



# County of Monterey

Board of Supervisors  
Chambers  
168 W. Alisal St., 1st Floor  
Salinas, CA 93901

## Board Report

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**File #:** 12-318, **Version:** 1

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Approve and authorize the Chair to sign a Funding Agreement between the County of Monterey and the Successor Agency to the Redevelopment Agency of the County of Monterey in the amount of \$325,695 to provide funding for the close-out of the Hyland Drive/El Rancho Way Street Improvement Project in the community of Boronda.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

Approve and authorize the Chair to sign a Funding Agreement between the County of Monterey and the Successor Agency to the Redevelopment Agency of the County of Monterey in the amount of \$325,695 to provide funding for the close-out of the Hyland Drive/El Rancho Way Street Improvement Project in the community of Boronda.

SUMMARY:

The Hyland Drive/El Rancho Way Street Improvement Project consists of a half mile of curb, gutter, sidewalk, paving, and storm drains on Hyland Drive and El Rancho Way, residential streets serving over 75 homes in the Boronda Redevelopment Project Area. It took the construction contractor longer to complete the project than originally anticipated, primarily due to unanticipated work required to match the existing front yard and driveway improvements in the project neighborhood and to coordinate with fronting property owners. It was therefore necessary for the construction contractor, construction management consultant, and design engineering consultant to continue to provide the needed services to complete the project, and to increase payments to these vendors for that work. The construction project was completed April 5, 2012, and on May 1, 2012 the Board of Supervisors approved the Notice of Completion.

Originally funded with an agreement between the County and the former redevelopment agency, the Dissolution Act does not allow the Successor Agency to provide necessary and contemplated funding to pay for the completed construction without a new agreement with the County of Monterey. On April 26, 2012 the Successor Agency Oversight Board approved a request for the Successor Agency to enter into a new funding agreement with the County to provide the funding required for project closeout.

DISCUSSION:

The Redevelopment Agency of the County of Monterey, in collaboration with the Boronda Redevelopment Citizen's Advisory Committee, worked to bring the third phase of the community storm drain and street improvement master plan from concept to fruition over the past six years. The project was funded with Redevelopment Tax Increment through Funding Agreement No. 10489 dated June 20, 2006 between the County and the Redevelopment Agency (RDA). Based on this agreement, both the County and former RDA entered into a series of contracts with private parties for the construction of the project. Construction was nearing completion when the Dissolution Act was validated. Construction of the project was completed on April 5, 2012.

The total project cost, including engineering design, utility relocation, easement acquisition, permitting, construction contracting, and construction management, was originally budgeted in 2006 at \$3,190,127. The projected actual total cost of project completion is \$2,856,993, *ten percent below the approved project budget.*

To date \$2,414,745 has been expended, with \$442,248 in costs remaining to be paid. These costs consist of the contractor's final earnings from January 2012 through completion, release of the contractor's retention at the close of the 35-day mechanics lien period, remaining consulting costs for construction management and construction staking, payment to PG&E for power pole relocation and installation of the new streetlight, and final RDA and Public Works staff administration costs.

The sum of \$116,553 of the additional costs are part of the enforceable obligations transferred to the Successor Agency by the Dissolution Act and included on the current Recognized Obligation Schedule (ROPS), and can therefore be paid without further action. Other outstanding costs, totaling \$325,695, relate to certain consultant agreements and contract costs incurred by the County in reliance on the 2006 agreement with the former RDA and therefore need a new agreement between the Successor Agency and the County in order to be paid. These costs are within the projected final project budget of \$2,856,993, but cannot be paid unless there is a new funding agreement between the County and the Successor Agency.

The outstanding costs to be funded through the new Successor Agency/County agreement are:

|   |                  |
|---|------------------|
| Monterey Peninsula Engineering, Inc. construction contract            | \$138,579        |
| MNS Engineers, Inc. - construction management & inspection            | \$165,092        |
| Whitson Engineers - construction staking & design during construction | <u>\$ 22,024</u> |
| <b>TOTAL:</b>   | <b>\$325,695</b> |

As stated above, all of these costs are already well within the scope of the budgeted amount for the Project.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed the Funding Agreement as to form. The Successor Agency Oversight Board approved a request for the County to enter into a new funding agreement with the Successor Agency to provide the funding required for project closeout.

FINANCING:

The project was funded entirely with Redevelopment Agency tax increment funds. The revenue and related expenditure transactions for this project are reflected in the budget of the Boronda Redevelopment Successor Agency (Fund 172, Budget Unit 8209). There has been no impact on the General Fund.

Prepared by:

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Nick Nichols, 755-5386  
Civil engineer

Approved by:

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Jim Cook, 755-5390  
Director of Economic Development

Attachments:  
Funding Agreement