Agenda Report

TO: CITY COUNCIL   June 3, 2002

FROM: City Manager

SUBJECT: Approval of A Cooperative Agreement Between the State of California and the City of Pasadena for the Relinquishment of Arroyo Parkway

RECOMMENDATION:

It is recommended that the City Council adopt a resolution authorizing the City Manager to execute Cooperative Agreement No. 07-4541 with the State of California Department of Transportation (Caltrans) for the Relinquishment of Arroyo Parkway from Glenarm Street to Colorado Boulevard.

BACKGROUND:

On May 13, 2002, the City Council approved a recommendation for the relinquishment of Arroyo Parkway (Route 110) between Glenarm Street and Colorado Boulevard from the State to the City of Pasadena. As part of the relinquishment, the State will provide the City with $6.44 million for roadway improvements on Arroyo Parkway. In addition to approving the recommendation, the City Council requested that language be included in the Cooperative Agreement that would cover additional costs that would be incurred by the City if it took more than one year to receive the funds from the State.

Staff from the Public Works and Transportation Department have been in contact with representatives from Caltrans to discuss the proposed change to the agreement. Caltrans has indicated that they are not willing to include language of this manner in the agreement as it would set precedence for future agreements. During the negotiations for the relinquishment of Arroyo Parkway, the City and Caltrans were, however, able to come to agreement on innovative approaches to several items, that financially benefit the City including:

- Use of the City's preferred method of pavement maintenance as opposed to the State's upgrade standard, which is an asphalt overlay.

- Replacement of all curb and gutter along both sides of Arroyo Parkway where Caltrans would normally only replace those damaged segments of curb and gutter.

- A 20% Contingency Factor for the project as opposed to the City's normal 10% Contingency Factor.

- The City, as part of this agreement, will be given the latitude to move forward with improvements with no final audit of how the money was specifically spent as long as it is used for improvements on Arroyo Parkway.

In addition to the above, staff recognized that this project would not be built for several years, therefore the unit prices were adjusted from 3% to 5% to account for inflationary increases for the first two years.   Staff believes the cost estimate that has been provided for a lump sum payment of $6.44 million is a fair determination of the cost of placing the subject portion of Arroyo Parkway in a state of good repair. In light of these factors, staff continues to recommend the Agreement.

In order for the City to assume control of Arroyo Parkway, the attached cooperative agreement between the State of California Department of Transportation and the City of Pasadena must be executed. The cooperative agreement provides that the $6.44 million would be deposited with the City upon execution of the agreement, subject to approval by the California Transportation Commission (CTC). In addition, staff from Caltrans has indicated that they are committed to doing everything in their power to expedite the processing of this cooperative agreement.
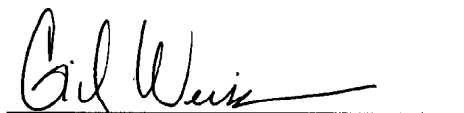
FISCAL IMPACT:

Execution of the cooperative agreement and subsequent approval by the CTC will provide State funds in the amount of $6.44 million for the Arroyo Parkway improvements.   The $ 6.44 million that Caltrans would pay the City are part of State Highway Operation and Protection Plan (SHOPP) Funds that are generally used for maintenance and minor highway improvements and are independent from issues with the State's General Fund Budget.
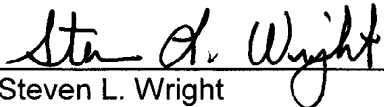
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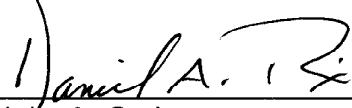
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JV:SW:sac
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