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Region vies for its share of funding

\$112M secured, capital region looks for more

Sacramento Business Journal - by [Michael Shaw](#) Staff writer

Dennis McCoy | Sacramento Business Journal

Construction has already begun on the major expansion of Sacramento International Airport, which stands to receive some federal stimulus funding.

As the rules for awarding federal stimulus dollars are still being written in Washington, regional leaders are drawing up strategies to win them, having already secured an estimated \$112 million for transportation projects in the Sacramento area.

The leader of the state agency that's aiming to present California's best case for stimulus dollars believes Sacramento is well-positioned to draw millions more.

"I expect to see a good work plan from the (Sacramento) region," said Dale Bonner, who heads the [Business, Transportation and Housing Agency](#), praising the region's past efforts in planning and attracting grant dollars. And Sacramento Mayor Kevin Johnson, who went to Washington last week to plead the city's case directly to President Obama, claims to have the governor's ear with his idea of moving funds quickly from the state to local governments.

But the real test will come as individual governments and agencies press their cases for a piece of the \$787 billion stimulus package, which beefs up funding for dozens of programs that governments might pursue for housing, education, employment and training, energy and environmental concerns, health care, public safety, social services and more.

"Agencies are working to ensure that economic stimulus funds are spent quickly and appropriately," said Helen Thomson, SACOG board chair and Yolo County supervisor. The agency is one of several players drafting a broad economic recovery work plan aimed at attracting stimulus dollars to the Sacramento region.

The first funds expected to flow from the federal stimulus package include \$112 million for transportation projects. That breaks down as \$32 million for road rehabilitation, another \$40 million for new road projects and \$40 million for public transportation projects such as bus lines and light rail.

The estimate could change as the stimulus picture gets clearer, SACOG spokesman Erik Johnson cautioned. He said the federal government must distribute transportation funds to states by March 10, and states then have four months to appropriate half of the money for road projects and six months to appropriate half of the funds for transit projects.

The SACOG board already has voted to distribute \$32 million to various jurisdictions within the six-county region when it arrives, Johnson said.

Non-transportation projects

Much less clear is how funds will be distributed for non-transportation projects.

“I’m envious of them,” said Michael Faust, senior vice president of public policy at the [Sacramento Metro Chamber](#), referring to transportation officials who have a better idea of what is headed Sacramento’s way. There is already a well-established system for moving federal highway funds through the states and into projects, but the mechanism for funding many of the stimulus package’s other initiatives hasn’t been finalized.

Faust is helping to coordinate the regional plan for pursuing stimulus funds, something every region in the state is undertaking.

The projects that the chamber and others have suggested are strong candidates for stimulus funds include:

- Train track relocation at the downtown railyard in advance of creating an intermodal transportation hub there, a project that needs \$47 million in federal funding and would create an estimated 1,200 jobs over the one-year project.
- Levee improvements in Natomas and West Sacramento that are seeking a total of \$113 million in federal funds.
- Air quality and climate change measures such as incentives for residents to replace open fireplaces and wood-burning stoves; a \$110 million plan to replace all of Sacramento Municipal Utility District’s 600,000 meters to provide for better energy conservation.
- Various sewer improvements, deep-water ship channeling at the Port of West Sacramento, water treatment and pumping stations, terminal modernization and sewer line connections at [Sacramento International Airport](#), and university and community college upgrades.

“We made a broad call for projects because we don’t know the criteria,” Faust said. “There is no clear path for a lot of the funding channels.”

State aims for June 1

Faust said he expects leaders to come together to develop a regional economic recovery work plan and present it to the Business, Transportation and Housing Agency, which has developed suggested guidelines for creating those plans.

“As a region, we are leaps and bounds ahead of others,” Faust said. “We’ve got a good track record.”

The plans aren’t mandatory but most communities are participating, Bonner said.

He outlined three broad areas of the stimulus plan: payments to entitlement programs such as Medicare and unemployment insurance, money for large infrastructure projects, and tax incentives. The focus for many communities will be on obtaining infrastructure money.

“Our goal is by June 1 to have in place an economic recovery plan for every part of the state,” Bonner said.

He expected Sacramento’s history of efficient regional planning to succeed.

“There has been phenomenal work on the Blueprint,” he said, referring to SACOG’s groundbreaking effort to tie growth planning to transportation and air quality issues. “And the region has been very successful attracting state infrastructure bonds. There is a very good network of government agencies and that’s what I expect to see.”

Last year, Sacramento was awarded the largest amount of any region under bond-funded initiatives to help build large, transit-oriented projects along the region's riverfronts such as The Railyards.

Bonner said some cities and agencies might be able to apply directly for grants under the stimulus package. Johnson has been advocating for direct payment.

"The question is can we get dollars to flow directly to cities?" Johnson said this week. "If not, it's important we get it (from the state) to the cities immediately. ... I talked to Gov. Schwarzenegger and he agrees with that, so we have agreement at the top. We need to make that a reality."

Some portions of the stimulus package, such as the \$650 million that will be doled out nationally for the analog-to-digital television conversion, will have little direct benefit for Sacramento. But other portions could be a boon locally.

The package provides \$1 billion nationally for hiring and rehiring career law enforcement officials, a crucial issue for Sacramento, which is looking at layoffs for some of its police force.

"On the more broad stimulus plan, we just don't know yet what is going to be out there for us to compete for," said John Dangberg, assistant city manager, who is looking into what the city could pursue.

<http://eastbay.bizjournals.com/sanfrancisco/stories/2009/03/02/story2.html?b=1235970000^1786217&t=printable>

Bay Area authorities team up for stimulus money

San Francisco Business Times - by [Eric Young](#) San Francisco Business Times

Bay Area authorities are rushing to put together a regional effort to maximize the amount of federal stimulus cash that flows to the area.

With details still emerging about the nation's \$787 billion stimulus package, local leaders and economic development officials are hazy on how much money they can expect, or how to apply for it.

But to make their best case for that money, several groups will work with the [Bay Area Council Economic Institute](#), which has been tapped by the state to draw up a regional plan that shows where the Bay Area could best spend the money and what impact the cash would have.

The plan likely will emphasize projects that are ready to start within the next two years and focus on the region's infrastructure needs, land use goals and economic development strategy.

The economic institute is a division of the Bay Area Council, which advocates public policy on behalf of major San Francisco area companies like [Cisco Systems Inc.](#), [Gap Inc.](#) and [Oracle Corp.](#)

The economic institute said it will work with groups like the [Metropolitan Transportation Commission](#) and the East Bay's [Economic Development Alliance for Business](#) to devise its plan. The full contingent of agencies was still being compiled this week, said Sean Randolph, the institute's CEO. Other groups that might be tapped to help author the regional strategy are the Association of Bay Area Governments, local mayors, academics from Stanford University and University of California, Berkeley and local corporate executives, all of whom are on the economic institute's board.

With billions of dollars in the balance, there is a sense of urgency to devise a compelling plan.

"If we don't have one, it makes no sense," said Jim Wunderman, CEO of the Bay Area Council. Without a cohesive plan, "we'll lose out while fighting within our own fiefdoms."

California officials estimate there are \$44 billion worth of projects around the state that are ready to start, potentially generating 800,000 jobs. That includes \$11.8 billion worth in energy and efficiency projects, \$11 billion in road, transit and rail construction, \$4 billion in health care investment and \$8.5 billion in water and sewer projects.

Some of the stimulus money will be sent directly to states and cities via existing formulas. Such is the case, for example, with \$66 million that California will get in rail modernization money. But other big pots of cash — like \$4.5 billion for improved electrical grid investment — are discretionary. For large chunks of other money to be distributed through various federal agencies, it's not clear yet how money will be apportioned. That's the case for \$8 billion in high speed rail funding, for instance. The [Federal Railroad Administration](#) will have a plan for disbursement by mid-April.

Given the confusing patchwork of rules that is emerging, some Bay Area elected officials are not waiting on the regional plan to make their case for stimulus cash. San Francisco Mayor Gavin Newsom, for example, is sending a delegation of his department heads to Washington D.C. this week. There they will meet with federal officials to learn how to apply for money and put in a good word for local projects. Newsom and Oakland Mayor Ron Dellums have been among big-city mayors already making personal visits to the capital to underscore their quest for funds.

“We’re moving forward with our aggressive approach to getting stimulus investment in San Francisco,” said mayoral spokesman Nathan Ballard.

That’s not to say San Francisco won’t work on the regional plan, Ballard said. “We view any statewide or regional efforts as complementary and we are happy to work with them.”

Although Bay Area cities and counties traditionally work independently when planning major investments in areas like land use and housing, there is hope that the region will rally around a unified plan for stimulus money.

“Clearly the regional effort will give a broader context to put us all on the same page,” said Bruce Kern, executive director of the Economic Development Alliance for Business, which advocates for businesses in Alameda and Contra Costa counties.

The Bay Area’s economic recovery plan will be submitted to the state [Department of Business Transportation and Housing](#) in Sacramento, which asked groups representing regions around the state to prepare similar documents. The plans go to the state capital because some of the federal stimulus money will flow through the bureaucracy there before reaching cities.

The Bay Area and other regions won’t have much time to put their plans together. Pressed by federal demands for quick action, the state wants first drafts of plans by April 1 and final drafts by June 1.

Submitting plans to Sacramento is not mandatory. But there are potentially major benefits for drawing up cohesive plans that spell out how the money will be used. Not only might the regional plans maximize the amount of federal stimulus cash, state officials said regions that submit plans will get “bonus points” for state housing funds stemming from Proposition 1C, a \$2.9 billion bond approved by state voters in 2006.