

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: October 14-15, 2009

Reference No.: 2.8d.
Action Item

From: NORMA ORTEGA
Chief Financial Officer (Interim)

Prepared by: Denix D. Anbiah
Division Chief
Local Assistance

Subject: **REQUEST TO EXTEND THE PERIOD OF PROJECT DEVELOPMENT EXPENDITURES FOR LOCALLY-ADMINISTERED STIP PROJECTS, PER STIP GUIDELINES WAIVER-09-36**

RECOMMENDATION:

The California Department of Transportation recommends the California Transportation Commission (Commission) consider an extension to the period of project development expenditure for the time periods identified for each project on the attached document.

ISSUE:

The attached list identifies two locally-administered State Transportation Improvement Program (STIP) projects located in Tulare County (County) totaling \$20,711,000. The Commission allocated the funds in Fiscal Year 2006-07 for project development phases, as shown on the attachment. The County was not able to expend the funds by the June 30, 2009 deadline and failed to submit time extension requests at the June 2009 Commission Meeting. However, County staff discussed this issue with Commission staff on August 26, 2009, and Commission staff supported the County's proposal to submit a post-fact time extension request for the October 2009 meeting. The attachment shows the details of the projects and the explanation for the delays.

BACKGROUND:

Current STIP Guidelines stipulate that funds allocated for local project development or right of way costs must be expended by the end of the second fiscal year following the fiscal year in which the funds were allocated. 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 PPNO Project Description Reason for Project Delay	Phase Allocation Amount Balance Remaining	Allocation Date Allocation Resolution Number Number of Months Requested Extended Deadline CT Recommendation
1	County of Tulare Tulare County PPNO: 06-0101 County Road 108 (Demaree Road) Widening	Plans, Specifications & Estimate (PS&E): Allocated: \$1,603,000 Balance: \$221,675 Right of Way (R/W): Allocated: \$2,384,000 Balance: \$1,131,520	06/07/07 FP-06-101 12 Months 06/30/2010 Support
<p>The County of Tulare (County) is requesting a 12-month extension to the period of project development expenditure for PS&E and R/W for the County Road 108 (Demaree Road) Widening project. The County has completed 90 percent of the final PS&E, but the plans cannot be finalized until right of way issues are resolved. The right of way for this project involves acquisitions from approximately 70 parcels, affecting residential areas, businesses, orchards, crops, and dairies. The downturn in the real estate market has complicated the acquisition of properties that require relocation of the land owners, as offers (based on current appraisals) are being made for less than what is owed on some parcels. Several parcels have gone into foreclosure and the owners cannot be found. Currently, 27 parcels have been acquired and another 43 parcels are in various stages of acquisition. Overall, this has constituted a 12-month delay.</p> <p>The County was not able to expend the funds by the June 30, 2009 deadline and failed to submit time extension requests at the June 2009 Commission Meeting. However, the County staff discussed this issue with the Commission staff on August 26, 2009, and the Commission staff supported the County's proposal to submit a post-fact time extension request for the October 2009 meeting. The County staff is actively completing the PS&E and resolving the difficult right of way negotiations. The County requests a 12-month time extension to June 30, 2010.</p>			
2	County of Tulare Tulare County PPNO: 06-6L11 Goshen to El Monte Road Widening	Plans, Specifications & Estimate (PS&E): Allocated: \$4,607,000 Balance: \$2,262,110 Right of Way (R/W): Allocated: \$12,417,000 Balance: \$8,636,514	12/14/06 FP-06-52 12 Months 06/30/2010 Support
<p>The County of Tulare (County) is requesting a 12-month extension to the period of project development expenditure for PS&E and R/W for the Goshen to El Monte Road Widening project. This project is in the same vicinity as the County Road 108 Widening project and similar right of way issues have delayed the project. The County has completed 90 percent of the final PS&E, but the plans cannot be finalized until right of way issues are resolved. The right of way for this project involves acquisitions from approximately 124 parcels, affecting residential areas, businesses, orchards, crops, and dairies. The downturn in the real estate market has complicated the acquisition of properties that require relocation of the land owners, as offers (based on current appraisals) are being made for less than what is owed on some parcels. Several parcels have gone into foreclosure and the owners cannot be found. Currently, 36 parcels have been acquired and another 88 parcels are in various stages of acquisition. Overall, this has constituted a 12-month delay.</p> <p>The County was not able to expend the funds by the June 30, 2009 deadline and failed to submit time extension requests at the June 2009 Commission Meeting. However, the County staff discussed this issue with the Commission staff on August 26, 2009, and the Commission staff supported the County's proposal to submit a post-fact time extension request for the October 2009 meeting. The County staff is actively completing the PS&E and resolving the difficult right of way negotiations. The County requests a 12-month time extension to June 30, 2010.</p>			