

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: May 19-20, 2010

Reference No.: 2.8d.(1)
Action Item

From: NORMA ORTEGA
Chief Financial Officer

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-10-25**

RECOMMENDATION:

The California Department of Transportation (Department) recommends the California Transportation Commission (Commission) approve 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 five locally-administered State Transportation Improvement Program (STIP) projects totaling \$7,490,000. The Commission allocated the funds in Fiscal Year 2007-08 for project development phases, as shown on the attachment. 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 | City of Weed Siskiyou County PPNO: 02-2448 Weed Rehabilitation | Environmental & Permits (E&P): Allocated: \$45,000 Balance: \$36,120.52 | 06/26/2008 FP-07-81 20 Months 02/29/2012 Support |
| | <p>The City of Weed (City) is requesting a 20-month extension to the period of project development expenditure for E&P for the Weed Rehabilitation project. The City has completed 99 percent of the final environmental documents, but the E&P component of the project cannot be finalized until the construction (CON) funds are allocated, to allow a fund transfer from E&P to CON. The City submitted their request for CON allocation at the April 2009 Commission meeting. The Commission placed the City's CON allocation request on the "Delivered But Not Yet Voted" list until state funds become available. The City is concerned that construction costs may increase because of the long delay between the time they submitted their CON allocation request and the Commission's future approval of the CON allocation. The City desires to have the flexibility to transfer funds from E&P to Construction if the need arises. The City requests a 20-month time extension to February 29, 2012, so that 20 percent of the allocated E&P funds will be available for potential fund transfer to CON when the Commission approves the CON allocation.</p> | | |
| 2 | City of Oakland Alameda County PPNO: 04-1022 42 nd Avenue / High Street Access Improvements | Right of Way (R/W): Allocated: \$5,990,000 Balance: \$5,497,500.63 | 12/13/2007 FP-07-39 20 Months 02/29/2012 Support |
| | <p>The City of Oakland (City) is requesting a 20-month extension to the period of project development expenditure for R/W for the 42nd Avenue / High Street Access Improvements project. Contaminants identified in the project area have caused significant delays in obtaining right of way for this project. As part of the right of way acquisition process, the City conducted an Environmental Site Assessment (ESA) for Phase I of the project. The Phase I ESA was completed on December 11, 2009. The report identified contaminated properties in the project area including a site that the Regional Water Quality Control Board required to be cleaned. As a result, a second Environmental Investigation (Phase II) is necessary to determine if the properties involved in the right of way acquisition are contaminated by the adjacent sites. The Phase II scope was finalized on January 11, 2010. Phase II will determine the risks and liabilities from contamination in order to estimate a realistic appraised value for the properties that are involved. The City is currently conducting the Phase II investigation of the contaminated parcels. The City anticipates that right of way certification may be completed by June 30, 2011. However, due to the uncertainty of the findings from the Phase II investigation, the City requests a 20-month time extension to February 29, 2012.</p> | | |
| 3 | City of Visalia Tulare County PPNO: 06-0105 Plaza Drive Widening | Right of Way (R/W): Allocated: \$686,000 Balance: \$384,577.89 | 04/11/2008 FP-07-66 9 Months 03/31/2011 Support |
| | <p>The City of Tulare (City) is requesting a nine-month extension to the period of project development expenditure for R/W for the Plaza Drive Widening project. Zoning requirements and permitting issues have caused significant delays in obtaining right of way for this project. The City has acquired five of 15 required parcels for the project. Three additional parcels have been appraised and are presently being negotiated. Seven more appraisals will be completed shortly and negotiations to acquire those properties will begin. The City is concerned that, if negotiations take significant time and effort, the deadline will pass before the remainder of the right of way allocation is expended. Negotiations usually take four to five months. In past right of way acquisitions, the City has had great success negotiating with property owners. However, the City cannot guarantee that any or all of the property owners will sell without being compelled through condemnation. If negotiations are unsuccessful, the process of adopting a resolution of necessity and serving a complaint and request for possession would add another six months to the acquisition. This would result in a date of possession in March 2011. The City requests a nine-month time extension to March 31, 2011.</p> | | |

**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 |
|---|---|--|--|
| 4 | City of San Diego San Diego County PPNO: 11-7421A University Avenue Mobility, TE | Environmental & Permits (E&P): Allocated: \$300,000 Balance: \$300,000 | 09/20/2007 FP-07-23 12 Months 06/30/2011 Support |
| <p>The City of San Diego (City) is requesting a 12-month extension to the period of project development expenditure for E&P for the University Avenue Mobility TE project. Initially, the City estimated the project schedule based upon a CEQA Mitigated Negative Declaration, which focused on improvements to the core area of University Avenue. After a field review, the City adopted a two-phase approach due to project segmentation and independent utility issues. The City then broadened their environmental document scope to include both Phase 1 and Phase 2 of the project. The City was required to request additional federal and local funds to cover the cost of hiring a consultant to prepare the environmental document for both phases of the project. Recently, the City has determined that it will be necessary to prepare an Environmental Impact Report (EIR) due to expected significant impacts to motor vehicle traffic. Obtaining the additional funding, procuring the consultant, and preparing the EIR have caused significant but unavoidable delays. The City anticipates that the EIR and environmental clearance will be completed in June 2011. The City requests a 12-month time extension to June 30, 2011.</p> | | | |
| 5 | City of San Diego San Diego County PPNO: 11-7421M 25 th Street Revitalization, TE | Environmental & Permits (E&P): Allocated: \$469,000 Balance: \$469,000 | 06/26/2008 FP-07-81 12 Months 06/30/2011 Support |
| <p>The City of San Diego (City) is requesting a 12-month extension to the period of project development expenditure for E&P for the 25th Street Revitalization TE project. The City originally anticipated that the project would be designed in-house, but as the project scope of work was further defined, additional tasks were required and these tasks exceeded the resources available by the City. Such tasks included extensive community outreach (workshops, walk audits, newsletters, etc.), the preparation of an urban design master plan, transportation studies, and other technical studies due to the historical nature of the project location. The City submitted a Request for Proposal for consultant services to handle the workload. The City anticipates that the consultant procurement process will delay the project by 15 months. Consultant interviews have been conducted and the City anticipates that the scope and fee negotiations will be finalized in April 2010, the pre-award audit will be completed in May 2010, and the City Council will approve and execute an agreement in June 2010. The City anticipates that the technical studies, street master plan, and the public outreach will occur between June 2010 and September 2010. The City will use the remaining allocation to work on plans, specifications, and estimates (PS&E) between October 2010 and May 2011. The City anticipates that final PS&E will be completed in June 2011. The City requests a 12-month time extension to June 30, 2011.</p> | | | |