



## MEMORANDUM

**TO:** City Council

**FROM:** Brian Pedrotti, Community Development Director

**BY:** Robin S Dickerson, PE, City Engineer

**SUBJECT:** Consideration of a Resolution Supporting the Application for Funding from the Department of Transportation's Multimodal Project Discretionary Grant Opportunity for the US 101/Brisco-Halcyon Road Interchange Modification Project

**DATE:** May 10, 2022

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### SUMMARY OF ACTION:

Adopting a Resolution supporting the application to the Department of Transportation's Multimodal Project Discretionary Grant (MPDG) Opportunity Funding Request for the US 101/Brisco-Halcyon Road Interchange Modification Project will help carry out the direction of the City Council provided on April 26, 2022, to seek Federal grant funding for the Project.

### IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:

A significant amount of short-term staff time (prior to the grant application submittal deadline of May 23, 2022) is projected to prioritize the preparation of the request for the Department of Transportation's MPDG Opportunity Funding Request for the US 101/Brisco-Halcyon Road Interchange Modification Project. The MPDG Funding Request will seek approximately \$25,500,000 to fund the outstanding construction balance of the Brisco Project.

**Table 1 Potential Project Funding**

Funding Source	Amount
STIP	\$6.6 M
Traffic Signalization	\$959,000
Traffic Facilities	\$1.6M
Potential MPDG	\$25.5M
Total Project Funds Available	\$34.68M

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#### **RECOMMENDATION:**

Adopt the Resolution supporting the application to the Department of Transportation's Multimodal Discretionary Grant Opportunity Funding Request for the US 101/Brisco-Halcyon Road Interchange Modification Project and designate the City Manager or their designee as the City's signature authority to take all actions necessary to seek and apply for the funding opportunities through this grant program.

#### **BACKGROUND:**

On March 25, 2022, the United States Department of Transportation (Department) began soliciting applications for three funding opportunities: the National Infrastructure Project Assistance grants program (Mega), the Nationally Significant Multimodal Freight and Highways Projects grants program (INFRA), and the Rural Surface Transportation Grant program (Rural). While applicants can receive funding from only one grant program, this combined solicitation will allow applicants to apply for two, or all three, of these funding opportunities by submitting only one application. It also aims to better enable the Department to proactively assist project sponsors in matching projects with the most appropriate grant program(s) and facilitate individual projects in potentially receiving funding from multiple grant programs. Funds for the INFRA, Mega, and Rural funding opportunities will be awarded on a competitive basis for surface transportation infrastructure projects – including highway and bridge, intercity passenger rail, railway-highway grade crossing or separation, wildlife crossing, public transportation, marine highway, and freight projects, or groups of such projects – with significant national or regional impact, or to improve and expand the surface transportation infrastructure in rural areas.

The Brisco-Halcyon Road Interchange Project (Project) has been underway since the late 1990's. The purpose of the project is to provide congestion relief, alleviate queuing, accommodate existing and planned local development, and improve the traffic operations of the regional and local street system in the vicinity of US 101. Existing interchange and ramp spacing on US 101 do not meet current standards. Therefore, the project is intended to correct ramp and mainline operations on US 101 at the US 101/Brisco-Halcyon Road interchange to improve traffic flow and enhance safety for the local and interregional movement of people and goods.

The approved Alternative 4C would remove the existing northbound US 101 ramps at Brisco Road to eliminate the tight spacing between the northbound ramp intersection and the adjacent Brisco Road/West Branch Street intersection. It would also relocate the northbound ramps to Rodeo Drive and West Branch Street, which would require realignment of West Branch Street.

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In 2004, the San Luis Obispo Council of Governments (SLOCOG) provided \$465,000 in regional and State Transportation Improvement (STIP) funds for project development. In 2005, the City Council approved a consultant services agreement with Wood Rodgers to complete the Project Approval and Environmental Determination Phase (PA&ED). During the 2012 State Transportation Improvement Program (STIP) programming year, SLOCOG allocated \$5,624,000 in STIP funding for construction of the interchange project. SLOCOG increased this amount to \$6,624,000 during the 2014 STIP programming year.

Over the past seventeen years, numerous studies, meetings and discussions have been conducted, including evaluation of eighteen proposed alternatives. During the March 26, 2019 meeting, the City Council approved Alternative 4C as the preferred alternative over Alternative 1 and a no-build alternative. At that time, total project costs were estimated at \$22.7 million. This milestone decision allowed City staff and consultants to complete the project report and environmental documents for consideration and approval by Caltrans.

In January 2021, Council approved the Initial Study and Mitigated Negative Declaration (IS/MND) for the Project, which included consideration of Alternative 4C, Alternative 1, and the no-build alternative. By that time, Project costs had escalated to \$25.9 million. In April 2021, the Project Report and Environmental Assessment were completed and approved by Caltrans, which concluded the PA&ED Phase. In May 2021, the 5-Year Capital Improvements Program included updated total Project costs of \$32.1 million.

At the City Council Meeting of April 26, 2022, Council directed staff to work with SLOCOG to pursue this near-term funding opportunity to fund the outstanding balance of the project.

#### **ANALYSIS OF ISSUES:**

The Multimodal Project Discretionary Grant (MPDG) application provides Federal financial assistance to highway and bridge, intercity passenger rail, railway-highway grade and separation, wildlife crossing, public transportation, marine highway, and freight and multimodal projects, or groups of such projects, of national or regional significance, as well as to projects to improve and expand the surface transportation infrastructure in rural areas. The Infrastructure Investment and Jobs Act provided funds to the Department across three programs to invest in projects of national or regional significance – the National Infrastructure Project Assistance grants program, found under 49 U.S.C. § 6701 (Mega), the Nationally Significant Multimodal Freight and Highways Projects grants program, found at 23 U.S.C. § 117 (Infrastructure for Rebuilding America or INFRA), and the Rural Surface Transportation Grant program, found at 23 U.S.C. § 173 (Rural). The Fiscal Year (FY) 2022 MPDG awards will be made for each of the three grant programs as appropriate and consistent with each grant program's statutory language. Implementation of the Infrastructure Investment and Jobs Act and will focus on supporting

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projects that improve safety, economic strength and global competitiveness, equity, and climate and sustainability consistent with the Department's strategic goals.

Applicants are encouraged to apply for multiple programs, to maximize their potential of receiving Federal support. Applicants for the MPDG will be considered across all three programs unless they opt out. To support applicants through the application process, the Department will provide technical assistance and resources.

The Department seeks to fund projects under the MPDG common application that reduce greenhouse gas emissions and are designed with specific elements to address climate change impacts.

The Department also seeks to award projects under the MPDG common application that address environmental justice, particularly for communities (including rural communities) that may disproportionately experience consequences from climate change and other pollutants. Environmental justice, as defined by the Environmental Protection Agency, is the fair treatment and meaningful involvement of all people regardless of race, color, national origin, or income, with respect to the development, implementation, and enforcement of environmental laws, regulations, and policies as part of the Department's implementation of Executive Order 14008, Tackling the Climate Crisis at Home and Abroad.

As shown in Table 1 above, the funding for the Project is short approximately \$25.5 million. To close the Project funding shortfall, Council has directed staff to pursue funding opportunities to provide the City with the necessary funding to be able to complete Alternative 4C as previously approved. Staff proposes to request approximately \$25.5 million through the MPDG. Staff, with the assistance of SLOCOG, is working diligently to complete the application request forms and collect all supporting documents, including community support documents such as the proposed Resolution, to submit by the May 23, 2022 deadline.

#### **ALTERNATIVES:**

The following alternatives are provided for the Council's consideration:

1. Adopt the Resolution supporting the application for funding from the Department of Transportation's Multimodal Discretionary Grant Opportunity Funding Request for the US 101/Brisco-Halcyon Road Interchange Modification Project; or
2. Provide other direction to staff.

#### **ADVANTAGES:**

Submittal of the grant application could result in the award of grant funds that would cover the substantial construction cost of the US 101/Brisco-Halcyon Road Interchange

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Modification Project, allowing the City to complete a long-identified regional congestion relief project.

**DISADVANTAGES:**

No disadvantages have been identified by approving the Department of Transportation's Multimodal Discretionary Grant Opportunity Funding Request for the US 101/Brisco-Halcyon Road Interchange Modification Project, aside from the staff time necessary to complete the application.

**ENVIRONMENTAL REVIEW:**

Environmental review is not required for the grant applications. In January 2021, Council approved the Initial Study and Mitigated Negative Declaration (IS/MND) for the project, which included consideration of Alternative 4C, Alternative 1, and the no-build alternative. In April 2021, the project report and Environmental Assessment were completed and approved by Caltrans, which concluded the PA&ED Phase.

**PUBLIC NOTIFICATION AND COMMENTS:**

The Agenda was posted at City Hall and on the City's website in accordance with Government Code Section 54954.2.

Attachments:

1. Proposed Resolution