



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: MAY 16, 2023**
FROM: PUBLIC WORKS DEPARTMENT **WARDS: 1 AND 2**
SUBJECT: APPROVAL OF A 2023 WESTERN RIVERSIDE REGIONAL ARTERIALS GRANT PROGRAM APPLICATION TO THE RIVERSIDE COUNTY TRANSPORTATION COMMISSION AND A PORT AND FREIGHT INFRASTRUCTURE PROGRAM GRANT PROGRAM APPLICATION TO THE CALIFORNIA STATE TRANSPORTATION AGENCY TO BENEFIT THE THIRD STREET BNSF GRADE SEPARATION PROJECT

ISSUES:

Authorize the submittal of grant applications requesting: 1.) \$12,000,000 in funding for the 2023 Western Riverside Regional Arterials Grant Program offered by the Riverside County Transportation Commission (RCTC); and 2.) \$22,000,000 in funding for the Port and Freight Infrastructure Program offered by the California State Transportation Agency (CalSTA) for the construction phase of the Third Street BNSF Grade Separation project (Project).

RECOMMENDATIONS:

That the City Council:

1. Authorize the Public Works Department to submit a funding application for the 2023 Western Riverside Regional Arterials Grant Program offered by the Riverside County Transportation Commission (RCTC) in the amount of \$12,000,000 to construct the Third Street at BNSF Grade Separation Project; and
2. Authorize the Public Works Department to submit a funding application in the amount of \$22,000,000 to the California Transportation Commission for the Port and Freight Infrastructure Program (PFIP) Grant offered by the California State Transportation Agency (CalSTA) to construct the Third Street at BNSF Grade Separation Project.

BACKGROUND:

Port and Freight Infrastructure Program administered through the California State Transportation Agency (CalSTA) in assistance with the California Department of Transportation (CALTRANS)

The 2022-23 Port and Freight Infrastructure Program is a one-time state program providing \$1.2 billion in funding for projects across the State to help ease supply chain congestion and

increase the movement of goods in California. The program supports grade separation projects as it seeks to improve rail capacity, safety, efficiency, and resilience of goods movement to, from, and through California’s maritime ports, while also reducing greenhouse gas emissions and harmful impacts to communities adjacent to the corridors and facilities used for goods movement. The grant application requires a 20% local match which may be comprised of public and/or private sector funding.

These improvements are critical to enhancing and modernizing the multimodal freight transportation system, growing the economic competitiveness of California’s freight sector, promoting transportation equity, reducing freight-related deaths and injuries, and improving system resilience by addressing infrastructure vulnerabilities associated with security threats, climate change and natural disasters.

Riverside County Transportation Commission 2023 Western Riverside County Regional Arterials Grant Application

In 2002, Riverside County voters approved the renewal of Measure A, a half-cent sales tax dedicated to transportation improvements to be administered by RCTC. An estimated \$300 million in revenues generated over the duration of Measure A (through 2039) is available for Western Riverside County regional arterials and matching revenues will be generated by the cities and county implementing a Transportation Uniform Mitigation Fee (TUMF) program administered by RCTC and Western Riverside Council of Governments (WRCOG). At its February 8, 2023 Commission meeting, RCTC approved the release of a Regional Arterials Call for Projects.

Approximately \$85 million is projected to be available in the Measure A Regional Arterials account and an additional \$50 million is available in TUMF Regional Arterials program for this Call for Projects as shown in Table 1 below. \$135 million total is available from both grant accounts.

Table 1 – Call for Projects Available Funding:

Program	FY 2023/24	FY 2024/25
Measure A Regional Arterials	\$72,250,000	\$12,750,000
TUMF Regional Arterials	\$45,750,000	\$4,250,000
Subtotal	\$118,000,000	\$17,000,000

Although each local agency is limited to a total award amount of 20% of the current Call for Projects, or \$27 million, RCTC recommends that local agencies limit each of their application funding requests to no more than 10% of the current Call for Projects programming capacity of \$135 Million. Thus, individual project awards will not exceed \$13.5 million.

It is RCTC’s desire to fund projects ready for construction. Therefore, projects that are shovel-ready and meet the general requirements will be given priority for funding. Eligible projects include construction activities for arterial capacity enhancement and improvements, signal synchronization, gap closures, new roads, freeway interchanges, and grade separations. The Third Street Grade Separation Project is close to being shovel-ready, has a local and regional impact, would help reduce greenhouse gases, improve goods movements, and is a strong candidate to compete for available funding.

DISCUSSION:

The City Council has identified the Third Street Grade Separation (Project) as the priority grade separation project in the City of Riverside. The Project proposes to construct a railroad underpass at Third Street and the BNSF railroad tracks. Third Street will be lowered from about Vine Street to Park Avenue and a bridge will be constructed to convey rail traffic. The project will require the realignment of Commerce Street, construction of slopes, retaining walls, storm water pump station, and relocation of wet and dry utilities.

The total project cost is \$74 million and per Table 2, the project has secured \$30 million. The City has secured a portion of funding for the Project, and is attempting to close a gap in completion costs. The table below details funding currently secured.

Table 2 – Secured Third Street Grade Separation Funding Summary:

Project Phase	Local Funds	Other Funds (\$M)	Total Cost(\$M)
Plans, Specification, and Estimates (PS&E) (Ongoing)	\$0	\$4.0 TUMF	\$4.0
Right of Way Acquisition (Ongoing)	\$750,000	\$18.0 CMAQ \$4.25 TUMF	\$23.0
Construction – Federal Earmark (Congressman Takano) (FY2025/26)		\$3.0 2023 CPF	\$3.0
		Total	\$30.0

With the secured funding above, there is still a total construction funding gap is \$47 million. Staff is working with the State and BNSF to allocate \$7 million toward the construction phase. Further, per Table 3 staff has pursued numerous grants to close the construction funding gap. Grants are competitive, grant requests are often reduced, and in many cases we are not successful and thus have applied for grants in excess of \$47 million.

Table 3 – Grants and Funding Sources Potentially to Close the \$47M Construction Funding Gap:

Project Phase	Other Funds (\$M)	Total Cost(\$M)
Construction (FY2025/26)	\$5 Section 190 (State) \$2 BNSF Project Contribution \$25 Trade Corridor Enhancement Program \$10 Railroad Crossing Elimination Program \$22 Port & Freight Infrastructure Program \$12 Western Riverside Regional Arterials Grant	\$76.0*

*If the City secures funding in excess of the needed \$47 million, we can work with RCTC to return some of the CMAQ Funding allocated to the project

The Third Street Grade Separation Project is currently in the Plans, Specification and Estimate (PS&E) and Right of Way (R/W) phase which began in March 2022. PS&E is anticipated to be completed by June 2024 and R/W by July 2024. If the City successfully secures needed funding, the project would be advertised and awarded in 2025.

STRATEGIC PLAN ALIGNMENT:

These items support **Strategic Priority 5 – High Performing Government**, by considering funding opportunities to improve the community and is in accordance with **Goal 5.4 - Achieve and maintain financial health by addressing gaps between revenues and expenditures and aligning resources with strategic priorities to yield the greatest impact.** Further the grant applications, support **Strategic Priority 6 – Infrastructure, Mobility & Connectivity** by improving safety, circulation, and providing critical infrastructure for our community to thrive and is in accordance with **Goal 6.2 - Maintain, protect, and improve assets and infrastructure within the City’s built environment to ensure and enhance reliability, resiliency, sustainability, and facilitate connectivity.**

1. **Community Trust** – Pursuit of grant funding leverages City funds to secure State and Federal funding to construct large and entailed projects. Grant pursuit shows the City is responsive to community priorities by pursuing available funding opportunities to expedite critical infrastructure projects.
2. **Equity** – Approval of this action benefits all who travel on Third Street and near this project and will provide safe reliable roadway networks to schools, shopping centers and to various neighborhoods. The projects would also improve air quality for residents as the grade separation project would eliminate vehicle idling at the railroad tracks.
3. **Fiscal Responsibility** – Both of these grant applications would leverage secured City funding to close the construction funding gap for the Third Street at BNSF Grade Separation Project.
4. **Innovation** – The Third Street at BNSF Project would build railroad tracks to minimize impacts to freight and light rail travel through the crossing and would eliminate vehicular idling and vehicle-train conflicts to improve air quality and safety for the community.
5. **Sustainability & Resiliency** – Eliminating an at-grade railroad crossing with new bridge structure is one of the way the Public Works Department sustainably and efficiently manages the City’s infrastructure roadway network.

FISCAL IMPACT:

The total potential fiscal impact of this action is up to \$34,000,000. Should the grants discussed in this report are awarded, staff will return to City Council at a future date to receive the grants and appropriate funding into project accounts.

Prepared by: Gilbert Hernandez, Public Works Director
Certified as to availability of funds: Edward Enriquez, Interim Assistant City Manager/Chief Financial Officer/City Treasurer
Approved by: Kris Martinez, Assistant City Manager
Approved as to form: Phaedra A. Norton, City Attorney

Attachment: Location Map