

**REPORT TO MAYOR AND COUNCIL/AGENCY BOARD**

TO THE HONORABLE MAYOR AND COUNCIL:

DATE: June 22, 2009

Subject: ADOPTING RESOLUTION NO. 09-53, APPROVING THE CITY'S REVISED PROPOSITION 1B EXPENDITURE PLAN AND APPROVING RELATED BUDGET TRANSFERS

Report in Brief

The \$2 billion Local Streets and Roads (**LS&R**) component of Proposition 1B are allocated to local governments on a per capita basis. Prior to disbursing the allocations, the State requires the local governments to adopt an expenditure plan. In March 2008, the Council approved an expenditure plan and in March 2009, approved a revised expenditure plan.

The City received its first Proposition 1B fund distribution of \$1,986,719 in 2008. Prior to disbursing the second and final distribution of \$1,836,276, the State requires that the City fully expend the first distribution. Additionally, the State requires that the City approve revisions to the previously approved expenditure plan. The proposed fund exchanges and budget transfers ensure that the City fully expend the first distribution.

Staff recommends that the Council adopt Resolution No. 09-53 (**Attachment 1**) approving the City's Revised Proposition 1B Expenditure Plan and approving related budget transfers.

Background

The \$2 billion Local Streets and Roads (**LS&R**) component of Proposition 1B are allocated to local governments on a per capita basis. Concord's share of the first distribution is \$1,986,719. The second distribution was originally scheduled for distribution in FY 2011-12 but has been advanced to late FY 2008-09 or early FY 2009-10. Concord's share of the second distribution is \$1,836,276, which the State will not disburse until the first distribution is completely expended.

Prior to disbursing the Proposition 1B funds, the State requires adoption of an expenditure plan by the Council. On March 25, 2008, the Council adopted Resolution No. 08-15 approving the City's Proposition 1B expenditure plan for Fiscal Year 2007-08. On March 23, 2009, the Council adopted Resolution No. 09-16 approving the City's Revised Proposition 1B expenditure plan. The Proposition 1B funds are intended to be used for street and road repair projects that reduce traffic congestion, improve traffic flow and increase traffic

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safety. Current law requires that Proposition 1B funds be used only for capital purposes which have a long-term life.

Discussion

As noted above, the State will not disburse the \$1,836,276 Proposition 1B funds final distribution unless the City fully expends the first distribution. To meet this requirement, staff recommends exchanging the unspent Proposition 1B funds with other street funds (gas tax, Measure C/J, Prop. 111, or Prop. 42) that have already been expended or will be expended this fiscal year. Staff recommends the following fund exchanges (same amount) involving Proposition 1B funds and other street funds:

Fund Exchanges

Project No. 1037, Light Emitting Diode (LED) Signal Lamps Upgrading Program – The Proposition 1B allocation for this project is ineligible due to the long term life requirement of Proposition 1B, a General Obligation Bond. Exchange the \$64,050 Proposition 1B fund with \$64,050 in Gas Tax funds from Project No. 1283, Galindo Creek Trail Gap Closure.

Project No. 2108, Treat Boulevard Median Landscape (Oak Grove Road to San Miguel Road) – Exchange \$220,000 in Measure C Local fund and \$131,000 allocation in Proposition 111 fund from this project with Proposition 1B unallocated fund balance.

Project No. 2124, 2009 Sidewalk Improvement Program– Exchange \$80,000 Gas Tax allocation and \$106,642 Measure C Local allocation from this project with Proposition 1B funds from Project No. 2131, Clayton Road Intersections Rehabilitation and Project No. 2135, Curb, Gutter, Sidewalk, and Curb Ramp Improvements at Various Intersections on Clayton Rd. for a total exchange of \$186,642.

Project No. 2131 Clayton Road Intersections Pavement Rehabilitation – Exchange an \$80,000 Proposition 1B allocation from this project with Gas Tax funds released from Project No. 2124 (FY 2008/09 Sidewalk Improvement Program). Project 2131 will be implemented sometime in September of this year, while Project 2124 is substantially complete.

Project No. 2135, Clayton Rd. Intersections Sidewalk Repair – Exchange \$106,642 in Proposition 1B funds from this project with Measure C Local funds released from Project No. 2108.

Budget Transfers/Appropriations

Project No. 2109, Ygnacio Valley Rd. Permanent Restoration (Phase 2) – This project has an allocation of \$3.5 million Measure J (Bond), which could not be used for cost recovery. To provide for cost recovery, and thus provide relief to General Fund, staff recommends the following:

- **Cost Recovery for FY 2008-09:** Replace the \$70,000 Proposition 1B funds in Project No. 2134, Clayton Rd. Sidewalk Repair (Market St. to Oakland Ave.) with \$70,000 RDA funds from Project No. 1761, Commerce Avenue Roadway Extension and Bridge at Pine Creek; then transfer the \$70,000 Proposition 1B funds to Project No. 2109. Additionally, transfer \$4,629 from Proposition 1B fund balance to Project No. 2109.

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- **Cost Recovery for FY 2009-10:** The Capital Improvement Program (CIP) Plan presented to the Council at the June 1st Budget Hearing proposed to appropriate \$228,000 in Measure J (Local) funds for FY 2009-10 to Project No. 1761, Commerce Ave. Roadway Extension and Bridge at Pine Creek. In view of the extremely low bids for Project No. 2109, following completion of the project, staff will request the Contra Costa Transportation Authority (CCTA) to reprogram part of the excess Measure J (Bond) funds from Project No. 2109 to Project No. 1761 (to fully fund the project); and the remaining excess funds to Project No. 2053, Waterworld Parkway Bridge over Walnut Creek, the source of the Project No. 2109 Measure J (Bond) funds.

With Measure J (Bond) providing supplemental funding to Project No. 1761, staff recommends re-appropriating the \$228,000 Measure J (Local) proposed for allocation to Project No. 1761 for FY 2009-10 per the June 1st CIP Plan proposal as follows:

- \$75,000 to Project No. 2109, Ygnacio Valley Rd. Permanent Restoration (Phase 2) to fund cost recovery;
- \$40,000 to Project No. 2139, Gateway Blvd. Accessibility Improvements – the Community Services Commission (CSC) has recommended a \$175,000 CDBG federal stimulus funding for this project. The \$40,000 amount will fund cost recovery; and
- \$113,000 to Project No. 2131, Clayton Rd. Intersections Pavement Rehabilitation to provide additional funding to this stimulus project. The City received an additional \$376,000 (Tier 2 Stimulus) for this project. The \$113,000 additional funding allows the City to increase the scope of work by increasing the number of intersections.

The proposed CIP Plan, which the Council will consider as a separate agenda item at this meeting, includes the above recommended re-appropriation of the \$228,000 Measure J (local).

Project No. 2136, Willow Pass Rd. Pavement Rehabilitation (Gateway Blvd. to Port Chicago Hwy.) – Early this year, when Caltrans and CCTA started discussions on the need for cities to have “shovel ready” projects for federal stimulus funding, staff began working with consultants to ensure that the City receive its fair share of the stimulus funds. At that time, there was uncertainty on the funding distribution formula and the level of funding that the cities will receive. Staff engaged consultants to begin preliminary design work for three potential projects.

Two of the projects, Clayton Rd. Pavement Rehabilitation (Market St. to Oakland Ave.) and Clayton Rd. Intersections Pavement Rehabilitation, received stimulus funding. The third project, Project No. 2136, Willow Pass Rd. Pavement Rehabilitation (Gateway Blvd. to Port Chicago Hwy.) did not receive stimulus funding due to the limited funds available at that time.

To fund the \$50,000 cost incurred (consultant and staff administrative costs) for preliminary design work for Project No. 2136, staff recommends transferring \$50,000 Measure C (Local) from Project No. 2108, Treat Blvd. Median Landscape (Oak Grove Rd. to San Miguel Rd.) to Project No. 2136. Project No. 2108 is a substantially completed project.

Staff will apply for grants, such as additional stimulus funds or the traditional STP competitive funds, for Project No. 2136 when the grants become available.

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The fund exchanges and budget transfers/appropriations discussed above involve Proposition 1B funds. The State requires that the City approve any revisions to the City's prior Proposition 1B expenditure plan. Therefore, staff recommends that the Council adopt the subject Resolution approving the proposed revised expenditure plan.

Fiscal Impact

As discussed above, these transfers are needed to expend all Proposition 1B funds from the first Proposition 1B distribution to be eligible for the final distribution of \$1,836,276. These proposed budget transfers have been coordinated with the City's Fiscal Year 2009-10 Capital Improvement Program (CIP) 10-Year Plan, which the Council will consider as a separate agenda item at this meeting.

Approval of the revised expenditure plan ensures the timely receipt of the \$1,836,276 last distribution of the LS&R component of Proposition 1B.

Public Contact

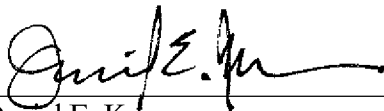
The Agenda item was posted.

Recommendation for Action

Staff recommends the City Council adopt Resolution No. 09-53 approving the City's Revised Proposition 1B Expenditure Plan and approving related budget transfers.

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Attachment 1 - Resolution No. 09-53

Exhibit A to Attachment 1 - Proposition 1B Project Priority for Fiscal Year 2007-08

**BEFORE THE CITY COUNCIL OF THE CITY OF CONCORD
COUNTY OF CONTRA COSTA, STATE OF CALIFORNIA**

**APPROVAL OF THE REVISED EXPENDITURE PLAN
FOR PROPOSITION 1B FUNDS**

Resolution No. 09-53

WHEREAS, in 2006, the voters of California passed Proposition 1B, the Transportation Bond Act; and

WHEREAS, Proposition 1B, a \$19.9 billion 30-Year General Obligation Bond, is generally intended to relieve traffic congestion, facilitate movement of goods, improve air quality and enhance safety and security of transportation systems; and

WHEREAS, Proposition 1B includes a \$2 billion Local Streets and Roads component which will be allocated to local governments on a per capita basis; and

WHEREAS, the City's allocation of Local Streets and Roads funds for Fiscal Year 2007-08 is \$1,986,719; and

WHEREAS, on March 25, 2008, the Council adopted Resolution No. 08-15, approving the City's Proposition 1B Expenditure Plan for Fiscal Year 2007-08, and

WHEREAS, on March 23, 2009, the Council adopted Resolution No. 09-16, amending the City's Proposition 1B Expenditure Plan for Fiscal Year 2007-08, and

WHEREAS, following submission of this Expenditure Plan to the California Department of Finance, the City received the first distribution of Proposition 1B Funds in April 2008; and

WHEREAS, in order to comply with Proposition 1B requirements, the Council must approve any revisions to the original Proposition 1B Expenditure Plan approved on March 25, 2008; and

WHEREAS, attached hereto, as Exhibit A, is the City's revised Proposition 1B Expenditure Plan.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CONCORD DOES
RESOLVE AS FOLLOWS:**

Section 1. Approve the revised Proposition 1B Expenditure Plan, attached hereto as Exhibit A

1 Res. No. 09-53.

2 **Section 2.** Approve an exchange of \$64,050 in Gas Tax monies from Project No. 1283
3 Galindo Creek Trail with Proposition 1B funds in Project No. 1037 LED Upgrades.

4 **Section 3.** Approve an exchange of \$220,000 allocation in Measure C Local funds and
5 \$131,000 in Proposition 111 funds in Project No. 2108 Treat Boulevard Landscape (Oak Grove to San
6 Miguel) with Unallocated Fund Balance Prop. 1B.

7 **Section 4.** Approve an exchange of \$80,000 allocation in Gas Tax funds in Project No. 2124
8 2009 Sidewalk Improvement Program with Proposition 1B funds from Project No. 2131 Clayton
9 Road Intersections Rehabilitation.

10 **Section 5.** Approve an exchange of \$70,000 allocation in Proposition 1B funds in Project No.
11 2134 Clayton Road (Market Street to Oakland Avenue) Curb Gutter and Sidewalk with
12 Redevelopment funds from Project No. 1761 Commerce Avenue Bridge.

13 **Section 6.** Approve an exchange of \$106,642 allocation in Proposition 1B funds in Project
14 No. 2135 Clayton Road Intersection Curb Gutter and Sidewalk with Measure C Local funds released
15 from Project No. 2108.

16 **Section 7.** Approve a \$74,629 allocation in Proposition 1B to Project No. 2109 Ygnacio
17 Valley Road Permanent Restoration Phase II from unallocated fund balance and Proposition 1B funds
18 released from Project No. 2134.

19 **Section 8.** Approve a \$228,000 transfer in Redevelopment funds to Project No. 2130 Clayton
20 Road (Market Street to Oakland Avenue) Pavement Rehabilitation from Project No. 1761 Commerce
21 Avenue Bridge.

22 Section 9. Approve a \$50,000 transfer in Measure C Local funds to Project No. 2136 Willow
23 Pass Pavement Rehabilitation (Gateway Boulevard to Port Chicago Highway) from Project No. 2108
24 Treat Boulevard Landscape (Oak Grove to San Miguel).

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PASSED AND ADOPTED by the City Council of the City of Concord on June 22, 2009, by the following vote:

- AYES:** Councilmembers -
- NOES:** Councilmembers -
- ABSTAIN:** Councilmembers -
- ABSENT:** Councilmembers -

I HEREBY CERTIFY that the foregoing Resolution No. 09-53 was duly and regularly adopted at a regular joint meeting of the City Council Agency of the City of Concord on June 22, 2009.

By _____
Mary Rae Lehman
City Clerk

APPROVED AS TO FORM:

Craig Labadie
City Attorney

Proposition 1B Budget 6-22-09**Treat Blvd Oakgrove to San Miguel Street Median Landscape**

Total Project Budget	730,000
Estimated Completion Year	2009
Useful Life After Construction Completion	30 years
Proposition 1B Budget	501,000

Clayton Rd Intersections Rehabilitation (Stimulus)

Total Project Budget	876,461
Estimated Completion Year	2009
Useful Life After Construction Completion	20 years
Proposition 1B Budget	130,461

2009 Citywide Sidewalk Program Project

Total Project Budget	512,224
Estimated Completion Year	2009
Useful Life After Construction Completion	30 years
Proposition 1B Budget	257,804

Clayton to Latour to Wilcrest Pavement Rehab

Total Project Budget	767,500
Estimated Completion Year	2009
Useful Life After Construction Completion	20 years
Proposition 1B Budget	100,000

Landana Sidewalk Improvements, Village Rd, Carlotta Dr

Total Project Budget	462,306
Estimated Completion Year	2009
Useful Life After Construction Completion	30 years
Proposition 1B Budget	56,000

Galindo Creek Trail Closure & Ygnacio Valley Rd Landslide Repair

Total Project Budget	1,804,329
Estimated Completion Year	2009
Useful Life After Construction Completion	30 years
Proposition 1B Budget	918,467

Curbs and Gutters Clayton Rd Intersections (Stimulus)

Total Project Budget	130,000
Estimated Completion Year	2010
Useful Life After Construction Completion	30 years
Proposition 1B Budget	23,358

Ygnacio Valley Road Phase II

Total Project Budget	3,570,000
Estimated Completion Year	2010
Useful Life After Construction Completion	30 years
Proposition 1B Budget	74,629

Total Proposition 1B Projects	2,061,719
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Proposition 1B First Installment	1,986,719
Estimated Interest	75,000
Total Appropriations	2,061,719