



City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: NOVEMBER 28, 2023

FROM: PUBLIC WORKS DEPARTMENT WARDS: 1 AND 2

SUBJECT: THIRD STREET GRADE SEPARATION – APPROVAL OF RIVERSIDE COUNTY TRANSPORTATION COMMISSION FUNDING AGREEMENT AND AMENDMENT 1 TO PRELIMINARY ENGINEERING SERVICES AGREEMENT WITH BURLINGTON NORTHERN SANTA FE RAILWAY COMPANY – SUPPLEMENTAL APPROPRIATION IN THE AMOUNT OF \$12,000,000

ISSUES:

Approve a \$12,000,000 Measure A Regional Arterials Funding Agreement with the Riverside County Transportation Commission (RCTC); approve a \$35,000 Amendment 1 to Preliminary Engineering Services Agreement with Burlington Northern Santa Fe (BNSF) Railway Company; and authorize a \$12,000,000 supplemental appropriation.

RECOMMENDATIONS:

That the City Council:

1. Approve the \$12,000,000 Measure A Regional Arterials (MARA) Funding Agreement with the Riverside County Transportation Commission (RCTC) for the construction phase of the Third Street Grade Separation Project;
2. Approve Amendment 1 to Preliminary Engineering Services Agreement with Burlington Northern Santa Fe (BNSF) Railway Company in the amount of \$35,000, bringing the total agreement to \$110,000;
3. With at least five affirmative votes, authorize the Chief Financial Officer, or designee, to record a supplemental appropriation to increase expenses by \$12,000,000 and record an increase in revenue in the same amount to the Measure A Capital Outlay Fund, Third St/BNSF Grade Separation; and
4. Authorize the City Manager, or designee, to execute the MARA Funding Agreement with RCTC and Amendment 1 to Preliminary Engineering Services Agreement with BNSF, including making minor and non-substantive changes.

BACKGROUND:

The City of Riverside is impacted by two transcontinental rail lines, which serve as important corridors to move goods and people to their destinations. These two rail lines carry over 75% of the freight handled by the Ports of Long Beach and Los Angeles through the City of Riverside. At-grade railway crossings create traffic delays, and some of the busiest crossings have an average

of 3 hours of gate-down time while trains pass. Police, Fire, and EMT officials have reported that such crossings often delay their services.

As such, it is desirable to consider separating train tracks from city streets at their crossing point, and redirecting the vehicle, pedestrian, and bicycle traffic above or below the busy railroad tracks. This type of project is referred to as a grade separation. Grade separations are both costly and complex works of engineering which require the City to seek local, state and federal funds. The City conducts pedestrian, bicycle, vehicular, and traffic circulation studies to engage residents and the City Council to prioritize grade separation projects.

On April 11, 2017, the City Council approved the Third Street/BNSF line as the top priority railroad grade separation and directed the Public Works Department to issue a Request for Proposals to complete the Project Approval and Environmental Document phase of the Third Street Grade Separation.

Following this approval, City staff commenced funding, design and other preliminary activities to advance the project. The entirety of the \$86M in anticipated project costs have been secured through a combination of federal, state and local funds, including funding provided by the Bipartisan Infrastructure Law's Railroad Crossing Elimination Program.

On March 23, 2021, the City Council approved several actions to bolster funding for the Third Street Grade Separation Project Right-of-Way phase, which is a subject of this report. Specifically, City Council approved the Federal Funding Cooperative Agreement with the Riverside County Transportation Commission for \$18,000,000 in federal Congestion Mitigation and Air Quality Improvement Program funds and approved an amendment to the TUMF Agreement with the Western Riverside Council of Governments to increase the funding amount by \$4,250,000, to a total of \$8,250,000 to secure necessary right-of-way to complete the project.

On May 24, 2022, the City Council approved an agreement with BNSF Railway to facilitate their performance of work in support of the grade separation project, including but not limited to: on-site diagnostic visits, preliminary engineering services, cost estimate development, legal review, and review of project documentation.

DISCUSSION:

Construction of the Third Street Grade Separation Project is anticipated to commence in Fall of 2025. The project will lower Third Street from about Vine Street to Park Avenue and construct a bridge to convey rail traffic. The project will require the realignment of Commerce Street, construction of slopes, retaining walls, storm water pump station(s), and relocation of utilities.

At its February 8, 2023 Commission meeting, RCTC approved the release of a Regional Arterials Call for Projects. The Public Works Department submitted an application for \$12,000,000 in funding for the construction phase of the Third Street Grade Separation Project. On June 14, 2023, the RCTC Commission approved the Third Street Grade Separation Project for \$12,000,000 in MARA funding, for the construction phase of the Project. To advance the project, it is necessary to approve a funding agreement with RCTC at this time.

The Public Works Department is also requesting City Council approval of Amendment 1 to the Preliminary Engineering Services Agreement with BNSF Railroad Company, increasing the

agreement amount by \$35,000 to a total of \$110,000, to compensate BNSF for additional services required for the Right-of-Way (R/W) phase of the Project.

The Third Street Grade Separation Project is currently in the Plans, Specification and Estimate (PS&E), and R/W phases. The PS&E phase is anticipated to be completed by December 2024 and the R/W phase by April 2025. Construction of the Project is expected to begin in the 4th quarter of 2025, and completed within 2 years. More information about the project can be found in the attached project fact sheet and on www.RiversideCA.gov.

STRATEGIC PLAN ALIGNMENT:

This project aligns with **Strategic Priority 6 – Infrastructure, Mobility, and Connectivity** by improving safety, circulation, and providing critical infrastructure for our community to thrive and is in accordance with **Goal 6.3** – Identify and pursue new and unique funding opportunities to develop, operate, maintain, and renew infrastructure and programs that meet the community's needs.

Furthermore, this project aligns with each of the five Cross-Cutting Threads as follows:

1. **Community Trust** – The Public Works Department has engaged community members regarding the Third Street Grade Separation, and the project was developed in response to prior City Council action. Public Works will continue to include Riverside inform and engage the public regarding the grade separation project.
2. **Equity** – This Project will benefit all who travel on Third Street. It will provide a safe and reliable roadway network to schools, shopping centers and to various neighborhoods. The project would also improve the quality of life in the surrounding neighborhood.
3. **Fiscal Responsibility** – In order to maximize local dollars, the City pursues State and Federal grant funding for large and complicated construction projects.
4. **Innovation** – This Project will permanently relocate the existing tracks; minimizing impacts to rail operations and reducing the construction duration by eliminating the need to construct temporary shoofly tracks and temporary rail crossing.
5. **Sustainability & Resiliency** – This project will make the street safer by eliminating the at-grade railroad crossing.

FISCAL IMPACT:

The estimated fiscal impact of this action is \$12,035,000. Upon Council approval, an increase of \$12,000,000 in revenue and an equal amount appropriated in expenditures will be recorded in the Measure A Capital Fund, Third St/BNSF Grade Separation project revenue account 9990130-339000 and expenditure account 9990130-440309.

There are sufficient funds budgeted and available in the TUMF Fund, Third St/BNSF Grade Separation project account 9990119-440315 to execute Amendment 1 with BNSF Railway Company in the amount of \$35,000.

The total cost of the Project is estimated at \$86,000,000 including engineering; right-of-way acquisitions; City sewer, water, and electric utility relocations; and construction and construction engineering. The following tables summarize the Project costs and funding:

Table 1 - Project Costs

Task	Amount
Preliminary (PA&ED) and Final (PS&E) Engineering	\$4,000,000
Right-of-Way Acquisitions, Relocations and Building Demolitions	\$23,000,000
Construction, Utility Relocations, and Construction Engineering	\$47,000,000
Contingencies	\$12,000,000
Total	\$86,000,000

Table 2 – Project Funding

Phase	Funding Status	Source	Amount
Engineering (PA&ED and PS&E)	Secured	Transportation Uniform Mitigation Fee (TUMF)	\$4,000,000
Right-of-Way	Secured	Congestion Mitigation and Air Quality (CMAQ)	\$18,000,000
	Secured	TUMF	\$4,250,000
	Secured	Measure A (Sales Tax)	\$750,000
Construction	Secured	Federal Earmark	\$3,000,000
	Anticipated	State Section 190	\$5,000,000
	Anticipated	BNSF Railway Co.	\$2,000,000
	Secured	Port and Freight Improvement Plan (PFIP)	\$22,000,000
	Secured	Railroad Crossing Elimination (RCE)	\$15,000,000
	Secured	Measure A Regional Arterials (MARA)	\$12,000,000
Total			\$86,000,000

Prepared by: Gilbert Hernandez, Public Works Director
Swetaben Patel, Principal Engineer

Certified as to availability of funds: Kristie Thomas, Finance Director/Assistant Chief Financial Officer

Approved by: Kris Martinez, Assistant City Manager

Approved as to form: Phaedra Norton, City Attorney

Attachments:

1. Location Map
2. RCTC MARA Funding Agreement
3. BNSF Amendment 1
4. BNSF Original Agreement
5. Project Fact Sheet