



City of Palo Alto

City Council

(ID # 9253)

Report Type: Information

Meeting Date: 5/22/2018

Summary Title: Measure B Grade Separation Funding Allocation

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From: City Manager

Lead Department: City Manager

Recommendation

This report is provided for the Rail Committee's information; no action is needed.

Background

In 2016, Santa Clara County voters approved Measure B, a 30-year, half-cent countywide sales tax to enhance transit, highways, expressways and active transportation (bicycles, pedestrians and complete streets). Among the programs to be funded under Measure B is \$700 million for Caltrain Grade Separations in the cities of Palo Alto, Mountain View, and Sunnyvale.

A lawsuit challenging the validity of 2016 Measure B was filed, and while a trial court ruled in favor of VTA the case remains pending an appeal. In the meanwhile, funds are being collected and held in escrow.

While funding remains on hold, VTA has proceeded with developing criteria and processes for the use of the anticipated funding. In late 2017, the VTA Board adopted guidelines for each of the funding programs. Attachment A provides the adopted guidelines for the Caltrain Grade Separation program.

Discussion

The Cities of Palo Alto, Mountain View, Sunnyvale, and VTA have begun informal discussions regarding the use and timing of the funds. Most recently, in early April Mountain View councilmember and VTA Boardmember John McAlister advanced a proposal to VTA General Manager Nuria Fernandez that the anticipated \$700 million funding be divided among the cities based on the number of grade separations within each city, with 50% to Palo Alto, 25% to Mountain View, and 25% to Sunnyvale. Each city would then be responsible for securing the additional funding needed for the grade separations within their jurisdiction. Councilmember McAlister expressed the need for urgency in decision-making, in light of Caltrain's electrification project proceeding.

General Manager Fernandez replied by communicating that VTA is currently finalizing the scope of work for an implementation plan for use of the Measure B grade separation funds. This scope presumably includes a strategy for VTA to leverage Measure B funds to secure additional funding, reconcile timing needs, and be actively involved in managing the delivery of these grade separation projects.

City Manager Keene and staff will continue involvement in these discussions in order to advocate for Palo Alto's interests while recognizing the necessity of collaboration with our neighboring communities and funding partners.

Timeline, Resource Impact, Policy Implications

These ongoing discussions reinforce the importance of Palo Alto continuing progress on our grade separation priorities. As discussions and decisions proceed regarding funding allocations and leveraging additional funding, as well as agency roles and project delivery coordination, it will be increasingly important that Palo Alto's needs can be sufficiently defined to be effectively advocated among the projects being advanced by other agencies and VTA's program management role.

Attachments:

- AppA-Caltrain Grade Separation Program Guidelines_ADOPTED

Caltrain Grade Separation Program Guidelines

Definition from Resolution No. 2016.06.17

To fund grade separation projects along the Caltrain corridor in the cities of Sunnyvale, Mountain View and Palo Alto, separating the Caltrain tracks from roadways to provide increased safety benefits for drivers, bicyclists and pedestrians and also reduce congestion at the intersections.

Total Funding

- \$700 million in 2017 dollars.

Distribution

- As candidate projects move forward in readiness (ability to expend Measure funds), the project sponsor will submit request for funding.
- Funds will be allocated to projects that most cost-effectively utilize 2016 Measure B funding.
- Funds will be distributed on a reimbursement basis.

Implementation

- VTA will work with the cities and other partners to develop an implementation plan for delivering the eight grade separation projects eligible for 2016 Measure B funds.
- There will be two program categories for funds:
 - Planning
 - Capital projects

Criteria

- All project sponsors must apply to the State §190 Grade Separation Program.

Requirements

- Reporting requirements regarding project progress will be detailed in agreements executed with VTA for project funding.
- Each project will require a 10% non-2016 Measure B contribution.
- All projects must be in compliance with VTA's Complete Streets Reporting Requirements.
- All collateral material will be required to display a 2016 Measure B logo.