

DATE: May 13, 2024

TO: Bicycle/Pedestrian Advisory Committee (BPAC)

FROM: Brandon Whyte, Active Transportation Planner
Ria Hutabarat Lo, Transportation Manager

VIA: Edward Arango, Acting Public Works Director

SUBJECT: **Transportation Development Act Article 3 Funding**

RECOMMENDATION

Recommend that the City Council allocate the accumulated Transportation Development Act Article 3 funds to Miramonte Avenue Improvements, Project 20-01.

BACKGROUND

Transportation Development Act Article 3 (TDA3) funding is an annual state grant program that provides funding for pedestrian and bicycle projects based on a return of a portion of sales tax revenues per capita. The Santa Clara Valley Transportation Authority (VTA) administers the TDA Article 3 grant process for Santa Clara County and provides each city and the County of Santa Clara a portion of the TDA3 funding on a formula basis.

On an annual basis, agencies can identify funding to be allocated to one or more projects. VTA also allows cities to bank their share of TDA3 funds for up to five years to enable cities to accumulate funds for larger projects. Once TDA3 funding has been allocated to a project, the City must complete the work and submit invoices for reimbursement within three years. The City has generally banked its allocation until it had sufficient funds for larger projects.

As shown in Table 1 below, the amount of annual TDA3 funding received by the City has varied in recent years due to dependency on the amount of the TDA3 portion of total sales tax revenues received.

Table 1: Recent TDA Article 3 Awards to Mountain View

Fiscal Year	Award	Allocation	Amount	Cumulative Available
2017-18	\$68,874	Banked	-	\$186,012
2018-19	\$63,958	Citywide Crosswalk Enhancements	\$100,000	\$149,970
2019-20	\$91,798	Villa/Shoreline Intersection Improvements	\$241,768	-0-
2020-21	\$83,174	Banked	-	\$83,174
2021-22	\$82,299	Banked	-	\$165,473
2022-23	\$113,394	Banked	-	\$278,867
2023-24	\$67,630	Miramonte Avenue Improvements, Project 20-01	\$346,497	-0-
2024-25	\$121,052	To Be Decided	-	\$121,052

Recently funded projects include: bicycle- and pedestrian-related intersection improvements, crossing enhancements, protected bikeways, sidewalks, curb ramps, audible and countdown pedestrian signals, bicycle maps, bicycle racks, and education programs.

Both the Citywide Crosswalk Enhancements and the Villa/Shoreline Intersection Improvements projects have been completed, and the City has been reimbursed for the work.

For Fiscal Year 2023-24, the City allocated \$346,497 in TDA3 funds toward Miramonte Avenue Improvements, Project 20-01 (see Figure 1). The project limits are from Cuesta Drive to Castro Street and provides a two-way protected cycle track between Hans Avenue and Castro Street, an enhanced midblock crossing at Hans Avenue, buffered bicycle lanes, filled sidewalk gap, high-visibility crosswalks, and the installation of a road diet to calm traffic speeds. The project will also resurface Miramonte Avenue, including the bicycle lanes, and will install intersection improvements at Castro Street and Miramonte Avenue. Greater details about the project can be found in Attachment 1.

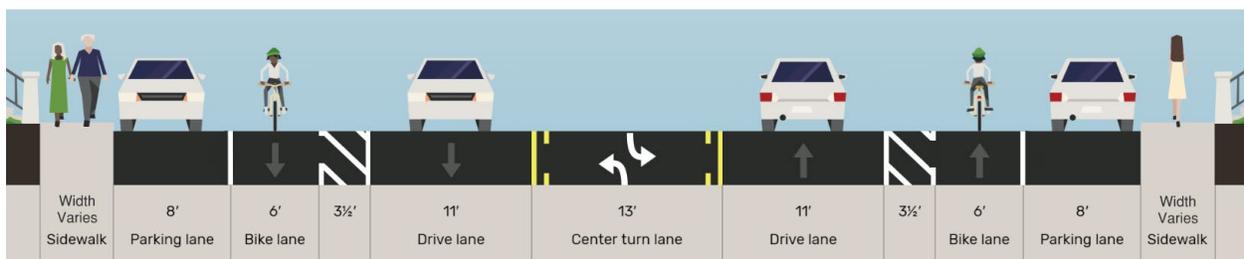


Figure 1: Example Cross Section for Road Diet

The requirements for the use of TDA3 funds include that projects have no legal, environmental, or right-of-way issues; that the applicant has sufficient staffing and local match to complete the project; and that the project has been conceptually reviewed to the point that all contingent issues have been considered. To avoid potential rescission of funds, projects must be ready to implement within one year of the application cycle.

ANALYSIS

As shown in Table 1, in 2024-25, the City will receive \$121,052 in new TDA Article 3 funds. There were no existing banked funds; therefore, the total TDA3 funding available is \$121,052.

Staff is proposing two options for the use of TDA3 funding:

1. Miramonte Avenue Improvements, Project 20-01 (Miramonte Project)—This option would provide additional funding to the Miramonte Avenue Improvement project, which has a budget shortfall due to increased project scope and costs due to inflationary pressures.
2. Grant Road and Sleeper Avenue Intersection Improvements, Project 21-39 (Grant/Sleeper Project)—This option would provide funding to various intersection improvements, and similarly has a budget shortfall due to increased scope and inflationary pressures. The project provides intersection improvements at the Grant Road and Sleeper Avenue intersection and nine other intersections throughout the City.

Consistent with the requirements for the use of TDA3 funds, both projects are ready to implement. Staff did evaluate the option of banking this year's allocation and utilizing the funds in a later year, but due to the reasons outlined later in this memo, staff does not recommend banking.

Staffing and Funding Constraints

During the Capital Improvement Program (CIP) development efforts over the past two years, staff reduced the recommended number of new projects to better align with staff's capacity to deliver the projects and respond to the reduction of available CIP funding as compared to prepandemic amounts. While staffing levels have improved, staff is still catching up to the backlog of capital projects, particularly in pavement, transportation, and larger facility projects. There remains a high number of active CIP projects, and staffing limitations affect the capacity to add new projects.

In addition, the cost impacts from recent high inflation rates are creating the need to add funding to existing and planned projects, which reduces funding available for new projects. Although reduced from the 2021 inflation rate of 13.4%, the California Construction Cost Index increase was 9.3% and 9.4% in 2022 and 2023, respectively. Costs have been rising for materials and labor, which has affected project delivery.

Meanwhile, revenues that support City projects have been going down. With the exception of the Shoreline Regional Park Community (Shoreline Community or SRPC), most funding sources available for the Fiscal Year 2024-25 CIPs have declined between 15% and 48% compared to funding in Fiscal Year 2023-24. The Unrestricted Fund sources, CIP Reserve, and Construction/Conveyance Tax are the key City funding sources the City has utilized for transportation, facility, and other projects without dedicated funding sources, or to address project shortfalls for these projects. These two sources can be used for a wide array of projects, are in high demand, and do fluctuate with the trends in the economy, including downward trends we are currently experiencing.

The impacts of previous staffing shortages, rising costs, and reduced revenues have slowed project delivery and required that City staff focus on completing projects and funding shortfalls to existing projects before new projects can be assigned.

Miramonte Project

The Miramonte Project scope has increased to provide enhanced bicycle and pedestrian improvements and has experienced cost increases consistent with national and regional inflationary trends, creating a funding shortfall. Overcoming the shortfall in funding has been exacerbated by overall reduced City revenues. Staff will recommend that Council use the CIP Reserve Fund as the funding source to fund the shortfall. Additional funding from external sources is preferred, when available, to allow CIP Reserve funds to be used towards other projects without dedicated funding sources, including transportation projects. As a result, staff recommends allocating the 2024-25 TDA3 funds to the Miramonte Project.

The Miramonte Project was supported by BPAC in the past and improves conditions for pedestrians and cyclists, particularly Safe Routes to School connections to several local schools. As previously mentioned, the project provides several active transportation improvements, including a two-way protected cycle track where Graham Middle School students travel and where a student-related crash occurred in August 2021. Design is nearly complete, and construction is slated to begin in the fall.

Grant/Sleeper Project

The Grant/Sleeper Project was also previously supported by BPAC and provides improvements to 10 intersections. For the Grant/Sleeper intersection location, improvements include: a new pedestrian hybrid beacon, high-visibility crosswalks, left-turn lane restriction from Sleeper Avenue onto Grant Road, northerly and southerly bicycle crossings, activated blank-out signs, and other improvements. The nine other intersections will receive active transportation

improvements such as high-visibility crosswalks, LED-enhanced signs, Rectangular Rapid-Flashing Beacons, and/or other appropriate measures. The intersections include:

1. Rengstorff Avenue crosswalk at Junction Avenue;
2. East Middlefield Road crosswalk at Tyrella Avenue;
3. West Middlefield Road crosswalks at Terra Bella Avenue;
4. West Middlefield Road crosswalks at San Pierre Way;
5. Cuesta Drive crosswalk at Bonita Avenue;
6. New crosswalk across Cuesta Drive at Begon Avenue;
7. Heatherstone Way/Dale Avenue crosswalk at the Stevens Creek Trail entrance;
8. Pedestrian improvements at Sleeper Avenue and Franklin Avenue; and
9. East Dana Street crosswalk at Pioneer Way.

Similarly, this project's scope and costs have also increased, and there is a shortfall in funding for the implementation of improvements at the various intersections throughout the City. Design will be completed this year, and the project meets the requirements for the use of TDA3 funding. The Grant/Sleeper Project can be an alternative project for allocating the 2024-25 TDA3 funds.

NEXT STEPS

Staff will be bringing the TDA3 funding allocation to the City Council for consideration in June 2024 and will be sharing BPAC's recommendation.

ALTERNATIVES

1. Recommend to the City Council to allocate the accumulated TDA3 funds to Grant Road and Sleeper Avenue Intersection Improvements, Project 21-39.
2. Recommend banking TDA3 funds and utilizing the funds in a future year.

BW-RHL/4/PWK
959-05-13-24M-2

Attachment: 1. Miramonte Avenue Improvements Plan Layout

cc: PWD(A), TM, TP—Whyte