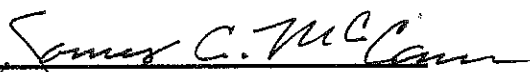


City of Calistoga

Staff Report

TO: Honorable Mayor and City Council
FROM: Dan Takasugi, Public Works Director/City Engineer
DATE: May 19, 2009
SUBJECT: Consideration of a Resolution authorizing the City Manager to Enter into a Memorandum of Understanding (MOU) with the Napa County Transportation and Planning Agency (NCTPA) for the allocation of American Recovery and Reinvestment Act (ARRA) Transportation Funding for Napa County Agencies

APPROVAL FOR FORWARDING:


James C. McCann, City Manager

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ISSUE:

Consideration of a Resolution authorizing the City Manager to Enter into a Memorandum of Understanding (MOU) with the Napa County Transportation and Planning Agency (NCTPA) for the allocation of American Recovery and Reinvestment Act (ARRA) Transportation Funding for Napa County Agencies.

RECOMMENDATION:

Adopt the Resolution.

BACKGROUND/DISCUSSION:

The American Recovery and Reinvestment Act (ARRA) enacted a \$787 billion economic recovery package calling for new spending as well as tax cuts. The ARRA includes \$48 billion for the Federal Department of Transportation. Specifically, the proposal includes \$27.5 billion in Federal Highway Administration funding and \$8.4 billion in Federal Transit Administration funds. It is estimated that the Metropolitan Transportation Commission (MTC) will receive roughly \$154 million through the Surface Transportation Program sub-allocated program and \$340 million in Federal Transit

22 Administration formula funds. Napa County agencies, through the NCTPA, received a
 23 sub-allocation of roughly \$3.8 million for Local Streets and Roads projects.

24
 25 Projects applying for ARRA Transportation funding were granted NO regulatory relief
 26 from environmental or regulatory procedures, including NEPA and Disadvantaged
 27 Business Enterprise bidding certifications. Projects had to have been ready for contract
 28 award by approximately May 2009, or else risk losing the funding. Caltrans also
 29 strongly recommended that any projects seeking ARRA funding be over \$500,000 in
 30 size.

31
 32 The NCTPA sub-allocation of \$3.8 million was roughly apportioned to county agencies
 33 by a distribution method similar to that used on other MTC funding allocations. Using
 34 that method, the City of Calistoga's fair share is roughly \$100,000. Depending upon
 35 certain final allocation adjustments, the share could go up or down by a small amount.
 36 In any scenario, the City of Calistoga would have been hard pressed to have executed
 37 this funding for a small streets project, and would have likely lost the funding. The
 38 funding would be much more efficiently used, when combined with a much larger street
 39 rehabilitation project either in FY10/11 or FY11/12.

40
 41 Due to the tight timelines, regulatory requirements, and project size restrictions, the
 42 Napa county agencies desire to reallocate funding from the cities of Calistoga, St.
 43 Helena, and Yountville, to Napa County, with the expectation of future reimbursement of
 44 funding upon a future MTC funding allocation within the next 3 fiscal years. The
 45 reimbursement of funding would likely occur in a future State Transportation
 46 Improvement Program (STIP) funding allocation from MTC. Napa County has the ability
 47 to fulfill the regulatory requirements and award the funding this year in a timely manner.
 48 The table below shows the approximate funding reallocation amongst Napa county
 49 agencies. The Cities of Napa and American Canyon pursued ARRA transportation
 50 projects of their own.

51
 52 **ARRA Funding Reallocation in Napa County**

Jurisdiction	Original allocation	Allocation per this MOU	Future funding
County of Napa	\$1,500,000	\$1,800,000	<\$300,000>
Calistoga	\$100,000	\$0	\$100,000
St. Helena	\$150,000	\$0	\$150,000
Yountville	\$50,000	\$0	\$50,000

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Consideration of a Resolution authorizing the City Manager to Enter into a Memorandum of Understanding (MOU) with the Napa County Transportation and Planning Agency (NCTPA) for the allocation of American Recovery and Reinvestment Act (ARRA) Transportation Funding for Napa County Agencies
May 19, 2009
Page 3 of 3

54 **ENVIRONMENTAL REVIEW**

55
56 Under the CEQA guidelines, defined at Section 15378, this action is not a 'project'. It is
57 merely a government fiscal activity, which does not cause a direct or reasonably
58 foreseeable indirect physical change in the environment. Activities that are not a project
59 are not subject to any further review or action under CEQA.

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61 **FISCAL IMPACT:**

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63 The MOU deferment of the City's ARRA Transportation funding share in 2009 will result
64 in the allocation of future MTC transportation funding in an amount of approximately
65 \$100,000.

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67 **ATTACHMENTS**

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69 1. Resolution
70 2. Draft Memorandum of Understanding
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RESOLUTION 2009-

**RESOLUTION OF THE CITY OF CALISTOGA AUTHORIZING THE CITY MANAGER
TO EXECUTE A MEMORANDUM OF UNDERSTANDING WITH THE NAPA COUNTY
TRANSPORTATION AND PLANNING AGENCY, NAPA COUNTY, TOWN OF
YOUNTVILLE, AND CITY OF ST. HELENA TO REALLOCATE AMERICAN
RECOVERY AND REINVESTMENT ACT TRANSPORTATION FUNDING**

WHEREAS, the American Recovery and Reinvestment Act of 2009 allocated transportation funding to the Metropolitan Transportation Commission and sub-allocated approximately \$3.8 million to the Napa County Transportation and Planning Agency; and

WHEREAS, the Napa County Transportation and Planning Agency has apportioned the anticipated funding amongst county agencies in a fair and reasonable method, with the City of Calistoga's proportionate share being approximately \$100,000, and

WHEREAS, the California Department of Transportation requirements to execute the funding in a very expeditious manner with full environmental documentation would have placed an inordinate burden on the City of Calistoga staff to obligate funding for a small project; and

WHEREAS, the parties to the Memorandum of Understanding now wish to reallocate the funding from the Town of Yountville, City of St. Helena, and City of Calistoga to Napa County, with the understanding that the funding will be reallocated back within the next 3 fiscal years.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Calistoga hereby authorizes the City Manager to execute, on behalf of the City, a Memorandum of Understanding with the Napa County Transportation and Planning Agency, Napa County, Town of Yountville, and City of St. Helena, for the reallocation of American Recovery and Reinvestment Act Transportation Funding.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Calistoga at a regular meeting held this 19th day of May, 2009, by the following vote:

AYES:

NOES:

ABSTAIN/ABSENT:

JACK GINGLES, Mayor

ATTEST:

SUSAN SNEDDON, City Clerk

MEMORANDUM OF UNDERSTANDING
FOR THE FEDERAL ECONOMIC STIMULUS:
AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009

Between
Napa County Transportation and Planning Agency
and the
Cities of Calistoga, St. Helena, Town of Yountville and the County of Napa
May 07, 2009

I. INTENT

This Memorandum of Understanding (MOU), entered into effect on _____, between the Napa County Transportation and Planning Agency (NCTPA), Cities of Calistoga, St. Helena, Town of Yountville, and the County of Napa constitutes solely a guide to the respective intentions and policies of the parties involved for the Federal Economic Stimulus: American Recovery and Reinvestment Act of 2009, herein called PROJECT. It is not intended to authorize funding or project effort nor is it a legally binding contract.

The intent of this MOU is to define how the jurisdictions will work together in cooperation to successfully deliver the PROJECT, a common goal. It constitutes a guide to the intentions and strategies of the parties involved and provides the overall framework, including outlining their respective roles, responsibilities and funding strategy for the PROJECT. The objective is to maximize the use of PROJECT funding within the Napa County region, up to the amount allocated by the Metropolitan Transportation Commission (MTC).

II. BACKGROUND

A. American Recovery and Reinvestment Act of 2009

On January 15, the House Appropriations Committee released an Economic Stimulus proposal referred to as the "American Recovery and Reinvestment Act of 2009". This proposal includes \$40 billion for surface transportation nationwide.

MTC estimates that the Bay Area discretionary share of the regional Surface Transportation Program (STP) funds will be around \$145 million. MTC staff anticipates that a significant amount of STP funds will go to local streets and roads rehabilitation and maintenance projects. MTC also expects some funding will go to expansion/enhancement projects.

MTC has requested that the Congestion Management Agencies (CMAs) use their established targets to develop an initial prioritized or tiered list of federally-eligible local streets and roads rehabilitation projects for submittal to MTC. (NCTPA is the CMA for the Napa County region.) The list will serve as the basis for programming by the Commission as well as inclusion in the Transportation Improvement

Program (TIP). Funds from the Act will be used for the construction phase only. Preliminary Engineering (PE) funds are not available.

Key highlights of the bill and its regional implementation:

- Although the Bill requires recipients to award contracts for 50 percent of the funds within 90 days of Enactment (February 15 is assumed) MTC will require that all street and road rehabilitation projects meet the 90-day award deadline, to ensure funds are not lost to the Bay Area region.
- There is no regulatory relief (i.e. no environmental or federal-aid process streamlining) offered in the bill. MTC will only consider projects that have National Environmental Policy Act (NEPA) clearance, verifiable NEPA clearance within 30 days, or are categorically excluded from NEPA.
- All existing rules and requirements for federal STP funding apply, and must be adhered to within the expedited timeframe.
- The federal share can be up to 100%, at the option of the recipient.
- Projects must be completed and fully invoiced and reimbursed within three years.

B. Caltrans Review Process

The California Department of Transportation (Caltrans), through its Local Assistance Office, performs NEPA review and project administration for all state- and federal-funded local agencies' projects in California, including this PROJECT. Caltrans has highlighted the importance of having projects that are \$500,000 or larger to minimize the work load required of Caltrans staff by reducing the number of projects submitted by local agencies for Caltrans review.

Projects must receive NEPA clearance within 30 days of Bill Enactment. Only pavement rehabilitation projects will be eligible for 30 day NEPA review. Other projects must already have NEPA clearance to be considered. Each agency must prepare Preliminary Environmental Study (PES)/Field Review forms, for each project sponsored, and submit these to Caltrans Local Assistance. Once these forms have been received, Caltrans will schedule a field review in advance of the programming in the TIP by MTC. Field Reviews will be held at Caltrans' offices based on the project priorities from the CMAs. The sponsoring agency will be required to provide a clear and good project description along with video or photographic documentation of the limits and scope of work (power point presentations are also very helpful).

Caltrans has indicated that projects may receive notice of environmental clearance as early as the following day, but no later than 30 days after submittal, provided that all pertinent information has been provided and no further review or consultation with functional units is needed.

III. AGREEMENT

Due to the tight timeframes described above; the importance of having fewer, larger projects; and the lack of regulatory or process relief; the Parties find it mutually beneficial to implement the PROJECT according to the terms of this MOU, as follows:

A. To maximize the use of PROJECT funding (from the American Recovery and Reinvestment Act of 2009) within the Napa County region, up to the amount allocated by MTC, PROJECT funding will be reassigned from Calistoga, St. Helena and Yountville to the County of Napa, as shown in Table 1.

B. To ensure equity among the Parties, funding from future sources allocated by MTC and/or NCTPA will be reassigned in equivalent amounts from the County of Napa to Calistoga, St. Helena and Yountville within the next three (3) fiscal years, as shown in Table 1.

Table 1. PROJECT funding reassignment

Jurisdiction	Original PROJECT allocation¹	PROJECT allocation per this MOU	Future funding³
County of Napa	\$1,500,000	\$1,800,000 ²	<\$300,000>
Calistoga	\$100,000	\$0	\$100,000
St. Helena	\$150,000	\$0	\$150,000
Yountville	\$50,000	\$0	\$50,000

¹ Current estimate, as of February 10, 2009. Parties agree these figures will be updated as specific allocations are finalized.

² County of Napa agrees to use this funding, according to the parameters of the ARRA, for road rehabilitation projects on the County Road System.

³ Parties agree that these amounts will be added or subtracted, as indicated, from future allocations through MTC/NCTPA sources.

Napa County Transportation and Planning Agency

By: Paul Price
Executive Director

City of Calistoga

By: James C. McCann
City Manager

City of St. Helena

By: John Ferons
Acting Director of Public Works

Town of Yountville

By: Steve Rogers
Town Manager

County of Napa

By: Don Ridenhour
Director of Public Works