



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: MARCH 23, 2021

FROM: PUBLIC WORKS DEPARTMENT WARDS: 1 AND 2

SUBJECT: THIRD STREET GRADE SEPARATION — FEDERAL FUNDING COOPERATIVE AGREEMENT WITH RIVERSIDE COUNTY TRANSPORTATION COMMISSION; AMENDMENT NO. 1 TO TRANSPORTATION UNIFORM MITIGATION FEE PROGRAM AGREEMENT WITH WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS; PROFESSIONAL CONSULTANT SERVICES AGREEMENT WITH HDR ENGINEERING, INC., OF OMAHA, NEBRASKA - SUPPLEMENTAL APPROPRIATION

ISSUES:

Approval of (1) a Federal Funding Cooperative Agreement with the Riverside County Transportation Commission for \$18 million in federal Congestion Mitigation and Air Quality Improvement Program funds for the right-of-way phase of the Third Street Grade Separation project; (2) Amendment No. 1 to Transportation Uniform Mitigation Fee Program Agreement with the Western Riverside Council of Governments to increase the funding amount by \$4.25 million, to a total of \$8.25 million, for the right-of-way phase of the Third Street Grade Separation project; and (3) Professional Consultant Services Agreement with HDR Engineering, Inc., of Omaha, Nebraska, for the Plans, Specifications, and Estimate phase of the Third Street Grade Separation project in the amount of \$2,285,093; and authorize a supplemental appropriation of \$22.25 million in grant funds.

RECOMMENDATIONS:

That the City Council:

1. Approve the Federal Funding Cooperative Agreement with the Riverside County Transportation Commission for \$18 million in federal Congestion Mitigation and Air Quality Improvement Program funds for the right-of-way phase of the Third Street Grade Separation project;
2. Approve Amendment No. 1 to Transportation Uniform Mitigation Fee Program Agreement with the Western Riverside Council of Governments to increase the funding amount by \$4.25 million, to a total of \$8.25 million, for the right-of-way phase of the Third Street Grade Separation project;
3. Approve the Professional Consultant Services Agreement with HDR Engineering, Inc., of Omaha, Nebraska, for the Plans, Specifications, and Estimate phase of the Third Street Grade Separation in the amount of \$2,285,093;

4. Authorize the City Manager, or his designee, to execute the agreements with Riverside County Transportation Commission, Western Riverside Council of Governments, and HDR Engineering, Inc., including making minor non-substantial changes;
5. With at least five affirmative votes, authorize a supplemental appropriation and increase in revenues in the amount of \$18.0 million in federal Congestion Mitigation and Air Quality funds to the Capital Outlay-Grants Fund for the Third Street Grade Separation project; and
6. With at least five affirmative votes, authorize a supplemental appropriation and increase in revenues in the amount of \$4.25 million in Transportation Uniform Mitigation Fee funds to the Transportation Uniform Mitigation Fee (TUMF) Fund for the Third Street Grade Separation project account.

BACKGROUND:

On April 11, 2017, the City Council received a report on the review and prioritization of potential railroad grade separations along the Burlington Northern Santa Fe (BNSF) railroad at Jackson Street, Mary Street, Spruce Street, and Third Street. Following this report, 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.

On July 24, 2018, the City Council approved an agreement with the Western Riverside Council of Governments (WRCOG) for \$4.0 million in Transportation Uniform Mitigation Fee (TUMF) funding to fund the Project Approval and Environmental Document phase (PA&ED); and the Plans, Specifications, and Estimates (PS&E) phases of the Third Street Grade Separation project.

On December 18, 2018, the City Council approved a Professional Consultant Services Agreement with HDR Engineering, Inc., of Omaha, Nebraska, for the PA&ED phase of the Third Street Grade Separation in the amount of \$646,649.

On June 16, 2020, the City Council (1) approved the First Amendment to the Professional Consultant Services Agreement with HDR Engineering, Inc., of Omaha, Nebraska, to amend the consultant's scope of services; (2) authorized the City Manager, or his designee, to execute the First Amendment to the Professional Consultant Services Agreement with HDR Engineering, Inc., including making minor and non-substantive changes; and (3) authorized the Public Works Department to prepare and submit a grant application in the amount of \$15 million to the California Transportation Commission (CTC) for Senate Bill 1-Trade Corridor Enhancement Program (TCEP) funds.

On January 5, 2021, the City Council (1) approved the Second Amendment to the Professional Consultant Services Agreement with HDR Engineering, Inc., of Omaha, Nebraska, to amend the consultant's scope of services and extend the term of the agreement; (2) authorized the City Manager, or his designee, to execute the Second Amendment to the Professional Consultant Services Agreement with HDR Engineering, Inc., including making minor and non-substantive changes.

DISCUSSION:

The Third Street Grade Separation project (Project) proposes to construct a railroad underpass at Third Street and the BNSF railroad tracks. Third Street will be lowered from about Vine Street to Park Avenue and a bridge will be constructed to convey rail traffic. The project will require the realignment of Commerce Street, construction of slopes, retaining walls, storm water pump station, and relocation of wet and dry utilities.

The project is located in the City's Innovation District and would improve freight and passenger rail, commercial trucking operations, bus transit operations and commerce within the City, resulting in increased quality of life for residents and businesses. At this at-grade crossing, traffic and pedestrian movements are often delayed while waiting for trains to move through the crossing. On average, 106 freight trains pass through this at-grade crossing every day resulting in four and one-half hours of vehicle delay and high levels of pollutants due to excessive idling. In addition to freight trains, 20 Metrolink and 2 Amtrak passenger rail trains pass through this rail crossing every day contributing to increased vehicle delay, emissions, and congestion. With the expansion of Metrolink service to the City of Perris, continued growth in passenger rail traffic is expected making this project a priority for the City and region. Working in partnership with RCTC, the Third Street Grade Separation project is just one of a series of strategic transportation improvements in the Innovation District. Another example is the RCTC funded Downtown Metrolink Layover Facility, currently under construction, which will move Metrolink operations off the BNSF mainline to further reduce freight and commuter rail train conflicts.

Since January 2020, the Public Works Department has been working with WRCOG to allocate additional TUMF program funding for several City projects, including this Project. The approval of Amendment No. 1 to the TUMF Program Agreement with WRCOG will increase the total funding for this Project by \$4.25 million bringing the total amount to \$8.25 million (\$4 million for Project Approval & Environmental Documentation (PA&ED) and Plans, Specifications, and Estimate (PS&E) phases, and \$4.25 million for the right-of-way acquisition phase).

On March 9, 2020, Public Works staff met with Anne Mayer, RCTC Executive Director, and other RCTC staff to discuss potential funding opportunities for the Project. RCTC made a commitment to program \$18 million in federal Congestion Mitigation and Air Quality (CMAQ) funds for the Project in the event the City's future grant application to the California Transportation Commission (CTC) for SB1-Trade Corridor Enhancement Program (TCEP) grant for the right-of-way phase of the Project was unsuccessful.

On August 3, 2020, the Public Works Department submitted a \$16.1 million grant application to CTC for SB1-TCEP grant for the right-of-way phase of the Project. On November 16, 2020, CTC published the 2020 TCEP Staff Recommendations. The Third Street Grade Separation was not recommended for funding; however, the City will submit an application for this grant opportunity in the future.

Section 190 of the California Streets and Highways Code (S&H Code) requires the State's annual budget to include \$15 million for funding grade separation projects for highway-rail crossings most urgently in need of separation or alternation. The City's Third Street Grade Separation project is currently ranked number six on the Section 190 Grade Separation Priority List. An allocation of \$5 million will be requested after the agreement with the BNSF railroad is executed. Also, prior to construction, additional funding of approximately \$2 million will be provided by the BNSF railroad towards the project.

The approval of the Federal Funding Cooperative Agreement with RCTC for \$18 million in federal

CMAQ funds for the right-of-way phase of the Project will make this phase of the Project fully funded and will enable the City to make the Project shovel ready thereby significantly improving the potential for future grant opportunities for the construction phase, which is anticipated to start in the second half of 2023.

Staff has negotiated the attached Professional Consultant Services Agreement with HDR Engineering, Inc. Under the terms of the agreement, HDR Engineering, Inc. will complete the PS&E (or the final engineering) phase of the Project on a time and material basis and for a fee not to exceed \$2,285,093.

The Purchasing Manager concurs that the recommended action to approve the Professional Consultant Services Agreement is in compliance with Purchasing Resolution 23256.

FISCAL IMPACT:

The total cost of the Project is estimated at \$55.5 million 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 (\$M)
Preliminary (PA&ED) and Final (PS&E) Engineering	\$4.0
Right-of-Way Acquisitions, Relocations and Building Demolitions	23.0
Construction, Utility Relocations, and Construction Engineering	28.5
Total	\$55.5

Table 2—Project Funding

Source	Amount (\$M)	Status
Utilities Relocation Costs (City Funds)	\$3.25	Anticipated
Measure A (City Funds)	0.75	Secured
State Section 190 Grade Separation	5.00	Anticipated
WRCOG TUMF (City Funds)	8.25	Secured
Burlington Northern Santa Fe Railroad (Matching Funds)	2.00	Anticipated
Federal CMAQ	18.00	Secured
Trade Corridor Enhancement Program (TCEP) Grant	18.25	Future Submittal
Total	\$55.5	

There are sufficient funds available in the TUMF Fund project account 9990119-440315 (Third St/BNSF Grade Separation – TUMF funds) to execute the Agreement with HDR Engineering.

Prepared by: Kris Martinez, Public Works Director
 Certified as to
 availability of funds: Edward Enriquez, Chief Financial Officer/Treasurer
 Approved by: Rafael Guzman, Assistant City Manager
 Approved as to form: Kristi J. Smith, Interim City Attorney

Attachments:

1. Federal funding Cooperative Agreement with RCTC

2. Agreement with WRCOG
3. Professional Consultant Services Agreement with HDR Engineering, Inc.
4. Presentation