



DATE: March 1, 2012
TO: STA Board
FROM: Janet Adams, Deputy Executive Director/Director of Projects
Alan Glen, STA Project Manager
RE: Jepson Parkway Project Funding Agreements

Background:

The Jepson Parkway Concept Plan was completed in 2000 by the Solano Transportation Authority (STA), the City of Fairfield, the City of Suisun City, the City of Vacaville and Solano County. The Concept Plan provided a comprehensive, innovative, and coordinated strategy for developing a multi-modal corridor; linking land use and transportation to support the use of alternative travel modes, and protecting existing and future residential neighborhoods. The 12-mile Jepson Parkway project is an I-80 Reliever Route that will improve intra-county mobility for Solano County residents. The project upgrades a series of narrow local roads to provide a north-south travel route for residents as an alternative to I-80. The plan proposed a continuous four-lane roadway from the State Route 12/Walters Road intersection in Suisun City to the I-80 / Leisure Town Road interchange in Vacaville. The project also includes safety improvements, such as the provision for medians, traffic signals, shoulders, and separate bike lanes. The Jepson Parkway project is divided into multiple segments for design and construction purposes. Five (5) construction projects within the Jepson Parkway project have been completed: the extension of Leisure Town Road from Alamo to Vanden; the relocation of the Vanden/Peabody intersection; improvements to Leisure Town Road bridges; the Walters Road Widening (Suisun City); and the I-80/Leisure Town Road Interchange (Vacaville).

The overall estimated construction cost of the remaining segments is \$185 million. In March 2009 the STA Board certified the EIR for the Project including each of the remaining segments to be constructed. On June 21, 2011, a major milestone was achieved when the Record of Decision was signed by Caltrans, concluding the environmental phase of the project.

There is \$36.7 million of State Transportation Improvement Program (STIP) programmed for this project as part of the regional commitment. \$2.4 million was allocated for Plans, Specifications & Estimate (PS&E) last year. \$3.8 million was allocated for Right-of-Way and \$30.5 million in construction funding is programmed for Fiscal Year (FY) 2014-15.

In 2010, the STA and the County entered into a funding agreement, whereas, the County contributed \$1 million towards the Vanden Road project. In addition, the County has agreed on using the remaining earmark funds, approximately \$793,000; that had been targeted to the North Gate improvements for the design of the Vanden Road Segment.

The City of Fairfield adopted the Train Station Specific Plan (TSSP) in July 2011, which affects the central portion of the Jepson Parkway Project area. It will be important to coordinate the projects. The coordination needs to consider, access points along Leisure Town and Vanden Roads, to maintain a Level of Service (LOS) C, utility relocations and future utility needs, facility type with regard to urban or rural design and financial contribution of improvements above the approved Jepson Parkway Project. In addition, the City of Vacaville has plans to modify the Leisure Town/Vanden intersection; therefore, coordination with these plans is also vital with regard to timing, LOS and staging. In coordination with the Jepson Parkway design activities, the STA intends to update the Jepson Parkway Concept Plan. This update will provide a link from the 2000 Concept Plan to the current conditions; discuss implementation requirements and roles/responsibilities for implementation. The Updated Concept Plan will also provide staging opportunities for the Class 1 bike facility, consider transit stops along the corridor, provide a landscape concept plan for the entire corridor, provide the basis for a future corridor LOS operating agreement and serve as an advocacy document to obtain future funding for the remainder of the project.

STA staff in partnership with the Cities of Fairfield and Vacaville and the County of Solano have been working toward the development of an implementation plan for this Project. The implementation plan consists of a Memorandum of Understanding (MOU) and Agency Funding Agreements. As the segments of the Project proceed, amendments to the funding agreement would be executed to further define this implementation strategy. The MOU between the agencies was executed in June 2011. The details of these pieces are as follows:

Jepson Parkway Memorandum of Understanding (MOU)

The MOU defines the roles and responsibilities of the Jepson Parkway Working Group and each agency in the delivery of the Jepson Parkway Corridor. It also establishes the Guiding Principals from which to select and prioritize project phases. The MOU also codifies the commitment that the Cities have agreed to be responsible for development of the portion of the Parkway that would fall within future City limits after the anticipated annexations occur. Here are the key components of the MOU:

- **Identification of the Initial Construction Phase-** A cash flow analysis was completed utilizing the costs from the Jepson Parkway Technical Report completed in February 2009 and presented to the Jepson Parkway Working Group. Based upon that analysis, it was recommended that two projects be initiated as the initial phases of the overall Jepson Parkway Corridor delivery as follows:
 - Phase 1 (Fairfield) Project- Segments 5 (portion), 6 and 7 (portion), from the east side of the Cement Hill Road/ Peabody Road/ Vanden Road Intersection to approximately 3100 feet south of the Vanden Road /Leisure Town Intersection. The total cost for design, R/W, construction, and environmental mitigation is estimated at \$34.3 million.
 - Phase 2 (Vacaville) Project- Segments 7 (portion) thru 11, to approximately 3100 feet south of the Vanden Road/ Leisure Town Road Intersection (where the Fairfield project ends) to north of the Alamo Drive/ Leisure Town Road Intersection. This project includes approximately 2500 feet of future County jurisdiction after the proposed annexations occur by both Cities. The total cost for design, R/W, construction and environmental mitigation is estimated \$27.0 million.

- These projects will be funded on a 50/50 shared basis between each agency and STA. STA has a total of \$36.7 million (\$2.4 m for design, \$3.8 m for R/W, and \$30.5 m for construction) of STIP funding programmed for this project. The STA funding should be able to deliver a total of \$73.4 million toward this Corridor based upon the 50/50 sharing of project costs. The combined total cost is estimated at \$61.4 million for the segments identified above. The Cities anticipate much of the R/W being dedicated by proposed development that will contribute a portion of their required funding. The remaining funds from each agency would be on a 5-year payback plan to STA. A portion of these reimbursements would be needed to fund the second of the identified projects. The remaining funds (approximately \$7 million) would be set-a-side for a later project phase yet to be determined that could be ready for construction in 2020 after the agency payback has been completed.
- The agencies have agreed to defer the formal landscaping for those segments adjacent to future development as it is anticipated that the developments will seek a higher level of landscaping than what was planned for the Jepson Parkway. Each agency will implement this landscaping as development occurs and will receive a credit for the approved base level; with the enhanced portion of the costs being 100% borne by the agency.

The focus of this staff report is the Funding Agreements between the STA, the City of Fairfield, Solano County and the City of Vacaville.

Discussion:

The STA, the City of Fairfield, Solano County and the City of Vacaville have reached a tentative agreement on the terms of the two funding agreements. First a two way agreement between the STA and the City of Fairfield which will consist of the following:

- Initial costs anticipated to deliver project Segments 5 (portion), 6 and 7 (portion).
- Proposed initial funding responsibilities of each agency.
- Fairfield’s anticipated payback amount and schedule tied to their Traffic Impact Fees collected from development, currently projected at \$787,000/year for 5-years starting in Fiscal Year (FY) 2015-16.
- Fairfield will be the lead implementing agency for this entire project.
- Design services will be contracted out by Fairfield with assistance from STA.
- STA will be responsible for overall design oversight and R/W appraisals to ensure consistent values are placed on dedicated and acquired parcels.
- Project costs will be adjusted and agreed to by each agency at key milestones throughout the delivery phases.
- Design services cost reimbursement procedures.
- A Dispute Resolution Process.
- The delivery schedule.

The STA, Solano County and the City of Vacaville have reached a tentative agreement on the terms of the second funding agreement. This funding agreement will replace the one previously executed in July 2011 by the STA and the City of Vacaville. This funding agreement will consist of the following:

- Initial costs anticipated to deliver project Segment 7 (portion) thru 11 (the design will also cover segments 12 and 13 in case the bidding continues to be favorable).
- Proposed initial funding responsibilities of each agency.
- Solano County’s lump sum contribution amount of \$1.793 million.

- Any over runs for the Solano County section will be borne by regional funds.
- Anticipated payback amount and schedule tied to Vacaville's Traffic Impact Fees collected from development, currently projected at \$596,800/year for 5-years starting in FY 2015-16.
- This local payback amount will be paid to the STA to provide for local project delivery services.
- The \$8.3 million of 2012 STIP funds will be for construction of Segments 12, 13 and 14 as needed pending the final engineer's estimate and the terminus of the Phase 2 project (yet to be determined) based upon project bids received.
- The \$8.3 million STIP funds will require a local 50% match that may require a 5-year payback. This payback will not begin until the previously defined payback is completed.
- The roadway design elements will be handled by in-house City staff, the other design services that Vacaville does not have internal expertise will be contracted out.
- STA will be responsible for overall design oversight and R/W appraisals to ensure consistent values are placed on dedicated and acquired parcels.
- Project costs will be adjusted and agreed to by each agency at key milestones throughout the delivery phases.
- Design services cost reimbursement procedures.
- A Dispute Resolution Process.
- The delivery schedule.

Through the negotiations of the Funding Agreements, the respective staffs of the Cities and County have discussed the impacts to the County for the ongoing cost of the maintenance of that portion of Jepson Parkway in the unincorporated area of the County in order to avoid the difficulties inherent in maintaining and patrolling such a discontinuous portion of a County road. Given that the maintenance of the County segment would eventually become the responsibility of the City of Fairfield upon annexation of that area as part of the Fairfield Train Station Specific Plan, the City of Fairfield, City of Vacaville and the County of Solano have been negotiating a Memorandum of Understanding ("MOU") that would address the maintenance responsibility as part of future annexations. Staff is recommending that execution of the Funding Agreements be authorized subject to the execution of the MOU.

Subject to approval of these two agreements by the STA Board and three other agencies, the schedule for Jepson Parkway implementation would be as follows:

- Design has been initiated for the Vacaville project based on their previously approved funding agreement; as soon as the STA/Fairfield funding agreement is executed, the consultant selection for design services should begin.
- Design is scheduled to be completed in the spring 2013 (design funds are approved and must be utilized by June 30, 2013).
- R/W Funds Authorization request will be submitted in spring 2012 and should be available for expenditure once funding is approved through FHWA; funds must be utilized within two years of allocation.
- STA to issue an RFP for R/W Services and Engineering Support in spring 2012, once the authorization has been approved.
- R/W appraisals and acquisitions should begin in September 2012 and be completed by Spring 2013 (condemnation may extend this date).
- Construction funding is programmed in FY 2014-15, thus construction could commence in late Summer 2014.
- Construction for new 2012 STIP funded project will commence in FY 2015-16.

STA staff has discussed this approach for delivery of the first three phases of Jepson Parkway with staff from the City of Fairfield, Solano County and the City of Vacaville and they have concurred with this approach.

Fiscal Impact:

The regional funds that would be committed to as part of a Funding Agreement are already dedicated to this Project. The new \$8.3 million of 2012 STIP funds are expected to be added to the STIP by the CTC in mid 2012.

Recommendation:

Once the Memorandum of Understanding between the City of Fairfield, the City of Vacaville and the County of Solano for the Maintenance of a portion of the Jepson Parkway Project is executed, authorize the Executive Director to:

1. Make minor changes and execute the Jepson Parkway Funding Agreement between the STA and the City of Fairfield; and
2. Make minor changes and execute the Jepson Parkway Funding Agreement between the STA, Solano County and the City of Vacaville.