

City of Hesperia

STAFF REPORT



DATE: June 20, 2017

TO: Mayor and Council Members

FROM: Nils Bentsen, City Manager

BY: Michael Blay, Director of Development Services
Tina Souza, Management Analyst

SUBJECT: Project Funding Agreement with the San Bernardino County Transportation Authority for the Ranchero Road Widening Project (C.O. 7094)

RECOMMENDED ACTION

It is recommended that the City Council approve Project Funding Agreement No. 17-1001692 between the San Bernardino County Transportation Authority (SBCTA) and the City of Hesperia for construction of the Ranchero Road Widening Project (C.O. 7094) and authorize the Mayor to execute the Agreement.

BACKGROUND

The Ranchero Corridor Project consists of several improvements in three phases, 1) the undercrossing at the BNSF Railway Company (BNSF) railroad tracks (at the eastern terminus of the corridor project boundary) which was completed in June 2013, 2) the interchange at Interstate 15 (I-15) (at the western terminus of the corridor project boundary) which was completed in March 2015, and 3) improvements to widen the five-mile roadway segment of Ranchero Road from two lanes to five lanes between these two structures for increased vehicular capacity. The widening of the roadway includes replacing and widening the bridge over the California Department of Water Resources (DWR) aqueduct, as well as widening the at-grade crossing of the Union Pacific Railroad (UP) railroad tracks. The Ranchero Road Corridor project is the City's highest priority for roadway capital construction.

Ranchero Road within this eastern and western boundary is identified in the City's General Plan and Traffic Circulation Plan as a special street and major arterial roadway with seven lanes at ultimate build out. Design and construction of the interchange and undercrossing bridge structures were at ultimate width. Construction plans for widening the street portion of Ranchero Road are designed with five lanes. Like the undercrossing and interchange, the DWR aqueduct crossing and UP at grade crossing will be constructed at ultimate width and striped at the width of five lanes. Currently, construction of the ultimate six-lane configuration for the Corridor Project is not warranted because the four-lane design is anticipated to serve traffic circulation needs for many years to come.

Plans and the environmental process for widening of the roadway, with the exception of a few minor plan revisions, are complete. Design for the aqueduct crossing at ultimate width is currently in progress. Design for the UP crossing will begin when a more concrete timeline for construction of the westerly portion of Ranchero is determined. Some of the next steps prior to consummating construction of the widening project are right-of-way (R/W) acquisition and utility relocation.

ISSUES/ANALYSIS

This project is on the SBCTA's Measure I 2010-2040 Victor Valley Subarea Major Local Highway Program (MLHP) list and associated Measure I Ten Year Delivery Plan. Further, it is eligible for partial funding. In order to receive expenditure reimbursement of the SBCTA's share, a Project Funding Agreement (PFA) must be in place. The PFA is the SBCTA's standard contract.

All expenditures on this project to date have been the sole responsibility of the City. Expenses will continue to be such until a PFA is executed. In preparation of the construction phase, staff is presently pursuing R/W and will be coordinating with utility agencies for utility relocation in the near future. At this juncture of the project, it would be prudent and advantageous to the City to enter into the PFA in order to secure this funding source, successively receiving partial reimbursement of the forthcoming costs.

The PFA includes costs for project approval and environmental document (PA&ED), plans, specifications and estimates (PS&E), R/W and utility relocation. The PFA will require amendment if the estimated total costs for the combined aforementioned components increases. The PFA is established in this manner because project work activities have to be carried out in a timely fashion and timing of construction is yet to be determined. An amendment to the PFA will be processed at a later date to include the construction component.

Some of the key elements for consideration related to executing the PFA are as follows:

- The PFA is entered into in accordance with SBCTA's rules and regulations.
- SBCTA's share is 41.1%.
- The City's share of 58.9%.
- In compliance with SBCTA's rules and regulations, payment of the City's share must be paid from Development Impact Fee (DIF) funds, in this case DIF Streets.
- If DIF funds are not available, other funds may be utilized for the City's share with the establishment of a loan from that particular fund to DIF, containing terms requiring DIF to re-pay its indebtedness to said fund.
- The City pays for all expenditures up front with subsequent reimbursement from SBCTA for eligible expenditures.
- Expenditures prior to execution of the PFA are not eligible for reimbursement.

Grants may become available as an alternative or additional funding source for this project; however, the existing market for grants is highly competitive due to limited grant opportunities. Further, receiving a grant award is not guaranteed and dependency on grant funds could be detrimental to the project, consequently, halting forward progress.

FISCAL IMPACT

Funding for the project is budgeted in account 300-29-700-7094-7500 under DIF Streets in the FY 2017-2018 Capital Improvement Program (CIP) budget in the amount of \$425,000. The project will be budgeted in subsequent fiscal year's CIP pending funding availability. See the chart below for the estimated totals for the subject components. This table is also included in the PFA.

Component	Total Cost	Cost Incurred Prior to Agreement	SBCTA Share of Balance* 41.1%	City Share of Balance 58.9%
PA&ED	\$958,041	\$467,824	\$201,479	\$288,738
PS&E	\$1,717,599	\$935,399	\$321,484	\$460,716
Right of Way	\$1,496,409	\$85,214	\$580,001	\$831,194
Utility Relocation	\$1,000,000	\$0	\$411,000	\$589,000
Total	\$5,172,049	\$1,488,437	\$1,513,964	\$2,169,648

ALTERNATIVE(S)

1. Do not approve the agreement and attempt to secure other funding sources.
2. Provide alternative direction to staff.

ATTACHMENT(S)

1. Project Funding Agreement No. 17-1001692