

Memorandum

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: January 19-20, 2011

Reference No.: 2.8a.
Action Item

From: NORMA ORTEGA
Chief Financial Officer

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Division Chief
Local Assistance

Subject: **REQUEST TO EXTEND THE PERIOD OF ALLOCATION FOR STATE-LOCAL PARTNERSHIP PROGRAM PROJECT, PER SLPP GUIDELINES WAIVER-11-01**

RECOMMENDATION:

The California Department of Transportation recommends the California Transportation Commission (Commission) approve the request by Riverside County to extend the period of allocation for the Magnolia Avenue and Neece Street project for 14 months to August 31, 2011.

ISSUE:

On October 15, 2009, the Commission approved the programming of \$150,000 to Riverside County (County) for the Magnolia Avenue and Neece Street project. The County was not ready to request an allocation of funds by the June 30, 2010 deadline, due to right of way issues. The County is requesting a 14-month time extension to August 31, 2011.

BACKGROUND:

This project requires a dedicated left turn lane to be built on Magnolia Avenue, within an area that is owned by the Union Pacific Railroad Company (UP). The County appraised the property and made an offer to purchase the right of way; however, the UP used a different land valuation methodology and made a counter offer that was much higher. The County retained an appraiser to conduct a second appraisal, which the UP also rejected. The UP is currently conducting an appraisal that is to be completed in January 2011. The County anticipates completing subsequent negotiations, settlement and escrow by the end of May 2011. If the County and the UP reach an agreement, the County will use local funds to cover any cost increase. If they do not reach an agreement, the County will redesign the project to avoid encroaching on the UP's right of way. The county anticipates requesting an allocation by August 31, 2011.

In April 2010, the Commission adopted the State Local Partnership Program (SLPP) Guidelines (Resolution SLP1B-G-0910-002), which require the agency implementing a project to request a time extension if the project will not be allocated in the fiscal year of project programming. The SLPP Guidelines stipulate that the applicants may submit and the Commission will evaluate

extension requests in the same manner as for State Transportation Improvement Program projects. On August 11, 2010, the Commission approved the Commission staff's recommendation on Proposition 1B SLPP Competitive Projects not yet Delivered (Resolution SLP1B-P-1011-02), requiring Riverside County to come forward for either an extension or an allocation request for the project no later than January 2011.