



## City of Placerville

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CLERK OF SUPERIOR COURT  
EL DORADO COUNTY

September 4, 2012

El Dorado County Board of Supervisors  
330 Fair Lane, Building A  
Placerville, CA 95667

Re: Western Placerville Interchanges Project Funding

Dear Supervisors:

For the past several years, the City of Placerville has been working to secure funding to reconstruct and improve the Western Placerville Interchanges (WPI). The total cost of the project is estimated at over \$40,000,000 and includes a new interchange at Ray Lawyer Drive, as well as reconstruction of the bridge and on/off ramps at Placerville Drive. Because of the huge cost for the entire project, we have been looking at ways to phase it. Due to the potential relocation of the courthouse and efforts on behalf of the County and City to keep the courthouse located in Placerville, improvements to the Ray Lawyer Interchange portion of the project became a high priority.

Phases 1A and 1B of the Western Placerville Interchanges Project became the first priority based on need, project readiness and funding availability. Phase 1A includes a westbound on-ramp to Highway 50 from Ray Lawyer Drive. Phase 1B includes improvements to Fair Lane, primarily a curve correction and other pedestrian improvements. Both of these projects are designed to not only assist the Courthouse Project, but to improve traffic in and out of the County offices on Fair Lane.

Originally, the City made application to the El Dorado County Transportation Commission (EDCTC) for Congestion Mitigation and Air Quality Improvement Program (CMAQ) funding for the project. The City was awarded \$5.825 million for Phases 1A and 1B of the project, the estimated total at that time. As the funding request proceeded through the process with the Federal Highway Administration, its eligibility was questioned. Eventually, the project was deemed ineligible for CMAQ funding. Working with the County and the EDCTC, it was agreed to exchange the \$5.825 million of CMAQ funding for an equal amount of County Local Funds designated for the U.S. Highway 50 HOV Lanes.

Subsequent to that agreement, EDCTC was made aware of the final savings in Proposition 1B Corridor Mobility Improvement Account (CMIA) Program that would be available. The City was encouraged to apply for CMIA funding for Western Placerville Interchanges Phases 1A and 1B by staff at the California Transportation Commission (CTC). As we reviewed the projects, it was determined that Phase 1B could not meet the timeframe necessary to apply for CMIA funding; therefore, the decision was made to separate Phases 1A

and 1B, and apply for only Phase 1A in the amount of \$6,000,000, or the funding would have been lost. Through great effort on the part of the City, the County and EDCTC to meet deadlines to apply for CMIA funding, we were able to obtain \$6,000,000 of CMIA funding for Phase 1A of Western Placerville Interchanges Project.

The City is prepared to proceed with the project and will receive the bids until September 12, 2012. We will then have 45 days to award the bid. One major concern we have is with cash flow for the project. The project will be funded by the State on a reimbursement basis. As a result, the City will be required to front \$1.5 to \$2 million to construct the project. Unfortunately, in these tough economic times we do not have reserves in that amount. For that reason, the City is requesting that the County assist the City by setting up an escrow account in both the City's and County's names to fund the project's initial cash flow needs. It is estimated that the amount needed will be between \$1.5 and \$2 million for a period of 12 to 16 months. City and County staff have discussed this alternative and feel it is the most reasonable solution to the problem.

Both the City and County, along with EDCTC, applied to the CTC for this funding. The project must be awarded by early November or the CMIA funds will be given to Caltrans for the State Highway Operations and Protection Program instead. The CMIA Program is at its conclusion and no future CMIA funding will be available for this project. Together, we have a track record of project delivery, and a failure jeopardizes our reputation and future funding opportunities. For this reason, we are requesting County assistance to ensure the project moves forward in a timely manner.

We appreciate the assistance of the County and will continue to work cooperatively to make this and other projects work to benefit our communities. Staff will continue to work toward an agreement for Board and Council consideration. If you have any questions, feel free to contact me.

Sincerely,



M. Cleve Morris  
City Manager

cc: Placerville City Council  
Kimberly Kerr, El Dorado County Assistant CAO  
Sharon Scherzinger, Executive Director, EDCTC