



CITY OF MENIFEE

SUBJECT: Agreement Amendment with Western Riverside Council of Governments for the Holland Road/I-215 Overcrossing Project

MEETING DATE: November 15, 2023

TO: Mayor and City Council

PREPARED BY: Carlos Geronimo, Engineering Manager

REVIEWED BY: Nick Fidler, Public Works Director

APPROVED BY: Rebekah Kramer, Acting City Manager

RECOMMENDED ACTION

1. Approve and authorize the City Manager to execute Amendment No. 3 to the Transportation Uniform Mitigation Fee Program Reimbursement Agreement with Western Regional Council of Governments; and
2. Adopt a budget amendment resolution appropriating \$1,000,000 to Fund 310 in expenditures and corresponding revenues; and
3. Adopt a budget amendment resolution appropriating fund balance in the amount of \$500,000 from Fund 415 to respective project accounts.

DISCUSSION

The Holland Road / I-215 Overcrossing, Capital Improvement Program (CIP) Project No. CIP 13-03 ("Project") is a four-lane bridge over I-215 from Haun Road to Hanover Lane providing a connection to the City's east and west sides. Construction of the Project requires installation of mechanically stabilized earth retaining walls on the east side, improvements to drainage, irrigation, landscaping, and the installation of traffic signals on Holland Road at Haun Road and Hanover Lane.

The Project is currently in active construction. As the Project has progressed, several unforeseen costs have been incurred, resulting in the need for additional Project funding. On March 30, 2020, the Western Riverside Council of Government's (WRCOG) Transportation Uniform Mitigation Fee (TUMF) Program allocated \$6,455,000 toward the Project's construction phase costs. Due to a

surplus of TUMF funds and the original Project allocation covering only the construction of the overcrossing, the City and WRCOG entered into Amendment No. 1 in November 2021 increasing the TUMF allocation to \$8,255,000 for construction related to the Project's roadway improvements from Haun Road to Hanover Lane. Following a competitive bidding process for the construction contract, the lowest responsive bid received exceeded the Engineer's estimate and the TUMF allocation was increased through Amendment No. 2 in October 2022 to a total of \$10,255,000.

As the Project has progressed, costs have exceeded prior estimates due primarily to the number of unmarked utilities discovered during excavation causing a four month Project delay, resulting in additional time and effort to perform further utility coordination and required relocation work. Additional costs include higher than anticipated environmental mitigation credit costs and cultural monitoring rates, increases in materials and quantities, and required plan revisions. As a result of these unanticipated costs, earlier this year City staff requested that WRCOG increase TUMF funding by an additional \$1,000,000 to further support the construction phase of the Project. At the request of the City, the WRCOG Transportation Improvement Program (TIP) was amended to increase the total TUMF contribution towards the Project to \$11,255,000 for Fiscal Year (FY) 2023/2024. The revised TIP was approved by the WRCOG Executive Committee in August 2023. The additional allocated funds are now available for request and reimbursement. The additional TUMF funds would be applied to any unanticipated costs throughout the Project's construction.

The proposed TUMF Reimbursement Agreement ("Agreement") outlines funding requirements, conditions, provisions, and provides a summary of designated reimbursable amounts per phase, which are reflected in Table 1 below.

Table 1: Project Funding By Phase

Phase	TUMF	Local	Total
PA&ED	-	\$800,000	\$800,000
PS&E	-	\$1,538,190	\$1,538,190
R/W	-	\$3,110,000	\$3,110,000
Construction	\$11,255,000	\$15,517,421	\$26,772,421
TOTAL	\$11,255,000	\$20,965,611	\$32,220,611

City Council action is required for approval of proposed Amendment No. 3 with WRCOG as its acceptance would result in budgetary appropriation increases in both expenditures and revenues for the Project.

The Project budgets must also be increased to offset expenditures incurred due to the higher costs of mitigation credits required to be purchased by the City to satisfy environmental commitments, Project payments required for Multiple Species Habitat Conservation Plan fees, and additional unanticipated construction costs experienced. Funding to offset the additional budget need is available in the existing fund balance from the Menifee Valley Road and Bridge Benefit District (RBBBD) Fund 415 in the amount of \$500,000, as identified in Table 2 on the

following page. City Council action is required for approval of the two proposed Budget Amendment Resolutions (BARs) as they will result in budgetary appropriation increases in FY 2023/2024.

STRATEGIC PLAN OBJECTIVE

Connectivity and Mobility

FISCAL IMPACT

Approval of the TUMF Reimbursement Agreement would offset a total of \$11,255,000 of the associated construction costs through reimbursements, after an amendment increase of \$1,000,000. Attached is a BAR appropriating \$1,000,000 in corresponding revenues to account 310-3355 and expenditures to account 310-4555-58021.

Funding to support the remaining construction cost in the amount of \$500,000 has been identified in Menifee Valley RBBF Fund 415, as summarized in Table 2 below:

Table 2 – Identified Project Funding

Fund	Account Number		Available Budget	Amount Requested
	From	To		
415	Fund Balance	415-4555-58021	\$2,297,624	\$500,000
			Total	\$500,000

ATTACHMENTS

1. Project Location Map
2. Amendment No. 3 with WRCOG
3. Amendment No. 2 with WRCOG
4. Amendment No. 1 with WRCOG
5. BAR – Fund 310
6. BAR – Fund 415