

## STAFF REPORT

**SUBJECT:** Milpas to Hot Spring Operational Improvements: Measure D Expenditure Plan Amendment

**MEETING DATE:** April 15, 2010

**AGENDA ITEM:** 6G

**STAFF CONTACT:** Fred Luna

**RECOMMENDATION:**

Approve an amendment to the Measure D Expenditure Plan to increase the authorization for expenditures by \$967,000 for right of way capital and utility relocations pursuant to cooperative agreement 05-CA-0166 with Caltrans (requires 2/3 majority vote)

**SUMMARY:**

Under a cooperative agreement with Caltrans, SBCAG is responsible for funding all right of way costs on the Highway 101 Milpas-Cabrillo\Hot Springs project. In July 2006, during the design phase of the project, these costs were projected to be \$10.277 million. The board approved an allocation of Measure D regional program funding in that amount at that time. Negotiated settlements of utility relocations and real property costs have been higher than projected and currently less than \$100,000 of the original allocation remains unexpended. Staff is recommending that the board approve an expenditure plan amendment increasing the allocation by \$967,000 from the Measure D regional program to meet our cooperative agreement obligations. Sufficient funding remains in the regional program to cover the expenses. The March 2010 report to the board on the projected positive ending balance of the regional program took into account this allocation as an anticipated expenditure.

**DISCUSSION:**

A tremendous amount of progress has been made toward completion of the Highway 101 Milpas-Cabrillo Hot Springs project since construction began 20 months ago. The Montecito Roundabout is complete as well as many sound walls and much of the paving for the added lanes on Highway 101. The new southbound off-ramp at Milpas Street was recently opened.

As this work progresses, SBCAG and Caltrans continue to coordinate on right of way activities that the two agencies have a shared responsibility for under a cooperative agreement signed in 2004. That agreement makes SBCAG responsible for funding all right of way capital costs, including utility relocation, undergrounding of utilities, permits, relocation assistance, and condemnation. In July 2006, the SBCAG board approved an expenditure plan amendment to allocate \$10.277 million in Measure D regional program funding to cover the projected cost of these activities. Over the last year, it has become apparent due to negotiated settlements with utility companies over relocation of their facilities that right of way expenditures are going to exceed the amount allocated by the SBCAG board. Currently, less than \$100,000 remains of

the \$10.277 million allocated. Staff, in consultation with Caltrans, estimates that an additional \$967,000 will be required above the current allocation to meet all right of way commitments. Staff is recommending that the board approve a Measure D expenditure plan amendment to increase the allocation of funding by \$967,000. Approval requires 9 affirmative votes. Sufficient revenues exist in the Measure D regional program to cover this expenditure.

Table 1 shows current expenditures by category and projected costs. The revised total for right of way would be increased to \$11.244 million. Since last reporting to the SBCAG board, increases in acquisition costs have occurred related to properties along the new sound walls from Salinas Street to Milpas Street and in the vicinity of the new southbound off-ramp at Milpas Street. A total of \$8.6 million has been spent to date in real property costs including property acquisitions, easements, temporary construction easements, and associated engineering and legal costs, with a projected \$94,000 remaining to be spent. The number of utilities required for relocation on this project has been significant. Affected utilities range from electrical transmission and distribution lines, gas lines, cable, phone and fiber optics lines in addition to local municipal utilities. Caltrans has coordinated all the utility relocations except for those related to the Montecito Roundabout which were coordinated by SBCAG’s design team. A total of 16 separate utility agreements with various private utility companies, specifically Southern California Edison, Verizon and The Gas Company, were negotiated by Caltrans at a cost of nearly \$1.0 million. Another \$428,000 in utility relocations was negotiated between Caltrans and the City of Santa Barbara to relocate sanitary sewer and water lines near the Cacique Street undercrossing. When adding the cost for the other utility work near the Montecito roundabout, utility potholing and other costs, the total for project related utility relocations is estimated at \$1.64 million. Since many of these agreements were negotiated during the design phase of the project, the costs have increased considerably from what was previously anticipated now that design is done and construction is underway. SBCAG has expended \$715,000 for utilities to date, but the project team is projecting that an additional \$935,000 will be needed to complete the project.

**Table 1  
Expenditure Plan Increase  
(Millions of \$)**

Category	Expenditures		
	Current	Projected	Remaining
Right of Way Acquisition (Real Property)	\$8.606	\$8.700	\$0.094
Utility Relocation	\$0.715	\$1.640	\$0.935
Relocation Assistance	\$0.498	\$0.504	\$0.006
Clearance and Demolition, Permits, Miscellaneous	\$0.108	\$0.135	\$0.027
Condemnation / Title and Escrow	\$0.255	\$0.255	\$0.000
Total	\$10.182	\$11.244	\$1.062
Total Allocated		\$10.277	
Exp Plan Amendment Request		\$0.967	

It is anticipated that by the end of calendar year 2010, with the completion of the Cacique Street undercrossing, that all utility relocation work will be completed. That, along with the settlement of on-going litigation related to one property, will bring to a close SBCAG's expenditures on right of way for the project. Subsequently, staff will bring a report to the SBCAG board on the close out of the Measure D commitment to this project.

**RECOMMENATION:**

It is recommended that the board approve an additional allocation of \$967,000 in Measure D regional funding to complete right of way funding obligations on the Highway Milpas-Cabrillo\Hot Springs project.

**COMMITTEE REVIEW:**

This allocation was included as an anticipated expenditure in the Measure D fund balance report sent to TTAC and the board in March.