



AGENDA REPORT

City Council Meeting

TODAY'S DATE: December 5, 2025

MEETING DATE: December 17, 2025

TO: MAYOR AND CITY COUNCIL

FROM: Rachel McKinley, Project Manager

SUBJECT: Approval to Apply for the Local Highway Technical Assistance Council 's Small Urban Grant Program FY26 for Improvements on First Avenue and Bridge/Church Streets – Short/Long-Term Concept Project

BACKGROUND:

The Local Highway Technical Assistance Council (LHTAC) is an organization, who develops uniform standards and procedures for highway maintenance, construction, operation and administration; makes recommendations to the Idaho Transportation Board for the distribution and prioritization of federal funds for local highway projects; and assists the Legislature by providing research and data relating to transportation matters affecting Local Highway Jurisdictions (LHJ) within the state.

The City of Sandpoint has been awarded grant funds under the various programs administered by LHTAC such as: the Road Safety Audit (RSA) 2021, the Children Pedestrian Safety Program (2022) and the TAP Program (2025).

Federal Aid: Small Urban - Surface Transportation Block Grant

The Federal Highway Administration (FHWA) dedicates funds to States for Surface Transportation Block Grant (STBG) program under the Infrastructure Investment and Jobs Act (IIJA) “to promote flexibility in State and local transportation decisions and provides flexible funding to best address State and local transportation needs.” (FHWA website)

The identified 19 smaller urban areas of Idaho that are between 5,000 and 50,000 populations (based on the 2020 Census), receive STBG funds through LHTAC in a statewide competitive application process (LHTAC website- linked). These urban areas include 26 LHJs. The City of Sandpoint is a part of the LHJ called the Sandpoint Urban Area, which includes the City of Kootenai, the City of Ponderay, the City of Sandpoint, the City of Dover, and a portion of Bonner County (primarily Sagle along Hwy 95). See attached Sandpoint Urban Area Study map from the 2024 Sandpoint Urban Area Transportation Plan Report (Sandpoint UATP) - linked. Stakeholders from these jurisdictions made up the Multi-Jurisdictional Planning Group (MJPG) for the Sandpoint UATP. The checklist notes: “Only one application may be submitted per small urban area annually.”

Small Urban STBG grant funds may be used for new construction, reconstruction or rehabilitation of roadways functionally classified by FHWA as urban arterials or urban collectors. It can also be used to create or update a Transportation Plan encompassing the entire urban area (LHTAC website- linked), such as the 2024 Sandpoint UATP.

“LHTAC will only fund \$3M or less for construction and construction engineering or provide \$3M toward a project funding package. The local jurisdiction can provide additional funds above and beyond the match requirement for larger projects. The local match requirement is 7.34%.” (LHTAC website- linked). Small Urban Program funds cannot be used for additional funds or as project match.

Funded projects will follow the LHTAC program requirements and initiatives which include the "Build America, Buy America" (BABA) Act, Davis-Bacon Act (locally prevailing wage rates), and Fair Housing Act (Resolution 22-064) along with environmental assessments. Projects must follow all applicable federal design, procurement, and documentation requirements for the sponsor to remain eligible for federal reimbursement.

DESCRIPTION:

The 2024 Sandpoint UATP evaluated and ranked 32 projects for the Sandpoint Urban Area (See list attached). The First Avenue and Bridge/Church Streets – Short-Term Concept Project is the highest rank project for the City of Sandpoint and the second ranked project for the entire Sandpoint Urban Area. The Bonner County Area Transportation Team (BCATT) selected this project as the one Small Urban application for the Sandpoint Urban Area this cycle.

The project is identified in the 2021 Multimodal Transportation Master Plan (MTMP), and the 2012 Downtown Street Design Guide, and aligns with the 2024 Sandpoint Comprehensive Plan; thus meeting scoring criteria for consistency with adopted plans and involvement in a multi-jurisdictional transportation group (LHTAC’s 2026 Small-Urban Application Manual- attached).

This project is to utilize physical devices to prevent left turns onto First Avenue from Bridge Street to improve safety, functionality and make the area more conducive to active transport users. The concept design (attached) for this intersection will be reviewed and completed in the Downtown Revitalization Phase 3a project. The completed design will advance this project into its construction phase at the estimated start of the grant period (January 2027). This grant would support an estimated cost of \$1.4M of construction funds to implement improvements at this intersection. The local match, and any project costs above the federal funding request, are anticipated to be provided by the Sandpoint Urban Renewal Agency (SURA).

Upon approval of this item, staff will complete the grant application and submit it by the January 8, 2026 application deadline.

STAFF RECOMMENDATION:

Authorize staff to submit a Small Urban - STBG grant application of up to \$3M to LHTAC for improvements on First Avenue and Bridge/Church Streets.

ACTION:

Move to authorize staff to submit a Small Urban - STBG grant application of up to \$3M to LHTAC for improvements on First Avenue and Bridge/Church Streets.

WILL THERE BE ANY FINANCIAL IMPACT? Yes **HAS THIS ITEM BEEN BUDGETED?** N/A; submitting the application does not immediately appropriate funds, but if awarded, the City/SURA will need to budget the match in the appropriate fiscal year.

ATTACHMENTS:

1. Sandpoint Urban Area Study Area (2024 Sandpoint UATP)
2. List of Projects (2024 Sandpoint UATP)
3. First Ave. & Bridge St. Short- Term Project Concept (2024 Sandpoint UATP)
4. LHTAC’s 2026 Small-Urban Application Manual

LINKS:

1. [Sandpoint UATP Report FINAL 2024.03.23.pdf](#) -
2. [Infrastructure Investment and Jobs Act - Surface Transportation Block Grant \(STBG\) Fact Sheet | Federal Highway Administration](#) - <https://www.fhwa.dot.gov/infrastructure-investment-and-jobs-act/stbg.cfm>
3. [Small Urban | LHTAC](#) - <https://lhtac.org/programs/federal-aid/small-urban/>
4. 2012 [Downtown Streets Plan and Design Guide](#) - <https://www.sandpointidaho.gov/media/3541>
5. 2021 [Multimodal Transportation Master Plan](#) - <https://www.sandpointidaho.gov/media/3491>
6. [2024 Sandpoint Comprehensive Plan](#) – <https://www.sandpointidaho.gov/media/9426>

7. [Downtown Waterfront Design Competition Stage 3 Design Report](https://www.sandpointidaho.gov/media/3641) - <https://www.sandpointidaho.gov/media/3641>
8. [Cleargov Project Page](https://sandpoint-id.cleargov.com/projects/14340/downtown-revitalization-phase-3) - <https://sandpoint-id.cleargov.com/projects/14340/downtown-revitalization-phase-3>