



Date: May 1, 2007

Committee Meeting Date: May 9, 2007

Board Meeting Date: June 7, 2007

BOARD MEMORANDUM

ACTION X DISCUSSION INFO

TO: Citizens Advisory Committee
 Santa Clara Valley Transportation Authority
 Board of Directors

THROUGH: Michael T. Burns
 General Manager

FROM: Carolyn M. Gonot
 Chief Development Officer

SUBJECT: FY 2008 Transportation Development Act Article 3 Project Priorities

RECOMENDATION:

Review and recommend that the VTA Board of Directors approve project priorities for the FY 2008 Countywide Transportation Development Act Article 3 program.

BACKGROUND:

Transportation Development Act (TDA) funds are derived from a ¼-cent of the State’s general sales tax. The State of California distributes these funds based on population. Article 3 of the TDA makes a portion of these funds available for use on bicycle and pedestrian projects.

The Metropolitan Transportation Commission (MTC) programs TDA Article 3 funds in the nine Bay Area counties. Each year, MTC requests that the Congestion Management Agency (CMA) in each of the nine Bay Area counties, coordinate and submit annual TDA Article 3 program funding priorities for their respective counties. VTA serves as the CMA for Santa Clara County.

At its August 3, 2000 meeting, the VTA Board of Directors amended the TDA Article 3 project prioritization process. The amended process is as follows:

- **Guarantee Fund**
 Seventy percent of the annual allocation is guaranteed to Member Agencies based on the most recent California Department of Finance population estimates. These funds may be used for any eligible project.

- **Bicycle Expenditure Program Projects**

Thirty percent of the annual allocation is dedicated to projects in the Countywide Bicycle Expenditure Program for the 10-year period FY 2002 through FY 2011.

- **Rescind/Reallocate Requests**

TDA Article 3 allocations expire after two fiscal years. If a Member Agency is unable to complete a Guarantee project within the two-year period, the Agency may rescind the project. When a project is rescinded, the funds are reallocated to the agency in the following cycle.

The total TDA Article 3 funding available for programming this year is \$1,628,695. A total of \$1,088,668 is available for the Guarantee Fund, and \$547,989 is available for the Bicycle Expenditure Program. Both the Guarantee Fund and the BEP fund include carryovers. When an amount of funds is not used, the funds may be carried over to the next cycle and are not lost.

DISCUSSION:

Attachment A lists all of the TDA Article 3 projects requested by the cities and the County under both the Guarantee program and the Bicycle Expenditure Program. The project lists were developed in accordance with MTC's Local Process Resolution, MTC's project requirements and the criteria project prioritization process adopted by the VTA Board for the TDA Article 3 funds. VTA policy allows an agency to bank their TDA funds for up to three cycles in order to fund a larger scale project.

Two cities are forgoing TDA allocations in this cycle in order to repay the BEP set-aside. The City of Sunnyvale and the Town of Los Gatos are repaying funds that were borrowed from the BEP set-aside from the previous cycle. The City of Sunnyvale requested an advance of \$86,000 to complete their Java Drive Sidewalks project. Sunnyvale is forgoing an amount of \$79,329 in order to repay the amount of that advance. In the last cycle, the Town of Los Gatos requested an advance of \$29,250 to complete their College Avenue Pathway Repairs Project. Los Gatos is forgoing an amount of \$17,220 in this cycle in order to repay the amount of that advance.

Guarantee Fund

A total of \$1,088,668 is available to the cities and the County for 2007/08. The amount claimed by agencies this year is \$967,423. During this TDA cycle, Palo Alto, Los Altos Hills, Morgan Hill and Los Altos are banking their guaranteed funds and their total is not being added to the amount claimed. In this cycle, \$40,000 in banked funds will be added to a project requesting funds from the BEP set-aside. The banked funds will be added to the guarantee amount in the next cycle. The unclaimed balance of \$2,086 of the Guarantee portion will be added to next year's total.

BEP Fund

A total of \$547,989 is available for BEP projects in 2007/08. The amount includes Sunnyvale's and Los Gatos' total repayment of \$96,549. The City of Gilroy's Uvas Creek Trail project (\$150,000), and the Los Altos Hills Moody Road/El Monte Road Bicycle Pedestrian project (\$437,900) are the only BEP projects submitted this year. The amount for the Los Altos Hills project includes a temporary loan of \$40,000 in funds banked by other agencies.

Reallocations

TDA policy allows cities to rescind their existing TDA grants, and then request VTA to reallocate those funds to another project the next fiscal year. This year, the County of Santa Clara is exercising that option.

The following table summarizes the programming recommendations:

2007/08 TDA Article 3 Programming Recommendation Summary

Guarantee Portion	
Guarantee Amount	\$ 1,088,668
Guarantee Claim	\$ 954,390
Banked Funds ¹	\$ 124,192
Unclaimed Balance	\$ 2,086
<i>Total Guarantee Claim Balance</i>	<i>\$ 954,390</i>
BEP Portion	
BEP Amount	\$ 547,989
BEP Claim (including banked funds)	\$ 647,900
<i>Total BEP Claim</i>	<i>\$ 647,900</i>
Reallocations	
Reallocated Funds – SC County	\$ 101,508
<i>Total TDA Article 3 Claim 2007/08</i>	<i>\$ 1,703,798</i>

ALTERNATIVES:

The VTA Board may recommend an alternative list of project priorities.

FISCAL IMPACT:

Approximately \$2 million in TDA Article 3 funds will be made available to projects in Santa Clara County.

Prepared by: John Sighamony, Transportation Planner III

Reviewed by: Marcella M. Rensi, Programming & Grants Manager

¹ Banked funds from Los Altos, Los Altos Hills, Morgan Hill and Palo Alto will be added to their totals in the next cycle.