



City Council Staff Report

Date: September 8, 2010

CONSENT CALENDAR

Subject: AMENDMENT NO. 3 TO THE PALM DRIVE/GENE AUTRY TRAIL AT INTERSTATE 10 INTERCHANGE PROJECT REIMBURSEMENT AGREEMENT

From: David H. Ready, City Manager

Initiated by: Public Works and Engineering Department

SUMMARY

Approval of Amendment No. 3 to the four-party agreement between the County of Riverside, the City of Palm Springs, the City of Desert Hot Springs, and the Coachella Valley Association of Governments ("CVAG") Reimbursement Agreement (Agreement No. 4195) revises the total authorized Measure A amount to \$25,931,000 for Design Engineering, Environmental and Construction of the Palm Drive/Gene Autry Trail at Interstate-10 Interchange Project, and allocates the \$1,979,780 federal DEMO grant towards the Desert Hot Springs' share of its costs for this project.

RECOMMENDATION:

- 1) Approve Amendment No. 3 to Agreement No. 4195, amending the total project cost to \$25,931,000 for the Palm Drive/Gene Autry Trail at Interstate-10 Interchange Project, and allocating the \$1,979,780 federal DEMO grant towards the entire Desert Hot Springs' share of the project cost; and
- 2) Authorize the City Manager to execute all necessary documents.

STAFF ANALYSIS:

On February 2, 2000, City Council approved the original Master Reimbursement Agreement with CVAG (Agreement No. 4195) for the Palm Drive/Gene Autry Trail at Interstate-10 Interchange Project (the "I-10 Project"), a four-party agreement between the County, Palm Springs, Desert Hot Springs and CVAG. Amendment No. 1 to the agreement was approved by Council on February 23, 2005, increasing the total Measure A funds for the I-10 Project by \$16,652,767 for the right-of-way, construction and construction management phases.

ITEM NO. 4.B.

Amendment No. 2 to the agreement was approved by Council on September 2, 2009, and established a final estimated total project cost of \$38,808,720. Subsequently, Riverside County bid and awarded this project, and the total project costs have been significantly decreased from the final estimate. Amendment No. 3 revises the total project cost to \$25,931,000.

Additionally, the City of Desert Hot Springs has requested CVAG approval to allocate the \$1,979,780 "Demonstration" (DEMO) federal earmark identified on this project towards its share of costs for the project. The request, approved by the CVAG Executive Committee on June 7, 2010, will entirely offset the Desert Hot Springs share of costs for this project (see attached copy of CVAG Executive Committee staff report). The City of Palm Springs will continue to have a share of 37.59% of the local share as shown on Exhibit "C" to the amendment.

FISCAL IMPACT:

CVAG has estimated the City's portion of the I-10 Project costs at \$1,325,516. However, pursuant to a separate agreement with CVAG related to the Gene Autry Trail Widening projects, an excess local share established on those projects (due to a federal grant the City obtained for the Gene Autry Trail UPRR bridge widening) will be credited to the City's portion of the I-10 Project costs. The City's excess local share credit is \$1,131,520.69 leaving a balance due for this I-10 Project of approximately \$194,000. Sufficient funds have been budgeted in local Measure A account 134-4498-50192. No local miscellaneous General Funds will be required to fund any part of this I-10 Project.

SUBMITTED:

Prepared by:



Marcus L. Fuller
Assistant Director of Public Works

Recommended by:



David J. Barakian
Director of Public Works/City Engineer

Approved by:



Thomas J. Wilson, Asst. City Manager



David H. Ready, City Manager

Attachments:

1. Amendment No. 3 to Agreement No. 4195
2. June 7, 2010, CVAG Executive Committee Staff Report

DATE: June 7, 2010
TO: EXECUTIVE COMMITTEE
FROM: Allyn S. Waggle, Deputy Executive Director
SUBJECT: Consider Substituted Amendment Number Three to the Reimbursement Agreement with the County of Riverside for the Palm Drive/ Gene Autry Trail Interstate 10 Interchange Project

STAFF RECOMMENDED MOTION: That the Executive Committee Approve Substituted Amendment Number Three to the Reimbursement Agreement with the County of Riverside for the Palm Drive/ Gene Autry Trail Interstate 10 Interchange Project.

Transportation Committee: CONCURS (Meeting of May 3rd)
Technical Advisory Committee: CONCURS (Meeting of May 10th)

BACKGROUND: In July 2009 the Executive Committee approved Amendment Number Three to the Palm Drive/ Gene Autry Trail Interchange Project which provided that CVAG enter a Ten-Year Payback Agreement with Riverside County for the County portion of the 25% Local Share of project costs. The approval action also stipulated that CVAG negotiate with the County regarding the terms of the loan, and to return to a future Executive Committee for consideration of those loan terms as part of an agreement.

During this same period CVAG reported growing deficiencies with the cash flow for future, as well as on-going, regional transportation projects. As a result of CVAG's cash flow problems, at their December 2009 meeting the Executive Committee declared that no further loans for the Local Share of project costs would be approved. This action occurred prior to completion of the negotiations with the County regarding the tentatively approved loan for the Palm Drive/ Gene Autry Trail interchange project. Thus, no loan agreement was prepared, and Amendment Number Three became null and void. The action requested by this staff report is to approve a Substituted Amendment Number Three to the Reimbursement Agreement with the County of Riverside for the Palm Drive/ Gene Autry Trail Interstate 10 Interchange Project.

In January 1999 the Executive Committee first approved a Reimbursement Agreement for the Palm Drive/ Gene Autry Trail Interstate 10 Interchange Improvement Project. The agreement identified the County of Riverside as Lead Agency, and included the cities of Palm Springs and Desert Hot Springs as participating agencies in the agreement.

In June 2004 the Reimbursement Agreement was first amended to reflect that the Palm Drive/ Gene Autry Trail Interstate 10 Interchange Project had been scheduled to receive \$10 Million from the newly legislated Traffic Congestion Relief Plan (TCRP). However, ongoing state fiscal shortfalls have resulted in the TCRP funds initially approved for this project being diverted for other uses. In response to this funding shortfall, in June 2004 the Executive Committee approved Amendment Number One to the Reimbursement Agreement to provide CVAG

regional funds as a substitute for the TCRP funds, and to fund further work on the project for an additional amount of \$16.7 Million.

As Lead Agency, Riverside County was required to enter a Cooperative Funding Agreement with the State of California (Caltrans). The language of the funding agreement provides that the County will be responsible for any shortfall in costs to complete this interchange. CVAG is not a party to this Caltrans funding agreement, but has a reimbursement agreement with Riverside County. As a result of this arrangement, Riverside County requested Amendment Number Two to the Reimbursement Agreement for the Palm Drive/ Gene Autry Trail Interchange Project in order for the County to be assured of a revenue stream for this project. At their April 27th meeting, the Executive Committee approved Amendment Number Two to the reimbursement agreement to provide \$14,490,240 of CVAG regional funds, which allowed Riverside County to enter into the Cooperative Funding Agreement with Caltrans.

The Palm Drive/ Gene Autry Trail Interchange Project has successfully acquired other funds. The project has been awarded Demonstration Funds (\$1,567,713) from the Safe, Accountable, Flexible, Efficient Transportation Equity Act-A Legacy for Users (SAFETEA-LU), and, more recently, stimulus funds (\$4,574,000) from the American Recovery and Reinvestment Act (ARRA) program. Also, due to a very aggressive bid environment, ARRA funds were released from other funded projects and became available for assignment to this project, in the amount of \$5,885,600.

This Substituted Amendment Number Three is meant to confirm and memorialize the actions taken by the Executive Committee at their meeting of January 2010. At that meeting the Executive Committee recognized the value of additional SAFETEA-LU Demonstration Funds to the project and confirmed the process by which the City of Desert Hot Springs would become a Permittee under the Coachella Valley Multiple Species Habitat Conservation Plan.

FISCAL ANALYSIS: There is no additional impact from the recommended action, as Amendment Number Three confirms previous actions by the Executive Committee.

AMENDMENT NUMBER THREE

to the

**COUNTY OF RIVERSIDE – CITY OF PALM SPRINGS – CITY OF DESERT HOT SPRINGS –
CVAG REIMBURSEMENT AGREEMENT**

for the

PALM DRIVE/ GENE AUTRY TRAIL INTERSTATE 10 INTERCHANGE PROJECT

THIS AMENDMENT NUMBER THREE is made and entered into this ____ day of _____, 2010, by and between the **County of Riverside** ("Lead Agency"), the **City of Palm Springs** ("Palm Springs"), the **City of Desert Hot Springs** ("City"), and the **Coachella Valley Association of Governments**, a California joint powers agency, ("**CVAG**"), and is made in reference to the following:

Whereas, Lead Agency, City, CVAG and the City of Palm Springs entered into a reimbursement agreement to advance funds for the Project on June 5, 2000 and entered into subsequent amendments to this reimbursement agreement on November 9, 2004 and June 8, 2009 (collectively, and as further amended herein, the "**Project Reimbursement Agreement**"); and

Whereas, the Project Reimbursement Agreement specifies how CVAG shall advance Project costs, subject to the obligations of the City, Palms Springs and Lead Agency to reimburse their assigned percentages thereof to CVAG as specified in the Jurisdictional Reimbursement Schedule; and

Whereas, the total cost for the Project is now estimated at \$25,931,000; and

Whereas, City has obtained funds ("**Demonstration Funds**") for the Project, in the amount of \$1,979,780 through the 2005 Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users.

NOW, THEREFORE, in consideration of the mutual covenants and subject to the conditions contained herein, the parties do agree as follows:

1. The total amount obligated and authorized for expenditure for the Project shall be \$25,931,000.
2. The Jurisdictional Reimbursement Schedule attached to Exhibit "C" of the Project Reimbursement Agreement has been completed and is hereby incorporated by this reference and is attached hereto.
3. Upon application of the entirety of the Demonstration Funds to the Project, City's entire share of Project costs as set out in the Jurisdictional Reimbursement Schedule shall be deemed satisfied.

4. The sum of \$465,395 shall be applied to Lead Agency's percentage share of Project costs as set out in the Jurisdictional Reimbursement Schedule. As the total Project costs are now estimated, applying \$465,395 to Lead Agency's percentage share of the Project is expected to fully satisfy its percentage share.

The parties hereto have caused this Amendment Number Three to be executed by their duly authorized representatives on the above-referenced date.

ATTEST:

AGENCY:

COUNTY OF RIVERSIDE

By: _____
Clerk of the Board

By: _____
Chairman, Board of Supervisors

CITY OF PALM SPRINGS

By: _____
City Manager

By: _____
Mayor

CITY OF DESERT HOT SPRINGS

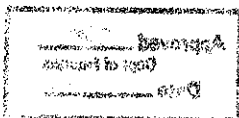
By: _____
City Manager

By: _____
Mayor

CVAG

By: _____
Executive Director

By: _____
CVAG Chair



JURISDICTIONAL REIMBURSEMENT SCHEDULE

**"PALM DRIVE/GENE AUTRY TRAIL INTERSTATE 10 INTERCHANGE
DESIGN ENGINEERING AND ENVIRONMENTAL"**

The Jurisdictions' Fixed Costs of the 25% Local Share of Project Costs for the Palm Drive/ Gene Autry Trail Interstate 10 Interchange Project as established by Amendment Number Three to the Reimbursement Agreement dated June 5, 2000, are set as follows;

City of Desert Hot Springs	\$ 0.00
County of Riverside	\$ 465,395.00

The Proportionate Share of the 25% Local Share of Qualified Project Costs, as well as 100% of Unqualified Project Costs, for the Palm Drive/ Gene Autry Trail Interstate 10 Interchange Project for the jurisdictions of Palm Springs and Cathedral City shall remain as determined by action of the CVAG Executive Committee at their meeting of September 29, 2003, as follows;

City of Palm Springs	37.59%
City of Cathedral City	10.88%