

## REQUEST FOR APPROVAL

**To:** **Howard Levenson**  
Deputy Director, Materials Management and Local Assistance Division

**From:** **Michelle Martin**  
Branch Chief, Financial Resources Management Branch

**Request Date:** February 4, 2015

**Decision Subject:** Awards for the Rubberized Pavement Grant Program (Tire Recycling Management Fund, FY 2014–15)

**Action By:** February 17, 2015

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**Summary of Request:** Staff requests approval of grant awards for the Rubberized Pavement (Pavement) Grant Program, Fiscal Year (FY) 2014–15. CalRecycle received 57 applications for this competitive grant, requesting a total of \$6,908,106; of these, 54 applications, totaling \$6,916,596, are eligible. The recommended amounts are greater than originally requested, as CalRecycle staff corrected calculation errors, some of which were the result of reimbursement changes required by Assembly Bill 513 (Frazier, Chapter 499, Statutes of 2013).

Staff has ranked all eligible applications consistent with the approved process and has summarized those applications in Table 1 below.

**Recommendation:** Staff recommends approval of all 54 grant awards listed in Table 1 below, for a total of \$6,916,596. Approximately 77 percent (\$5,333,117) of total funding is for rubberized asphalt concrete (RAC) hot mix projects and 23 percent (\$1,583,479) is for chip seal projects.

**Table 1. Rubberized Pavement Grant Program Recommended Awards**

<b>Applicant</b>	<b>Material</b>	<b>Total Award</b>
City of Agoura Hills	Hot-Mix	\$74,542
City of Antioch	Chip Seal	\$250,000
City of Bell	Hot-Mix	\$250,000
City of Berkeley	Hot-Mix	\$99,257
City of Calabasas	Hot-Mix	\$46,075
City of Ceres	Hot-Mix	\$68,070
City of Clovis	Chip Seal	\$99,815
City of Commerce	Hot-Mix	\$145,210
City of Cypress	Hot-Mix	\$70,700
City of Downey	Hot-Mix	\$250,000
City of Dublin	Hot-Mix	\$86,000
City of Escondido	Chip Seal	\$147,144

<b>Applicant</b>	<b>Material</b>	<b>Total Award</b>
City of Fremont	Chip Seal	\$250,000
City of Garden Grove	Hot-Mix	\$108,500
City of Gridley	Chip Seal	\$25,793
City of Highland	Hot-Mix	\$250,000
City of Huntington Beach	Hot-Mix	\$250,000
City of Jurupa Valley	Hot-Mix	\$100,700
City of La Canada Flintridge	Hot-Mix	\$123,500
City of La Verne	Hot-Mix	\$101,000
City of Larkspur	Hot-Mix	\$86,360
City of Lompoc	Chip Seal	\$62,350
City of Lynwood	Hot-Mix	\$62,000
City of Mill Valley	Hot-Mix	\$132,100
City of Monterey Park	Hot-Mix	\$117,690
City of Moorpark	Chip Seal	\$31,500
City of Morro Bay	Chip Seal	\$25,060
City of Oakley	Hot-Mix	\$60,000
City of Ojai	Hot-Mix	\$100,000
City of Orange	Hot-Mix	\$106,820
City of Palm Desert	Hot-Mix	\$47,750
City of Palo Alto	Hot-Mix	\$63,000
City of Pasadena	Hot-Mix	\$190,190
City of Paso Robles	Hot-Mix	\$79,000
City of Pismo Beach	Hot-Mix	\$100,620
City of Pomona	Hot-Mix	\$71,764
City of Rancho Cucamonga	Hot-Mix	\$250,000
City of Redwood City	Chip Seal	\$250,000
City of Rialto	Hot-Mix	\$233,058
City of San Jose	Hot-Mix	\$249,900
City of San Marino	Hot-Mix	\$210,280
City of Santa Monica	Hot-Mix	\$90,160
City of Stockton	Chip Seal	\$112,850
City of Turlock	Hot-Mix	\$105,550
City of Yorba Linda	Hot-Mix	\$121,900
Contra Costa County	Chip Seal	\$125,511
Los Angeles County	Chip Seal	\$39,135
Sacramento County	Hot-Mix	\$179,144
San Joaquin County	Hot-Mix	\$45,500

Applicant	Material	Total Award
Solano County	Chip Seal	\$102,925
Stanislaus County	Chip Seal	\$61,396
Town of Moraga	Hot-Mix	\$106,840
Ventura County	Hot-Mix	\$249,937
Yuba County	Hot-Mix	\$250,000
	<b>Total</b>	<b>\$6,916,596</b>

**Funding:** The *Five-Year Plan for Waste Tire Recycling Management Program – (7<sup>th</sup> Edition covering Fiscal Years 2013-14 to 2017-18) (Five-Year Plan)* allocates \$3,000,000 for the Pavement Grant Program for FY 2014–15. Additionally, the FY 2014–15 Budget Act included a Budget Change Proposal that provides an additional \$5,000,000 allocation for the Pavement Grant Program beginning in FY 2014–15 and continuing each FY through 2018-19.

Fund Source	Amount Available	Amount to Fund Item	Amount Remaining	Line Item
Tire Recycling Management Fund (FY 2014–15)	\$8,000,000	\$6,916,596	\$1,083,404	Local Assistance/Grants
<b>Total</b>	\$8,000,000	\$6,916,596	\$1,083,404	

**Deputy Director Action:** On the basis of the information and analysis in this Request for Approval and the findings set out herein, I hereby conditionally approve the grant awards for the Pavement Grant Program as listed in Table 1. Each proposed grantee’s award is conditional upon:

1. The full payment within 60 (sixty) days of the date of this grant award of all outstanding debt(s) or scheduled payment(s) owed by the proposed grantee to CalRecycle.
2. The return by the proposed grantee of a completed and executed Grant Agreement within 60 (sixty) days from the date that CalRecycle staff emails the Grant Agreement.

Dated: 2/6/15

  
 Howard Levenson  
 Deputy Director

**Background and Findings:**

Statutory Authority

Public Resources Code § 42872, 42872.5, and 42873 authorize CalRecycle to award grants for activities and applications that result in reduced landfill disposal or stockpiling of waste tires. The Pavement Grant

Program operates within that authority, using a portion of the annual appropriation from the California Tire Recycling Management Fund (Tire Fund). The July 2013 *Five-Year Plan for the Waste Tire Recycling Management Program (Seventh Edition Covering FYs 2013-14 to 2017-18)* (Five-Year Plan) allocates \$3,000,000 to the Pavement Grant Program for FY 2014–15. The 2014-15 Budget Act provided an additional \$5,000,000 allocation to the Pavement Grant Program. In addition, Assembly Bill 513 (Frazier, Chapter 499, Statutes of 2013) added PRC § 42872.1 and made changes to eligible applicants, projects, and the approach used to reimburse grantees. These changes were described and approved at the July 15, 2014, public meeting: [Eligibility Criteria and Evaluation Process for the Rubberized Pavement Grant Program \(Tire Recycling Management Fund, FYs 2014/15 and 2015/16\)](#).

### Program Background

The Pavement Grant Program is designed to promote the use of rubberized pavement while encouraging the recycling of California-generated waste tires. The program provides competitive grants for public works projects that use RAC hot-mix or rubberized chip seal materials derived from only California-generated waste tires.

### Criteria and Process

The grant project must be located in California and use a minimum of 300 pounds (equivalent to 15 percent by weight) of California-generated crumb rubber per ton of rubberized binder. The maximum grant award for both RAC hot-mix and chip seal project(s) is \$250,000.

Eligible applicants include:

- Local Governments (cities, counties, or city and county), local governmental agencies (special districts, Joint Powers Authorities [where all JPA members are also otherwise eligible applicants] and regional park districts), and Qualifying Indian Tribes for rubberized pavement (RAC and rubberized chip seal) projects which may include disability access projects at parks, Class 1 bikeways, and greenways.
- State agencies for disability access projects at parks, Class 1 bikeways, and greenways.

The application process, applicant eligibility, project eligibility, grant award categories, and evaluation process were discussed at the July 15, 2014, CalRecycle meeting, as noted above. The Notice of Funds Availability was posted on the CalRecycle web site in October 2014, with an appropriate notice sent to stakeholders.

Due to the incorporation of the AB 513 requirement, the approved criteria represented a different reimbursement approach from previous grants. The new approach provided grant reimbursement based on a base rate of \$10 per ton of RAC hot-mix and \$0.50 per square yard of rubberized chip seal material, rather than the previous approach that used the cost difference between rubberized and conventional asphalt and \$1.00 or \$0.50 per square yard for rubberized chip seal.

CalRecycle received 57 applications requesting a total of \$6,908,106. Staff disqualified one applicant for not meeting program requirements. Two applicants withdrew during the application period. The remaining 54 eligible applications totaling \$6,916,596 were evaluated by staff and are recommended for funding.