



CITY OF SAN MATEO

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Administrative Report

Agenda Number: 14., Status: Consent Calendar

TO: City Council
FROM: Larry A. Patterson, City Manager
PREPARED BY: Public Works Department
MEETING DATE: Monday, November 16, 2015
SUBJECT: 25th Avenue Grade Separation Project Final Design - Fund Appropriation

RECOMMENDATION

Adopt a Resolution to approve an appropriation of \$0.6M from Transportation Improvement Fees fund and \$1.8M from the Capital Improvement Fund to the Rail Corridor Grade Separation Project, for a total appropriation of \$2.4M.

BACKGROUND

The City has nine candidate grade separation projects listed in the San Mateo County Transportation Authority (TA) 2004 Transportation Expenditure Plan; of these, City Council has identified the 25th Avenue Grade Separation Project as the City's top priority.

The 25th Avenue Grade Separation project (Project) proposes to separate the 25th Avenue crossing by elevating the rail alignment. Raising the tracks for the 25th Avenue crossing provides the opportunity to complete east-west street connections at 28th and 31st Avenues in conformance with the Bay Meadows Transit Oriented Development Plan. The Hillsdale Caltrain Station will also be relocated northward between 28th and 31st Avenues as part of the improvements.

In August 2013, the City submitted a grant application in response to the TA's Measure A Grade Separation Program Call For Projects to complete the preliminary engineering and environmental phase. The Project was awarded Measure A grant monies and, in July 2014, the Memorandum of Understanding for preliminary engineering and environmental review was executed between the City as the Project Sponsor, TA as the funding agency, and Peninsula Corridor Joint Powers Board (JPB) as the Project lead agency. The preliminary engineering and environmental review phase is anticipated to be completed in December 2015.

The Project anticipates beginning construction in early 2017 in order to coordinate improvements with JPB's Overhead Contact System for the Peninsula Corridor Electrification Project (PCEP). The timing of the Project is important because if it is constructed after the electrification improvements are installed, additional construction complexities (involving removal and reinstallation of electrification improvements) would add significant cost to the Project. Significant cost savings will be achieved if the grade separated structure for the Project can be constructed before electrification infrastructure is installed according to the current Project schedule.

The cost estimate to construct the Project, after final engineering and right-of-way certification, is \$165.3 million. City staff is currently working with the California High Speed Rail Authority (CHSRA) to secure \$84 million, which represents a portion of the funding needed to complete construction. Under the current funding

plan the City is proposing to match the \$84 million from CHSRA with another \$65.3 million from the TA in the future for the construction of the Project. The CHSRA and TA funding would be matched by another \$6 million from the City, and \$10 million that we are looking to secure from California Public Utilities Commission's (CPUC) Section 190 program. (The railroad crossing at 25th Avenue is currently listed as the #7 project in the CPUC's Section 190 Grade Separation Program Priority Listing.)

It is imperative that the City secures 100% of the construction funding no later than the middle of 2016. Construction of the grade separation must begin no later than early 2017 in order to meet JPB's PCEP current construction schedule. Completion of final design will better position the City when competing for future funding for the construction of the project and continue to position the project to be constructed in a window of opportunity with the electrification construction. In order to meet the construction time table outlined above, final design and right-of-way certification for the Project needs to begin before the end of 2015.

The cost of completing the final design and right-of-way phases is \$11.2M. On October 6, 2015, the City submitted a letter to the TA requesting \$5M in Measure A funds for the Project; the balance of funds will come from a reallocation of \$1.2M due to budget savings from the original agreement along with a \$5M match from the City.

On November 3, 2015, the TA staff presented the City's request as an informational item to the TA's Citizens Advisory Committee (CAC). After some discussion some of the CAC members expressed interest in supporting final design of the project. On November 5, 2015, the TA presented the information to the Board. TA staff plan to return the item to the Board at their December 3rd meeting for action. Approval of the request will be documented as an Amendment to the current Memorandum of Understanding to expand the scope of work, update the financial obligations and update the responsibilities. The Amendment is being drafted by the JPB and was not yet complete to be included with this Administrative Report, but will be brought before the City Council at a future meeting.

BUDGET IMPACT

The estimated cost to complete the proposed scope of work for the final design and right-of-way phases of the Project is approximately \$11.2M. The funding sources are anticipated to be allocated as follows: \$5M City contribution, \$5M TA contribution, and \$1.2M reallocation from the Preliminary Engineering/Environmental Phase project budget.

There is currently approximately \$3.5M unencumbered in Project #462202, "Rail Corridor Grade Separation." An additional \$0.9M is anticipated be expended to complete the preliminary engineering and environmental phase of the project. Therefore, there is \$2.6M available to fund the proposed scope of work for final design and right-of-way phases.

Currently there is \$0.6M in unappropriated Transportation Improvement Fees, This leaves a shortfall of \$1.8M, which will be funded from the available balance in the Capital Improvement Fund. It is estimated that an additional \$1.3M in Transportation Improvement Fees will be collected by the end of FY15/16. This anticipated amount, as well as any additional Transportation Improvement Fees collected this fiscal year or in future fiscal years, will be used to replenish the Capital Improvement Fund. The total amount to be appropriated is \$2.4M.

ENVIRONMENTAL DETERMINATION

Pursuant to CEQA Guideline Section 15378, this application is not a project subject to CEQA as a government funding mechanism that does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment.

A separate environmental review analysis consistent with CEQA/NEPA requirements is being prepared for the Project as part of the original scope under the preliminary engineering and environmental phase.

NOTICE PROVIDED

All meeting noticing requirements were met.

ATTACHMENTS

Att 1 - Proposed Resolution

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**CITY OF SAN MATEO
RESOLUTION NO. ____ (2015)**

**AUTHORIZING AN APPROPRIATION OF TRANSPORTATION IMPROVEMENT FEES
IN THE AMOUNT OF \$600,000 AND CAPITAL IMPROVEMENT FUNDS IN THE
AMOUNT OF \$1,800,000 FOR THE 25TH AVENUE GRADE SEPARATION AND
RAIL REALIGNMENT PROJECT**

WHEREAS, the Council has identified the 25th Avenue Grade Separation Project (the Project) as the City's top priority among grade separation projects; and

WHEREAS, the City, the San Mateo County Transportation Authority, and Peninsula Corridor Joint Powers Board entered into a Memorandum of Understanding in July 2014 for joint funding of preliminary engineering and environmental review of the Project, and anticipates completion of that work in December 2015; and

WHEREAS, in order to pursue construction funding for the Project in mid-2016, final design and right-of-way certification for the Project must begin before the end of 2015;

WHEREAS, the estimated cost to perform final design and right-of-way work associated with the Project is \$11.2 Million; and

WHEREAS, funding for the final design and right-of-way certification is expected to come from \$1.2 Million in budget savings from preliminary design phase, \$5 Million of Measure A Grade Separation Program funds from the San Mateo County Transportation Authority (currently pending), and a local match of \$5 Million in City funds; and

WHEREAS, an appropriation of \$600,000 from Transportation Improvement Fees and \$1.8M from the Capital Improvement Fund to the Project account is necessary to appropriately allocate the funds to finance the Project;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN MATEO, CALIFORNIA, HEREBY RESOLVES that:

1. Pursuant to CEQA Guidelines Section 15378, the fund appropriation is not a project subject to CEQA because it is a government funding mechanism that does not involve any commitment to any specific project which may result in a significant effect on the environment; and

A separate environmental review analysis consistent with CEQA and NEPA requirements is being prepared for the Project as part of the original scope to complete the preliminary engineering and environmental phase per the Memorandum of Understanding between the City, San Mateo County Transportation Authority, and Peninsula Corridor Joint Powers Board.

2. The Council authorizes the appropriation of \$600,000 of Transportation Improvement Fees from CIP Unallocated Funds Project (#202020) and an appropriation of \$1.8M from the Capital Improvement Fund to the Rail Corridor Grade Separation Project (#462202), for a total appropriation of \$2.4M, if awarded the \$5 Million in San Mateo County Measure A Grade Separation Program funds for the Project.