TOWN COUNCIL STAFF REPORT

Subject: Prioritization of one-time State Transportation Improvement Program (STIP) and Surface Transportation Block Grant Program (STBGP) money for infrastructure projects

Meeting Date: April 9, 2021

Written by: Haislip Hayes, PE Director of Public Works
Dan Holler, Town Manager

RECOMMENDATION:

Receive a staff presentation on one time infrastructure funds.
Provide direction to staff on how to prioritize one-time STIP funds.
Authorize the Town Manager to best allocate STBGP funds.

BACKGROUND:

In March of 2021 the California Transportation Commission (CTC) adopted a distribution methodology for the Coronavirus Response and Relief Supplemental Appropriation Act of 2021 (H.R. 133). H.R. 133 provided $911.8M in funding for the State of California. The State evaluated a number of options for distribution of these funds to MPO's and Rural LTC's. In order to most efficiently distribute the funding, the State targeted existing programs. The State elected to distribute funds through the State Transportation Improvement Program (STIP) and the Surface Transportation Block Grant Program (STBGP). The CTC decided on 50-50 distribution between these programs. The amount of money awarded to agencies was based on north/south split, lane miles and population. The region will receive just over $1.5M in funding between the two programs ($200k STBGP and $1.5M STIP). There is a minimum distribution of $200k in STBGP funding for small agencies (these should be State only funds for Mono/TOML). Based on the distribution formula the Mono County Local Transportation Commission (MCLTC) will receive a STIP allocation of $1.305M. This money is available to Mono County and the Town of Mammoth Lakes. The MCLTC has historically determined funding projects based on need and LTC Staff make the recommendation for the LTC for programming. Use of these funds are Mid-cycle STIP / Covid relief funds and will require swift action to meet the programming timeline. TOML and Mono County will have to have their projects to the CTC in April in order to make the mid-cycle schedule below.

2021 Mid-Cycle STIP Schedule

- Draft Guidelines/Workshop March 9, 2021
- Commission adopts Schedule and Share Distribution March 24, 2021
- List of projects due to the Commission April 23, 2021
- Commission adopts Guidelines May 12-13, 2021

- New projects are presented to the Commission (Notice)
- May 12-13, 2021 Commission adopts the new projects June 23-24, 2021

The next LTC meeting is on April 12, 2021 at which time the LTC will need to make a decision on how to program the STIP funding. Staff is recommending Town Council provide direction to Staff on how to prioritize their recommendations to the LTC.

ANALYSIS:

STIP Funding

Staff has reviewed the funding sources and developed alternatives for Council consideration. The final decision on the use of the funds rests with the LTC. TOML Staff will be meeting with Mono County Staff to make the final recommendation. It is not known exactly how much of the STIP or STBGP funds will be granted to the Town. This makes determining a path forward understandably much more difficult. Additionally, only projects that have a current Project Study Report (PSR) will be eligible for programming. As there is a very short timeline to make a decision there is no time to develop new PSR's. PSR's are technical engineering documents and take time to develop. Fortunately, the Town completed a number of PSR's in anticipation of the June STIP cycle and has four projects ready to move forward through design and construction. In advance of the LTC meeting TOML Staff is requesting the Council provide its recommendation on how best to use the funds. The options developed by Staff for programming the STIP dollars are as follows:

Project 1 – Design Development (PS&E) for future projects

Staff as a priority is recommending programming project development costs for the projects below. Completing the plans and specification along with any environmental work will make the following "shovel ready" and potentially eligible for future funding rounds:

a. Laurel Mountain Road Rehabilitation - Provide curb, gutter, sidewalk, storm drain, lighting, pavements reconstruction, conduits, between Tavern and SR203.
b. Main Street MUP - New MUP construction. Gap closure project located on the south side of 203 between Lake Mary and Callahan.
c. Minaret MUP – New MUP construction that would parallel the Minaret Road from Lake Mary to Old Mammoth Road. Provides a critical "north – south" connection.

Funding Recommendation: Staff would program three distinct projects, with a total cost of approximately $450,000. Staff recommends combining this option with one of the following projects. Staff recommends programming these dollars for expenditure as soon as possible.

Project 2 – Supplement Existing Road and MUP project

Supplement the existing Street and MUP program scheduled for this summer. The Town has developed a $3.1M Road and MUP rehabilitation project that is comprised of $2.7M in STIP funding and $400k in local road rehab funds. The project is targeting roads and MUPs that are in the highest need of repair. The funding split is near equal between roads and MUP's. This option is loaded with opportunities to quickly and effectively spend the money. Staff is in a position to scale this project to any amount received including the full $1.3M allocation. The concern here is the new stimulus money may be "Federal". Adding these Federal dollars to our currently State funded project would Federalize the entire project, possibly creating new hurdles to overcome, including NEPA. This would most likely cause delays for the existing project. It is not recommended to add Federal dollars to the existing project.

Funding Recommendation: Staff would program any available non-federal dollars to the existing Road and MUP Rehabilitation. Staff will scale the project accordingly.

Project 3 – Laurel Mountain Rehabilitation Construction Project

This project builds off an existing Project Study Report and Parcel work and provides the funding to construct improvements on Laurel Mountain Rd. The programming of these construction dollars would follow the PS&E dollars recommended in Project 1 and would further leverage funding dedicated to the Parcel. Programming would most likely occur for FY 2022/23 which would result in late summer or early fall 2022 groundbreaking. The project would provide much needed pedestrian connectivity on Laurel Mountain and provide infrastructure that is needed to advance future phases of the Parcel. The project will tie into the recently completed Main Street Sidewalks and HSIP grant for pedestrian crosswalks that TOML just received.

Funding Recommendation: Staff would allocate its share of the STIP funding to a 2022/23 construction project. Staff would need to allocate funding in 2021/22 for the PS&E package as recommended in "Project 1" in order to advance the project and be ready for construction. Depending on the amount received in the mid-cycle program and the forthcoming future STIP cycle which staff is expecting to occur in June of this year additional resources may be required. Any gap could be covered by the Town's Infill Infrastructure Grant for the Parcel. The project costs are not fully known at this time but are estimated to be between $1.2 and $1.8M.

STBGP Funding

The MCLTC region's allocation of $200k block grant funding will not require pre-programming and is anticipated to be available immediately for reimbursement similar to Regional Surface Transportation Program (RSTP) funds. Staff recommends using these funds to offset the cost of existing projects such as the Transit Shelter Project, CRC Mobility Hub, or Sierra Business Park Project in order to maintain the local funding currently programmed for these projects. Allocating these funds to existing

projects not only preserves TOML resources but ensures the swift expenditure of the funding. Staff recommends that the Town Manager be authorized to determine how best to use these funds and make the necessary budget adjustments to preserve the Town's reserves.