a wide range of improvements on Orange County freeway, arterial, and transit systems.

In November 2010, the OCTA Board of Directors approved guidelines for the CTFP program and subsequently authorized the first "Call for Projects" under the Renewed Measure "M" program. The 2010 Call for Projects was issued for the Regional Capacity Program (RCP) providing approximately \$56 million for roadway improvements across Orange County.

ANALYSIS:

OCTA has developed several regional competitive programs under the CTFP. With the current "Call for Projects," only projects under the Regional Capacity Program (RCP) are eligible for funding. Cities can compete and receive up to 75 percent funding for various transportation projects in the RCP category, which includes improvements in the following areas:

1. Arterial Capacity Enhancements (ACE) – This is for improvements on arterials throughout the Master Plan of Arterial Highways (MPAH);
2. Intersection Capacity Enhancements (ICE) – This category provides funding for operational and capacity improvements at intersecting MPAH roadways; and
3. Freeway Arterial/Streets Transition (FAST) – This focuses on improvements at freeway interchanges.

A total of \$56 million is available for the above components of the RCP for projects to be implemented in Fiscal Years 2010-11 through 2013-14.

The complete and final submittal of applications in response to this “2010 Call for Projects,” is due on January 28, 2011. The projects submitted will need to meet certain minimum requirements to be eligible for Measure “M” grants. While the City met all these eligibility requirements, 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 render 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 and Air Quality Management District (AQMD) AB2766 funds. Traffic impact fees and developer fees typically generate approximately \$250,000 in revenues per year and the City receives approximately \$100,000 per year from AQMD 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-year to three-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 County-wide “2010 Call for Projects” is the first opportunity for the City to compete for grant funding for implementation of certain transportation projects under the Renewed Measure “M” program. Staff recommends that the City Council adopt the attached Resolution for OCTA’s consideration of project applications under the Combined Transportation Funding Program.

