

REQUEST FOR COUNCIL ACTION



CITY COUNCIL MEETING DATE:

MAY 6, 2014

TITLE:

STREETCAR ENVIRONMENTAL REVIEW PLAN AND COST PARTICIPATION BY THE CITY FOR STREETCAR OPERATIONS

CLERK OF COUNCIL USE ONLY:

APPROVED

- As Recommended
- As Amended
- Ordinance on 1st Reading
- Ordinance on 2nd Reading
- Implementing Resolution
- Set Public Hearing For _____

CONTINUED TO _____

FILE NUMBER _____



 CITY MANAGER

RECOMMENDED ACTION

Staff recommends that the City Council:

1. Approve the Environmental Review and Public Outreach Plan.
2. Adopt a Resolution of Financial Support for Streetcar Operations in the amount of 10 percent annually when operations begin in 2019 or thereafter.
3. Concur with the Orange County Transportation Authority (OCTA) that they become the lead agency to advance the streetcar project to design, construction, and operations upon approval of the environmental phase.
4. Designate the City Manager as the Project Director and City authority to interact and provide direction to OCTA and to all related consultants.

DISCUSSION

Approval of the Environmental Review Plan and Public Outreach Plan as shown in Exhibit 1 would provide staff with clear direction on how to best complete the project's environmental planning phase, which is necessary to establish project readiness. The City has encouraged full participation by the community, and the plan emphasizes an open and transparent public review process to obtain local input and ensure City and community readiness for the streetcar.

Adoption of the attached Resolution shown as Exhibit 2 would help propel the project to the design and delivery phase by providing Santa Ana's financial commitment for streetcar operations. That commitment is important for the Orange County Transportation Authority (OCTA) to formalize the project financial plan so that it can be advanced to design and construction.

Concurrence with the OCTA on becoming the lead agency for advancing the project will provide the best option for successful delivery, since the OCTA is best suited and has the expertise to serve as the project lead in the design, construction, federal grantee sponsor, lead contact, owner, and operator of regional transportation projects including the streetcar. A letter to the OCTA expressing such concurrence is shown in Exhibit 3.

BACKGROUND

The OCTA Go Local Program was initiated in 2006 as a process to provide transportation options which are conceived at the local level. That program is a partnership between OCTA and local agencies, and the process was anticipated to foster local transit connectivity and extend the reach of Metrolink. In addition, the process was a competitive one between local agencies to help identify the best projects for funding consideration.

In 2007, the City of Santa Ana's streetcar project was one of two selected to proceed to a Step I Feasibility Study which was completed in 2007. The streetcar was proposed as a partnership between the Cities of Santa Ana and Garden Grove. While the project has been officially identified as the Santa Ana-Garden Grove Fixed-Guideway, it is more easily recognized as simply the "Streetcar." Although that partnership still exists today and is part of the project's planning and environmental review, it is anticipated that the partnership will transform into a regional one as the project moves through delivery and operations.

In fall 2009, OCTA and the City authorized development of an alternatives analysis and a draft environmental impact report (DEIR). That effort received financial support by the City of Santa Ana for approximately \$1.1 million.

Today, the project's planning is nearly complete. The needs assessment was completed and accepted by OCTA before the alternatives analysis and environmental documents were prepared by the City's consultants. Those documents have been reviewed by City staff. The attached memo from the project team to the City Manager, as shown in Exhibit 4, confirms completion of alternatives analysis and DEIR. The City Manager will transmit the documents including a statement of legal sufficiency to the OCTA via a letter shown in Exhibit 5.

Upon submittal, OCTA will also perform a final review and, thereafter, transmit the document to the Federal Transit Administration (FTA). OCTA and the City anticipate that FTA will take two to three weeks for its review, but there is no guarantee of that, and the FTA review could take even several months. Nonetheless, the Environmental Review and Public Outreach Plan is ready, and staff will immediately act upon it when the FTA releases the environmental documents for public review.

COORDINATION WITH OCTA

In parallel to the project planning and environmental review described above, preparations by the City and OCTA are taking place which will help advance the project to design and construction. The plan involves 1) confirmation of policy decision by the local agency and OCTA that the project can be best developed and delivered by OCTA; and 2) development and approval of a financial plan to commit design, construction, and operation/maintenance funds for the project.

On May 5, 2014, the OCTA Executive Committee is expected to receive staff recommendations to:

1. Direct staff to develop a proposed project implementation plan for the Santa Ana-Garden Grove Fixed-Guideway Project with OCTA serving as the lead agency.
2. Direct staff to develop a proposed financial plan to fund capital, operations, and maintenance of the Santa Ana-Garden Grove Fixed-Guideway Project that is consistent with the implementation plan, and maximizes the use of state and federal funding sources by leveraging Measure M2 revenues.

The May 5, 2014 draft OCTA staff report to the Executive Committee is shown in Exhibit 6. Thereafter, the OCTA Board is anticipated to support the same at the May 23, 2014 meeting.

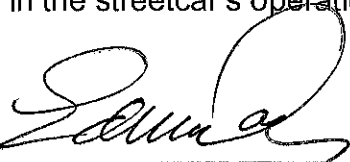
CITY IMPLEMENTATION & FINANCIAL PLAN

The City of Santa Ana's plan is in alignment with OCTA's plan. The City staff recommendation includes a request by the City that OCTA: 1) is best suited and has the expertise to serve as the project lead in the design, construction, federal grantee sponsor, lead contact, owner, and operator of the streetcar, and that the City, 2) Commit 10 percent funding (net of farebox) to the streetcar operations.

A presentation with the above information was made to the Development and Transportation Council Committee on April 28, 2014. The meeting was attended by the City's environmental consultant and OCTA staff. The same presentation is being made to the City Council.

FISCAL IMPACT

There is no fiscal impact at this time related to the staff recommendations. The fiscal impact estimated to be \$500,000 to \$600,000 per year represents the City's share in the streetcar's operations when operations are estimated to begin in 2019. It is anticipated that the Measure M revenues would be reduced by this amount to cover the City's share. The economic activities associated with business and development growth resulting from this project will be significant, and the revenue generated from those activities will exceed the City's annual cost of participating in the streetcar's operations.



Edwin "William" Galvez, P.E.
Interim Executive Director
Public Works Agency

WG:lo

- Exhibits:
1. Environmental Review & Public Outreach Plan
 2. Resolution of Financial Support
 3. City Request to OCTA on Streetcar Lead and Financial Commitment
 4. City staff memo confirming Environmental Document Completion
 5. Transmittal Letter by City to OCTA
 6. OCTA staff report to the Executive Committee

ENVIRONMENTAL REVIEW PLAN & PUBLIC HEARINGS

<u>TIMELINE</u> Days after Release	<u>PLAN</u>
0 – 5	<p><u>Notifications</u></p> <ul style="list-style-type: none"> ○ File Notice of Availability with State Clearinghouse, send notices to interested agencies, notify residents, property owners, and businesses within 500 feet of the project, note the location where documents can be obtained/reviewed, and the date, time, and location of public meetings.
5 - 50	<p><u>45-Day Public Review Period</u></p> <ul style="list-style-type: none"> ○ Conduct three (3) Public Meetings which will be held at three different locations (east end of the study area, center of the study area and west end of the study area) and at three different times (one weekday evening, one weekday morning and one weekend afternoon) for the convenience of the community and to provide multiple opportunities for their participation. ○ Public Hearing #1 @ Goodwill Industries Midweek evening approximately 10 days after release. ○ Public Hearing #2 @ Garfield CC or SARTC Weekend afternoon approximately 15 days after release. ○ Public Hearing #3 @ PD Community Room Midweek morning approximately 20 days after release.
50 - 150	<p><u>OCTA Board Milestone</u></p> <ul style="list-style-type: none"> ○ Presentation by City of Santa Ana and OCTA staff to seek OCTA Board approval of the completion of the project’s Draft Environmental document. <p><u>Final EA/EIR Document Preparation</u></p> <ul style="list-style-type: none"> ○ Following the close of the 45-day public review, collect and compile all comments that have been received. ○ Prepare a documented response to each of these comments, modifying the EA/EIR where appropriate. ○ Compile the Final EA/EIR incorporating all modifications, comments, and responses into the administrative record of the EA/DEIR. This is necessary to ensure a legally defensible EA/DEIR. As the federal lead agency, FTA will need to review and approve all response to comments and modifications to the Final EA/EIR. <p><u>City Council Adoption of Locally Preferred Alternative (LPA)</u></p> <p><u>City Council Review/Certification of Final EIR</u></p> <p><u>OCTA Board Milestone</u></p> <ul style="list-style-type: none"> ○ Presentation by OCTA / Santa Ana staff to OCTA Board seeking acknowledgement of EIR completion and direction for advancing the project into Project Development.

Exhibit 1

RESOLUTION NO. 2014-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA ANA COMMITTING TO FINANCIALLY SUPPORT THE SANTA ANA - GARDEN GROVE STREETCAR PROJECT IN THE AMOUNT OF 10 PERCENT NET OF FAREBOX FOR THE COST OF STREETCAR OPERATIONS

WHEREAS, the City of Santa Ana (City) is the fourth most densely populated city in the United States with a large transit-dependent population; and

WHEREAS, the City of Santa Ana partnered with the City of Garden Grove to participate in the OCTA Go Local Program initiated in 2006 as a process to provide transportation options which are conceived at the local level; and

WHEREAS, that partnership between the City of Santa Ana and the City of Garden Grove led to promoting the Santa Ana - Garden Grove Fixed Guideway, a transportation system referred to as the "Streetcar" project; and

WHEREAS, in the fall of 2009, OCTA authorized development of alternatives analysis and a draft environmental impact report (DEIR); and

WHEREAS, the Streetcar Project would provide "last mile" transportation for individuals traveling from the transportation hubs to employment and activity centers in the heart of Orange County, directly connecting Santa Ana travelers with many OCTA bus routes and the Garden Grove International West tourist corridor; and

WHEREAS, the City supports the development of a cohesive and connected regional network between the City Santa Ana and the City of Garden Grove, and with the entire Orange County region; and

WHEREAS, the Streetcar Project will serve Santa Ana's historic downtown area, including government offices; federal, state, and local courthouses; unique restaurants and shops; the artists' village, several colleges, and a variety of community enrichment organizations; and

WHEREAS, the City Council of the City of Garden Grove resolved on January 28, 2014 to be a supporting partner of the Streetcar with Santa Ana and OCTA, and underlines its interest to participate in the Project as approval and funding is secured; and

WHEREAS, the City has prepared an Alternatives Analysis which investigates possible transit options and identified three feasible alternatives that include a modern streetcar transit route from Santa Ana to Garden Grove; and

WHEREAS, the City has prepared a draft environmental impact report to investigate all impacts that could be attributed to the streetcar construction and operations; and

WHEREAS, OCTA staff is recommending to their Executive Committee and to their Board to develop a proposed financial plan to fund capital, operations, and maintenance of the Streetcar Project that is consistent with maximizing the use of state and federal funding sources by leveraging Measure M2 revenues; and

WHEREAS, adopting this Resolution would help propel the project to the design and delivery phase by extending Santa Ana's financial commitment for streetcar operations which is important for OCTA to formalize the project financial plan.

THEREFORE BE IT RESOLVED AS FOLLOWS:

1. The City Council of the City of Santa Ana commits to a ten percent (10%) annual net of farebox financial participation in the Streetcar operations, estimated at \$500,000 to \$600,000 annually.
2. The City Council designates the City Manager as the Project Director and City authority to interact and provide direction to OCTA and to all related City consultants.

ADOPTED this _____ day of May 2014.

Miguel A. Pulido
Mayor

APPROVED AS TO FORM:
Sonia R. Carvalho, City Attorney

By: _____
Jose Sandoval
Chief Assistant City Attorney

AYES: Councilmembers _____
NOES: Councilmembers _____
ABSTAIN: Councilmembers _____
NOT PRESENT: Councilmembers _____

CERTIFICATE OF ATTESTATION AND ORIGINALITY

I, MARIA D. HUIZAR, Clerk of the Council, do hereby attest to and certify the attached Resolution No. 2014-XXX to be the original resolution adopted by the City Council of the City of Santa Ana on _____.

Date: _____

Clerk of the Council
City of Santa Ana

MAYOR
Miguel A. Pulido
MAYOR PRO TEM
Sal Tinajero
COUNCILMEMBERS
Angelica Amezcua
P. David Benavides
Michele Martinez
Roman Reyna
Vincent F. Samiento



CITY MANAGER
David Cavazos
CITY ATTORNEY
Sonia R. Carvalho
CLERK OF THE COUNCIL
Maria D. Huizar

CITY OF SANTA ANA

20 Civic Center Plaza • P.O. Box 1988 M-21
Santa Ana, California 92702
www.santa-ana.org

May XX, 2014

Darrell Johnson
Chief Executive Officer
Orange County Transportation Authority
600 South Main Street
Orange CA, 92863

Dear Mr. Johnson,

As you are aware, the Cities of Santa Ana and Garden Grove, in coordination with the Orange County Transportation Authority (OCTA), have been working on the development of the Santa Ana-Garden Grove Fixed-Guideway Project (Project). The Project is nearing completion of two major milestones as identified in the cooperative agreement: the Alternatives Analysis and State and Federal environmental clearance. In anticipation of these significant milestones and the desire to continue to advance the project for further engineering, the Santa Ana City Council recently approved the following in regard to future implementation and funding of the Project:

- Request that OCTA serve as the lead agency for design, construction, federal grantee sponsor, lead contact with FTA, owner and operator; and
- Commit a 10 percent (net of farebox) local match to fund operations

It is my understanding that the City's position on implementation and funding is consistent with OCTA's ongoing policy development work. As OCTA develops the project implementation and funding plans, the City of Santa Ana looks forward to continued partnership and collaboration in this effort.

Please contact me at XX if you have questions or would like additional information.

Sincerely,

David Cavazos
City Manager

Exhibit 3

55E-11



MEMORANDUM

To: David Cavazos, City Manager

Date: May 1, 2014

From: Edwin "William" Galvez, P.E.
Interim Executive Director

Subject: COMPLETION OF DRAFT ENVIRONMENTAL FOR THE STREETCAR

The undersigned team is pleased to submit to you the Environmental Assessment/Draft Environmental Impact Report (EA/DEIR) for the Santa Ana-Garden Grove Fixed Guideway Project (Streetcar) for your approval and subsequent transmittal to Orange County Transportation Authority (OCTA). OCTA, as the project's National Environmental Policy Act (NEPA) lead agency, is responsible to transmit the EA/DEIR to the Federal Transit Administration (FTA).

Included as appendices to the EA/DEIR are several technical reports which both the City of Santa Ana and OCTA's Project Management Oversight consultant team have thoroughly reviewed. Based on our reviews, the documents are complete and accurate.

The EA/DEIR also underwent legal sufficiency review by our City's legal counsel. Therefore, it is our recommendation that the documents are ready to be forwarded to OCTA, and subsequently to FTA, for an expeditious review. We will release the EA/DEIR for public review when FTA clears the document for release, tentatively in May 2014.

Edwin "William" Galvez
Interim Executive Director
Public Works Agency

Jason Gabriel
Principal Engineer
Public Works Agency

Catherine Higley
Consultant Project Manager
Cordoba Corporation

Ryan Hodge
Assistant City Attorney
City of Santa Ana

MAYOR
Miguel A. Pulido
MAYOR PRO TEM
Sal Tinajero
COUNCILMEMBERS
Angelica Amezcua
P. David Benavides
Michele Martinez
Roman Reyna
Vincent F. Sarmiento



CITY MANAGER
David Cavazos
CITY ATTORNEY
Sonia R. Carvalho
CLERK OF THE COUNCIL
Maria D. Hulzar

CITY OF SANTA ANA

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May 7, 2014

Mr. Darrell Johnson
Chief Executive Officer
Orange County Transportation Authority
P. O. Box 14184
Orange, CA 92863-1584

Dear Mr. Johnson:

I am pleased to submit the Environmental Assessment/Draft Environmental Impact Report (EA/DEIR) for the Santa Ana-Garden Grove Fixed Guideway Project to you for transmittal to the Federal Transit Authority (FTA). Completion of this document marks a major milestone in the development of this important transit improvement project which Santa Ana, Garden Grove, and the Orange County Transportation Authority (OCTA) have collaborated on for the past four years.

Accompanying the EA/DEIR are several technical reports which have been thoroughly reviewed by both the City of Santa Ana and OCTA's Project Management Oversight consultant team. The EA/DEIR also underwent legal sufficiency review by the City of Santa Ana's legal counsel. Based on these reviews, it is my understanding that the documents are complete, accurate and ready to be forwarded to FTA for an expeditious review. We will release the EA/DEIR for public review when FTA clears that, tentatively in May 2014.

On behalf of the cities of Santa Ana and Garden Grove, I would like to thank OCTA for all of the support it has provided to advance our Streetcar Project to this stage. We look forward to continuing to work with OCTA on this initiative which will benefit people throughout Orange County by providing better connections from Santa Ana Regional Transportation Center (SARTC) to the heart of Orange County and the County Government Center.

Sincerely,

David Cavazos
City Manager

c: Mayor and Council
City Manager

SANTA ANA CITY COUNCIL

Miguel A. Pulido Mayor MPulido@santa-ana.org	Sal Tinajero Mayor Pro Tem, Ward 6 STinajero@santa-ana.org	Vincent F. Sarmiento Ward 1 VSarmiento@santa-ana.org	Michele Martinez Ward 2 MMartinez@santa-ana.org	Angelica Amezcua Ward 3 AAmezcua@santa-ana.org	P. David Benavides Ward 4 DBenavides@santa-ana.org	Roman Reyna Ward 5 RReyna@santa-ana.org
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May 5, 2014 OCTA STAFF REPORT TO EXECUTIVE COMMITTEE



May 5, 2014

To: Executive Committee
From: Darrell Johnson, Chief Executive Officer
Subject: Fixed-Guideway Policy Decisions Overview

Overview

On April 22, 2013, staff presented an overview of the anticipated Orange County Transportation Authority Board of Directors' actions required to advance the Measure M2 Project S fixed-guideway projects, consistent with federal funding guidelines. Given the Santa Ana/Garden Grove Fixed-Guideway Project's upcoming milestone completion and advancement into engineering, staff is seeking Board of Directors' direction to develop an implementation and funding plan for the project.

Recommendations

- A. Direct staff to develop a proposed project implementation plan for the Santa Ana/Garden Grove Fixed Guideway Project with the Orange County Transportation Authority serving as the lead agency.
- B. Direct staff to develop a proposed financial plan to fund capital, operations, and maintenance of the Santa Ana/Garden Grove Fixed-Guideway Project that is consistent with the implementation plan and maximizes the use of state and federal funding sources by leveraging Measure M2 revenues.

Background

In April 2013, the Orange County Transportation Authority (OCTA) Board of Directors (Board) was presented with an outline of policy and technical decisions necessary to advance the two fixed-guideway projects currently under development as part of the Measure M2 (M2) Project S, Transit Extensions to Metrolink Program: the Anaheim Rapid Connection (ARC) and the Santa Ana/Garden Grove (SA/GG) Fixed-Guideway projects. As discussed with the Board, further development of the Project S program requires

consideration of two significant policy decisions: project implementation and funding.

Both the ARC and SA/GG Fixed-Guideway projects are progressing towards environmental clearance. The cities of Santa Ana and Garden Grove anticipate completing the environmental phase in fall 2014, while the City of Anaheim is expected to complete environmental work in late 2015. Updated decision diagrams for each project are provided to depict progress in the project development process and the decisions necessary to advance (Attachment A). The varied progression of each of the fixed-guideway projects will require policy decisions to be made initially for the SA/GG Fixed-Guideway Project. Staff anticipates that these policy decisions will set the framework for future discussions on policy decisions for the ARC project. When the ARC project approaches environmental clearance in late 2015, staff will evaluate in a similar fashion the policy decisions in context of the ARC project.

In anticipation of the cities of Santa Ana and Garden Grove's completion of the alternatives analysis and environmental milestones and request to advance the project into engineering, OCTA is prepared to identify roles and responsibilities and develop a financial plan to implement the SA/GG Fixed-Guideway Project.

Discussion

Advancement of the SA/GG Fixed-Guideway Project into the engineering phase requires OCTA to develop a project management plan (PMP) conforming with the Federal Transit Administration (FTA) guidance, clearly delineating roles and responsibilities for the delivery and operations of a transit project. Should OCTA pursue FTA New Starts funds, FTA will approve the PMP; therefore, it is prudent planning to ensure consistency with FTA guidance.

The PMP needs to demonstrate the capability and capacity of the implementing agency to put in place the resources to manage and undertake design and construction, and secure any needed funding. Two significant policy decisions need to be considered for the PMP:

- **Implementation**
 - Lead agency for design and construction
 - Owner of the system and its assets
 - Federal grantee/sponsor and lead contact with FTA
 - Owner, operator, and maintainer of the system
- **Funding**
 - A sustainable and viable financial plan for capital, and operations and maintenance

Project Implementation

Consistent with the intent of M2 Project S, the cities of Santa Ana and Garden Grove have served as the lead in the planning efforts for the fixed-guideway project to foster a locally driven project that expands the reach of the backbone rail service. This allowed for maximum local input on planning and alternatives to develop a project that best met the transit needs of the communities.

The next phase of project development, engineering, and design, requires the implementing agency to have the necessary experience and technical expertise to deliver FTA grant-funded projects. This criterion has long been communicated by FTA and was evident in its support of OCTA serving as grantee even at the inception of the program. OCTA has a well-respected, long-standing reputation within the United States Department of Transportation as having demonstrated the capacity to successfully manage and deliver capital projects on schedule and under budget. For the cities of Santa Ana and Garden Grove to achieve a level of technical capacity acceptable to FTA would take a significant amount of resources and time, resulting in schedule impacts.

Prior discussion with FTA and input from industry experts indicates that the highest likelihood of success for project implementation and federal funding would be for OCTA to serve as the lead agency. Staff is requesting Board direction to develop an implementation plan for the SA/GG Fixed-Guideway Project with OCTA serving in this role. Preliminary discussions with cities of Santa Ana and Garden Grove staff also indicate a desire for OCTA to serve as lead agency. This decision will be fully vetted through the Santa Ana City Council in the next month.

Staff will model the implementation plan on FTA's PMP guidelines and structure for consistency in addressing organizational, technical, and financial capacity to deliver the project, and will return to the Board to seek input and approval of the plan.

A recommendation on the implementing lead agency for the ARC project will be brought to the Board for consideration when the project moves closer to environmental approval.

Funding Plan

Consistent with OCTA's standard financial planning practices, a comprehensive business plan that demonstrates the SA/GG Fixed-Guideway Project cash flow for both capital and ongoing operations and maintenance is required to make project decisions. Staff is seeking Board direction to develop a viable and sustainable financial plan for the SA/GG Fixed-Guideway Project.

The following factors would form the parameters in the development of this plan:

- The Local sales tax revenue from M2 Project S is anticipated to provide \$ 1.3 billion in funding over the life of M2 and would need to take into account funding needs for other Project S-eligible projects, including, but not limited to, ARC and the rubber-tire projects (Attachment B).
- The M2 ordinance states that "The Authority shall make every effort to maximize state and federal funding for Transit Projects." (Attachment C).
- Prior Board direction that the SA/GG Fixed-Guideway Project remain eligible for the FTA's New/Small Starts Program.

Additionally, when evaluating the potential funding strategies, staff will consider the desire to deliver the benefits of the projects in the most expeditious manner possible while ensuring the most prudent use of M2 funds and leveraging its use to maximize state and federal funding sources. To support this effort, the New and Small Starts development processes (Attachment D) and funding requirements will be consulted and the timeframes refined as the funding plan is developed.

Summary

Staff will return to the Board within the next quarter with a proposed implementation plan for the SA/GG Fixed-Guideway Project with OCTA as the implementing lead agency, as well as with a proposed financial plan that addresses the funding needs for both capital and ongoing operations and maintenance of the SA/GG Fixed-Guideway Project.

Attachments

- A. Fixed-Guideway Program: Decision Flow Diagrams
- B. Measure M2 Project S Description
- C. Measure M2 Ordinance Transit Projects Funding Language
- D. Draft Timeline: Santa Ana/Garden Grove Fixed-Guideway Project

Prepared by:

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