



Legislation Text

File #: 12-1090, **Version:** 6

Department of Transportation recommending the Board adopt a Resolution **151-2012** authorizing the County to contribute up to \$1,200,000 in Highway Users Tax funds to the City of Placerville for the Western Placerville Interchange Phase 1A project. (4/5 vote required)

FISCAL/NET COUNTY COST IMPACT

There is no net County cost to the General Fund. The County will grant \$1,200,000 of Highway Users Tax funds from the Road Fund. Appropriations are included in the Road Funds approved FY 12/13 budget.

BACKGROUND

The City of Placerville (City) submitted a Corridor Mobility Improvement Account (CMIA) application to the California Transportation Commission (CTC) for \$6,000,000 to construct the westbound on-ramp for the future Ray Lawyer Interchange also known as Western Placerville Interchange Phase 1A project (Project) in May 2012. CTC awarded the City the CMIA funds with the requirement that the City award the contract for the construction no later than November 2012. The City received four bids on this project. The lowest bidder, Teichert, was below the engineer's estimate but has requested relief from their bid. The City is reviewing its options.

The City of Placerville has requested that the County assist in funding this project as the City has received \$6,000,000 CMIA funding. However, the project costs are projected to exceed the \$6,000,000 they received in funding. The City is the project owner and will be responsible for construction management and submitting all reimbursement claims to the State for reimbursement.

This project will benefit the County of El Dorado residents by: improving the access to Highway 50 from Ray Lawyer Drive; making improvements at Placerville Drive; providing access to a new courthouse; and relieving traffic at Placerville Drive and Fair Lane. Also, the El Dorado County Transportation Commission, City of Placerville, and the County staff believe it is necessary for the City to deliver this project in a timely manner to ensure that county agencies are in a favorable position to receive future funding from the CTC.

County staff has reviewed the City's FY 2010-11 audited financial statements and the Single Audit for FY 2010-11. The City's auditor identified the following issue: "During our testing of the financial reporting process, we noted that the City did not timely prepare all closing entries and complete the basic financial statements within six months after year end. The June 30, 2011 basic financial statements were issued in September 2012, fifteen months after year end closing." The City's auditor provides this statement on page 11 of the City of Placerville Single Audit Reports For the year ended June 30, 2011.

On September 25, 2012 your Board authorized the grant of \$1,200,000 to the City of Placerville and authorized the Chair to sign a funding agreement once completed, contingent upon County Counsel review and approval. The City and County are finalizing the funding agreement.

REASON FOR RECOMMENDATION

California Streets and Highways Code section 1680 et seq., provides that the County's Board of Supervisors, by resolution upon a 4/5ths vote, may contribute money to a city for highway construction activities of general county interest. The resolution recognizes that the construction of Phase 1A of the Western Placerville Interchange project is a benefit to the County and authorizes the grant of funds up to \$1,200,000 under the terms and conditions of the Funding Agreement Between the City of Placerville and the County of El Dorado for the Western Placerville Interchange (Funding Agreement).

The Funding Agreement allows the City to use the County's grant funds to provide "cash flow" for the Project (subject to reimbursement from CMIA funds), but ultimately the County grant funds are to be used only for Project costs in excess of the City's \$6,000,000 in CMIA funds and the City's \$100,000 contribution. Upon final payments to the construction contractor and project management consultant for the Project and full close-out of the Project, the County shall be eligible for the return of any County grant funds remaining after the CMIA funds and City's contribution are fully utilized.

In exchange for this grant of County's Highway User's Tax funds to the City, the City agrees to support programming of future Regional Transportation Improvement Program (RTIP) funding in the amount of County's actual final grant amount for a project of County's choice as detailed in the Funding Agreement.

The Department of Transportation has included funding for this contribution from Highway User's Tax funds in the Road Fund in the approved FY2012-13 budget addenda and has budgeted an allocation in the Department's General Department cost center to allow the transfer of the funds to the City if approved by the Board.

ACTIONS TO BE TAKEN FOLLOWING BOARD APPROVAL

- 1) The Acting Clerk of the Board to obtain the Chair's signature on the Resolution;
- 2) The Department of Transportation will submit a claim to the Auditor/Controller transferring the sum of \$1,200,000 to the City of Placerville and Auditor/Controller will facilitate this transfer before the date required in Section 3 of the Agreement.

Contact:

Kim Kerr, Interim Director
Department of Transportation

Concurrences:

County Counsel