



Agenda Item #: _____

Staff Report

City of Manhattan Beach

TO: Honorable Mayor Montgomery and Members of the City Council

THROUGH: Richard Thompson, Interim City Manager

FROM: Jim Arndt, Director of Public Works
Steve Finton, City Engineer

DATE: November 3, 2010

SUBJECT: Consideration to Approve Additional Appropriations (\$163,749) and Appropriation Modifications for Street Projects Funded with ARRA Stimulus, LACMTA, and Proposition 42 Funds in the Fiscal Year 2010-2011 Capital Improvement Program.

RECOMMENDATION:

Staff recommends that the City Council modify the Fiscal Year 2010/2011 Capital Improvement Program by passing a motion to:

1. Approve an additional appropriation of Stimulus Funds provided through the American Recovery and Reinvestment Act (ARRA) of 2009 in the amount of \$283,749 for the Pacific Avenue Resurfacing Project (Manhattan Beach Boulevard to Rosecrans Avenue) Project No. 11828E from bringing total ARRA funding for this project to \$543,749;
2. Approve a reduction in LACMTA fund appropriations in the amount or \$140,000 from the Pacific Avenue Resurfacing Project (Manhattan Beach Boulevard to Rosecrans Avenue), Project No. 11821E, eliminating LACMTA appropriations for this project;
3. Approve an additional appropriation of Proposition 42 Funds in the amount of \$120,000 for the 17th and 18th Street Resurfacing Project, Project No. 11820E, bringing total Proposition 42 funds for this project to \$180,000;
4. Approve a reduction in ARRA appropriations in the amount of \$100,000 from the 17th and 18th Street Resurfacing Project, Project No. 11827E, eliminating ARRA appropriations for this project;
5. Approve an additional appropriation of LACMTA funds in the amount of \$185,000 for the Rosecrans Avenue Resurfacing Project (Sepulveda Boulevard to Redondo Avenue), Project No. 11822E, bringing total LACMTA appropriations for this project to \$250,000; and,
6. Approve a reduction in ARRA appropriations in the amount of \$185,000 from the Rosecrans Avenue Resurfacing Project (Sepulveda Boulevard to Redondo Avenue), Project No. 11829E, eliminating ARRA appropriations on this project.

FISCAL IMPLICATION:

The recommended appropriation modifications requested would yield a total additional appropriation in the amount of \$163,749 in the approved 2010/2011 adopted CIP, which consists of \$120,000 in Proposition 42 Funds, \$45,000 in LACMTA Funds and a \$1,251 reduction in ARRA funding. The current balances of Proposition 42 Funds and LACMTA funds are sufficient to accommodate the additional appropriations.

BACKGROUND:

The City Council adopted their 2010/2011 CIP in June, 2010. In their adoption, projects were funded using specific funds; modifications to specific funds are now necessary because of changes to the eligible projects that ARRA funds may be used.

The American Recovery and Reinvestment Act resulted in an allocation to the City of \$1,074,000 for the resurfacing of Valley Drive and Aviation Boulevard. Those projects were completed in April 2010, and because of receiving favorable bids, left a balance of \$543,749 (rounded to \$545,000) for use on other ARRA projects. In order to use the remaining ARRA funds, it was necessary to receive obligation authority from Caltrans, identifying where the funds would be used.

The ARRA funds were appropriated to the three projects 17th/18th Streets; Pacific Avenue; and Rosecrans Avenue (Table 1). In addition to the ARRA funds, funds from Proposition 42 and LACMTA were to be used for the projects and were included in the adopted 2010/2011 CIP.

TABLE 1

Existing FY 2010-2011 Appropriations	ARRA Funds	Proposition 42 Funds*	LACMTA Funds**	Total
<i>Street Resurfacing Project:</i> 17th & 18th Street (Ardmore to Flournoy/Cul-De-Sac)	\$100,000	\$60,000		\$160,000
<i>Street Resurfacing Project:</i> Pacific Avenue – Manhattan Beach Boulevard to Rosecrans Avenue	\$260,000		\$140,000	\$400,000
<i>Street Resurfacing Project:</i> Rosecrans Avenue – Sepulveda Boulevard to Redondo Avenue	\$185,000		\$65,000	\$250,000
Total	\$545,000	\$60,000	\$205,000	\$810,000

* Proposition 42 funds - Proposition 42 (2002) dedicates sales tax on gasoline to transportation projects. The City receives approximately \$366,900 in Proposition 42 funds annually.

** LACMTA Funds – Los Angeles County Metropolitan Transportation Authority Funds. In 2008, the City and the MTA agreed to, on a one-time basis, exchange the City’s allocation of federal Surface Transportation Program – Local (STP-L) funds for \$458,201 in less restrictive Los Angeles County Metropolitan Transit Authority (LACMTA) Funds.

DISCUSSION:

While the City was adopting the 2010/2011 CIP, staff proceeded to obtain obligation authority from Caltrans for the \$545,000, as allocated in the three projects noted in Table 1. Because Caltrans could process only the Pacific Avenue obligation (and not those for 17th/18th Streets and Rosecrans Avenue), it became necessary to modify our Caltrans obligation request (Caltrans has now approved the modification) to place all \$545,000 ARRA funds toward the Pacific Avenue project, thus removing ARRA funds away from the other two projects as adopted in the 2010/2011 CIP.

To accommodate the ARRA fund shift and continue with the other projects previously included in the 2010/2011 CIP, it is recommended that appropriations be modified to accommodate allocation of the entire ARRA funding balance to the Pacific Avenue Project.

Based on the pavement design recommended by the Soils Engineer, the estimated construction cost for the 17th and 18th Street Resurfacing Project grew to \$180,000 including the contingency. To take into consideration the contingency, staff recommends Council allocate an additional \$20,000 from Proposition 42 Funds for the project. The total amount of Proposition 42 Funds for this project would be \$180,000.

If Council approves, the 2010/2011 CIP would be modified and approved with projects and funding sources as noted in Table 2. The changes are as follows:

TABLE 2

Recommended Appropriation Revisions for FY 2010-2011	ARRA Funds	Proposition 42 Funds	LACMTA Funds	Total
<i>Street Resurfacing Project:</i> 17th & 18th Street (Ardmore to Flournoy/Cul-De-Sac)		\$180,000		\$180,000
<i>Street Resurfacing Project:</i> Pacific Avenue – Manhattan Beach Boulevard to Rosecrans Avenue	\$543,749			\$543,749
<i>Street Resurfacing Project:</i> Rosecrans Avenue – Sepulveda Boulevard to Redondo Avenue			\$250,000	\$250,000
Total Revised FY 2010-2011 Appropriations	\$543,749	\$180,000	\$250,000	\$973,749

The following (Table 3) is the corresponding Fund(s) change from the originally adopted CIP and the recommended CIP resulting from the appropriation modifications and corresponds to the six actions noted in the Recommendation section of this agenda item. It should be noted that the net result results in increases of Proposition 42 and LACMTA funds.

TABLE 3

Difference <i>Existing vs. Recommended</i> Appropriation	ARRA Funds	Proposition 42 Funds	LACMTA Funds	Total
<i>Street Resurfacing Project: 17th & 18th Street (Ardmore to Flournoy/Cul-De-Sac)</i>	(\$100,000)	\$120,000		\$20,000
<i>Street Resurfacing Project: Pacific Avenue – Manhattan Beach Boulevard to Rosecrans Avenue</i>	\$283,749		(\$140,000)	\$143,749
<i>Street Resurfacing Project: Rosecrans Avenue – Sepulveda Boulevard to Redondo Avenue</i>	(\$185,000)		\$185,000	
Total Additional FY 2010- 2011 Appropriations	(\$1,251)	\$120,000	\$45,000	\$163,749

Increased Appropriation for Pacific Avenue

The original estimate developed by staff for the Pacific Avenue project was \$400,000. This included pavement milling, asphalt overlay and minimal pavement reconstruction and minimal concrete work. The recommended appropriation (\$543,749) includes an additional \$143,749 in ARRA fund appropriations for Pacific Avenue and must be used within the original project limits. The additional funds would be used to perform additional needed pavement reconstruction and sidewalk, curb & gutter and curb ramp improvements. Any ARRA fund balance left after completion of the project would no longer be available to the City.

Available Fund Balances (Proposition 42; LACMTA)

There is sufficient funding available to accommodate the additional appropriations recommended as noted in the bottom row of Table 3.

Attachment: GIS Location Map

xc: Henry Mitzner, Controller
Jeanne D. O'Brien, Accountant

City of Manhattan Beach

2010 - 2011

Street Resurfacing Projects

