



Board Report

File #:2017-0384, **File Type:**Contract

Agenda Number:8

**AD-HOC CONGESTION, HIGHWAY AND ROADS COMMITTEE
JULY 19, 2017**

**SUBJECT: INTERSTATE 5/STATE ROUTE 14 HOV DIRECT
CONNECTOR PROJECT - PROJECT CLOSURE AND
RELEASE OF UNSPENT FUNDS**

ACTION: APPROVE PROGRAMMING RECOMMENDATIONS

RECOMMENDATION

CONSIDER:

- A. ACKNOWLEDGING completion of the I-5/SR-14 HOV Direct Connector Project and AUTHORIZING to close of the project;

(REQUIRES TWO-THIRDS VOTE OF THE FULL BOARD)
- B. AUTHORIZING the Chief Executive Officer to reprogram \$85.8 million dollars of planned \$90.8 million dollars unspent in original Measure R 20% funds for the I-5/SR-14 HOV Capacity Enhancements Project to other eligible highway operational improvement projects in North County;
- C. AUTHORIZING retention of \$5 million from the \$90.8 million to remain within the I-5/SR-14 HOV Direct Connector Project for completion of the outstanding workscope with any unspent funds to remain within the North County region, and;
- D. AMENDING FY18 budget for \$2 million dollars to create and fund the I-5 / SR-14 Direct Connector Project to address a remaining utility relocation.

ISSUE

On December 23, 2012, the I-5/SR-14 HOV Direct Connector was opened to traffic. All major activities related to the project have been completed except for the final relocation of Southern California Edison (SCE) powerlines for an estimated Rough Order Magnitude (ROM) cost of \$5 million. Delays in relocation of SCE’s power lines to outside the State right-of-way has caused delay in closing the project. As such, the remaining Project funds are tied up. With the opening of the project in 2012, Metro wishes to release those funds from the Project and reprogram the funds to other highway operational improvement projects in North County, only when the Metro Board

determines the project is complete.

DISCUSSION

In 2016, Metro requested California Department of Transportation's (Caltrans) approval to close the project. This would have enabled Metro to reprogram the unspent funds to other projects in North County.

In a letter dated May 26, 2017, Caltrans requested Metro to leave \$5 million of the original programmed funds in the Project to pay for the SCE utility relocation costs and approved release of the remaining balance (Attachment A). Approval of the \$5 million cost is consistent with the Revised Unified Cost Management Process and Policy for Measure R projects amended January 22, 2015 (Attachment B).

Construction of an HOV direct connector at the I-5/SR-14 interchange was deemed complete by Caltrans as of August 20, 2015. State policy requires that existing longitudinal utilities within the project limits be relocated to outside the State right-of-way. Caltrans temporarily permitted the SCE utility poles to stay within the freeway right-of-way to allow the project construction to commence in a timely manner without any costly delays and to be relocated to their ultimate location after completion of construction. Now that the construction is complete, the power lines need to be relocated to an adjacent private property via an easement. Caltrans has been in communication with SCE to expedite the relocation efforts. Based on a letter from Caltrans, they determined that setting aside an amount not to exceed \$5 million would be sufficient for the relocation of the SCE power lines and to complete the project.

The Measure R Ordinance states that for projects funded from other sources on or before December 31, 2008, the funds freed-up by passage of the sales tax shall remain within the subregion in which the project is located for projects or programs of regional significance (per Assembly Bill 2321). The Measure R Ordinance requires that the Metro Board of Directors determine by a two-thirds vote whether a highway capital project in the Measure R program is complete. Following this action any surplus revenues allocated to that highway capital project may be credited to the Measure R Highway Capital Subfund for expenditure on highway capital projects within the same subregion as the completed project. The \$90.8 million in Measure R (MR) 20% funding was programmed for the I-5/SR-14 HOV Capacity Enhancements project in line 26 of the Measure R Expenditure Plan. The original I-5/SR-14 HOV Capacity Enhancements project was developed and entitled as I-5/SR-14 HOV Direct Connector Interchange Project and was eligible for MR20% funding. Under recommendation B, these funds are assumed as Measure R highway capital project credits for the to-be-determined projects late in the third decade of Measure R (2030-2039) through Metro Board action on the 2009 Long Range Transportation Plan and the 2014 Short Range Transportation Plan.

Upon completion of the SCE power lines relocation, any unspent funds or savings from the \$5 million funds retained in the I-5/SR14 project under recommendation C shall remain in the North County subregion for allocation to other eligible North County project(s).

DETERMINATION OF SAFETY IMPACT

There are no impacts to safety of the users of the highways by approving this action.

FINANCIAL IMPACT

The SCE utility relocation effort for this project was not planned in the FY18 budget. Upon approval of recommendation D, FY18 budget will be amended for \$2 million dollars to initiate the project in the system and to start the outstanding project workscope. With approval of recommendation C, the budget for the I-5 /SR-14 HOV Direct Connector Construction Project will be amended to a cumulative amount of \$5 million dollars in MR20% funds budgeted under Account 54001 Subsidies - in cost center 0442, Task 5.4.100. Caltrans anticipates that the proposed utility relocation will be completed over an 18 month period.

Since this is a multi-year project, the Project Manager, the Cost Center Manager and the Senior Executive Officer, Program Management - Highway Program will be responsible for budgeting costs in future years for Metro's share within the updated project budget.

Impact to Budget

With approval of recommendation B, \$85.8 million dollars of MR 20% savings from the project will be reprogrammed to other North County sub-region project(s).

Under Line 26 of the Measure R Ordinance, \$90.8 million in MR 20% Highway funds were programmed for the original I-5/SR 14 HOV Capacity Enhancements project. Recommendation C cumulatively reduces the \$90.8 million dollars to \$5.0 million dollars of MR20% funding planned for I-5 / SR14 HOV Direct Connector project. Prior to FY18, CMAQ and TIP funds were used to construct the project.

The source of funds for recommendations B, C and D is MR 20% Highway funds, which is not eligible for bus or rail operations. No other funds were considered.

ALTERNATIVES CONSIDERED

The Board may choose not to approve staff recommendations state herein. This option is not recommended as the resulting delays will be neither to the advantage of the Project nor the other projects that might be advanced by the availability of funds released from the Project.

NEXT STEPS

Upon Board approval of the staff recommendation an amendment to the funding agreement with Caltrans will be executed to maintain \$5 million in the Project. The remaining \$85.8 million will be released form the Project and reprogrammed to other eligible highway improvement projects in North County.

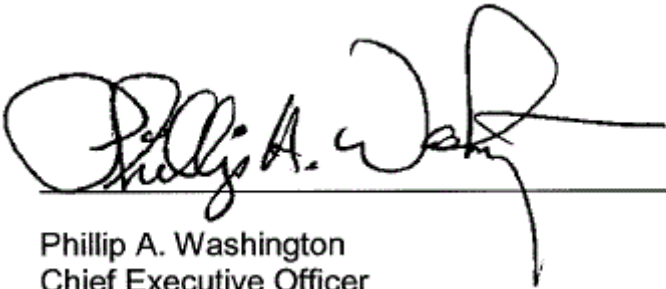
ATTACHMENTS

Attachment A -Caltrans letter on cost to close the Project

Attachment B -Revised Unified Cost Management Process and Policy for Measure R Projects

Prepared by: Ayokunle Ogunrinde, Senior Manager, Transportation Planning (213) 922-8830
Wil Ridder, Executive Officer, Strategic Financial Planning and Programming
(213) 922-2887
Abdollah Ansari, Senior Executive Officer, Highway Program (213) 922-4781
Bryan Pennington, Deputy Chief Program Management Officer, Program
Management (213) 922-7449

Reviewed by: Richard F. Clarke, Chief Program Management Officer, (213) 922-7557



Phillip A. Washington
Chief Executive Officer