

Staff Report

File #: 17-483**Version:** 1**Date:** 10/9/2017**Item #:** 3.3 d.

TO: Mayor and City Council
THROUGH: Steve Powers, City Manager
FROM: Peter Fernandez, PE, Public Works Director

SUBJECT:

Application to fund street improvements on McGilchrist Street SE through the federal TIGER grant program

Ward(s): 2
Councilor(s): Andersen
Neighborhood(s): SESNA

ISSUE:

Shall the City Council authorize the City Manager to submit an application to fund street improvements on McGilchrist Street SE through the federal TIGER grant program?

RECOMMENDATION:

Authorize the City Manager to submit an application to fund street improvements on McGilchrist Street SE through the federal TIGER grant program.

SUMMARY AND BACKGROUND:

On September 7, 2017, the US Department of Transportation announced the opportunity for state and local stakeholders to apply for \$500 million in discretionary grant funding through the Transportation Investment Generating Economic Recovery (TIGER) program. As with the previous rounds of TIGER grants (which started in 2010), funds for 2017 TIGER grant program are to be awarded on a competitive basis for projects that will have a significant impact on the nation, a metropolitan area, or a region. Applications for this round of TIGER grants are due on October 16, 2017.

The City and the Urban Renewal Agency have been targeting improvements to McGilchrist Street SE as a candidate for future rounds of TIGER grants. To this end, Urban Renewal funds have been expended to undertake design work and prepare materials needed to obtain environmental permits.

The City also applied for and received federal funds through the Salem-Keizer Area Transportation Study (SKATS) to purchase right-of-way along the corridor; another application to SKATS is being prepared to purchase right-of-way for the realignment of 22nd Street SE at McGilchrist Street SE.

FACTS AND FINDINGS:

TIGER Discretionary Grant Program

The Consolidated Appropriations Act of 2017 appropriated \$500 million, available through September 30, 2020, for TIGER grants. The US Department of Transportation is soliciting applications for these grants; the notice of funding availability can be reviewed on the TIGER program website at www.transportation.gov/tiger <<http://www.transportation.gov/tiger>>. TIGER Discretionary Grants support capital investment in surface transportation infrastructure.

According to the program description, projects previously funded include, but are not limited to, capital projects in areas which repair bridges or improve infrastructure to a state of good repair; projects that implement safety improvements to reduce fatalities and serious injuries, including improving grade crossings or providing shorter or more direct access to critical health services; projects that connect communities and people to jobs, services, and education; and, projects that anchor economic revitalization and job growth in communities, and specifically those that help bring manufacturing and other jobs.

For 2017, TIGER grants in urban areas may not be less than \$5 million and not greater than \$25 million. TIGER grants may be used for up to 80 percent of the project cost, however projects with a higher share of funds from other sources are more competitive. Over the past eight rounds, TIGER grants have achieved, on average, co-investment of 3.6 dollars (including other Federal, State, local, private and philanthropic funds) for every TIGER dollar invested.

TIGER Discretionary Grants are highly competitive. Applications are reviewed against the following merit criteria.

- Primary Selection Criteria:
 - Safety
 - State of Good Repair
 - Economic Competitiveness
 - Environmental Sustainability
 - Quality of Life
- Secondary Selection Criteria:
 - Innovation
 - Partnership

Project readiness, benefit cost analysis, and cost share are also important considerations in project selection.

McGilchrist Street SE - Complete Streets Project

McGilchrist Street SE is a major arterial in the *Salem Transportation System Plan* (see attached Vicinity Map). This street is located in an older industrial area that has significant opportunities for infill development. The current condition of the road hinders investment in the area. Additionally, the roadway lacks facilities for pedestrians or bicyclists and experiences significant flooding. Both the Social Security Administration and Veteran's Administration Outpatient Clinic are located on McGilchrist Street SE. Access to these services by people using transit, walking, or bicycling is extremely difficult.

Transforming McGilchrist Street SE into a "Complete Street" that serves all users carries a total cost in excess of \$23 million. This high cost has served to hinder development. The City formed an Urban Renewal Area in 2006 specifically to support needed transportation improvements on McGilchrist Street SE. Urban Renewal funds have been used to complete 60-percent design for the project and to prepare information needed to pursue environmental clearances. There will not be enough urban renewal funds, however, to acquire right-of-way and construct the project.

The strategy for delivering this project has been to prepare it to be "shovel-ready" so that it can be competitive for future federal construction funding, such as through the current TIGER solicitation. To this end, in 2016, the City applied for and was awarded approximately \$3.2 million by SKATS to purchase right-of-way along the corridor. On September 25, 2017, City Council approved a motion to apply to SKATS for the remaining right-of-way associated with the realignment of 22nd Street SE at McGilchrist Street SE. Collectively, these efforts have moved the McGilchrist Street SE Complete Streets Project to the point that staff believes the project could be successful in competing for grant funds through the TIGER program.

With Council approval, staff will submit an application for construction funds through the TIGER program. Matching funds will be provided by the Urban Renewal Agency. If successful, staff will return to Council for approval of an agreement with the US Department of Transportation, including specifics relating to match funding and schedule commitments.

Robert D. Chandler, PhD, PE
Assistant Public Works Director

Attachments:
Vicinity Map