



COUNCIL AGENDA: 11-09-04

ITEM: 2.3

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Katy Allen

SUBJECT: BAILEY AVENUE EXTENSION
SEGMENT C - BAILEY AVENUE
OVERHEAD AT MONTEREY ROAD

DATE: 11-03-04

Approved

Date

11-4-04

Council District: 2

REASON FOR ADDENDUM

Based on new information just received from Caltrans, this addendum is necessary in order to meet an application deadline for an extension for Grant Funding for the project.

RECOMMENDATION

Adoption of a resolution authorizing the Director of Public Works to execute and file with the California Department of Finance a request to extend the availability of the unspent portion of the encumbered \$5,000,000 appropriated from the State Grade Separation Funds for the Bailey Avenue Overhead Grade Separation project, and to execute any documents necessary to implement the extension.

CEQA: Resolution No. 68705.

BACKGROUND

On June 27, 2002, the California Transportation Commission, acting by and through the Director of Caltrans, allocated the amount of \$5,000,000 from the Grade Separation Fund to be used towards the construction of the Bailey Avenue Overhead Grade Separation at Monterey Road and Union Pacific Railroad Project ("Project"). On September 2, 2002, the City and Caltrans entered into an agreement to provide reimbursement of the allocated \$5,000,000 to the City.

The City awarded the construction contract for the Project on June 15, 2004. The Project is now under construction and is scheduled to be completed in October 2005. The City has been sending to Caltrans monthly invoices for reimbursement of Caltrans' share of actual expenditure.

On October 26, 2004, Public Works received a notice from Caltrans stating that according to California Department of Finance ("DOF"), the City may lose any of the \$5,000,000 in funding that is not spent as of June 30, 2005 for the Project. It also stated that if construction of the Project is expected to go beyond May 15, 2005, the City needs to request an extension for unspent encumbered budget authority by November 15, 2004. The extension request must be filed on behalf on the local agency City Council.

ANALYSIS

Public Works estimates that as of June 30, 2005, approximately \$1,000,000 of the total \$5,000,000 will remain unexpended. The time period during which funding is available may be extended under the following conditions: (1) work is not completed for valid and substantial reasons, (2) DOF approves continuing the expenditure, (3) the continuing work is consistent with the purpose of the original appropriation, and (4) the work is funded only from appropriations for local assistance. In response to a request, DOF can approve a funding extension for up to 8 years from the year of the original appropriation.

Preliminary discussions with the State indicate that there is a good chance that a request for extension by the City would be approved, although it would not guarantee such an approval. The recommended action will authorized the Director of Public Works to submit the extension request and execute any documents necessary to implement the extension.

PUBLIC OUTREACH

N/A.

COORDINATION

Preparation of this staff memo has been coordinated with the City Attorney's Office.

COST IMPLICATIONS

The total cost of this project is \$6,353,000. Of this amount, \$5,000,000 will be funded by reimbursement from the State and \$403,000 will be funded by reimbursement from Union Pacific Railroad (UPRR) upon completion of project work. The remaining \$950,000 is being provided by a current appropriation and will be reimbursed by Coyote Valley Research Park (CVRP) when it obtains its first building permit within North Coyote Valley. There is no cost involved with this Council action of approving the filing of an extension request with DOF. If DOF does not approve the extension request after June 30, 2005, the City will lose the unspent State budget authority, currently estimated at \$1,000,000.

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CEQA

Resolution No. 68705.



KATY ALLEN
Director, Public Works Department

HF:HS:dcs