CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: James R. Helmer

SUBJECT: SEE BELOW

DATE: 02-25-09

Approved Christine J. Shippey Date 2-25-09

INFORMATION MEMO

SUBJECT: AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 UPDATE

BACKGROUND

On February 17, 2009, President Barack Obama signed the American Recovery and Reinvestment Act of 2009 (ARRA). The $789 billion package included: $288 billion in tax cuts, $144 billion in state and local fiscal relief, and $357 billion for federal social and spending programs. The Act is intended to provide a stimulus to the United States in light of the downturn in the economy. A critical piece of the Act has been the transportation infrastructure component. It is felt by the Administration that spending on infrastructure will put jobs on the ground quickly and will provide a lasting benefit to the nation by providing long-term assets. The nine-county Bay Area is expecting approximately $500 million in transportation funding to be made available to the region through the ARRA.

The Metropolitan Transportation Commission (MTC), which serves as the Metropolitan Planning Organization (MPO) for the nine counties of the Bay Area region has been routinely charged with the responsibility of distributing federal discretionary funds to local municipalities. At MTC's February 25th Commission meeting, MTC staff recommended a $490 million program utilizing the ARRA funds for adoption by the Commission. The approved list included:

Project	Proposed Regional Investment	Funding Program
Local Road Rehabilitation	$122 million	Surface Transportation Program
Vasco Road Safety Improvements	$10 million	Surface Transportation Program
North-Bay Safety Projects	$3 million	Surface Transportation Program
Freeway Performance Initiative	$19 million	Surface Transportation Program
Transit Rehabilitation	$273 million	Transit 5307/5309 Formula Funds
Oakland Airport Connector	$70 million	Transit 5307/5309 Formula Funds
TOTAL	**$497 million**	

A further breakdown of the regional program highlights program funding that will be directed to Santa Clara County. The proposed list includes the following projects of importance to San Jose and Silicon Valley:

- **Pavement Maintenance**
  - **$12.7 million to San Jose**
  - **$13.7 million to remaining Santa Clara Cities/County**

- **Freeway Performance Initiative**
  - **$12 million for Ramp Meters on I-280 between I-880 and Route 87**

- **VTA System Preservation**
  - **$47.2 million for the purchase of Hybrid Buses**
  - **$200,000 for Bus Preventive Maintenance**

Originally included in the MTC proposal was funding for additional projects not directly included for funding through the Transit formula funds and the Surface Transportation Program (STP). Examples of these projects included San Francisco's Transbay Terminal Box ($400 million through the High-Speed Rail Program) and Doyle Drive ($50 million in Caltrans SHOPP). During discussion of the program, the Commission decided to defer decisions on the above projects as well as the other funding categories that do not have the same tight funding timelines as the STP and Transit funds. Also addressed by the Santa Clara County delegation during the discussion was the regional significance of the:

- Diridon Station Expansion for BART and High-Speed Rail
- I-280/I-880/Stevens Creek Interchange
- BART Extension to Silicon Valley
- High-Speed Rail Integration

From a South Bay perspective it is important to note that the MTC program was not equitable to Santa Clara County. The majority of the funding was focused in San Francisco and Alameda Counties. Recognizing this imbalance of the program, it is important to note that the ARRA does include a competitive grants program (National Surface Transportation Program) where DOT and VTA staff will be pursuing additional funding for the completion of priority regional transportation improvements. These include:

- **National Surface Transportation Program (Competitive Grants)**
  - **Funding for BART**
  - **Funding for Extension of Capitol Light Rail to Eastridge**
  - **$100 million for I-280/I-880/Stevens Creek Interchange Improvements**

MTC staff is also recommending the adoption of a Tier 2 program which identifies projects that may be completed should any jurisdiction fail to meet the required timelines of the measure and additional funds become available. Should this occur the City of San Jose could receive an additional $2.3 million in pavement maintenance funding and has the ability to manage a total $40 million street maintenance rehabilitation program were funds to become available. Department of Transportation staff attended the MTC meeting and delivered a message from

Mayor Reed presenting the City's transportation funding priorities and advocated for the adoption of the City's priorities. DOT staff will continue to monitor the progress of the ARRA program and advocate for City priorities at every opportunity.

JAMES R. HELMER
Director of Transportation

For questions please contact Ben Tripousis at 408-975-3717.