

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: May 25-26, 2005

Reference No.: 2.8d.
Action Item

From: CINDY McKIM
Chief Financial Officer

Prepared by: Terry Abbott
Division Chief
Local Assistance

Ref: **REQUEST TO EXTEND THE PERIOD OF PROJECT DEVELOPMENT
EXPENDITURE PER RESOLUTION G-03-19, STATE TRANSPORTATION
IMPROVEMENT PROGRAM GUIDELINES
WAIVER-05-15**

ISSUE:

The California Transportation Commission (Commission) allocated funds in Fiscal Year 2004-05 totaling \$34,423,000 for seven projects, as shown on the attachment. The funds will not be expended by the June 30, 2005, deadline. The attachment shows the details of the projects and the reasons for the extension request. The project sponsors request an extension, and the regional planning agencies concur.

RECOMMENDATION:

The Department of Transportation's recommendations are shown on the attachment.

BACKGROUND:

Resolution G-03-19, State Transportation Improvement Program (STIP) Guidelines, adopted by the Commission on December 11, 2003, stipulates that the Commission may approve a waiver to the timely use of funds deadline one time only for up to 20 months in accordance with Section 14529.8 of the Government Code.

Attachment

Time Extension/Waiver – Project Development Expenditure Deadline
 Local Streets and Roads Projects

| Project # | Applicant County | Extension Amount By Component (\$ in thousands) E&P (Environmental and Permits) PS&E (Plans, Specifications and Estimates) R/W (Right of Way) CON (Construction) TOTAL | Number of Months Requested |
|--|-----------------------------|--|---|
| | | | Extended Deadline CT Recommendation |
| Reason for Project Delay: | | | |
| 1 | City of Ridgecrest Kern | \$1,000 \$0 \$0 \$0 \$1,000 | 14 months 08/30/2006 Support – meets STIP guidelines |
| <p>An extension is needed because the preparation of some of the environmental technical studies, especially the Historic Property Survey Report, required more time than expected. According to the consultants that are working on this project, the number of buildings that had to be evaluated from a historic standpoint was more than they had originally estimated. Consequently, preparation of the environmental document to clear the project under the CEQA was delayed eight months beyond the time the City of Ridgecrest had anticipated. Both the Department and the FHWA are still reviewing the various technical studies that were prepared for this project. Also, it is the City of Ridgecrest's understanding the environmental document may need to be re-circulated before the proposed project is cleared under NEPA. The City of Ridgecrest estimates it will require six months for this to occur and requests a total extension of 14 months.</p> | | | |
| 2 | City of Bakersfield Kern | \$2,700 \$0 \$19,200 \$0 \$21,900 | 12 months for E&P; 16 months for R/W 06/30/2006 (E&P); 10/31/2006 (R/W) Support – meets STIP guidelines |
| <p>The Department received a Record of Decision for a Tier I environmental document in early 2002 for the extension of SR58. The Department then dropped the SR 58 extension project due to connectivity issues at SR 99. The City of Bakersfield (City) became the lead agency for the Westside Parkway project that includes a segment of the original SR58 extension project within the metropolitan area of Bakersfield. The Department remained the liaison between the City and the FHWA for environmental document preparation, as FHWA requires. District 6 Environmental Section recommended that a Tier II environmental document for the Westside Parkway be prepared based upon the Tier I document the Department had prepared for the SR 58 extension project. The City and Department staff met with FHWA in the fall of 2002 to discuss the Westside Parkway project and present the type of document being prepared. Correspondence in late 2003 between the Department and FHWA mentioned the Tier II document. FHWA never mentioned that a tiered document would not be acceptable for the Westside Parkway. The Tier II document was submitted to FHWA in April 2004. In May 2004, FHWA determined a tiered environmental document was no longer the appropriate type for this project. During the past 10 months, the City, its consultants, and the Department District 6 staff have been rewriting the document and supporting studies to meet the revised FHWA requirements. The revised document should be submitted to FHWA by March 2005, but the rewrite caused nearly a year's delay in the project development process. While the Tier I document allowed the acquisition of most of the right of way for the Westside Parkway, one minor alignment alternate to the project will not be finalized until the final environmental document for the Westside Parkway is completed.</p> | | | |

Time Extension/Waiver – Project Development Expenditure Deadline
 Local Streets and Roads Projects

| Project # | Applicant County | Extension Amount By Component (\$ in thousands) E&P (Environmental and Permits) PS&E (Plans, Specifications and Estimates) R/W (Right of Way) CON (Construction) TOTAL | Number of Months Requested Extended Deadline CT Recommendation |
|--|--|--|--|
| | Reason for Project Delay: | | |
| 3 | City of Los Angeles Los Angeles PPNO: 07-7072 Santa Monica Boulevard | \$0 \$5,600 \$0 \$0 \$5,600 | 6 months 12/23/2002 Neutral–issue not addressed in STIP guidelines |
| <p>Originally, the City budgeted \$7.102 million for the design of this project. After a thorough calculation, the City worked hard in reducing the design budget and brought the design costs down to \$6.59 million. Due to the complexity and size of the project, this design costs covered through December 2002. During the course of the design phase, the City worked with the Department’s Audit and Investigation Section seeking approval of the City’s indirect cost rates. The Department approved reimbursement of indirect costs in August 2003. Until such time, the City was unsure of what indirect costs could be billed towards STIP funds. The rates and amount were uncertain for those two fiscal years. Based on the approved indirect cost rates and re-calculation of costs, the City was able to claim \$5.2 million through June 30, 2002. A six-month expenditure time extension would allow the City to bill the expenditures from July 1 to December 23, 2002, against the remaining \$400,000 to fully maximize the use of funds obligated to the project.</p> | | | |
| 4 | County of Mendocino Mendocino PPNO: 01-4101P North State Street improvements | \$200 \$0 \$0 \$0 \$200 | 20 months 02/28/2007 Support – meets STIP guidelines |
| <p>The extensive design and environmental clearance phase work for a project of this size has caused delays. The hazmat, biology, and archaeological studies began in October 2003. The Department did not accept the Area of Potential Affect map until January 25, 2005. The archaeological report was sent to the Department January 31, 2005. The response was received back March 2, 2005, needing modification. Engineering design work is ongoing with the environmental clearance phase. Due to state budget constraints, the R/W phase has been reprogrammed to FY 2007-2008. Expenditure of the E&P phase is required to be complete by June 30, 2005. This widening project is essential due to the extremely heavy traffic on North State Street that has far exceeded the capacity of the two-lane road that now exists. If the E&P phase is not extended, the County will not be able to continue environmental or design work because the CEQA requirements must be completed prior to the PS&E phase fund allocation. Not extending this E&P expenditure date would jeopardize the entire project.</p> | | | |

Time Extension/Waiver – Project Development Expenditure Deadline
 Local Streets and Roads Projects

| Project # | Applicant County | Extension Amount By Component (\$ in thousands) | Number of Months Requested |
|-----------|---|--|--|
| | PPNO Project Description | E&P (Environmental and Permits) PS&E (Plans, Specifications and Estimates) R/W (Right of Way) CON (Construction) TOTAL | Extended Deadline CT Recommendation |
| | Reason for Project Delay: | | |
| 5 | Placer County Transportation Planning Agency (PCTPA) Placer | \$4,700 \$0 \$0 \$0 \$4,700 | 20 months 02/28/2007 Support – meets STIP guidelines |
| | PPNO: 3-3L27 Environmental studies for SR 65 connector The Tier I EIR/EIS process is a relatively new approach specifically encouraged by FHWA as a means to expedite environmental documents for large transportation projects and allow for corridor preservation in the shorter term. This approach is being used to develop the Tier I environmental document for the Placer Parkway Corridor Preservation. Work has been delayed because of the lack of familiarity with the Tier I approach by the federal resource agencies, including Environmental Protection Agency (EPA), Army Corps of Engineers, and the Fish and Wildlife Service. The EPA, in particular, has requested that PCTPA actually slow down the generation of information. Bringing these resource agencies up to speed and obtaining their concurrence, not to mention getting them to attend meetings, has taken significant time out of the schedule. PCTPA is using a Department facilitator at the request of the federal resource agencies, who has helped to focus and expedite concurrence points, as well as obtain schedule commitments from all parties. With these commitments now in place, PCTPA is able to proceed with the core work of the environmental document, including identification of alternatives, their environmental impacts, and mitigation strategies. A draft EIR/EIS is expected by February 2007. The cost increases that result from this delay are focused on additional data collection and traffic modeling, additional meetings, and additional public involvement. While these costs have not been finalized, they are expected to be approximately \$250,000 to \$350,000. These would be funded through the portion of the Regional Transportation and Air Quality Mitigation Fees collected and reserved for the Placer Parkway. | | |
| 6 | County of Sacramento Sacramento | \$1,000 \$0 \$0 \$0 \$1,000 | 12 months 06/30/2006 Support – meets STIP guidelines |
| | PPNO: 3-3L38 Widen Elverta Road This project has experienced unforeseen delays due to the need to conduct additional evaluations for the Dry Creek Bridge that is located west of Watt Avenue near 28 th Street. Following the start of the E&P phase, investigations of the bridge determined that it is functionally obsolete and hydraulically inefficient. This resulted in the need to evaluate different bridge improvement alternatives in order to finalize the project scope and complete the environmental documentation. The County evaluated the different alternatives and made recommendations on a viable improvement that would eliminate or improve the flooding conditions in the area. A hydraulic study was done to determine the impacts of replacing and raising the existing bridge. Completing the additional studies and bridge alternative delayed the completion of the environmental review and permitting process until an appropriate alternative was selected. The environmental process has now resumed. The requested 12-month extension will provide sufficient time to complete the environmental review and permitting phase, secure approval of the environmental document, and complete the expenditure of STIP funds for this phase of work. | | |
| 7 | Tehama County Transportation Commission Tehama | \$23 \$0 \$0 \$0 \$23 | 6 months 12/31/2005 Support – meets STIP guidelines |
| | PPNO: 2-2331 McCoy-Low Water Crossing In an effort to avoid litigation with a landowner, the preferred alignment and mitigation to property took some time to negotiate. | | |