



Meeting Date: 7/31/2012

ACTION	TYPE OF ITEM
<input type="checkbox"/> Approved Recommendation	<input checked="" type="checkbox"/> Info/Consent
<input type="checkbox"/> Ord. No(s). _____	<input type="checkbox"/> Report
<input type="checkbox"/> Res. No(s). _____	<input type="checkbox"/> Public Hearing (Info/consent)
<input type="checkbox"/> Other _____	<input type="checkbox"/> Other _____

Prepared By: Cynthia Daniels *cd* Agenda Item No. I-6
 Reviewed By: City Manager *YRB* City Attorney *SMF* Finance *JC* Other *Winegar* *Winegar*

DATE: July 23, 2012

TO: City Council

FROM: Cynthia Daniels, Project Manager *Cynthia Daniels*
Development Services Department

SUBJECT: Special Budget Appropriation for "Highway 101—Rice Avenue Interchange" Project

RECOMMENDATION

That City Council appropriate \$1,813,537 for construction and consultant costs for the Rice Avenue/Santa Clara Avenue interchange improvements at U.S. Highway 101 from the State Gas Tax and Circulation System Improvement Fee fund balances, from the Rice-101 Assessment District reserve, and from the Water Operating Fund to the "Highway 101—Rice Avenue Interchange" project.

DISCUSSION

Background. In May 2009, the project received an allocation of \$30,449,000 from the California Transportation Commission (CTC) acting as the administrator for Proposition 1B passed by voters in 2006. The original construction estimate was \$60,898,000. The City and CTC would share the construction cost equally. In February 2012, the CTC removed \$16,255,000 of the Trade Corridors Improvement Fund (TCIF) from the project because the winning construction bid was significantly lower than the estimate. The CTC's contribution fell from 50 percent to 35 percent when the construction estimate dropped to \$40,995,000. The project budget has required additional funding several times directly because of the reduced amount from TCIF.

The City awarded Security Paving Co. Inc. the construction contract for the Rice Avenue/Santa Clara Avenue interchange improvements at U.S. Highway 101 on October 20, 2009 for \$31,189,493.23. Work started in February 2010. Work includes constructing roadways and a bridge; widening the freeway; replacing city sewer, water, and drainage systems; and installing highway planting, irrigation, signals, lighting, signs, public art, fencing, and electrical systems. The construction is expected to finish in September 2012. Several consultants provide specialized services for the project. Services include construction project management, materials testing, construction specialty inspections, environmental and Native American monitoring, labor compliance, engineering support, and right of way acquisition and advisory services.

Federal and state grants, an assessment district, HERO redevelopment funds, California's underground storage tank cleanup fund, and city contributions fund the project. The total project budget is \$76.6 million. Federal funding is \$28.8 million, State funding is \$15 million, and other sources total \$32.8 million. Environmental review, design, and engineering costs were \$4.9 million. Right of way costs were \$25.7 million. Hazardous waste clean up is estimated at \$1.6 million, construction engineering is estimated at \$9.7 million, and construction is estimated at \$36.5 million.

FINANCIAL IMPACT

The request for additional appropriations is \$1,813,537. The amount is the total of construction engineering and change orders (including potential change orders) for Security Paving, and amendments submitted by consultants for approval in July. If approved, the special budget appropriation would increase the project budget for "Highway 101—Rice Interchange" Project No. 873114 by \$1,813,537 to a total of \$78,482,072. The \$1,813,537 includes \$913,714 from Circulation System Improvement Fees, \$700,000 from State Gas Tax, \$107,170 from Rice/101 Assessment District reserves, and \$92,653 from the Water Operating Fund.

CD

Attachment #1 - Special Budget Appropriation

REQUEST FOR SPECIAL BUDGET APPROPRIATION

Department: Development Services **Date:** July 31, 2012
Project/Program: Highway 101-Rice Interchange
Manager: Cynthia Daniels **Phone:** 385-7871

Reason for Appropriation:
 Increase project budget for construction and consultant cost increases for July 2012 for Rice Avenue/Santa Clara Avenue Interchange improvements at Highway 101.

Accounts and Descriptions **AMOUNT**

Fund: GAS TAX (181)

Revenues/Transfers In
 enter division or project name and number here
 enter account code here enter account description here 0
 Sub-total Revenues 0

Expenditures/Transfers Out
HWY 101-RICE INTERCHANGE (Project No. 873114)
 181-9718-826.86-04 CAPITAL OUTLAY/IMPROVEMENT NOT BLDG NEW 700,000
 Sub-total Expenditures 700,000
Net Change to Fund Balance **(700,000)**

Fund: CAP PROJ RICE-101 ASSESSMENT DIST. FUND (FUND 308)

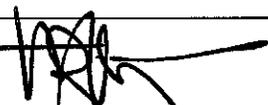
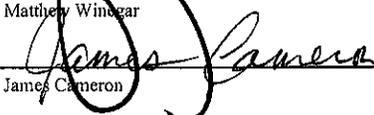
Expenditures/Transfers Out
HWY 101-RICE INTERCHANGE (Project No. 873114)
 308-9718-826.86-04 CAPITAL OUTLAY/IMPROVEMENT NOT BLDG NEW 107,170
 Sub-total Expenditures 107,170
Net Change to Fund Balance **107,170**

Fund: CIRCULATION SYSTEM IMPROVEMENT FUND (FUND 354)

Expenditures/Transfers Out
HWY 101-RICE INTERCHANGE (Project No. 873114)
 354-9718-826.82-01 SERVICES -- ARCHITECTURE/ENGINEERING 4,325
 354-9718-826.82-07 SERVICES -- REAL ESTATE 10,050
 354-9718-826.82-08 SERVICES -- CONSTRUCTION 79,469
 354-9718-826.86-04 CAPITAL OUTLAY/IMPROVEMENT NOT BLDG NEW 819,870
 Sub-total Expenditures 913,714
Net Change to Fund Balance **913,714**

Fund: WATER OPERATING FUND (601)

Expenditures/Transfers Out
HWY 101-RICE INTERCHANGE (Project No. 873114)
 601-9718-826.82-08 SERVICES -- CONSTRUCTION 76,066
 601-9718-826.86-06 CAPITAL OUTLAY / MACHINERY AND EQUIP NEW 16,587
 Sub-total Expenditures 92,653
Net Change to Fund Balance **92,653**
Net Appropriation Change **1,813,537**

Approvals	
Department Director	Matthew Winegar
Chief Financial Officer	 James Cameron
Interim City Manager	Karen Burnham

ATTACHMENT 1
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