



PUBLIC WORKS DEPARTMENT

Council Meeting Date: June 17, 2008
Staff Report #: 08-086

Agenda Item #: F3

REGULAR BUSINESS: Adoption of a Resolution Authorizing the Application for Funds Available Under State Proposition 1B and Approving the Plan for Use of \$500,062 of the Proposition 1B Funds for the FY 2007-08 Street Resurfacing Project.

RECOMMENDATION

Staff recommends that the City Council adopt a Resolution authorizing the application to the State of California Department of Finance for funds available under Proposition 1B and approve the plan for use of \$500,062 of the Proposition 1B funds for the FY 2007-08 Street Resurfacing Project.

BACKGROUND

State ballot Proposition 1B (Prop 1B) approved \$19.925 billion in bond funds for a variety of transportation priorities. The 2007 Budget Act and Chapter 181, Statutes of 2007 (SB 88), appropriate a total of \$950 million (\$550 million for cities and \$400,000 for counties) of Prop 1B funding in Fiscal Year 2007-08. Each city has been allocated a certain amount (at least \$400,000) based on city population. The City of Menlo Park has been allocated \$500,962 for the FY 2007-08 disbursements.

In order to receive Prop 1B funds, each city must submit a Prop 1B project list that describes the nature of each project that is proposed to receive Prop 1B funding. Prop 1B funds must be spent within a three year time frame, which means that all funds received by the City must be spent by June 30, 2011.

The City must identify the proposed project(s) by including the description and location, a proposed schedule for completion, and the estimated useful life of the capital improvement. All projects must also be included in a City budget that has been adopted by the City Council at a regular public meeting.

The eligibility requirements contained in Prop 1B are broad. The bond language states that the proceeds can be used for:

“...projects that will assist in reducing local traffic congestion and further deterioration, improving traffic flows, or increasing traffic safety that may include, but not be limited to, street and highway pavement maintenance, rehabilitation, installation, construction and reconstruction of necessary associated facilities

such as drainage and traffic control devices, or the maintenance, rehabilitation, installation, construction and reconstruction of facilities that expand ridership on transit systems, safety projects to reduce fatalities, or as a local match to obtain state or federal transportation funds for similar purposes.”

Most transportation related projects within the public right-of way are eligible to be funded with Prop 1B bond funds.

ANALYSIS

Staff recommends that the \$500,962 in Prop 1B funding be used for construction costs associated with the FY 2007-08 Street Resurfacing Project in lieu of General Fund Capital Improvement Program (CIP) funds currently budgeted for the project. Staff is preparing to submit the Proposition 1B request listing selected streets in need of resurfacing as identified by the Pavement Management System. The selected streets are included in the FY 2007-08 Street Resurfacing Project. These projects meet the Proposition 1B requirements as they will result in increased traffic safety and are included in an adopted local budget.

Staff further recommends that the resulting savings be transferred from the General Fund CIP Budget to the Storm Drainage Fund to finance the future construction of the Middlefield Road Storm Drain (Project No. 20-049) in FY 2009-10. The Middlefield Road Storm Drain project is intended to address flooding on Middlefield Road from San Francisquito Creek to Ravenswood Avenue. The project is currently budgeted for preliminary design only.

IMPACT ON CITY RESOURCES

Once approved by the State Department of Finance, the City will receive \$500,962 in Proposition 1B funding. The amount budgeted for the FY 2007-08 Street Resurfacing Project was \$4,400,000, including \$2,500,000 from the General Fund CIP Budget. The Proposition 1B funds will allow the City to establish a fund balance to be used for construction of the Middlefield Road Storm Drain project if Council selects it as a project priority for FY 2009-10.

POLICY ISSUES

The recommendation does not represent any change to City policy.

ENVIRONMENTAL REVIEW

An environmental review is not required for this application.



Lisa A. Ekers
Engineering Services Manager

PUBLIC NOTICE: Public Notification was achieved by posting the agenda, with agenda item being listed, at least 72 hours prior to the meeting.

ATTACHMENT: Resolution Authorizing the Application for Funds Available Under Proposition 1B and Approving the Plan for Use of the Funds for the FY 2007-08 Street Resurfacing Project

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK
AUTHORIZING THE APPLICATION FOR FUNDS AVAILABLE UNDER
PROPOSITION 1B AND APPROVING THE PLAN FOR USE OF THE FUNDS FOR
THE FY 2007-08 STREET RESURFACING PROJECT**

The City Council of the City of Menlo Park, having considered and been fully advised in the matter and good cause appearing therefore,

WHEREAS, the City Council of the City of Menlo Park approves the plan for use of Proposition 1B funding to finance a portion of the citywide FY 2007-08 Street Resurfacing Project, which is an eligible transportation project; and

WHEREAS, the FY 2007-08 Street Resurfacing Project was approved by the City Council and included in the Capital Improvement Program budget adopted by the City Council on June 19, 2007; and

WHEREAS, the City of Menlo Park must spend Proposition 1B funds before June 30, 2011, or risk losing the funds.

BE IT AND IT IS HEREBY RESOLVED by the City Council of the City of Menlo Park that the Council does hereby authorize the Department of Public Works to apply for Proposition 1B funds in the amount of \$500,062 from the State of California Department of Finance and to use the funds for the approved FY 2007-08 Street Resurfacing Project.

I, Sherry M. Kelly, Interim City Clerk of the City of Menlo Park, do hereby certify that the above and foregoing resolution was duly and regularly passed and adopted at a meeting by said Council on June 17, 2008, by the following vote:

AYES: Council Members:

NOES:

ABSENT:

ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official Seal of said City on this _____ day of _____, 2008.

SHERRY M. KELLY, Interim City Clerk