



AGENDA REPORT

Department: Engineering and Public Works
Prepared by: Luca Zappiello, Associate Engineer - Civil
Meeting Date: Tuesday, August 5, 2025
Approved by: Scott W. Huth, Interim City Manager

SUBJECT:

Bayshore Bikeway Segment 5 and Connections Project, CIP 19-24, ATP Cycle 7 Grant Appropriation for Construction Phase.

RECOMMENDATION:

Adopt a Resolution Entitled, "Resolution of the City Council of the City of National City, California, 1) Authorizing the Mayor to Execute Program Supplement Agreement No. F031 with the State of California Department of Transportation for Construction of the Bayshore Bikeway – Segment 5 and Connections Project, CIP 19-24, ATP Cycle 7; and 2) Authorizing the Establishment of an Engineering Grants Fund Appropriation of \$5,681,000 and Corresponding Revenue Budget."

BOARD/COMMISSION/COMMITTEE PRIOR ACTION:

Not Applicable.

EXPLANATION:

In July 2018, staff submitted a Cycle 4 Active Transportation Program (ATP) grant application to the California Department of Transportation (Caltrans) for the Bayshore Bikeway Segment 5 Project. The project will provide nearly 1.5 miles of protected bicycle facilities along McKinley Avenue and Marina Way in the City of National City (City) (see attached exhibit). Staff requested \$5,421,000 in Federal ATP funds for the construction phase of the project. In January 2019, staff received notification from Caltrans that the City had been awarded Federal ATP funds in the amount of \$5,421,000, which required a local match from the City of \$710,000.

On November 19, 2019, the City Council adopted Resolution No. 2019-155 authorizing the Mayor to execute a Memorandum of Understanding (MOU) between the San Diego Unified Port District (Port of San Diego) and the City, in which the Port of San Diego committed to fund \$900,000 for the project's design and entitlements, including: environmental clearance, topographic survey, and preliminary and final design of the project.

On March 9, 2022, the City received a funding award from the Congressionally Directed Spending (CPFCDS) program, in the amount of \$300,000 through the office of Congressman Juan Vargas, which was allocated for the design phase of the Project.

In June 2022, staff submitted a Cycle 6 State ATP grant application to Caltrans in the amount of \$2,072,000. At their December 7, 2022 meeting, the California Transportation Commission (CTC) awarded an ATP grant to the City in the amount of \$2,072,000 for the Project. On October 1, 2024, the City Council adopted Resolution No. 2024-111, authorizing the Mayor to execute the PSA No. A670 for the Cycle 6 Federal ATP grant to reimburse up to \$2,072,000 in eligible project expenditures and committing to providing a local match of \$310,800.

Upon completion of final design in early 2024, staff identified a potential budget shortfall based on notable increases in construction costs over recent years. Therefore, staff aggressively pursued other funding opportunities in an attempt to close the gap. In September 2024, staff submitted a Regional ATP Cycle 7 grant application to SANDAG in the amount of \$5,681,000 to

fund construction of the Bayshore Bikeway Segment 5 and Connections Project. At their March 28, 2025 meeting, the SANDAG Board of Directors recommended the Project for full funding. SANDAG staff subsequently submitted the Project as part of their ATP Programming Recommendations to the California Transportation Commission (CTC). At their May 16, 2025 meeting, the CTC allocated \$5,681,000 in Federal ATP funds for construction of the Project (see attached Exhibit B – Allocation Letter).

On June 17, 2025, the City Council adopted Resolution No. 2025-70 authorizing the Mayor to execute a Memorandum of Understanding (MOU) between the San Diego Unified Port District (Port of San Diego) and the City, in which the Port of San Diego committed \$2,000,000 in ATP Cycle 7 Grant matching funds for project construction.

On June 20, 2025, Caltrans provided the City authorization to proceed with construction of the Project. Staff subsequently advertised the project for construction bidding on June 26, 2025, and anticipates presenting a construction contract to City Council for award in September 2025.

Execution of the attached Program Supplement Agreement (PSA) with Caltrans is required to allow for reimbursement of eligible project expenditures for construction. The PSA summarizes the following budget allocations for the Project: Federal ATP funds in the amount of \$5,681,000, Local matching funds in the amount of \$1,995,000 (Port of San Diego), and State matching funds in the amount of \$1,243,000 (State of California Natural Resources Agency Grant (CNRA)). The CNRA grant in the original amount of \$1,659,680 was previously accepted and appropriations established by the City Council via Resolution No. 2021-98 which was adopted on August 3, 2021.

FINANCIAL STATEMENT:

The total budget for the construction phase of the Bayshore Bikeway Segment 5 and Connections Project is \$8,919,000. Local matching funds being contributed by the Port of San Diego (\$1,995,000) and the State of California (\$1,243,000) were previously appropriated by the City Council. Approval of this agenda item will result in the establishment of appropriations for the Federal ATP Cycle 7 Grant portion of the funding in the amount of \$5,681,000 as follows:

Engineering Grants Fund:

Expenditure Account No. 296-10-18-18500-7598-6621296 - \$5,681,000

Revenue Account No. 296-10-18-18500-3498-6621296 - \$5,681,000

RELATED CITY COUNCIL 2020-2025 STRATEGIC PLAN GOAL:

Transportation Choices and Infrastructure

ENVIRONMENTAL REVIEW:

The project is subject to CEQA, and a full study was completed during the design phase.

PUBLIC NOTIFICATION:

The Agenda Report was posted within 72 hours of the meeting date and time in accordance with the Ralph M. Brown Act.

ORDINANCE:

Not Applicable

EXHIBITS:

Exhibit A – Project Location Map

Exhibit B – Allocation Letter

Exhibit C – PSA

Exhibit D – Resolution